



Control Number: 43945



Item Number: 1

Addendum StartPage: 0

House Bill (HB) 1600 and Senate Bill (SB) 567 83rd
Legislature, Regular Session, transferred the functions
relating to the economic regulation of water and sewer
utilities from the TCEQ to the PUC effective
September 1, 2014

43945

RECEIVED

CCN/13025/SO
Town of Lindsay
582-06-2023, 2006-0072-UCR
2014 DEC 11 AM 7:56
PUBLIC UTILITY COMMISSION
FILING CLERK

RECORDS TRANSFER
BOX CONTENTS

OFFICIAL RECORD SERIES TITLE: _____
RECORD SERIES ITEM NUMBER: _____ RETENTION PERIOD: _____
RMD 106 APPROVAL NUMBER: _____
DIVISION: Commissioners
SECTION: Office of the Chief Clerk
CUSTOMER'S NAME: Deanna Avalos PHONE NO. 239-3327
NUMBER OF BOXES: 2 DATE OF RECORDS: 2006-2009
TYPE OF BOX: Records Storage Box
RECORDS TRANSFER DATE: _____

| BOX # | CONTENTS OF BOX (FILE NAME) | DATE OF FILE |
|-------|---|--------------------------------|
| 1 | SOAH Docket Files (1-5) | 3/2006 - 4/2009 |
| 1 | Transcripts – Hearing on the Merits – October 7-9, 2008 (Vols. 1-3) | 10/7-9/2008 |
| 1 | Applicant’s Pre-filed Testimony & Exhibits | 6/9/2008 |
| 1 | SOAH Pleading File | 2006-2009 |
| 1 | Applicant’s Exhibits 1-8 | 10/2008 |
| 2 | ED’s Exhibits A-D; 1-4 | 2008 |
| 2 | Lindsay Pure Water Company (LPWC) Exhibits 1-11 | 10/2008 |
| 2 | 1 Red Rope w/Certified Documents | 2006 |
| 2 | Condensed Transcripts – Hearing on the Merits – October 7-9, 2008 | 10/7-9/2008 |
| 2 | LPWC Exhibits 1 and Final Copy of 1A; 1B; 2-11 | TCEQ 2008 CENTRAL FILE ROOM |
| 2 | ED Exhibits 2-4 | 2008 |
| 2 | Judicial Notice Documents | 2008 |
| 2 | Applicant’s Exhibits 1-5 (Reporter’s Copy) | 2008 |

RECEIVED
MAY 29 2009
TCEQ 2008
CENTRAL FILE ROOM

1

B. Check the appropriate box and provide information regarding the legal status of the applicant:

| | | |
|--|--|-------------------------------------|
| | Investor owned utility | |
| | <input type="checkbox"/> | Individual |
| | <input type="checkbox"/> | Home or Property Owners Association |
| | <input type="checkbox"/> | For-profit corporation |
| | | |
| | Non-profit, member-owned, member-controlled cooperative corporation (Water Code Chapter 67, Water Supply or Sewer Service Corporation) | |
| | <input checked="" type="checkbox"/> | Municipality |
| | <input type="checkbox"/> | District |
| | <input type="checkbox"/> | Other Please explain: |

APP1001

- C. If the applicant is a For-Profit Corporation: *N/A*
- i. Please provide a copy of the corporation's "Certification of Account Status" from the Texas State Comptroller of Public Accounts. (See Note below).
 - ii. Please provide the corporation's charter number as recorded with the Office of the Texas Secretary of State. _____.
- D. If the applicant is a Water Code Chapter 67 water supply or sewer service corporation or other non-profit corporation: *N/A*
- i. Please provide a copy of the Articles of Incorporation and By-Laws.
 - ii. Please provide the corporation's charter number as recorded with the Office of the Texas Secretary of State

