



# Comprehensive Annual Financial Report

For Fiscal Year Ended September 30, 2017

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

For the Fiscal Year Ended September 30, 2017

As Prepared By The  
Finance Department



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Comprehensive Annual Financial Report  
For the Fiscal Year Ended September 30, 2017  
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## **Introductory Section**







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

March 16, 2018

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, 2017. 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. Because the cost internal controls should not outweigh their benefits, the Town's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance, that the financial statements will be free from material misstatement. 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, 2017 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

The Town also has one blended component unit, for which the Town appoints the majority of the board and approves all projects and financing plans. The component unit is a special revenue fund in the Town's financial statements. The Town's blended component unit is:

- Tax Increment Reinvestment Zone (TIRZ)

### **The Report**

The CAFR is presented in three sections: introductory, financial, and statistical. The Introductory Section includes this transmittal letter, the Town's organizational chart, a list of principal officials and staff, and the Government Finance Officers Association of the United States and Canada's (GFOA) Certificate of Achievement for Excellence in Financial Reporting.

The Financial Section is prepared in accordance with Generally Accepted Accounting Principles (GAAP). This section of the CAFR includes the Management's Discussion and Analysis (MD&A) which can be found immediately following the independent auditor report, the basic financial statements and combining and individual fund statements and schedules. This section also includes the required supplementary information.

GAAP requires management to provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The basic financial statements include the government-wide financial statements that present an overview of the Town's entire operations, while the fund level statement present the financial information of each of the Town's major funds as well as non-major funds.

This CAFR concludes with the Statistical Section, which includes financial and demographic information, usually presented on a multi-year basis to give users a perspective of the Town's performance over a number of years.

### **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 9,000. 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. In fiscal year 2007 sales taxes represented 7.4% of the General Fund budget. In fiscal year 2017 that had increased to 18.4%. In fiscal year 2017 the Villages were acquired by Lincoln Properties. They have renamed the development Fairview Town Center (Center). The company indicated that an additional \$50 million would be invested back into the Center including new signage, and additional and improved access into the 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 owned the land and the building and Noah's operated the facility. The Town issued debt in 2012 in the form of Certificates of Obligation to construct the facility. The Town received an annual revenue stream from operation of the facility which was used to fund the debt service on the CO's. In December 2016, the Town sold the property to the operator for approximately 2.7 million dollars and paid off the outstanding debt in the amount of approximately 2.6 million dollars. This lowered the annual debt service funded by the Town, reduced the amount of outstanding debt, and added over \$2.8 million to the tax roll.

Property tax revenues have also seen significant increases both in the commercial area with the construction of two hotels in the Center and the completion of the Sorrell Fairview apartments, along with a continued growth in the residential property tax base. The tax base in fiscal year 2017 grew by 10.4%. The average market value for a home in Fairview in 2017 was \$493,043.

The economy is very strong in Fairview. The Fairview unemployment rate for September 2017 was 3.0%, compared to 3.9% for Texas and 4.1% 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) #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 assigned to fund future capital or one-time expenditures. The current fund balance is estimated at over 58.7% 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

The Town Council meets in a strategic planning retreat generally every 18 – 24 months to outline the goals of the Town for the next 18-24 months. Out of the retreat an action plan is developed by staff and approved by 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 major 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. In 2016 these initiatives were again ratified by the Town Council. The initiatives outlined in that process are underway and the Town will meet in 2018 to update the strategic plan.

### 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 FY 2016 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 is currently underway with the preliminary design and right of way mapping for Fairview Parkway and Frisco Road. Completion of those efforts are anticipated in 2018. The Town is currently in the process of updating the master park and trail plan with completion planned in 2018.

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 for town functions at full build out. As a result of the completion of the plan the Town initiated the acquisition of land for the future construction of identified Town facilities.

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. In 2016 the implementation of that plan was initiated with the development of a marketing plan and other tools to further the Town's economic development program.

### 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 resurface 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. This initiative was completed in early fiscal year 2017. With several developments under construction, the Town had nearly \$200,000 of street infrastructure contributed to the Town's assets along with 27.8 acres of park land dedicated to the Town for a value of over \$1.1 million. Planning is underway for the construction of additional trails in various areas of Town.

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 Town completed the first multi-year capital improvement plan which covered a period of ten years. The plan has been implemented in fiscal year 2017 with various projects budgeted.

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 began in 2016, with completion expected in 2018.

2. Corridor improvements to US 75 including lane widening and ramp adjustments. This project began in 2014 and was completed in 2017.
3. The reconstruction of a section of east Stacy Road from Thompson Springs to Orr Road is planned with construction to start in spring of 2018.
4. Funding has been approved by TxDOT and design has now begun for the reconstruction of the overpass at US 75 and Ridgeview.
5. The Town is in the process of refining plans for public safety and public works facilities with the input and participation of a citizens planning committee, for a future resubmission to the voters.

### 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 2016 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 2017.

### 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 blue ink, appearing to read "Julie Couch", with a long horizontal 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

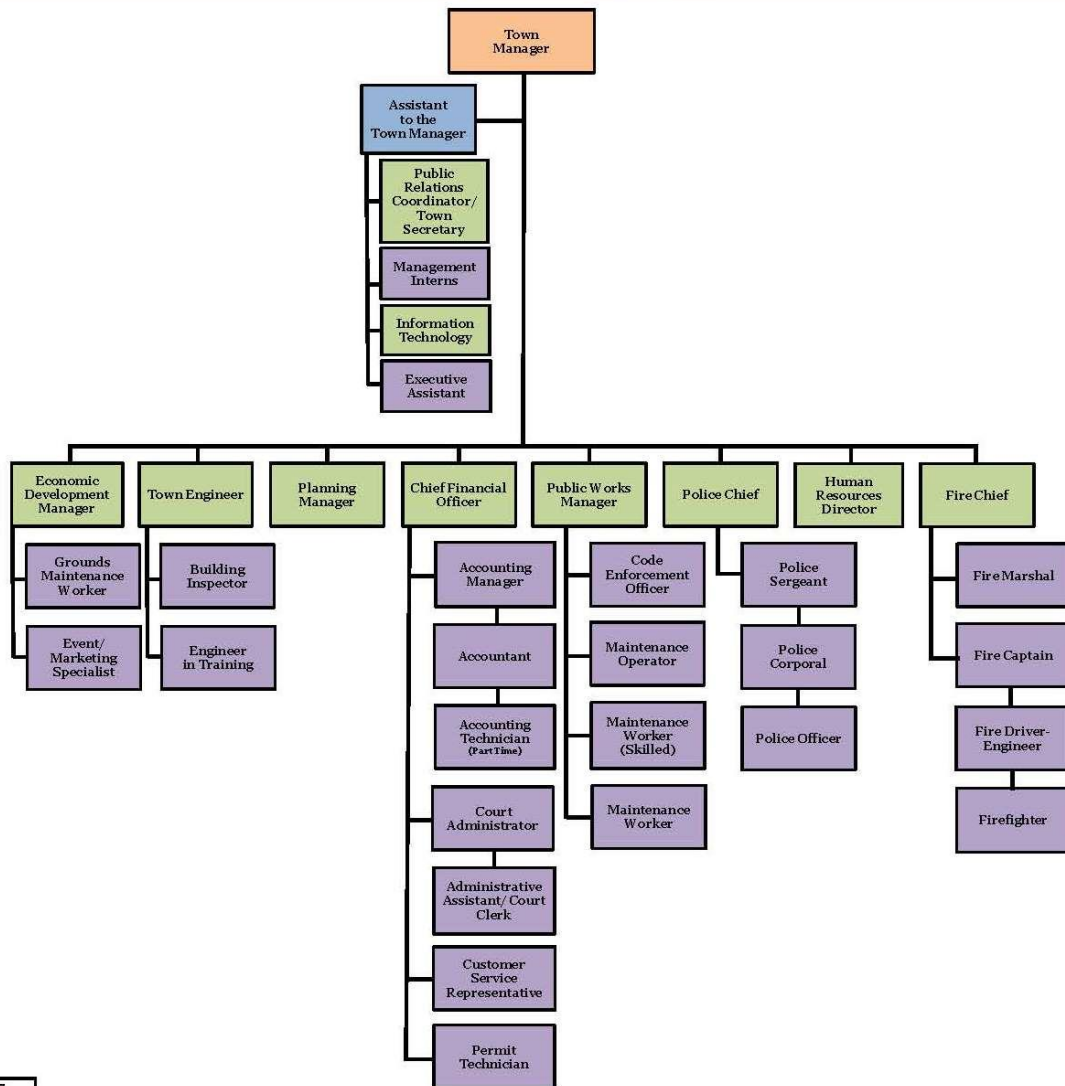
**September 30, 2016**

*Christopher P. Morill*

Executive Director/CEO



## Organizational Chart



FY 16-17

## **Town of Fairview, Texas**

Town Officials

September 30, 2017

Darion Culbertson .....Mayor  
John Adler .....Mayor Pro Tem & Seat 2  
Bill Nichol.....Councilmember - Seat 1  
Henry Lessner .....Councilmember - Seat 3  
Pam Little ..... Councilmember – Seat 4  
Paul Hendricks .....Councilmember - Seat 5  
Renee Powell .....Councilmember - Seat 6  
Julie Couch .....Town Manager  
Adam Wilbourn..... Assistant to the Town Manager  
Elizabeth Cappon .....Town Secretary  
James Chancellor .....Town Engineer  
Ray Dunlap.....Economic Development Manager  
Granver Tolliver .....Police Chief  
Jeff Bell .....Fire Chief  
Aron Holmgren..... Public Works Manager  
Roger Unger ..... Interim Chief Financial Officer  
Israel Roberts .....Planning Manager  
Judy Webster .....Human Resources Director



## **Financial Section**



## **Independent Auditor's Report**

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, 2017, 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, 2017, 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.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and Texas Municipal Retirement System pension schedules on pages 5-16, 56-57, and 58-60, 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 March 16, 2018, 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.*

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
March 16, 2018



## Management's Discussion and Analysis

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, 2017. 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 \$31,242,520. Of this amount, \$7,226,662 may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$2,419,484. The primary reason for the increase was a \$1,371,274 increase in revenue, while expenses increased \$1,166,621 during 2017.
- As of the close of the current fiscal year, the Town of Fairview's governmental funds reported combined ending fund balances of \$10,337,253, a decrease of \$1,185,609 in comparison with the prior year. In FY 2015-2016 the Town issued bonds which increased the fund balance by 5.8 million dollars. In FY 2016-2017 the Town began to fund projects utilizing the proceeds from the bond sale that occurred in the prior year thus causing a decrease in fund balance.
- The \$4,782,785 unassigned fund balance in the General Fund represents 56% of the total General Fund expenditures.
- The Town's long-term liabilities decreased by \$4,286,932 (-13.2%) during the current fiscal year. The key factor in this decrease was the refunding of the bonds issued in 2012 for the construction of Noah's meeting facility and reduction of outstanding principle due to annual bond payments.

### 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.

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 storm water 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 19-21 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 sheet 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 six 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 three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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 23-26 of this report.

**Proprietary funds.** The Town of Fairview maintains one type of proprietary fund: 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 storm water fund.



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 storm water 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 27-30 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 31-53 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 non-major 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 \$31,242,520 as of September 30, 2017. Analyzing the net position of the governmental and business-type activities separately, governmental activities' net position was \$18,564,213 while business-type activities' net position was \$12,678,307.

The largest portion of the Town's net position, \$20,587,308, or 65.9%, 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, \$3,428,550, or 11.0%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position, \$7,226,662, or 23.1%, is unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.