2. **LOCATION INFORMATION**

- A. Are there people already living in the proposed area?
 YES NO
 If YES, are any currently receiving utility service?
 YES ___ NO , if YES, from Whom
- B. Have you received any requests for service in the requested service area?
 YES NO
 If yes, please indicate the number of verbal and number of written requests and provide a clear explanation of the need for service in the requested area.
 WRITTEN ___ VERBAL
 On a separate page, list the name, address, and phone number of persons requesting service. Include any letters of intent, service inquiries, and/or any other documentation demonstrating a need for service in the proposed area. Requests for service must be identified on the large scale map. See 2.E.i.a below.
 If no, please justify the need for service in the proposed area.
- C. Is any portion of the proposed service area inside an incorporated city?
 YES NO
 If YES, within the city limits of: City of Lindsay
 Provide a copy of any franchise, permit, or consent granted by the city. If not available, please explain: N/A
- D. Is any portion of the proposed service area inside another utility's CCN area?
 YES NO ___
 If YES, has the current CCN holder agreed to decertify the proposed area.
 YES NO ___
 If NO, are you seeking dual or single certification of the area? Explain why decertification of the area is in the public interest. The City has received a verbal agreement from the City of Gainesville to have the overlap area certificated to the City of Lindsay. The City will supplement the application once the agreement with Gainesville is executed.
- E. Attach the following maps with each copy of the application: *(All maps should include applicant's name, address, telephone number, and date of drawing or revision. All maps should be folded to 8½ x 11 inches). See Attachment A*
- i. Subdivision plat or engineering plans or other large scale map showing the following:
 - A. The exact proposed service area boundary showing locations of requests for service and locations of existing connections (if applicable).
 NOTE: Applicant may send their facility line map showing current connections (if

- available), OR estimate the number of connections along each side of the street on the large scale map.
- B. The existing service area (if applicable).
 - C. Metes and bounds (if available).
 - D. Proposed and existing service area boundaries should be plotted on the map in relation to verifiable natural and man-made landmarks such as roads, creeks, rivers, railroads, etc.
 - E. Service area boundaries should be shown with such exactness that they can be located on the ground.

NOTE: Applicant may use a USGS 7.5"-minute series map if no other large scale map is available.

- ii. Small scale location map delineating the proposed service area. The proposed service area boundary should be delineated on a copy of the TCEQ official CCN map. This map will assist TCEQ staff in locating the proposed service area in relation to neighboring utility service areas. *A copy of the TCEQ official CCN map may be obtained by contacting the Utilities & Districts Section at 512/239-4691 or by mailing a written request to the following address:*

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
 Water Supply Division
 Utilities & Districts Section
 MC-153
 P.O. Box 13087
 Austin, TX 78711-3087

NOTE: If the proposed service areas shown on the large scale map and small scale map do not delineate the same area, the more detailed large scale map will be used to delineate the official CCN service area.

- iii. **Hard copy maps should include the following items:**
 - A. Map scale should be prominently displayed.
 - B. Color coding should be used to differentiate the applicants existing service areas from the proposed service area.
 - C. Attach a written description of the proposed service area.
 - D. Proposed service area should be the same on all maps.
 - E. Include map information in digital format (if available), *see Section 3, GIS Information.*
- iv. Each utility shall make available to the public at each of its business offices and designated sales offices within Texas the map of the proposed service area currently on file with the Commission. The applicant employees shall lend assistance to persons requesting to see a map of the proposed area upon request.

3. GIS INFORMATION

We are currently developing a state wide Geographic Information Systems (GIS) coverage of all CCN service areas. The mylar maps are being retired. In order to assist us in this move, we are requesting that a digital file of the proposed CCN service area boundary be submitted with the 3 hard copy maps. **This is not a requirement.** It is understood that not all utilities employ the services of an engineering company or use mapping software to produce a map of the proposed CCN service area boundary. However, by submitting the information digitally, the evaluation of your CCN will be faster and more accurate. Also, by receiving the information in digital form it is easier for us to update and maintain the CCN GIS coverage.

- A. **Digital Map Requirements** In order that your digital data can be properly used, the following

information is necessary:

- i. Submit digital data of the proposed CCN service area on a 3.25" diskette or CD. Only one diskette or CD is necessary. Most files of CCNs (minus the base map) should be small enough to zip up and put on a diskette or CD.
- ii. The digital data should include all items represented in the hard copy maps (see Section 2, items E.i and E.ii).
- iii. Please identify data file format, projection information, map units and base map used.