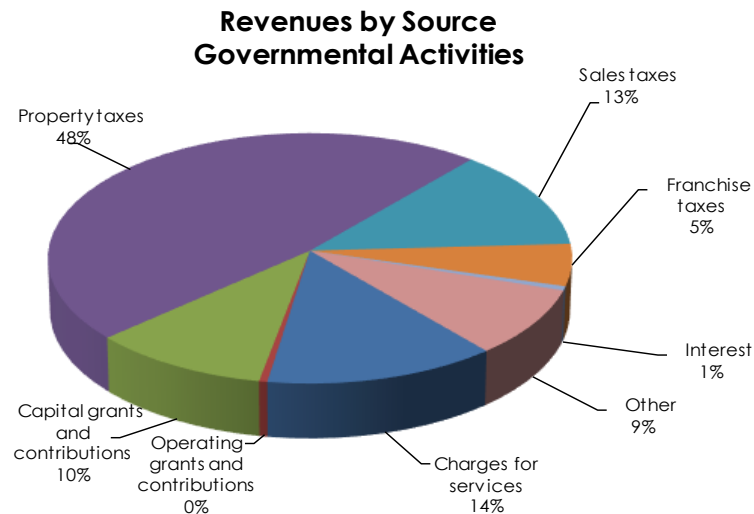
<b>Table 1</b>						
<b>Condensed Statement of Net Position</b>						
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Current and Other Assets	\$ 12,666,311	\$ 12,622,077	\$ 5,116,568	\$ 5,205,484	\$ 17,782,879	\$ 17,827,561
Capital Assets	30,251,235	30,307,537	13,678,711	13,970,421	43,929,946	44,277,958
Total Assets	42,917,546	42,929,614	18,795,279	19,175,905	61,712,825	62,105,519
Deferred Outflows	491,913	609,943	125,351	149,590	617,264	759,533
Current liabilities	2,250,602	1,100,981	601,080	473,255	2,851,682	1,574,236
Noncurrent liabilities	22,471,367	25,840,773	5,618,701	6,536,227	28,090,068	32,377,000
Total liabilities	24,721,969	26,941,754	6,219,781	7,009,482	30,941,750	33,951,236
Deferred Inflows	123,277	76,458	22,542	14,322	145,819	90,780
Net position:						
Net investment in capital assets	12,252,766	10,293,912	8,334,542	7,700,790	20,587,308	17,994,702
Restricted	3,336,481	1,121,694	92,069	181,784	3,428,550	1,303,478
Unrestricted	2,974,966	5,105,739	4,251,696	4,419,117	7,226,662	9,524,856
Total net position	\$ 18,564,213	\$ 16,521,345	\$ 12,678,307	\$ 12,301,691	\$ 31,242,520	\$ 28,823,036

The following table (Table 2) provides a summary of the Town's operations for the year ended September 30, 2017. Governmental activities increased the Town's net position by \$2,042,868 while business-type activities increased the Town's net position by \$376,616, resulting in a \$2,419,484 increase in total net position. The key elements of this increase are as shown as follows:

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

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Revenues:						
Program revenues:						
Charges for Services	\$ 1,648,142	\$ 1,860,381	\$ 6,548,752	\$ 5,986,134	\$ 8,196,894	\$ 7,846,515
Operating Grants and Contributions	58,419	55,188	-	-	58,419	55,188
Capital Grants and Contributions	1,263,670	1,786,033	109,751	-	1,373,421	1,786,033
General revenues:						
Property Taxes	5,811,226	5,297,382	-	-	5,811,226	5,297,382
Sales Taxes	1,576,889	1,626,230	-	-	1,576,889	1,626,230
Franchise Taxes	657,467	647,337	-	-	657,467	647,337
Mixed Beverage Taxes	72,578	82,453	-	-	72,578	82,453
Investment Income	65,637	31,987	3,743	1,551	69,380	33,538
Other	999,732	70,056	-	-	999,732	70,056
Total Revenues	12,153,760	11,457,047	6,662,246	5,987,685	18,816,006	17,444,732
Expenses:						
General Government	2,944,730	2,863,263	-	-	2,944,730	2,863,263
Public Safety	5,313,652	4,624,391	-	-	5,313,652	4,624,391
Public Works	913,273	660,333	-	-	913,273	660,333
Inspections	137,579	203,575	-	-	137,579	203,575
Municipal Court	188,921	173,344	-	-	188,921	173,344
Parks and Recreation	266,981	220,946	-	-	266,981	220,946
Interest on Long-Term Debt	704,572	728,090	-	-	704,572	728,090
Water Services	-	-	5,044,339	4,824,359	5,044,339	4,824,359
Stormwater Services	-	-	223,502	315,570	223,502	315,570
Solid Waste Services	-	-	658,973	616,030	658,973	616,030
Total expenses	10,469,708	9,473,942	5,926,814	5,755,959	16,396,522	15,229,901
Increase (decrease) in Net Position						
Before Transfers	1,684,052	1,983,105	735,432	231,726	2,419,484	2,214,831
Transfers	358,816	(90,822)	(358,816)	90,822	-	-
Change in Net Position	2,042,868	1,892,283	376,616	322,548	2,419,484	2,214,831
Net Position at beginning of year	16,521,345	14,629,062	12,301,691	11,979,143	28,823,036	26,608,205
Net Position, End of Year	\$ 18,564,213	\$ 16,521,345	\$ 12,678,307	\$ 12,301,691	\$ 31,242,520	\$ 28,823,036

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



Revenues for the Town's governmental activities increased by \$696,713 or 6.1%. Major components of the increase are as follows:

**Program revenues:**

- Governmental activities program revenues decreased in FY 2016-2017 by \$731,371.
- Charges for services decreased \$212,239 or 11.4% over the previous year due to the sale of Noah's and the elimination of debt payments from the operator.
  - Roadway impact fees decreased \$159,142, while engineering and development fees increased \$106,620 due to new developments being completed in 2017.
  - Permits decreased \$31,828 from the previous year due to decrease in new construction.
- Capital grants and contributions decreased \$522,363 due a decrease in new project development.

**General revenues:**

- The majority of the increase in taxes can be attributed to the 10.50% increase in net taxable property assessed valuation in fiscal year 2017 of \$1,587,642,994 compared to previous year of \$1,436,726,297.
- Due to the increase in net taxable property assessed valuations in fiscal year 2017, property taxes increased \$513,844 or 10% compared to the previous year.
- Sales tax revenue decreased by \$49,341 or 3.0% from previous year due to the loss of some business interests in the Commercial Planned Development District.
- Franchise fee revenue increased by \$10,130 or 1.6% from previous year due to an increase in the number of customers and a more normal weather pattern.

Overall, expenses for governmental activities increased by \$995,766 or 10.5%. Components of the individual expense increases and decreases are explained as follows:

**General Government:**

- General government activities expenses increased by \$81,467 or 2.8% from the previous fiscal year primarily due to capital planning expenses.
- In the administration department expenses increased by \$29,234 or 5.3% due to \$13,168 increased personnel costs related to merit increases and benefits payments. Purchased services increased by \$14,410.

- The accounting department costs increased by \$25,915 or 4.6% primarily due to increased personnel costs.
- The town secretary expenses increased \$10,240 or 10.4% primarily due to the addition of town newsletter costs.
- Planning and zoning costs increased by \$32,347 or 29.8% due to increased personnel costs.

#### Public Safety:

- Police department expenses increased for fiscal year 2017 by \$615,614 or 37.2% due to additional personnel costs, and increased capital expenditures.
  - The police department personnel costs increased by \$145,500 compared to the previous fiscal year due to fully funding two positions added mid-year in FY 2016 along with the merit salary increases, market adjustments and benefit costs implemented at the beginning of October 2016.
  - Additionally, purchased services increased by \$34,180 due increasing IT costs and contracted dispatch services throughout the fiscal year, while supply expenses increased by \$24,289 primarily due to additional police equipment purchases.
  - There were no capital additions in FY 2016 versus \$407,969 for vehicles and equipment in FY 2017.
- Fire department costs increased by \$488,562 or 19.5% compared to the previous fiscal year primarily due to increased personnel costs.
  - Personnel costs increased \$420,030 or 21.2% compared to the previous fiscal year due to partially funding two new positions added in FY 2017 along with merit salary increases, market adjustments and benefit costs implemented at the beginning of October 2016.
  - Repair and maintenance costs decreased by \$36,000 due to a decrease in building maintenance costs.
  - Capital additions increased by \$95,860 due to purchase of new digital radios, no new vehicles.

#### Public Works:

- Public works department costs increased by \$322,669 or 122% primarily due to a \$239,052 increase in material and supplies related to increased road repair and maintenance.
- The Town purchased additional vehicles in FY 2017 at a cost of \$98,001 as compared to \$22,937 for vehicles in FY 2016.

#### Inspections:

- There was a decrease of \$67,561 in Inspections as a result of a \$62,666 reduction in contract labor due to fewer dollars being expended for third party.

#### Municipal Court:

- Municipal court expenses increased by \$15,577 or 9.0% from the prior year primarily due to increased personnel costs of \$9,600 with the remainder of the increase being in mostly in purchased services.

#### Parks and Recreation:

- Parks and recreation expenses increased by \$46,035 or 20.8% over the previous fiscal year. This increase is primarily due to \$49,173 increased personnel costs related to a full year's salary for the Event Coordinator position versus only a portion of the prior year.

**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 \$674,561 or 11.3%. Major components of the individual decreases/increases are as follows:

Water and Sewer Fund:

- During fiscal year 2016, Town conducted utility rate study, which concluded that rate increases needed to be completed. The first round of rate increases were implemented on October 1, 2016 and a second round of rate increase were put into effect on October 1, 2017. As a result of the rate increase, Charges for Services increased by \$503,876 or 10.0%.
- Water Department:
  - The water department expenses increased \$219,980 or 4.6% primarily due the cost to purchase water and increased personnel costs of \$87,167 or 17.1%.
  - The Town, as a customer city, purchases water from North Texas Municipal Water District (NTMWD). Due to the increased cost of these purchases, water purchases expense increased \$213,075 or 10.3% from the previous fiscal year.
  - Capital costs decreased by \$27,161 or 28.5%
  - Repair and maintenance costs increased by \$20,773 or 27%.
- Sewer Department:
  - In addition to the Town purchasing water from NTMWD, the Town contracts with NTMWD for treatment of sewer water. The cost of treatment decreased by \$51,849 or 7.3%.
  - Both Repair and Maintenance expense and Depreciation expense increased resulting in a net increase overall in sewer expense of \$36,350 or 2.7%.

Solid Waste Fund:

- Trash and recycling collection services increased revenues in the current fiscal year by \$47,702 or 7.6% compared to the previous fiscal year.
- Trash and recycling expenses increased in fiscal year 2017 by \$49,943 or 7.0% compared to fiscal year 2016 primarily due to having additional users on the system.

Storm water Fund:

- In fiscal year 2017, revenues increased \$11,040 or 1.8% over the previous fiscal year due to limited newly completed developments, while the expenses decreased \$92,068 or 41.2% due to a decrease of \$98,278 in funds spent on consulting fees.

**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 \$10,337,253, a decrease of \$1,185,609 in comparison with the prior year. 46.3% of this total amount, or \$4,782,785, 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 - \$223,037, 2) assigned for capital \$1,951,686; restricted for: 1) for capital projects - \$2,853,460, 2) to pay debt service - \$247,290, 3) for court - \$191,844, for fire use - \$42,264, or for development (tax increment reinvestment zone) - \$44,387; nonspendable for prepaids - \$500.

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 \$4,782,785, while total fund balance was \$5,006,322. 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 56% of total general fund expenditures, while total fund balance represents 58.6% of that same amount. Fund balance in the General Fund decreased by \$7,643. The Town did see an increase of \$130,608 or 2.5% in assets. There was also an increase in liabilities of \$70,260 or 28% and an increase in deferred inflows of resources of \$67,991.

The Debt Service Fund has a total fund balance of \$247,290, all of which is restricted for the payment of debt service. The Debt Service fund balance increased by \$70,965 or 40.2%. The Debt service fund had a cash inflow from the sale of the Noah convention center of approximately \$2.7 million with a corresponding outflow of approximately \$2.6 million. The fund had an increase in tax revenue of approximately \$180,000 and a transfer to the Water Fund of \$276,934, down from \$722,692 in FY 2016. Interest expenditures increased from \$666,287 in FY 2016 to \$795,618 in FY 2017.

The General Capital Projects Fund provides information on capital projects and had an ending fund balance of \$4,805,146. The General Capital Projects Fund balance decreased by \$1,318,694 or 7.3% because of capital outlay purchases.

### **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 \$214,812, primarily due to more water consumption along with increased water and sewer rates. The net position of the solid waste fund increased by \$14,188 due to more revenues than the previous year as a result of additional users. The net position of the storm water fund increased by \$147,616 due to an increase in revenue resulting from new properties and a decrease in consulting expenses.

### **General Fund Budgetary Highlights**

During the year, revenues exceeded budget estimates by \$193,438 and expenditures less than budget by \$429,587. The budget had called for a \$622,523 decrease in fund balance. However, actual fund balance decreased by \$7,643 due to sales tax, charges for services, fines and forfeitures, interest income and miscellaneous income all exceeding budget. General government, public safety, municipal court, parks and recreation, and capital outlay expenses all came in under budget with general government expenses coming in under budget by more than \$200,000.

**Capital Assets.** The Town's investment in capital assets, for its governmental and business-type activities as of September 30, 2017, amount to \$43,929,946 (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 68.9% of the capital assets are governmental and 31.1% are business-type activities.

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

	<b>Governmental activities</b>		<b>Business-type activities</b>		<b>Total</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Land	\$ 5,861,854	\$ 5,112,183	\$ 113,384	\$ 113,384	\$ 5,975,238	\$ 5,225,567
Construction in Progress	1,366,827	884,850	77,552	-	1,444,379	884,850
Buildings	9,168,094	10,584,630	159,834	58,213	9,327,928	10,642,843
Infrastructure	11,058,036	11,086,169	-	-	11,058,036	11,086,169
Utility Plant	-	-	12,993,727	13,475,588	12,993,727	13,475,588
Machinery and Equipment	2,796,424	2,639,705	334,214	323,236	3,130,638	2,962,941
Total	\$ 30,251,235	\$ 30,307,537	\$ 13,678,711	\$ 13,970,421	\$ 43,929,946	\$ 44,277,958

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

- The Public Works department purchased a dump truck (\$76,501), a John Deere Gator (\$12,100) and a 2017 Ford F-150 pickup (\$21,500). The Police department purchased four 2017 Chevrolet Tahoe's with equipment (\$216,304), Police radars (\$11,862), Police camera system (\$24,708) and Police replacement radios (\$174,483). The Fire department purchased replacement radios (\$115,437).
- The Town purchased 2.0 acres for municipal purposes (\$749,671) at 510 S. State Hwy 5.
- The Town continues to move forward with the street and roadway rehabilitation program as well as the design of Fairview Parkway and Frisco Road in fiscal year 2017 with the addition of \$683,904 of costs associated with construction in progress with these projects.
- Parkside trail park improvements (\$15,732) and Chamberlain trail (\$209,457) were completed in fiscal year 2017, while the Town is working to complete Sloan Creek trail pedestrian bridge project (\$30,900).