Acceptable Data File Formats:

ArcView shape file (preferred)

1. AutoCAD dwg file
2. Arc/Info E00 file
3. DXF file
4. Microstation dgn files

v NOTE: If you use a format that is not listed, contact the Cartographer at the number listed below to see if we can use the data.

- a. **Projection, Datum, and Units Information** The data should be submitted in the Texas State Mapping System (TSMS) Projection. However, if it cannot be submitted in TSMS, list the Projection (e.g. State Plane Central Zone, NAD27) or coordinate system being used and Units (e.g. meters, feet, etc.)

- b. **Base Map Information**

List the base map used (e.g. TxDOT county digital road maps, USGS maps, etc.) Base map information should be included only if it has been produced in-house and is not easily available at most data repositories.

v NOTE: TCEQ uses TxDOT county (urban) digital road maps as the official CCN base map. Copies of these files can be obtained from Texas Natural Resources Information Systems (TNRIS) at (512) 463-8337 or downloaded from the TNRIS website at

<http://www.tnr.is.state.tx.us/DigitalData/TxDOT/txdot.htm>.

- c. **Read-me text file**

Data file format, base map used, projection and units information, and other necessary information can be specified in a read-me text file.

B. Important Information For those applicants that submit digital data:

- i. Please make sure the proposed service area boundary shown on the hard copy map is identical to the digital data. If the proposed service area shown on the digital data does not delineate the same area shown on the hard copy map, the hard copy map will be used to delineate the official CCN service area.
- ii. Modifications may be made to submitted digital data in order to match the proposed service area boundary to features represented on the TxDOT base map, as opposed to the same features used in the applicant's base map.
- iii. If an applicant proposes to amend a portion of their existing CCN service area, the existing service area shown on the digital data must match the official CCN service area that was previously certificated to the utility. If it does not, then only the proposed portion of the digital data will be used.

If you have any questions about sending the data or our GIS CCN coverage, please contact the Cartographer of the Utilities & Districts Section, Water Supply Division at (512) 239-4691.

4. NEW SYSTEM INFORMATION OR UTILITIES REQUESTING A CCN FOR THE FIRST TIME

A. Please provide the following information:

- i. A list of all public drinking water supply systems or sewer systems within a 2 mile radius of the proposed system.
- ii. Copies of written requests seeking to obtain service from each of the public drinking water supply systems or sewer systems listed in #4.a.i above or documentation that it is

- C. List in the table below, the number of existing and/or proposed metered and non-metered connections (by size). The proposed number should reflect the information presented in the business plan and reflect the number of service requests identified in Question 2.b above.

| Water System | | | Sewer System | | |
|--------------------|----------|----------|--------------|----------|----------|
| Connection | Existing | Proposed | Connection | Existing | Proposed |
| 5/8" or 3/4" meter | 328 | 12 | Residential | 330 | 12 |
| 1" meter or larger | 43 | 6 | Commercial | 32 | 6 |
| Non-Metered | | | Industrial | | |
| Other: | | | Other: | | |
| Total Water | 371 | 18 | Total Sewer | 362 | 18 |

- D. If this application is for a water CCN only, please explain how sewer service is provided: N/A.
- E. If this application is for a sewer CCN only, please explain how water service is provided: N/A
- F. What is the effect of the granting or amending a certificate on a recipient of the certificate and on any retail public utility of the same kind already serving the proximate area: There are no other utilities providing service within the requested area except for the small overlap with Gainesville which is discussed in Question 2.D. There should be no impact on neighboring utilities.
- G. Do you currently purchase or plan to purchase water or sewer treatment capacity from another source?
- No (skip the rest of this question and go to #6) Yes
 - Water

Purchased on a ()regular - ()seasonal - ()emergency basis?

| Source | % of total supply |
|--------|-------------------|
| | |
| | |

- iii. Sewer treatment capacity

No Yes

Purchased on a ()regular - ()seasonal - ()emergency basis

| Source | % of total treatment |
|--------|----------------------|
| | |
| | |

- iv. Provide a **certified** copy of the most current water or sewer treatment capacity purchase agreement or contract.