Additional information on the Town's capital assets can be found in Note 5 on pages 43-44 of this report.



**Debt Administration.** At the end of the current fiscal year, the Town had total bonds outstanding of \$24,735,000. 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**

	<b>Governmental activities</b>		<b>Business-type activities</b>		<b>Total Primary Government</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b>Gross bonded debt:</b>						
General obligation	\$ 2,562,179	\$ 2,815,888	\$ 4,562,821	\$ 5,369,113	\$ 7,125,000	\$ 8,185,001
Certificates of obligation	16,976,775	20,330,414	633,225	724,585	17,610,000	21,054,999
<b>Total bonded debt</b>	<b>19,538,954</b>	<b>23,146,302</b>	<b>5,196,046</b>	<b>6,093,698</b>	<b>24,735,000</b>	<b>29,240,000</b>
<b>Other long-term debt:</b>						
Unamortized premiums	902,647	1,006,249	182,037	213,800	1,084,684	1,220,049
Net pension liability	962,683	959,794	185,408	184,900	1,148,091	1,144,694
Compensated absences	521,302	424,081	55,210	43,829	576,512	467,910
Capital lease	545,781	304,347	-	-	545,781	304,347
<b>Total other long-term debt</b>	<b>2,932,413</b>	<b>2,694,471</b>	<b>422,655</b>	<b>442,529</b>	<b>3,355,068</b>	<b>3,137,000</b>
<b>Total</b>	<b>\$ 22,471,367</b>	<b>\$ 25,840,773</b>	<b>\$ 5,618,701</b>	<b>\$ 6,536,227</b>	<b>\$ 28,090,068</b>	<b>\$ 32,377,000</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 45-48 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.

- **Infrastructure**
  - Planning for the improvement of Fairview Parkway & Frisco Road
  - Initiation of planning for utility infrastructure
  - Reconstruction of East Stacy Road
  - Resurfacing of Orr Road
  - Continued road maintenance plan
- **Community Development & Economic Development**
  - Update of retail trade area plan
  - Initiation of concept plan for CPDD
  - Evaluation of economic & community development programs
  - Continuation of marketing plan

- **Customer Focus/Citizen Communication**

- Upgrade the Town and EDC website for improved citizen communication

- **Fiscal Responsibility**

- Implementation of the 10-year capital plan with additions of equipment and infrastructure
- Implementation of TIF revenue to assist in financing capital projects

- **Public Safety**

- Expanded fire services by hiring 3 full-time Firefighters and reducing part-time & overtime staffing
- Addition of police & fire equipment to expand capabilities
- Increased police services by hiring an additional Patrol Officer to participate in the Lovejoy ISD Student Resource Officer (SRO) program

The fiscal year 2017-2018 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 \$0.231409 while the debt (interest and sinking) rate is \$0.128590.

For fiscal year 2018, the General Fund revenues are budgeted to increase by \$419,117 or 5.6% over the previous fiscal year. General revenues for property taxes are budgeted with a 10.6% increase, while sales taxes are budgeted at \$1,575,000, a \$2,900 decrease from FY 2017 actuals. Other revenues have been budgeted to increase by \$41,068 or 1.7% over the previous fiscal year. The fiscal year 2018 operating expenditures budget increased by 5.1% or \$432,134, from fiscal year 2017 actuals. Major increases in operational costs included the addition of 3 full-time positions in the Fire Department to replace several part-time positions (\$178,000) and one new person in Police (\$83,000) plus merit adjustments of approximately \$121,000. The fiscal year 2018 budget includes \$134,937 capital costs for the replacement of public safety radios, one patrol vehicle, and additional equipment for Public Works.

During fiscal year 2016, the Town conducted a water and sewer rate study. In September 2016, the Council increased water and sewer rates by increasing the volumetric rates and tiers. These rates have been budgeted to cover the budgeted expenses in fiscal year 2017. Since fiscal year 2007, wholesale water rates from North Texas Municipal Water District (NTMWD) through fiscal year 2017 will have increased by approximately 90%. Correspondingly, during the same period the Town will have raised rates by 76%. The fiscal year 2018 budget includes a 15% increase in water and sewer revenue due to growth and additional water usage related to a relaxed water conservation measures and continued growth. These increases are 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 2 new positions (\$99,346) and the addition of \$30,000 for the replacement of a Ford F-150 pickup truck and fire hydrant installation.

## **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, 2017

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Economic Development	Community Development
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 11,630,551	\$ 3,990,007	\$ 15,620,558	\$ 959,850	\$ 920,299
Restricted cash and cash equivalents	-	155,649	155,649	-	-
Receivables (Net of allowance for uncollectibles):					
Accounts receivable	-	860,670	860,670	-	-
Property taxes	146,546	-	146,546	-	-
Sales taxes	310,363	-	310,363	145,273	145,273
Franchise taxes	175,942	-	175,942	-	-
Other	410,250	102,401	512,651	-	-
Internal balances	(7,841)	7,841	-	-	-
Due from primary government	-	-	-	267	267
Prepaid	500	-	500	-	-
Nondepreciable capital assets	7,228,681	190,936	7,419,617	-	-
Depreciable capital assets, net	23,022,554	13,487,775	36,510,329	-	-
<b>TOTAL ASSETS</b>	<b>42,917,546</b>	<b>18,795,279</b>	<b>61,712,825</b>	<b>1,105,390</b>	<b>1,065,839</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred loss on refunding	22,588	33,914	56,502	-	-
Deferred outflows - pensions	469,325	91,437	560,762	-	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>491,913</b>	<b>125,351</b>	<b>617,264</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES</b>					
Accounts payable	231,976	414,115	646,091	8,074	5,487
Accrued wages payable	73,430	12,674	86,104	661	1,393
Due to component units	534	-	534	-	-
Accrued interest payable	102,717	18,642	121,359	-	-
Customer deposits	57,025	155,649	212,674	-	-
Developer escrow	435,420	-	435,420	-	-
Unearned revenue	1,349,500	-	1,349,500	-	-
Non-current liabilities:					
Due within one year	1,801,967	976,186	2,778,153	-	-
Due in more than one year	20,669,400	4,642,515	25,311,915	-	-
<b>TOTAL LIABILITIES</b>	<b>24,721,969</b>	<b>6,219,781</b>	<b>30,941,750</b>	<b>8,735</b>	<b>6,880</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows - pensions	123,277	22,542	145,819	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>123,277</b>	<b>22,542</b>	<b>145,819</b>	<b>-</b>	<b>-</b>
<b>NET POSITION</b>					
Net investment in capital assets	12,252,766	8,334,542	20,587,308	-	-
Restricted:					
Debt service	204,526	-	204,526	-	-
Capital	2,853,460	92,069	2,945,529	-	-
Court	191,844	-	191,844	-	-
Fire	42,264	-	42,264	-	-
Development	44,387	-	44,387	-	-
Unrestricted	2,974,966	4,251,696	7,226,662	1,096,655	1,058,959
<b>TOTAL NET POSITION</b>	<b>\$ 18,564,213</b>	<b>\$ 12,678,307</b>	<b>\$ 31,242,520</b>	<b>\$ 1,096,655</b>	<b>\$ 1,058,959</b>

The Notes to the Basic Financial Statements are an integral part of this statement.

# Town of Fairview Texas

## Statement of Activities

For the Fiscal Year Ended September 30, 2017

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Grants and Contributions	Grants and Contributions
<b>Primary government:</b>				
Functions/Programs:				
Governmental activities:				
General government	\$ 2,944,730	\$ 433,398	\$ 4,650	\$ -
Public safety	5,313,652	447,729	53,769	-
Public works	913,273	641,157	-	875,784
Inspections	137,579	-	-	-
Municipal court	188,921	-	-	-
Parks and recreation	266,981	48,686	-	387,886
Interest and fiscal charges	704,572	77,172	-	-
Total governmental activities	<u>10,469,708</u>	<u>1,648,142</u>	<u>58,419</u>	<u>1,263,670</u>
Business-type activities:				
Water and sewer	5,044,339	5,556,374	-	109,751
Storm water	223,502	319,217	-	-
Solid waste	658,973	673,161	-	-
Total business-type activities	<u>5,926,814</u>	<u>6,548,752</u>	<u>-</u>	<u>109,751</u>
Total primary government	<u>\$ 16,396,522</u>	<u>\$ 8,196,894</u>	<u>\$ 58,419</u>	<u>\$ 1,373,421</u>
<b>Component units:</b>				
Economic Development Corporation	\$ 798,237	\$ -	\$ -	\$ -
Community Development Corporation	740,459	-	-	-
Total component units	<u>\$ 1,538,696</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

Net position, end of year

The Notes to the Basic Financial Statements are an integral part of this statement.

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

Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Economic Development	Community Development
\$ (2,506,682)	\$ -	\$ (2,506,682)	\$ -	\$ -
(4,812,154)	-	(4,812,154)	-	-
603,668	-	603,668	-	-
(137,579)	-	(137,579)	-	-
(188,921)	-	(188,921)	-	-
169,591	-	169,591	-	-
(627,400)	-	(627,400)	-	-
(7,499,477)	-	(7,499,477)	-	-
-	621,786	621,786	-	-
-	95,715	95,715	-	-
-	14,188	14,188	-	-
-	731,689	731,689	-	-
\$ (7,499,477)	\$ 731,689	\$ (6,767,788)	\$ -	\$ -
\$ -	\$ -	\$ -	\$ (798,237)	\$ -
-	-	-	-	(740,459)
\$ -	\$ -	\$ -	\$ (798,237)	\$ (740,459)
\$ 5,811,226	-	5,811,226	-	-
1,576,889	-	1,576,889	788,445	788,445
657,467	-	657,467	-	-
72,578	-	72,578	-	-
65,637	3,743	69,380	6,522	6,109
999,732	-	999,732	-	-
358,816	(358,816)	-	-	-
9,542,345	(355,073)	9,187,272	794,967	794,554
2,042,868	376,616	2,419,484	(3,270)	54,095
16,521,345	12,301,691	28,823,036	1,099,925	1,004,864
\$ 18,564,213	\$ 12,678,307	\$ 31,242,520	\$ 1,096,655	\$ 1,058,959





# Town of Fairview, Texas

## Balance Sheet

### Governmental Funds

September 30, 2017

	General Fund	Debt Service	Capital Projects	Non-major Governmental Funds	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 4,468,038	\$ 247,532	\$ 6,638,885	\$ 276,096	\$ 11,630,551
Receivables, net of allowance					
Property taxes	86,593	59,953	-	-	146,546
Sales taxes	310,363	-	-	-	310,363
Franchise taxes	175,942	-	-	-	175,942
Other	407,670	-	-	2,580	410,250
Prepaid items	500	-	-	-	500
Total assets	<u>\$ 5,449,106</u>	<u>\$ 307,485</u>	<u>\$ 6,638,885</u>	<u>\$ 278,676</u>	<u>\$ 12,674,152</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 182,734	\$ 242	\$ 48,819	\$ 181	\$ 231,976
Accrued wages payable	73,430	-	-	-	73,430
Due to other funds	7,841	-	-	-	7,841
Due to component units	534	-	-	-	534
Customer deposits	57,025	-	-	-	57,025
Developer escrow	-	-	435,420	-	435,420
Unearned revenue	-	-	1,349,500	-	1,349,500
Total liabilities	<u>321,564</u>	<u>242</u>	<u>1,833,739</u>	<u>181</u>	<u>2,155,726</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenues - property taxes	121,220	59,953	-	-	181,173
Total deferred inflows of resources	<u>121,220</u>	<u>59,953</u>	<u>-</u>	<u>-</u>	<u>181,173</u>
<b>FUND BALANCES</b>					
Nonspendable:					
Prepaid items	500	-	-	-	500
Restricted:					
Court	-	-	-	191,844	191,844
Fire	-	-	-	42,264	42,264
Development	-	-	-	44,387	44,387
Debt service	-	247,290	-	-	247,290
Capital	-	-	2,853,460	-	2,853,460
Assigned:					
Capital	-	-	1,951,686	-	1,951,686
Technology	223,037	-	-	-	223,037
Unassigned	4,782,785	-	-	-	4,782,785
Total fund balances	<u>5,006,322</u>	<u>247,290</u>	<u>4,805,146</u>	<u>278,495</u>	<u>10,337,253</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,449,106</u>	<u>\$ 307,485</u>	<u>\$ 6,638,885</u>	<u>\$ 278,676</u>	<u>\$ 12,674,152</u>

The 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, 2017

Total governmental fund balances	\$ 10,337,253
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.	30,251,235
Accrued interest on governmental activities debt is not reported in the governmental funds financial statements until paid.	(102,717)
Revenues earned but not available within sixty days of fiscal year-end are not recognized as revenue in the governmental funds financial statements.	181,173
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.	22,588
Deferred outflows of resources (\$469,325) and deferred inflows of resources (\$123,277) related to the Town's net pension liability result in an increase in net position in the government-wide financial statements. This is the net amount of the deferred outflows and inflows.	346,048
Premium on bond issuance for governmental activities debt is recorded as a liability and amortized over the life of the debt in the government-wide financial statements.	(902,647)
Compensated absences are not due and payable in the current period and, therefore, are not reported in the governmental funds financial statements.	(521,302)
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.	(21,047,418)
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 18,564,213</b>

The 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 Fiscal Year Ended September 30, 2017

	General Fund	Debt Service	Capital Projects	Non-major Governmental Funds	Total
<b>Revenues:</b>					
Taxes:					
Property	\$ 3,576,517	\$ 2,101,582	\$ -	\$ 44,387	\$ 5,722,486
Sales	1,576,889	-	-	-	1,576,889
Franchise	657,467	-	-	-	657,467
Mixed beverage	72,578	-	-	-	72,578
Charges for services	426,803	55,123	-	-	481,926
Permits	401,768	-	-	-	401,768
Fines and forfeitures	426,905	-	-	20,832	447,737
Intergovernmental	22,050	-	-	-	22,050
Interest income	40,312	-	25,325	-	65,637
Miscellaneous revenues	307,002	-	20,028	36,361	363,391
Street impact fees	-	-	219,821	-	219,821
Park fees	-	-	387,886	-	387,886
Total revenues	7,508,291	2,156,705	653,060	101,580	10,419,636
<b>Expenditures:</b>					
Current:					
General government	2,185,387	-	-	-	2,185,387
Public safety	4,745,750	-	-	28,256	4,774,006
Public works	477,630	-	307,319	-	784,949
Inspections	134,211	-	-	-	134,211
Municipal court	183,047	-	-	1,961	185,008
Parks and recreation	176,284	-	-	-	176,284
Debt service:					
Principal retirement	-	3,682,101	-	-	3,682,101
Interest and fiscal charges	-	797,192	-	-	797,192
Capital outlay	633,508	-	1,689,667	-	2,323,175
Total expenditures	8,535,817	4,479,293	1,996,986	30,217	15,042,313
Excess (deficiency) of revenues over (under) expenditures	(1,027,526)	(2,322,588)	(1,343,926)	71,363	(4,622,677)
<b>Other financing sources (uses):</b>					
Transfers in	637,350	2,670,487	-	-	3,307,837
Transfers out	-	(276,934)	(2,670,487)	(1,600)	(2,949,021)
Proceeds from sale of assets	66,345	-	2,695,719	-	2,762,064
Proceeds from capital lease	316,188	-	-	-	316,188
Total other financing sources (uses)	1,019,883	2,393,553	25,232	(1,600)	3,437,068
Net change in fund balances	(7,643)	70,965	(1,318,694)	69,763	(1,185,609)
<b>Fund balance at beginning of year</b>	5,013,965	176,325	6,123,840	208,732	11,522,862
<b>Fund balance, end of year</b>	\$ 5,006,322	\$ 247,290	\$ 4,805,146	\$ 278,495	\$ 10,337,253

The 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 Fund Balance to Statement of Activities For the Fiscal Year Ended September 30, 2017

Net change in fund balances - total governmental funds	\$ (1,185,609)
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.	88,740
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of those assets is capitalized.	2,323,175
Governmental funds do not recognize assets contributed by developers. However, in the statement of activities the fair market value of those assets are recognized as revenue, then allocated over their estimated useful lives and reported as depreciation expense.	855,585
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.	(1,262,626)
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.	(2,464)
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, amortization of prior deferred pension inflows and outflows, and contributions made after the measurement date.	(165,273)
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.	3,682,101
Proceeds from the sale of capital assets are other financing sources in the fund financial statements, but are shown as a gain or loss in the government-wide financial statements. This amount represents the related reduction in capital assets.	(1,972,436)
Capital lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.	(316,188)
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 amortization of premiums.	103,602
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.	(97,221)
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.	(8,518)
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 2,042,868</b>

The 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, 2017

	Business-type Activities			
	Enterprise funds			
	Water and Sewer	Solid Waste	Storm Water	Total
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 3,004,800	\$ 21,368	\$ 963,839	\$ 3,990,007
Restricted cash and cash equivalents	155,649	-	-	155,649
Receivables (net of allowance for uncollectibles)	846,135	81,412	35,524	963,071
Due from other funds	6,755	-	1,086	7,841
Total current assets	4,013,339	102,780	1,000,449	5,116,568
Noncurrent assets:				
Nondepreciable capital assets	190,936	-	-	190,936
Depreciable capital assets, net	13,372,981	-	114,794	13,487,775
Total noncurrent assets	13,563,917	-	114,794	13,678,711
Total assets	17,577,256	102,780	1,115,243	18,795,279
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred loss on refunding	33,914	-	-	33,914
Deferred outflows - pensions	71,575	-	19,862	91,437
Total deferred outflows of resources	105,489	-	19,862	125,351
Total assets and deferred outflows of resources	\$ 17,682,745	\$ 102,780	\$ 1,135,105	\$ 18,920,630
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>				
Current liabilities:				
Accounts payable	\$ 331,413	\$ 52,935	\$ 29,767	\$ 414,115
Accrued wages payable	10,464	-	2,210	12,674
Compensated absences - current portion	47,074	-	8,136	55,210
Accrued interest payable	18,642	-	-	18,642
Customer deposits	155,649	-	-	155,649
Current portion of long-term debt	920,976	-	-	920,976
Total current liabilities	1,484,218	52,935	40,113	1,577,266
Non-current liabilities:				
Net pension liability	144,912	-	40,496	185,408
Long-term debt	4,457,107	-	-	4,457,107
Total noncurrent liabilities	4,602,019	-	40,496	4,642,515
Total liabilities	6,086,237	52,935	80,609	6,219,781
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows - pensions	17,804	-	4,738	22,542
Total deferred inflows of resources	17,804	-	4,738	22,542
<b>Net position:</b>				
Net investment in capital assets	8,219,748	-	114,794	8,334,542
Restricted for:				
Capital projects	92,069	-	-	92,069
Unrestricted	3,266,887	49,845	934,964	4,251,696
Total net position	11,578,704	49,845	1,049,758	12,678,307
Total liabilities, deferred inflows of resources and net position	\$ 17,682,745	\$ 102,780	\$ 1,135,105	\$ 18,920,630

The 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 Fiscal Year Ended September 30, 2017

	Business-type Activities			
	Enterprise funds			
	Water and Sewer	Solid Waste	Storm Water	Total
<b>Operating revenues:</b>				
Charges for services	\$ 5,556,374	\$ 673,161	\$ 319,217	\$ 6,548,752
Total operating revenues	5,556,374	673,161	319,217	6,548,752
<b>Operating expenses:</b>				
Water purchases	2,290,552	-	-	2,290,552
Personnel services	773,624	-	175,927	949,551
Repairs and maintenance	184,314	-	38,192	222,506
Operations	1,109,711	658,973	8,680	1,777,364
Depreciation	546,554	-	703	547,257
Total operating expenses	4,904,755	658,973	223,502	5,787,230
Operating income	651,619	14,188	95,715	761,522
<b>Non-operating revenues (expenses):</b>				
Interest income	3,743	-	-	3,743
Interest expense	(135,631)	-	-	(135,631)
Bond issuance costs	(3,953)	-	-	(3,953)
Total non-operating revenue (expenses)	(135,841)	-	-	(135,841)
Income before contributions and transfers	515,778	14,188	95,715	625,681
<b>Contributions and transfers</b>				
Contributions	-	-	109,751	109,751
Transfers in	296,934	-	-	296,934
Transfers out	(597,900)	-	(57,850)	(655,750)
Total contributions and transfers	(300,966)	-	51,901	(249,065)
Change in net position	214,812	14,188	147,616	376,616
Net position at beginning of year	11,363,892	35,657	902,142	12,301,691
Net position, end of year	\$ 11,578,704	\$ 49,845	\$ 1,049,758	\$ 12,678,307

The 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 Fiscal Year Ended September 30, 2017

	<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>Cash flow from operating activities:</b>				
Receipts from customers and users	\$ 5,525,036	\$ 664,143	\$ 316,557	\$ 6,505,736
Payments to suppliers for goods and services	(3,513,341)	(654,866)	(17,499)	(4,185,706)
Payments to employees for services	(737,328)	-	(168,382)	(905,710)
Net cash provided by operating activities	1,274,367	9,277	130,676	1,414,320
<b>Cash flow from noncapital financing activities:</b>				
Transfers from other funds	296,934	-	-	296,934
Transfers to other funds	(597,900)	-	(57,850)	(655,750)
Net cash used in noncapital financing activities	(300,966)	-	(57,850)	(358,816)
<b>Cash flow from capital financing activities:</b>				
Acquisition of capital assets	(145,796)	-	-	(145,796)
Principal paid on capital debt	(897,652)	-	-	(897,652)
Interest paid on capital debt	(174,498)	-	-	(174,498)
Net cash used in capital financing activities	(1,217,946)	-	-	(1,217,946)
<b>Cash flow from investing activities:</b>				
Interest revenue	3,743	-	-	3,743
Net cash provided by investing activities	3,743	-	-	3,743
Net increase (decrease) in cash and cash equivalents	(240,802)	9,277	72,826	(158,699)
Cash and cash equivalents, beginning of year	3,401,251	12,091	891,013	4,304,355
Cash and cash equivalents, end of the year	\$ 3,160,449	\$ 21,368	\$ 963,839	\$ 4,145,656
<b>Reconciliation to statement of net position</b>				
Cash and cash equivalents	\$ 3,004,800	\$ 21,368	\$ 963,839	\$ 3,990,007
Restricted cash and cash equivalents	155,649	-	-	155,649
	\$ 3,160,449	\$ 21,368	\$ 963,839	\$ 4,145,656

The Notes to the Basic Financial Statements are an integral part of this statement.

**Town of Fairview, Texas****(Continued)**

## Statement of Cash Flows

## Proprietary Funds

For the Fiscal Year Ended September 30, 2017

	<b>Water and Sewer</b>	<b>Solid Waste</b>	<b>Storm Water</b>	<b>Total</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating income	\$ 651,619	\$ 14,188	\$ 95,715	\$ 761,522
Adjustments to reconcile operating income to Net cash provided by (used in) operating activities:				
Depreciation	546,554	-	703	547,257
Pension expense	400	-	107	507
Effects of changes in assets and liabilities:				
Decrease (increase) in receivables	(59,054)	(9,018)	(2,660)	(70,732)
Decrease (increase) in prepaids	739		210	949
Decrease (increase) in deferred outflows	19,974	-	4,265	24,239
Increase (decrease) in accounts payable	66,482	4,107	28,915	99,504
Increase (decrease) in accrued wages	3,615	-	141	3,756
Increase (decrease) in compensated absences	9,830	-	1,552	11,382
Increase (decrease) in deposits	27,716	-	-	27,716
Decrease (increase) in deferred inflows	6,492	-	1,728	8,220
Net cash provided by operating activities	<u>\$ 1,274,367</u>	<u>\$ 9,277</u>	<u>\$ 130,676</u>	<u>\$ 1,414,320</u>

The Notes to the Basic Financial Statements are an integral part of this statement.



## **Town of Fairview, Texas**

### Notes to the Basic Financial Statements

#### **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 Basic Financial Statements**

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 fiscal 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:

#### **Discretely Presented Component Units:**

- 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.

#### **Blended Component Unit:**

- Tax Increment Reinvestment Zone (TIRZ) – The TIRZ serves to facilitate development or redevelopment by financing the costs of public works, public improvements, programs, and other projects benefiting the designated zone located between U.S. 75 and SH 5.

The Town Council appoints four out of the five Board of Directors members for the TIRZ and the Town Council must approve all project and financing plans for the TIRZ. The TIRZ is considered a blended component unit and is presented as a Special Revenue Fund in the Town's financial statements.

## **Town of Fairview, Texas**

### Notes to the Basic Financial Statements

#### **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.

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, within the governmental and business-type activities columns, has been removed from these statements; however, interfund services provided and used are not eliminated in the process of consolidation.

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.

## Town of Fairview, Texas

### Notes to the Basic Financial Statements

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.

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) The **Court Fund** accounts for fines and forfeitures assessed which are restricted for court technology and security disbursements.
- b) The **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.
- c) The **Tax Increment Reinvestment Zone** accounts for property taxes on improvements in the Town's Tax Increment Reinvestment Zone Number One. These funds may only be used for capital improvements within the zone.

## **Town of Fairview, Texas**

### Notes to the Basic Financial Statements

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

#### **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 Basic Financial Statements

#### 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 acquisition 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:

Assets	Years
Buildings	40
System Infrastructure	30 - 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. "Services rendered" are primarily to allocate the overhead costs of administering the Town Administrators and Financial staff. This may include unallocated portions of salary expenses for Administrative and Financial staff as well as other costs such as facility, copiers, and office equipment costs. Transfers from impact fee funds are simply to move funds from revenue tracking funds to expense/construction funds.

#### 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 Basic Financial Statements**

Long-term obligations such as the net pension liability and the other post-employment benefits (OPEB) obligation are liquidated with expendable resources in the General Fund.

#### **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**

In addition to assets and liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows and deferred inflows of resources. 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 as deferred outflows:

**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).

Deferred inflows of resources represent the acquisition of net position/fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports certain deferred inflows related to pensions on the government-wide statement of net position and unavailable tax revenues at the fund level.

#### **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 Basic Financial Statements**

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, 2017 through March 16, 2018, the date the financial statements were issued and has noted no subsequent events required for disclosure.

#### **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 \$11,294,889 and the bank balance was \$11,915,319. The bank balance was completely covered by federal deposit insurance and collateral held by the pledging financial institution in the Town's name.