6. **FINANCIAL INFORMATION**

- A. For new systems and for applicants with existing CCNs who are constructing a new stand alone system:
- i. the applicant must provide an analysis of all necessary costs for constructing, operating, and maintaining the system for which the CCN is requested for at least the first five years. In addition, if service has been offered by an existing water service provider as stated in #4.A., but the applicant has determined that the cost of service as finally offered renders the project not economically feasible, the applicant must provide a comparison analysis of all necessary costs for acquiring and continuing to receive service from the existing system for the same period. *N/A*
 - ii. Attach projected profit and loss statements, cash flow worksheets, and balance sheets (projected five year financial plan worksheet is attached) for each of the first five years of operation. Income from rates should correlate to the growth projections in #6.A above. *N/A*
 - iii. Attach a proposed rate schedule or tariff. Describe the procedure for determining the rates and fees and indicate date of last change, if applicable. Attach copies of any cost of service studies or rate analysis worksheets. *N/A*
- B. For existing systems:
- i. Attach a profit and loss statement and current balance sheet for existing businesses (end of last fiscal year is acceptable). Describe sources and terms for borrowed capital such as loans, bonds, or notes (profit and loss and balance sheet worksheets are attached, if needed). **See Attachment C**
 - ii. Attach a proposed rate schedule or tariff. **See Attachment D**
- v NOTE: An existing system may be required to provide the information in 6.A.i. above during the technical review phase if necessary for staff to completely evaluate the application.
- C. Identify any funds you are required to accumulate and restrict by lenders or capital providers. **See Attachment C**
- D. In lieu of the information in #6.A. thru #6.C., you may provide information concerning loan approvals within the last three (3) years from lending institutions or agencies including the most recent financial audit of the applicant. **See Attachment C**

7. **NOTICE REQUIREMENTS**

- A. All proposed notice forms must be completed and submitted with the application. However, do not mail or publish them until you receive written approval from the Commission to do so.
- B. The Commission cannot grant a CCN until proper notice of the application has been given. Commission rules do not allow a waiver of these notice requirements.
- C. It is the applicant's responsibility to ensure that proper notice is given to all entities that are required to receive notice.
- D. Recommended notice forms for publication, neighboring cities and systems, and customers are included with this application to use in preparing your proposed notices. (These notice forms are also available in Spanish upon request.)
- E. After reviewing and, if necessary, modifying the proposed notice, the Commission will send the notice to the applicant after the application is accepted for filing along with instructions for publication and/or mailing. Please review the notice carefully and note any additional neighboring utilities which may be included in the acceptance letter.
- F. Notice For Publication:
The applicant shall publish the notice in a newspaper having general circulation in the county or

counties where a certificate of convenience and necessity is being requested, once each week for two consecutive weeks beginning with the week after the notice is received from the Commission. Proof of publication in the form of a publisher's affidavit shall be submitted to the Commission within 30 days of the last publication date. The affidavit shall state with specificity each county in which the newspaper is of general circulation.

G. Notice To Neighboring Utilities:

- i. List all neighboring retail public utilities and cities providing the same utility service within the following vicinities of the applicant's proposed certificate area; and
- ii. any city whose extra-territorial jurisdiction (ETJ) overlaps the proposed service area.
- iii. For applications for the issuance of a **NEW** certificate of public convenience and necessity, the applicant must mail the notice with a copy of the location map (CCN map) to all cities and neighboring retail public utilities providing the same utility service within **five (5) miles** of the requested service area, and any city with an ETJ which overlaps the proposed service area.
- iv. For applications for the **AMENDMENT** of certificate of public convenience and necessity, the applicant must mail the notice with a copy of the location map (CCN map) to all cities and neighboring retail public utilities providing the same utility service within **two (2) miles** of the requested service area, and any city with an extra-territorial jurisdiction which overlaps the proposed service area. See Attachment E

H. Notice to Customers

Investor Owned Utilities (IOUs) that are currently providing service without a certificate must provide individual mailed notice to all current customers. The notice must contain the current rates, the date those rates were instituted, and any other information required in the application.

Do not publish or send copies of the proposed notices to anyone at the time you submit the application to the Commission. Wait until you receive written authorization to do so. This will occur after the Commission has reviewed the notices for completeness, and your application has been accepted for filing.