## Town of Fairview, Texas

### Notes to the Basic Financial Statements

Cash and investments as of September 30, 2017 consist of and are classified in the accompanying financial statements as follows:

Primary government:	
Cash and cash equivalents	\$ 15,620,558
Restricted cash and cash equivalents	155,649
Component units:	
Cash and cash equivalents	1,880,149
Total cash and investments	<u>\$ 17,656,356</u>
Cash on hand	\$ 1,100
Carrying amount of deposits	11,294,889
Carrying amount of investments	6,360,367
Total cash and investments	<u>\$ 17,656,356</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

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, Fair Value Measurement and Application provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs—other than quoted prices included within Level 1—that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

## Town of Fairview, Texas

### Notes to the Basic Financial Statements

The Town's investments are measured as presented in the table below. The Town's investment balances, weighted average maturity, and credit risk of such investments are as follows:

	September 30, 2017	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Weighted Average Maturity	Minimum Legal Rating	Rating as of Year End
Investments Measured at Amortized Cost:							
Investment Pools:							
TexPool	\$ 5,681,318	\$ -	\$ -	\$ -	37 days	AAAm	AAAm
LoneStar	679,049	-	-	-	21 days	AAA	AAA
Investment Pools Total	<u>\$ 6,360,367</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>			

The TexPool and Lone Star investment pools are external investment pools measured at amortized cost to report net position to compute share prices. Accordingly, the fair value of the position in these pools is the same as the value of the shares in each pool. In order to meet the criteria to be recorded at amortized cost, investment pools must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity and diversification requirements within the investment pool. The investment pools transact at a net asset value of \$1.00 per share, have weighted average maturity of 60 days or less and weighted average life of 120 days or less, investments held are highly rated by nationally recognized statistical rating organization, have no more than 5% of portfolio with one issuer (excluding US government securities), and can meet reasonably foreseeable redemptions. TexPool and Lone Star have a redemption notice period of one day and no maximum transaction amounts. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pools' liquidity.

These local government investment pools operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The Texas Local Government Investment Pool (TexPool) and Lone Star Investment Pool are 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 Texas Comptroller of Public Accounts is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company, which is authorized to operate TexPool. In addition, the TexPool Advisory Board advises on TexPool's Investment Policy. This Board is composed equally of participants in TexPool and other persons who do not have a business relationship with TexPool who are qualified to advise TexPool. The Town is a voluntary participant in TexPool. The fair value of the position in TexPool is the same as the value of TexPool shares.

Lone Star Investment Pool is administered by First Public which is a wholly-owned subsidiary of the Texas Association of School Boards (TASB). First Public is also a registered broker-dealer with the Securities and Exchange Commission. 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 Town's position in the Pool is the same as the value of the Pool shares.

## **Town of Fairview, Texas**

### **Notes to the Basic Financial Statements**

#### **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.

#### **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.

#### **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.

#### **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 fair 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, 2017 the Town deposits with financial institutions in excess of federal depository insurance limits were fully collateralized.

## Town of Fairview, Texas

### Notes to the Basic Financial Statements

#### 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 2017 levy was based was \$1,587,642,994. 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, 2017 was \$0.359999 per \$100 of assessed valuation. Current tax collections for the year ended September 30, 2017 were approximately 99% of the tax levy.

#### 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, 2017 are as follows:

Governmental Funds				
	General	Debt Service	Nonmajor Funds	Total
Property taxes	\$ 86,593	\$ 59,953	\$ -	\$ 146,546
Sales taxes	310,363	-	-	310,363
Franchise taxes	175,942	-	-	175,942
Other	439,782	-	2,580	442,362
Gross receivables	1,012,680	59,953	2,580	1,075,213
Less: allowances	(32,112)	-	-	(32,112)
Net total receivables	\$ 980,568	\$ 59,953	\$ 2,580	\$ 1,043,101
Enterprise Funds				
	Water and Sewer	Solid Waste	Storm Water	Total
Utility bills	\$ 743,734	\$ 81,412	\$ 35,524	\$ 860,670
Other	102,401	-	-	102,401
Total receivables	\$ 846,135	\$ 81,412	\$ 35,524	\$ 963,071
Component Units				
	EDC	CDC	Total	
Sales taxes	\$ 145,273	\$ 145,273	\$ 290,546	
Total receivables	\$ 145,273	\$ 145,273	\$ 290,546	

**Town of Fairview, Texas**  
Notes to the Basic Financial Statements

**Note 5. Capital Assets**

Capital asset activity for the year ended September 30, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 5,112,183	\$ 749,671	\$ -	\$ -	\$ 5,861,854
Construction in progress	884,850	924,264	-	(442,287)	1,366,827
Total capital assets, not being depreciated	5,997,033	1,673,935	-	(442,287)	7,228,681
Capital assets being depreciated:					
Infrastructure	14,266,995	15,732	-	442,287	14,725,014
Buildings and improvements	12,784,026	855,756	(2,243,570)	-	11,396,212
Furniture and equipment	4,390,203	338,591	(517,412)	-	4,211,382
Vehicles	1,033,839	294,746	(46,614)	-	1,281,971
Total capital assets being depreciated	32,475,063	1,504,825	(2,807,596)	442,287	31,614,579
Less accumulated depreciation for:					
Infrastructure	3,180,826	486,152	-	-	3,666,978
Buildings and improvements	2,199,396	323,191	(294,469)	-	2,228,118
Furniture and equipment	1,901,164	355,171	(494,077)	-	1,762,258
Vehicles	883,173	98,112	(46,614)	-	934,671
Total accumulated depreciation	8,164,559	1,262,626	(835,160)	-	8,592,025
Total capital assets being depreciated, net	24,310,504	242,199	(1,972,436)	442,287	23,022,554
Governmental activities capital assets, net	\$ 30,307,537	\$ 1,916,134	\$ (1,972,436)	\$ -	\$ 30,251,235

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 113,384	\$ -	\$ -	\$ -	\$ 113,384
Construction in progress	-	77,552	-	-	77,552
Total capital assets, not being depreciated	113,384	77,552	-	-	190,936
Capital assets being depreciated:					
Utility Plant	19,097,585	-	-	-	19,097,585
Buildings and improvements	93,572	109,751	-	-	203,323
Furniture and equipment	496,058	25,623	-	-	521,681
Vehicles	158,585	42,621	-	-	201,206
Total capital assets being depreciated	19,845,800	177,995	-	-	20,023,795
Less accumulated depreciation for:					
Utility Plant	5,621,997	481,861	-	-	6,103,858
Buildings and improvements	35,359	8,130	-	-	43,489
Furniture and equipment	231,805	32,516	-	-	264,321
Vehicles	99,602	24,750	-	-	124,352
Total accumulated depreciation	5,988,763	547,257	-	-	6,536,020
Total capital assets being depreciated, net	13,857,037	(369,262)	-	-	13,487,775
Business-type activities capital assets, net	\$ 13,970,421	\$ (291,710)	\$ -	\$ -	\$ 13,678,711

## Town of Fairview, Texas

### Notes to the Basic Financial Statements

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

Depreciation by function:

Governmental activities:

General government	\$	314,250
Public safety		428,384
Public works		433,064
Parks and recreation		86,928
	\$	<u>1,262,626</u>

Business-type activities:

Water and Sewer	\$	546,554
Stormwater		703
	\$	<u>547,257</u>

## Note 6. Interfund Transactions

A summary of interfund receivables and payables at September 30, 2017 is as follows:

	Due to		Total
	Water and Sewer Fund	Storm Water Fund	
Due from General Fund	\$ 6,755	\$ 1,086	\$ 7,841

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
Debt Service Fund	Water and Sewer Fund	\$ 276,934	To subsidize the water and sewer debt payments
Storm Water Fund	General Fund	250	To fund information technology expenses
Storm Water Fund	General Fund	37,600	Cost allocation for administrative costs
Non-major Governmental Fund	General Fund	1,600	To fund information technology expenses
Storm Water Fund	Water and Sewer Fund	20,000	Cost allocation for billing costs
Water and Sewer Fund	General Fund	597,900	Cost allocation for administrative costs
Capital Projects Fund	Debt Service Fund	2,670,487	To finance the defeasance of the 2012B bond
		<u>\$ 3,604,771</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.

## Town of Fairview, Texas

### Notes to the Basic Financial Statements

#### 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, 2017:

	Beginning Balance	Additions	Retired or Refunded	Ending Balance	Amount Due within One year
<b>Governmental activities:</b>					
General obligation bonds	\$ 2,815,888	\$ -	\$ (253,709)	\$ 2,562,179	\$ 258,535
Certificates of obligation	20,330,414	-	(3,353,639)	16,976,775	885,489
Unamortized bond premium	1,006,249	-	(103,602)	902,647	-
Net pension liability	959,794	2,889	-	962,683	-
Compensated absences	424,081	521,302	(424,081)	521,302	521,302
Capital Lease	304,347	316,188	(74,754)	545,781	136,641
	<u>25,840,773</u>	<u>840,379</u>	<u>(4,209,785)</u>	<u>22,471,367</u>	<u>1,801,967</u>
<b>Business-type activities:</b>					
General obligation bonds	5,369,113	-	(806,292)	4,562,821	826,465
Certificates of obligation	724,585	-	(91,360)	633,225	94,511
Unamortized bond premium	213,800	-	(31,763)	182,037	-
Net pension liability	184,900	508	-	185,408	-
Compensated absences	43,829	55,210	(43,829)	55,210	55,210
	<u>6,536,227</u>	<u>55,718</u>	<u>(973,244)</u>	<u>5,618,701</u>	<u>976,186</u>
Total Primary Government	<u>\$ 32,377,000</u>	<u>\$ 896,097</u>	<u>\$ (5,183,029)</u>	<u>\$ 28,090,068</u>	<u>\$ 2,778,153</u>

# Town of Fairview, Texas

## Notes to the Basic Financial Statements

Long-term debt of the Town is comprised of the following individual issues as of September 30, 2017.

Purpose	Original Amount	Year of Issue	Final Maturity	Interest Rates	Balance 9/30/2017
General Obligation Bonds:					
Improvements	\$ 2,830,000	2007	2027	4.00% - 4.25%	\$ 930,000
Improvements	658,172	2013	2025	0.7% - 2.75%	525,417
Improvements	1,161,898	2016	2027	2.00% - 4.00%	1,106,762
Total General Obligation Bonds					<u>2,562,179</u>
Certificates of Obligation:					
Improvements	1,129,780	2007	2027	4.00% - 4.25%	371,775
Improvements	3,435,000	2008	2028	3.00% - 4.35%	2,220,000
Improvements	3,300,000	2009	2029	2.50% - 4.30%	2,250,000
Improvements	3,100,000	2010	2030	2.00% - 4.00%	2,225,000
Improvements	1,665,000	2012	2032	0.5% - 3.815%	1,325,000
Improvements	3,565,000	2013	2028	0.30% - 3.20%	2,745,000
Improvements	5,840,000	2016	2036	2.00% - 4.00%	5,840,000
Total Certificates of Obligation					<u>16,976,775</u>
Total Governmental Activities Debt					<u>\$ 19,538,954</u>

Purpose	Original Amount	Year of Issue	Final Maturity	Interest Rates	Balance 9/30/2017
General Obligation Bonds:					
Improvements	\$ 3,470,000	2009	2018	2.00% - 4.00%	\$ 490,000
Improvements	2,325,000	2012	2022	2.09%	1,590,000
Improvements	1,101,828	2013	2025	0.7% - 2.75%	879,584
Improvements	1,683,102	2016	2027	2.00% - 4.00%	1,603,237
Total General Obligation Bonds					<u>4,562,821</u>
Certificates of Obligation:					
Improvements	1,930,220	2007	2027	4.00% - 4.25%	633,225
Total Certificates of Obligation					<u>633,225</u>
Total Business-Type Activities Debt					<u>\$ 5,196,046</u>



## Town of Fairview, Texas

### Notes to the Basic Financial Statements

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
2018	\$ 1,144,024	\$ 688,527	\$ 1,832,551	\$ 920,976	\$ 151,635	\$ 1,072,611
2019	1,294,611	649,202	1,943,813	635,388	120,138	755,526
2020	1,365,355	607,280	1,972,635	654,645	103,817	758,462
2021	1,420,944	562,604	1,983,548	674,056	86,878	760,934
2022	1,463,727	515,001	1,978,728	696,273	69,399	765,672
2023-2027	7,365,293	1,813,124	9,178,417	1,614,708	158,232	1,772,940
2028-2032	3,845,000	613,504	4,458,504	-	-	-
2033-2036	1,640,000	134,600	1,774,600	-	-	-
Total	<u>\$ 19,538,954</u>	<u>\$ 5,583,842</u>	<u>\$ 25,122,796</u>	<u>\$ 5,196,046</u>	<u>\$ 690,099</u>	<u>\$ 5,886,145</u>

### 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%.

On June 14, 2017, the Town entered into an agreement with BB&T to purchase various communications equipment for the Police and Fire departments. The agreement is for an approximate 5 year term and expires June 1, 2022. Payments are \$67,238 annually and carry an effective interest rate of 2.08%.

The assets acquired through capital leases are as follows as of September 30, 2017:

	Governmental Activities
Asset:	
Motor vehicles	\$ 363,099
Communications equipment	289,920
Less: accumulated depreciation	(239,534)
Total	<u>\$ 413,485</u>

## Town of Fairview, Texas

### Notes to the Basic Financial Statements

Pursuant to the terms of the capital lease agreements, the following schedule represents the net present value of these minimum lease payments as of September 30:

Year Ending September 30,	Governmental Activities
2018	\$ 144,913
2019	147,018
2020	147,018
2021	67,238
2022	67,236
Total minimum lease payments	573,423
Less: amount representing interest	(27,642)
Present value of minimum lease payments	<u>\$ 545,781</u>

#### Note 8. Pension Plan

##### A. Plan Description

The Town of Fairview participates as one of 872 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.tmr.com](http://www.tmr.com).

All eligible employees of the town 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 town, 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.

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.

## Town of Fairview, Texas

### Notes to the Basic Financial Statements

#### Employees covered by benefit terms

At December 31, 2016 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	5
Inactive employees entitled to but not yet receiving benefits	33
Active employees	65
Total	<u>103</u>

#### 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 9.72% and 10.72% in calendar years 2016 and 2017, respectively. The Town's contributions to TMRS for the year ended September 30, 2017, were \$322,964, and were equal to the required contributions.

#### D. Net Pension Liability

The Town's Net Pension Liability (NPL) was measured as of December 31, 2016, 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, 2016 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.0% per year
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

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 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

## Town of Fairview, Texas

### Notes to the Basic Financial Statements

Actuarial assumptions used in the December 31, 2016, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. 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. 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. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of 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%	4.55%
International Equity	17.5%	6.35%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	4.15%
Real Return	10.0%	4.15%
Real Estate	10.0%	4.75%
Absolute Return	10.0%	4.00%
Private Equity	5.0%	7.75%
Total	100.0%	

### Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. 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.

## Town of Fairview, Texas

### Notes to the Basic Financial Statements

#### 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 12/31/15	\$ 5,843,100	\$ 4,698,405	\$ 1,144,695
Changes for the year:			
Service cost	654,747	-	654,747
Interest	413,636	-	413,636
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(83,513)	-	(83,513)
Changes of assumptions	-	-	-
Contributions - employer	-	385,302	(385,302)
Contributions - employee	-	281,871	(281,871)
Net investment income	-	318,080	(318,080)
Benefit payments, including refunds of employee contributions	(85,073)	(85,073)	-
Administrative expense	-	(3,586)	3,586
Other changes	-	(193)	193
Net Changes	899,797	896,401	3,396
Balance at 12/31/16	\$ 6,742,897	\$ 5,594,806	\$ 1,148,091

#### 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 6.75%, 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 (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
Net Pension Liability	\$2,258,105	\$1,148,091	\$249,382

## Town of Fairview, Texas

### Notes to the Basic Financial Statements

#### 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, 2017, the Town recognized pension expense of \$538,166. At September 30, 2017, 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	\$ 21,494	\$ (145,819)
Changes in actuarial assumptions	99,613	-
Difference between projected and actual investment earnings	188,185	-
Contributions subsequent to the measurement date	251,470	-
Total	<u>\$ 560,762</u>	<u>\$ (145,819)</u>

The \$251,740 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date and will reduce the net pension liability during the year ending September 30, 2018. 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:	
2018	\$ 65,017
2019	65,019
2020	56,090
2021	(2,000)
2022	(9,134)
Thereafter	(11,519)
	<u>\$ 163,473</u>

## **Town of Fairview, Texas**

### **Notes to the Basic Financial Statements**

#### **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. Tax Abatements**

The Town enters into economic development agreements authorized under Chapter 380 of the Texas Local Government Code. These agreements are planning tools designed to stimulate economic activity, redevelopment, community improvement, and provide a return on investment for the community. These programs abate or rebate on sales taxes and may include other incentive payments such as fee reductions or construction costs reimbursements. Economic development agreements are considered on a case by case basis by the Town Council and generally contain recapture provisions, which may require repayment or termination if recipients do not meet the required provisions of the economic incentives.

Chapter 380 of the Texas Local Government Code allows the Town to provide grants for the purpose of promoting local economic development. These grants are based on a percentage of property and/or sales tax received by the Town. For the fiscal year ending September 30, 2017, the Town rebated \$362,850 in sales taxes.

## **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 Fiscal Year Ended September 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>				
Property taxes	\$ 3,558,270	\$ 3,587,755	\$ 3,576,517	\$ (11,238)
Sales taxes	1,520,000	1,575,000	1,576,889	1,889
Franchise taxes	663,000	668,444	657,467	(10,977)
Mixed beverage taxes	75,000	75,000	72,578	(2,422)
Charges for services	304,550	332,936	426,803	93,867
Permits	428,675	405,984	401,768	(4,216)
Fines and forfeitures	405,090	420,204	426,905	6,701
Intergovernmental	22,150	22,050	22,050	-
Interest Income	30,000	38,000	40,312	2,312
Miscellaneous	177,261	189,480	307,002	117,522
Total revenues	7,183,996	7,314,853	7,508,291	193,438
<b>Expenditures:</b>				
Current:				
General government	2,416,006	2,389,682	2,185,387	204,295
Public safety	4,622,492	4,789,073	4,745,750	43,323
Public works	636,038	469,930	477,630	(7,700)
Inspections	111,573	126,138	134,211	(8,073)
Municipal court	183,546	183,638	183,047	591
Parks and recreation	237,989	189,297	176,284	13,013
Capital outlay	669,750	817,646	633,508	184,138
Total expenditures	8,877,394	8,965,404	8,535,817	429,587
Excess (deficiency) of revenues over (under) expenditures	(1,693,398)	(1,650,551)	(1,027,526)	623,025
<b>Other financing sources:</b>				
Proceeds from the sale of assets	-	74,490	66,345	(8,145)
Proceeds from capital lease	680,350	316,188	316,188	-
Transfers in	783,100	637,350	637,350	-
Total other financing sources	1,463,450	1,028,028	1,019,883	(8,145)
Net change in fund balance	(229,948)	(622,523)	(7,643)	614,880
Fund balance at beginning of year	5,013,965	5,013,965	5,013,965	-
Fund balance, end of year	\$ 4,784,017	\$ 4,391,442	\$ 5,006,322	\$ 614,880

## **Town of Fairview, Texas**

Notes to Budgetary Comparison Schedule  
For the Fiscal Year Ended September 30, 2017

### **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.

### **Excess Expenditures Over Appropriations**

The Town's expenditures exceeded budgeted appropriations in two functions: Public Works (\$7,700) and Inspections (\$8,073).

# Town of Fairview, Texas

## Texas Municipal Retirement System

### Schedule of Changes in Net Pension Liability and Related Ratios

#### Last Ten Measurement Years

(Unaudited)

	Measurement Year 2016	Measurement Year 2015	Measurement Year 2014
Total pension liability:			
Service cost	\$ 654,747	\$ 591,290	\$ 503,147
Interest (on the Total Pension Liability)	413,636	362,744	304,442
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(83,513)	(107,256)	38,408
Change in assumptions	-	143,787	-
Benefit payments, including refunds of employee contributions	(85,073)	(67,750)	(46,631)
Net change in total pension liability	899,797	922,815	799,366
Total pension liability - beginning	5,843,100	4,920,285	4,120,919
Total pension liability - ending (a)	6,742,897	5,843,100	4,920,285
Plan fiduciary net position:			
Contributions - employer	385,302	339,813	276,717
Contributions - employee	281,871	263,130	233,376
Net investment income	318,080	6,143	200,316
Benefit payments, including refunds of employee contributions	(85,073)	(67,750)	(46,631)
Administrative expense	(3,586)	(3,739)	(2,090)
Other	(194)	(185)	(172)
Net change in plan fiduciary net position	896,400	537,412	661,516
Plan fiduciary net position - beginning	4,698,406	4,160,994	3,499,478
Plan fiduciary net position - ending (b)	5,594,806	4,698,406	4,160,994
Net pension liability - ending (a) - (b)	\$ 1,148,091	\$ 1,144,694	\$ 759,291
Plan fiduciary net position as a percentage of total pension liability	82.97%	80.41%	84.57%
Covered employee payroll	4,026,734	\$ 3,758,998	\$ 3,333,941
Net pension liability as a percentage of covered employee payroll	28.51%	30.45%	22.77%

Note: Only three years of data is presented in accordance with GASB #68, paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

**Town of Fairview, Texas**  
Texas Municipal Retirement System  
Schedule of Contributions  
Last Ten Fiscal Years  
(Unaudited)

	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
Actuarially determined contribution	\$ 322,964	\$ 385,928	\$ 330,951
Contributions in relation of the actuarially determined contribution	322,964	385,928	330,951
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered employee payroll	\$ 4,613,774	\$ 4,026,859	\$ 3,680,512
Contributions as a percentage of covered employee payroll	7.00%	9.58%	8.99%

Note: GASB #68, paragraph 81.2.b requires that the data in this schedule be presented as of the Town's fiscal year as opposed to the time period covered by the measurement date.

Note: Only three years of data is presented in accordance with GASB #68, paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

## Town of Fairview, Texas

### Notes to Texas Municipal Retirement System Required Supplementary Information

For the Fiscal Year Ended September 30, 2017

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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	27 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 10.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the Town's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010 – 2014
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**



## **Listing of 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** – 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.

**Tax Increment Reinvestment Zone** – Accounts for property taxes on improvements in the Town's Tax Increment Reinvestment Zone Number One. These funds may only be used for capital improvements within the zone.

**Town of Fairview, Texas**  
Combining Balance Sheet  
Non-Major Governmental Funds  
September 30, 2017

	<b>Court</b>	<b>Fire Donations</b>	<b>Tax Increment Reinvestment Zone</b>	<b>Total Non-major Governmental Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 192,025	\$ 39,684	\$ 44,387	\$ 276,096
Other receivable	-	2,580	-	2,580
Total assets	<u>\$ 192,025</u>	<u>\$ 42,264</u>	<u>\$ 44,387</u>	<u>\$ 278,676</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	181	-	-	181
Total liabilities	<u>181</u>	<u>-</u>	<u>-</u>	<u>181</u>
Fund balances:				
Restricted				
Fire	-	42,264	-	42,264
Court	191,844	-	-	191,844
Development	-	-	44,387	44,387
Total fund balance	<u>191,844</u>	<u>42,264</u>	<u>44,387</u>	<u>278,495</u>
Total liabilities and fund balances	<u>\$ 192,025</u>	<u>\$ 42,264</u>	<u>\$ 44,387</u>	<u>\$ 278,676</u>

## Town of Fairview, Texas

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance – Non-Major Governmental Funds  
For the Fiscal Year Ended September 30, 2017

	Court	Fire Donations	Tax Increment Reinvestment Zone	Total Non-major Governmental Funds
<b>Revenues:</b>				
Property Taxes	\$ -	\$ -	\$ 44,387	\$ 44,387
Fines and forfeitures	20,832	-	-	20,832
Miscellaneous	-	36,361	-	36,361
Total revenues	20,832	36,361	44,387	101,580
<b>Expenditures:</b>				
Current:				
Municipal court	1,961	-	-	1,961
Public safety	-	28,256	-	28,256
Total expenditures	1,961	28,256	-	30,217
Excess (deficiency) of revenues over (under) expenditures	18,871	8,105	44,387	71,363
Other financing sources (uses):				
Transfers out	(1,600)	-	-	(1,600)
Total other financing sources (uses)	(1,600)	-	-	(1,600)
Net change in fund balance	17,271	8,105	44,387	69,763
Fund balance at beginning of year	174,573	34,159	-	208,732
Fund balance, end of year	\$ 191,844	\$ 42,264	\$ 44,387	\$ 278,495

## **Statistical Section**



## Town of Fairview, Texas

### Statistical Section

#### Table of Contents

### 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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Governmental activities				
Net investment in capital assets	\$ (2,336)	\$ 6,330	\$ 7,104	\$ 8,608
Restricted	8,942	1,810	2,118	2,805
Unrestricted	5,450	5,217	5,907	4,598
Total governmental activities net position	<u>\$ 12,056</u>	<u>\$ 13,357</u>	<u>\$ 15,129</u>	<u>\$ 16,011</u>
Business-type activities				
Net investment in capital assets	\$ 955	\$ 1,239	\$ 4,228	\$ 4,885
Restricted	3,102	2,413	147	-
Unrestricted	5,326	5,974	5,952	7,075
Total business-type activities net position	<u>\$ 9,383</u>	<u>\$ 9,626</u>	<u>\$ 10,327</u>	<u>\$ 11,960</u>
Primary government				
Net investment in capital assets	\$ (1,381)	\$ 7,569	\$ 11,332	\$ 13,493
Restricted	12,044	4,223	2,265	2,805
Unrestricted	10,776	11,191	11,859	11,673
Total primary governmental net position	<u>\$ 21,439</u>	<u>\$ 22,983</u>	<u>\$ 25,456</u>	<u>\$ 27,971</u>

**Source:** Comprehensive Annual Financial Report

Table A-1

Fiscal Year					
<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 9,526	\$ 9,946	\$ 8,831	\$ 8,453	\$ 10,294	\$ 12,253
2,478	507	763	964	1,122	3,336
4,567	3,954	4,314	5,212	5,105	2,975
<u>\$ 16,571</u>	<u>\$ 14,407</u>	<u>\$ 13,908</u>	<u>\$ 14,629</u>	<u>\$ 16,521</u>	<u>\$ 18,564</u>
\$ 5,112	\$ 6,482	\$ 6,895	\$ 7,130	\$ 7,701	\$ 8,335
-	-	428	433	182	92
7,574	6,345	4,779	4,416	4,419	4,251
<u>\$ 12,686</u>	<u>\$ 12,827</u>	<u>\$ 12,102</u>	<u>\$ 11,979</u>	<u>\$ 12,302</u>	<u>\$ 12,678</u>
\$ 14,638	\$ 16,428	\$ 15,726	\$ 15,583	\$ 17,995	\$ 20,588
2,478	507	1,191	1,397	1,304	3,428
12,141	10,299	9,093	9,628	9,524	7,226
<u>\$ 29,257</u>	<u>\$ 27,234</u>	<u>\$ 26,010</u>	<u>\$ 26,608</u>	<u>\$ 28,823</u>	<u>\$ 31,242</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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Expenses</b>				
Governmental activities:				
General government	\$ 1,213	\$ 1,660	\$ 1,452	\$ 1,870
Public safety	1,380	1,980	2,626	3,235
Municipal court	85	119	124	132
Public works	1,194	1,072	886	1,097
Parks and recreation	23	82	77	84
Inspections	-	-	-	-
Economic development	8	16	-	-
Interest and fiscal charges	383	435	464	531
Total governmental activities expenses	<u>4,286</u>	<u>5,364</u>	<u>5,629</u>	<u>6,949</u>
Business-type activities:				
Water and sewer	2,884	3,022	3,102	3,212
Solid waste	-	-	-	-
Stormwater	-	-	-	-
Total business-type activities expenses	<u>2,884</u>	<u>3,022</u>	<u>3,102</u>	<u>3,212</u>
Total primary government expenses	<u>\$ 7,170</u>	<u>\$ 8,386</u>	<u>\$ 8,731</u>	<u>\$ 10,161</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for Services:				
General government	\$ 678	\$ 592	\$ 298	\$ 88
Public safety	263	244	323	338
Public works	436	546	1,052	1,226
Parks and recreation	-	4	-	-
Non-departmental	-	-	-	-
Debt service	-	-	-	-
Operating grants and contributions	111	47	55	85
Capital grants and contributions	-	71	74	65
Total governmental activities program revenues	<u>1,488</u>	<u>1,504</u>	<u>1,802</u>	<u>1,802</u>
Business-type activities:				
Charges for services:				
Water and sewer	3,029	3,128	3,205	4,110
Solid waste	-	-	-	-
Stormwater	-	-	-	-
Capital grants and contributions	344	-	-	-
Total business-type activities program revenues	<u>3,373</u>	<u>3,128</u>	<u>3,205</u>	<u>4,110</u>
Total primary government program revenues	<u>\$ 4,861</u>	<u>\$ 4,632</u>	<u>\$ 5,007</u>	<u>\$ 5,912</u>

**Source:** Comprehensive Annual Financial Report

Table A-2 (Continued)

Fiscal Year											
<u>2012</u>		<u>2013</u>		<u>2014</u>		<u>2015</u>		<u>2016</u>		<u>2017</u>	
\$	1,404	\$	2,746	\$	2,789	\$	2,156	\$	2,863	\$	2,945
	3,520		3,631		3,955		4,354		4,625		5,314
	127		129		159		182		173		189
	1,213		567		1,202		574		660		913
	84		99		162		156		221		267
	-		100		103		96		204		138
	-		-		-		-		-		-
	505		698		778		674		728		704
	6,853		7,970		9,148		8,192		9,474		10,470
	3,837		4,195		4,211		4,584		4,824		5,044
	-		-		615		581		616		659
	-		-		195		357		316		224
	3,837		4,195		5,021		5,522		5,756		5,927
\$	10,690	\$	12,165	\$	14,169	\$	13,714	\$	15,230	\$	16,397
\$	100	\$	295	\$	297	\$	376	\$	450	\$	433
	267		302		388		436		424		448
	985		291		290		272		695		641
	-		11		48		49		49		49
	-		432		-		-		-		-
	-		239		241		243		243		77
	153		107		230		52		55		58
	176		-		77		243		1,786		1,264
	1,681		1,677		1,571		1,671		3,702		2,970
	4,015		4,157		3,742		4,904		5,053		5,557
	-		-		607		616		625		673
	-		-		295		301		308		319
	-		-		-		-		-		110
	4,015		4,157		4,644		5,821		5,986		6,659
\$	5,696	\$	5,834	\$	6,215	\$	7,492	\$	9,688	\$	9,629

## Town of Fairview, Texas

### Changes in Net Position – Continued

#### Last Ten Fiscal Years (Unaudited)

(Accrual Basis of Accounting) – Amounts Expressed in Thousands

	Fiscal Year			
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Net (Expenses) Revenue</b>				
Governmental activities	\$ (2,798)	\$ (3,860)	\$ (3,827)	\$ (5,147)
Business-type activities	489	106	103	898
Total primary government	<u>\$ (2,309)</u>	<u>\$ (3,754)</u>	<u>\$ (3,724)</u>	<u>\$ (4,249)</u>
<b>General Revenues and other Changes in Net Position</b>				
Governmental activities:				
Taxes:				
Property taxes	\$ 3,207	\$ 3,554	\$ 3,857	\$ 4,146
Sales taxes	587	924	939	2,608
Franchise taxes	469	461	458	605
Mixed beverage taxes	-	-	-	-
Unrestricted investment earnings	413	227	36	31
Miscellaneous	89	103	91	179
Gains on sale of assets	1,928	-	313	-
Transfers	(494)	(86)	(586)	(741)
Total governmental activities	<u>6,199</u>	<u>5,183</u>	<u>5,108</u>	<u>6,828</u>
Business-type activities:				
Unrestricted investment earnings	245	52	12	3
Transfers	494	86	587	741
Total business-type activities	<u>739</u>	<u>138</u>	<u>599</u>	<u>744</u>
Total primary government	<u>\$ 6,938</u>	<u>\$ 5,321</u>	<u>\$ 5,707</u>	<u>\$ 7,572</u>
<b>Change in Net Position</b>				
Governmental activities	\$ 2,339	\$ 1,356	\$ (39)	\$ 1,656
Business-type activities	845	241	1,497	922
Total primary government	<u>\$ 3,184</u>	<u>\$ 1,597</u>	<u>\$ 1,458</u>	<u>\$ 2,578</u>

**Source:** Comprehensive Annual Financial Report

**Table A-2 (Concluded)**

Fiscal Year						
2012	2013	2014	2015	2016	2017	
\$ (5,172)	\$ (6,293)	\$ (7,577)	\$ (6,521)	\$ (5,772)	\$ (7,500)	
178	(38)	(377)	299	230	732	
\$ (4,994)	\$ (6,331)	\$ (7,954)	\$ (6,222)	\$ (5,542)	\$ (6,768)	
\$ 4,282	\$ 4,279	\$ 4,509	\$ 4,886	\$ 5,297	\$ 5,811	
2,767	1,448	1,453	1,519	1,626	1,577	
608	563	649	669	647	657	
67	69	77	77	83	73	
25	19	23	25	32	66	
93	162	16	63	70	1,000	
-	-	-	-	-	-	
(518)	(262)	349	354	(91)	359	
7,324	6,278	7,076	7,593	7,664	9,543	
3	3	1	-	1	4	
518	262	(349)	(354)	91	(359)	
521	265	(348)	(354)	92	(355)	
\$ 7,845	\$ 6,543	\$ 6,728	\$ 7,239	\$ 7,756	\$ 9,188	
\$ 1,031	\$ (1,299)	\$ 555	\$ 1,821	\$ 1,892	\$ 2,043	
483	(112)	(49)	(124)	322	377	
\$ 1,514	\$ (1,411)	\$ 506	\$ 1,697	\$ 2,214	\$ 2,420	

# **Town of Fairview, Texas**

Fund Balances, Governmental Funds

Last Ten Fiscal Years (Unaudited)

(Modified Accrual Basis of Accounting) – Amounts Expressed in Thousands

	Fiscal Year				
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General Fund					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned	-	-	-	-	-
Unassigned	5,373	5,084	6,065	4,628	4,198
Total general fund	<u>\$ 5,373</u>	<u>\$ 5,084</u>	<u>\$ 6,065</u>	<u>\$ 4,628</u>	<u>\$ 4,198</u>
All Other Governmental Funds					
Restricted	\$ 7,846	\$ 7,666	\$ 302	\$ 430	\$ 4,457
Assigned	1,040	-	-	-	-
Unassigned	-	-	-	-	-
Total all other governmental funds	<u>\$ 8,886</u>	<u>\$ 7,666</u>	<u>\$ 302</u>	<u>\$ 430</u>	<u>\$ 4,457</u>

**Source:** Comprehensive Annual Financial Report

**Table A-3**

Fiscal Year					
<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	
\$ -	\$ 1	\$ 3	\$ 5	\$ 1	
-	78	63	96	223	
4,158	3,878	4,056	4,913	4,783	
\$ 4,158	\$ 3,957	\$ 4,122	\$ 5,014	\$ 5,007	
\$ 1,736	\$ 2,425	\$ 1,712	\$ 5,595	\$ 3,378	
66	726	1,379	914	1,952	
-	-	-	-	-	
\$ 1,802	\$ 3,151	\$ 3,091	\$ 6,509	\$ 5,330	

## Town of Fairview, Texas

### Changes in Fund Balances, Governmental Funds

#### Last Ten Fiscal Years (Unaudited)

(Modified Accrual Basis of Accounting) – Amounts Expressed in Thousand

	Fiscal Year			
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>REVENUES</b>				
Taxes	\$ 4,249	\$ 4,910	\$ 5,254	\$ 6,055
Licenses and permits	575	532	527	726
Intergovernmental revenue and grants	45	119	52	54
Charges for services	540	560	824	588
Fines and forfeitures	263	244	323	338
Interest earnings	413	227	39	33
Other revenue	66	50	77	95
Miscellaneous	90	104	91	179
Total revenues	6,241	6,746	7,187	8,068
<b>EXPENDITURES</b>				
General government	1,006	1,116	1,011	1,681
Public safety	1,371	1,852	2,379	2,945
Public works	991	1,041	695	687
Parks and recreation	60	66	60	70
Inspections	-	427	413	129
Municipal court	85	119	125	131
Economic development	8	16	30	-
Capital outlay	1,422	4,157	7,867	4,965
Debt service				
Principal retirement	550	769	519	579
Interest and fiscal charges	500	421	439	574
Total expenditures	5,993	9,984	13,538	11,761
Excess (deficiency) of revenues over (under) expenditures	248	(3,238)	(6,351)	(3,693)
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from bonds	4,216	3,324	-	3,100
Proceeds from sale of capital assets	5,071	-	332	-
Payment to refunded bond escrow agent	-	-	-	-
Proceeds from capital lease obligation	-	-	-	-
Premium (cost) on bonds issued	-	-	-	71
Transfer from other funds	450	600	696	2,047
Transfer to other funds	(945)	(686)	(1,283)	(2,788)
Total other financing sources (uses)	8,792	3,238	(255)	2,430
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 9,040</b>	<b>\$ -</b>	<b>\$ (6,606)</b>	<b>\$ (1,263)</b>
Debt service as a percentage of noncapital expenditures	21.2%	13.5%	20.3%	20.4%

Source: Comprehensive Annual Financial Report

Table A-4

Fiscal Year					
<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 6,308	\$ 6,386	\$ 6,622	\$ 7,116	\$ 7,686	\$ 8,029
417	295	269	368	433	402
133	75	258	86	272	22
668	904	289	391	529	482
267	301	388	436	424	448
25	19	23	25	32	66
196	70	242	97	615	608
126	194	138	192	200	363
8,140	8,244	8,229	8,711	10,191	10,420
1,184	2,491	2,167	1,801	2,496	2,185
3,235	3,248	3,576	3,962	4,168	4,774
770	207	1,168	231	258	785
75	89	97	91	151	176
108	98	103	96	202	134
127	127	159	181	171	185
-	-	-	-	-	-
2,132	3,130	2,129	1,239	3,022	2,324
597	785	1,032	1,041	1,149	3,682
525	655	793	697	826	797
8,753	10,830	11,224	9,339	12,443	15,042
(613)	(2,586)	(2,995)	(628)	(2,252)	(4,622)
4,730	-	4,223	-	7,002	-
-	-	4	74	-	2,762
-	-	(687)	-	(1,264)	-
-	-	-	380	-	316
(94)	-	253	-	915	-
1,199	905	839	1,043	1,069	3,308
(1,744)	(1,167)	(489)	(690)	(1,160)	(2,949)
4,091	(262)	4,143	807	6,562	3,437
\$ 3,478	\$ (2,848)	\$ 1,148	\$ 179	\$ 4,310	\$ (1,185)
20.4%	23.0%	20.1%	21.5%	21.0%	35.2%



**Town of Fairview, Texas**  
Appraised Value of Property  
Last Ten Fiscal Years (Unaudited)

**Table B-1**

Fiscal Year	Tax Year	Market Valuation		Less: Tax-Exempt Property, Productivity Loss, and Value Caps	Total Taxable Assessed Value	Total Direct Tax Rate
		Real Property	Personal Property			
2008	2007	989,097,019	7,815,552	121,979,657	874,932,914	0.345000
2009	2008	1,107,409,693	7,916,547	150,738,039	964,588,201	0.365000
2010	2009	1,211,614,266	8,838,553	166,323,319	1,054,129,500	0.365000
2011	2010	1,282,635,299	22,576,547	173,400,355	1,131,811,491	0.365000
2012	2011	1,310,018,060	49,458,016	174,547,123	1,184,928,953	0.360000
2013	2012	1,339,593,650	50,432,177	185,602,810	1,204,423,017	0.360000
2014	2013	1,396,288,609	47,135,219	198,868,444	1,244,555,384	0.360000
2015	2014	1,525,690,616	44,701,224	229,755,027	1,340,636,813	0.359999
2016	2015	1,680,650,568	41,697,451	281,645,477	1,440,702,542	0.359999
2017	2016	1,848,561,560	54,464,236	315,382,802	1,587,642,994	0.359999

**Source:** Collin Central Appraisal District

# Town of Fairview, Texas

**Table B-2**

Direct and Overlapping Property Tax Rates (Per \$100 of Assessed Value)  
Last Ten Fiscal Years (Unaudited)

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	
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
2016	0.225858	0.134141	0.359999	1.560000	0.081960	0.225000	2.226959
2017	0.227856	0.132143	0.359999	1.670000	0.079810	0.192246	2.302055

<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 2016-2017  
(2016 Certified Tax Roll)

Taxpayer	Taxable Assessed Value	Percentage of Total Town Taxable Assessed Value
Cortona Gardens Multifamily Dallas LP	\$ 42,321,500	2.67%
Village at Fairview LTD	35,050,871	2.21%
Carrington Fairview Partners, LLC	29,937,680	1.89%
DD Fairview Partners LLC	18,119,185	1.14%
Macy's Retail Holdings, Inc.	15,272,782	0.96%
Cortona Lofts Multifamily Dallas LP	14,500,000	0.91%
Dillard's Properties, Inc.	12,000,000	0.76%
PR Fairview Land TRS LLC	10,085,257	0.64%
PR Fairview WFM Landlord LLC	8,749,766	0.55%
JC Penney Properties, Inc.	8,238,213	0.52%
Total	\$ 194,275,254	12.24%
Total Assessed Valuation	\$ 1,587,642,994	100.00%

FY 2006-2007  
(2006 Certified Tax Roll)

Taxpayer	Taxable Assessed Value	Percentage of Total Town Taxable Assessed Value
US Home Development Co	\$ 5,394,605	0.68%
Fairview Lot Venture JV	2,639,700	0.33%
First Texas Homes Inc	2,488,506	0.31%
Bayless Jon W & Rebecca L	2,323,117	0.29%
Lee Chong Y & Chung J	2,270,608	0.29%
Homeowners Association of Heritage Ranch Inc	2,169,029	0.27%
TXU Electric Delivery Company	1,971,190	0.25%
Fairview Cypress Crossing LTD	1,905,780	0.24%
PLF Ltd	1,783,545	0.23%
Greenville Sacy LP	1,742,251	0.22%
Total	\$ 24,688,331	3.12%
Total Assessed Valuation	\$ 792,217,334	100.00%

**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	Levy 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
2008	2007	3,230,044	3,193,341	98.86%	-	3,193,341	98.86%
2009	2008	3,590,715	3,524,764	98.16%	-	3,524,764	98.16%
2010	2009	3,923,243	3,859,866	98.38%	8,297	3,868,163	98.60%
2011	2010	4,106,262	4,092,313	99.66%	22,470	4,114,783	100.21%
2012	2011	4,253,982	4,231,752	99.48%	22,152	4,253,904	100.00%
2013	2012	4,290,409	4,285,020	99.87%	21,698	4,306,718	100.38%
2014	2013	4,466,998	4,431,527	99.21%	27,546	4,459,073	99.82%
2015	2014	4,808,574	4,781,860	99.44%	26,543	4,808,403	100.00%
2016	2015	5,185,376	5,155,710	99.43%	28,494	5,184,204	99.98%
2017	2016	5,538,329	5,677,241	102.51%	-	5,677,241	102.51%

**Source:** Collin Central Appraisal District

**Town of Fairview, Texas****Table B-5**

## General Government Tax Revenues by Source

Last Ten Fiscal Years (Unaudited) – Amounts Expressed in Thousands

<b>Fiscal Year</b>			<b>% of</b>	<b>(\$ Equivalent</b>		
<b>Ended</b>	<b>Total</b>	<b>1.00%</b>	<b>Ad Valorem</b>	<b>of Ad Valorem</b>	<b>0.50%</b>	<b>0.50%</b>
<b><u>Sept 30</u></b>	<b><u>Collected</u></b>	<b><u>City</u></b>	<b><u>Tax Levy</u></b>	<b><u>Tax Rate</u></b>	<b><u>4A EDC</u></b>	<b><u>4B CDC</u></b>
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
2016	3,252,461	1,626,231	31.36%	0.11290	813,115	813,115
2017	3,138,188	1,569,094	28.33%	0.10199	784,547	784,547

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			
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
2016	24,153	-	304	6,307	-	-	30,764	6.59%	3,473
2017	20,442	-	546	5,378	-	-	26,366	5.44%	2,894

**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****Table C-2**

Ratio of Net General Bonded Debt to Assessed Value

And Net Value Bonded Per Capita

Last Ten Fiscal Years (Unaudited) – Amounts Expressed in Thousands

Fiscal Year	General Obligation Bonds	Less: Available Debt Service Funds	Net General Bonded Debt	Percentage of Actual Taxable Value of Property <sup>a</sup>	Per Capita <sup>b</sup>
2008	20,545	344	20,201	2.31%	2,873
2009	22,935	404	22,531	2.34%	3,156
2010	21,845	377	21,468	2.04%	2,962
2011	23,710	365	23,345	2.06%	3,067
2012	27,226	381	26,845	2.27%	3,392
2013	25,705	384	25,321	2.10%	3,157
2014	27,697	383	27,314	2.19%	3,287
2015	25,821	504	25,317	1.89%	3,007
2016	30,460	176	30,284	2.10%	3,419
2017	25,820	247	25,573	1.61%	2,807

**Notes:**

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

<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.	09/30/17	\$ 170,549	67.81%	\$ 115,654
Collin College	09/30/17	19,070	1.41%	270
Collin County	09/30/17	474,264	1.46%	6,905
Subtotal, overlapping debt		\$ 663,883		122,829
<b>Town of Fairview Direct Debt <sup>a</sup></b>	09/30/17	\$ 20,442	100.00%	20,442
<b>Total direct and overlapping debt</b>				\$ 143,271
Ratio of direct and overlapping debt principal to taxable values <sup>b</sup>				9.02%
Ratio of direct and overlapping debt principal to actual market values <sup>b</sup>				7.53%

**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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Debt limit	\$ 103,259	\$ 113,000	\$ 121,581	\$ 127,416	\$ 130,625	\$ 137,330	\$ 123,964	\$ 133,538	\$ 164,278	\$ 190,303
Total net debt applicable to limit	20,545	22,935	21,845	23,710	27,226	25,321	27,314	25,729	30,643	31,012
Legal debt margin	\$ 82,714	\$ 90,065	\$ 99,736	\$ 103,706	\$ 103,399	\$ 112,009	\$ 96,649	\$ 107,809	\$ 133,635	\$ 159,291
Total net debt applicable to the limit as a percentage of debt limit	19.90%	20.30%	17.97%	18.61%	20.84%	18.44%	22.03%	19.27%	18.65%	16.30%

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 2016

Assessed value	<u>\$ 1,587,643</u>
Debt limit (10% of total assessed value)	<u>158,764</u>
Debt applicable to limit:	
General obligation bonds	20,442
Less: amounts set aside for repayment of general obligation debt	<u>(205)</u>
Total net debt applicable to limit	<u>20,237</u>
Legal debt margin	<u>\$ 138,527</u>

**Town of Fairview, Texas****Table C-5**

## Pledged-Revenue Coverage

Last Ten Fiscal Years (Unaudited) – Amounts Expressed In Thousands

Water and Sewer System Revenue Bonds

Fiscal Year	Total Revenues <sup>a</sup>	Less: Operating Expenses <sup>b</sup>	Net Available Revenue	Annual Requirement <sup>c</sup>	Times Coverage
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
2016	5,054	4,044	1,010	898	1.12
2017	5,560	4,358	1,202	921	1.31

**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****Table D-1**Demographic and Economic Statistics  
Last Ten Calendar Years (Unaudited)

Fiscal Year	(1) Estimated Population	Personal Income	(2) Per Capita Personal Income	(2) Median Age	(3) School Enrollment	(4) Unemployment Rate
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%
2016	8,858	466,967	52,717	54.5	1,432	3.8%
2017	9,110	484,963	53,234	51.5	1,489	3.0%

(1) North Central Texas Council of Governments (NCTCOG) &amp; 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****Table D-2**

Principal Employers

Current Year and Nine Years Ago (Unaudited)

2017

Employer	Employees	Percentage of Total City Employment
JC Penney	200	11.11%
Whole Foods	163	9.06%
Macy's	130	7.22%
Dillard's	115	6.39%
iPic	110	6.11%
Heritage Ranch	80	4.44%
Town of Fairview	71	3.92%
Gloria's	70	3.89%
Old Navy	40	2.22%
Wild Salsa	30	1.67%
Total	1,009	56.03%
Total Fairview Daytime Employees	1,800	

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

**Note:** The data for nine years ago is not available. Additional  
years comparison will not be added until ten years are reported.

# Town of Fairview, Texas

**Table E-1**

Full-Time Equivalent Government Employees by Function/Program  
Last Ten Fiscal Years (Unaudited)

Function/Program	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government	15	14	14	13	14	14	13	14	15	15
Public safety										
Police:										
Officers	8	8	10	13	13	14	15	17	17	18
Fire a	1	5	9	10	11	13	13	19	20	22
Streets	2	2	2	2	2	1	2	2	2	2
Parks and recreation	1	1	1	1	1	1	1	1	1	1
Water	4	5	5	5	5	8	9	8	11	12
Sewer	1	1	1	1	1	2	1	1	1	1
Total	32	36	42	45	47	53	54	62	67	71

**Source:** Town Departments

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



## Town of Fairview, Texas

### Operating Indicators by Function/Program Last Ten Fiscal Years (Unaudited)

Function/Program	Fiscal Year			
	2008	2009	2010	2011
Public Safety				
Police				
Number of police stations	1	1	1	1
Number of patrol units	5	9	9	10
Physical arrests	22	38	131	92
Service calls	2,062	2,318	3,031	3,907
Citations	2,569	2,113	3,007	2,689
Fire				
Number of fire stations	1	1	1	1
Number of calls answered	430	570	671	750
Inspections	321	265	548	483
Highway and Streets				
Streets (miles)	41.44	41.55	42.11	42.11
Street reconstruction (miles)	0.95	1.00	0.00	2.27
Street resurfacing (miles)	0.00	0.00	0.00	0.00
Cultural and Recreational				
Parks and recreation				
Park acreage	215.6	216.8	216.8	216.8
Number of parks	8	9	9	9
Water and Sewer				
Water				
Number of new water connections	48	59	63	34
Number of water main breaks	0	0	0	5
Average daily water consumption <sup>a</sup>	1,646	1,507	2,108	2,108
Water main (miles)	67.05	71.84	74.45	75.13
Fire hydrants	637	646	655	669
Maximum daily capacity <sup>a</sup>	7.3 MGD	7.3 MGD	7.3 MGD	7.3 MGD
Sewer				
Sanitary sewer (miles)	24.19	24.19	24.75	25.23

**Source:** Town Departments

**Notes:**

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

Table E-2

Fiscal Year					
<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
1	1	1	1	1	1
10	10	10	11	10	12
108	111	132	132	97	123
4,032	4,793	8,793	8,856	8,315	8,277
2,390	2,826	4,055	3,849	3,881	3,986
1	2	2	2	2	2
750	766	725	821	903	977
644	476	548	449	424	507
42.43	44.49	44.49	44.90	45.04	45.94
0.92	0.68	0.00	0.00	0.37	0.00
1.54	2.03	0.00	0.00	0.98	1.03
216.8	216.8	216.8	216.8	244.8	272.7
9	9	9	9	9	10
50	67	56	40	62	98
6	11	8	15	12	7
1,952	1,980	1,964	2,115	2,808	2,109
75.41	75.72	76.65	75.30	76.61	83.78
673	702	730	731	789	819
7.3 MGD	7.3 MGD	7.3 MGD	7.3 MGD	7.3 MGD	7.3 MGD
25.54	26.48	25.94	22.20	22.62	27.13



# Town of Fairview, Texas

## Capital Asset Statistics by Function/Program Last Ten Fiscal Years (Unaudited)

**Table E-3**

FUNCTION	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Public Safety</b>										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	5	9	9	10	10	10	10	10	10	12
Fire stations	1	2	2	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	45.04	45.94
<b>Culture &amp; Recreation</b>										
Parks acreage	215.6	216.8	216.8	216.8	216.8	216.8	216.8	216.8	244.8	272.7
Parks	8	9	9	9	9	9	9	9	10	10
<b>Water</b>										
Water mains (miles)	67.05	71.84	74.45	75.13	75.41	75.72	76.65	75.30	76.61	83.78
Fire hydrants	637	646	655	669	673	702	730	731	789	819
Maximum daily capacity (thousands of gallons)	7.3MGD	7.3MGD	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	22.62	27.13

Source: Various Government Departments