- I. The Commission may require the applicant to deliver notice to other affected persons or agencies.

APP1008

OATH

State of Texas

I, Steven Zwinggi, being duly sworn, file this application as Mayor; that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the maps filed with this application, and have complied with all the requirements contained in this application; and, that all such statements made and matters set forth therein are true and correct. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Texas Commission on Environmental Quality.

I further represent that the application form has not been changed, altered or amended from its original form available only from the Commission.

I further represent that the Applicant will provide continuous and adequate service to all customers and qualified applicants for service within its certificated service area.

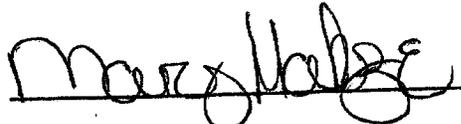

AFFIANT
(Applicant's Authorized

Representative)

If the Affiant to this form is any person other than the sole owner, partner, officer of the Applicant, or its attorney, a properly verified Power of Attorney must be enclosed.

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State of Texas, this 09 day of Aug, 2005




NOTARY PUBLIC

Notice for Publication

NOTICE OF APPLICATION TO AMEND A CERTIFICATE OF CONVENIENCE
AND NECESSITY (CCN) TO PROVIDE WATER AND SEWER
UTILITY SERVICE IN COOKE COUNTY

The City of Lindsay has filed an application to amend its water CCN, number 13025, and its sewer CCN, number 20927, with the Texas Commission on Environmental Quality to provide water and sewer utility service in Cooke County.

The proposed utility service area is located approximately 4.6 miles north, 3.5 miles south, .6 miles east, and 4.1 miles west of downtown Lindsay, Texas, and is generally bounded on the north by Road number 411; on the east by Gainesville Airport; on the south by Road numbers 1630; and on the west by Road number 415.

The total area being requested for water service includes approximately 18,230 acres and 371 current customers. The total area being requested for sewer service includes approximately 18,230 acres and 362 current customers.

A copy of the proposed service area map is available at 608 Ash Street, Lindsay, Texas 76250.

A request for a public hearing must be in writing. You must state (1) your name, mailing address, and daytime telephone number; (2) the applicant's name, application number or another recognizable reference to this application; (3) the statement, "I/we request a public hearing"; (4) a brief description of how you or the persons you represent, would be adversely affected by the granting of the application for a CCN; and (5) your proposed adjustment to the application or CCN which would satisfy your concerns and cause you to withdraw your request for a hearing.

Persons who wish to intervene or comment should write the:

Texas Commission on Environmental Quality
Water Supply Division
Utilities and Districts Section, MC-153
P. O. Box 13087
Austin, TX 78711-3087

within thirty (30) days from the date of this publication or notice. A public hearing will be held only if a legally sufficient hearing request is received or if the Commission on its own motion requests a hearing. Only those individuals who submit a written hearing request or a written request to be notified if a hearing is set will receive notice if a hearing is scheduled.

If a public hearing is requested, the Executive Director will not issue the CCN and will forward the application to the State Office of Administrative Hearings (SOAH) for a hearing. If no settlement is reached and an evidentiary hearing is held, the SOAH will submit a recommendation to the Commission for final decision. If an evidentiary hearing is held, it will be a legal proceeding similar to a civil trial in state district court.

Notice to Neighboring Systems and Cities
**NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN)
TO PROVIDE WATER/SEWER UTILITY SERVICE IN COOKE COUNTY**

To: _____ Date Notice Mailed: _____, 2005
(Neighboring System or City)

(Address)

(City State Zip)

The City of Lindsay has filed an application to amend its water CCN, number 13025, and its sewer CCN, number 20927, with the Texas Commission on Environmental Quality to provide water and sewer utility service in Cooke County.

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Notice to Landowners

**NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN)
TO PROVIDE WATER/SEWER UTILITY SERVICE IN FANNIN COUNTY**

To: _____ Date Notice Mailed: _____, 2005
(Neighboring System or City)

(Address)

(City State Zip)

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Persons who wish to intervene or comment should write the:

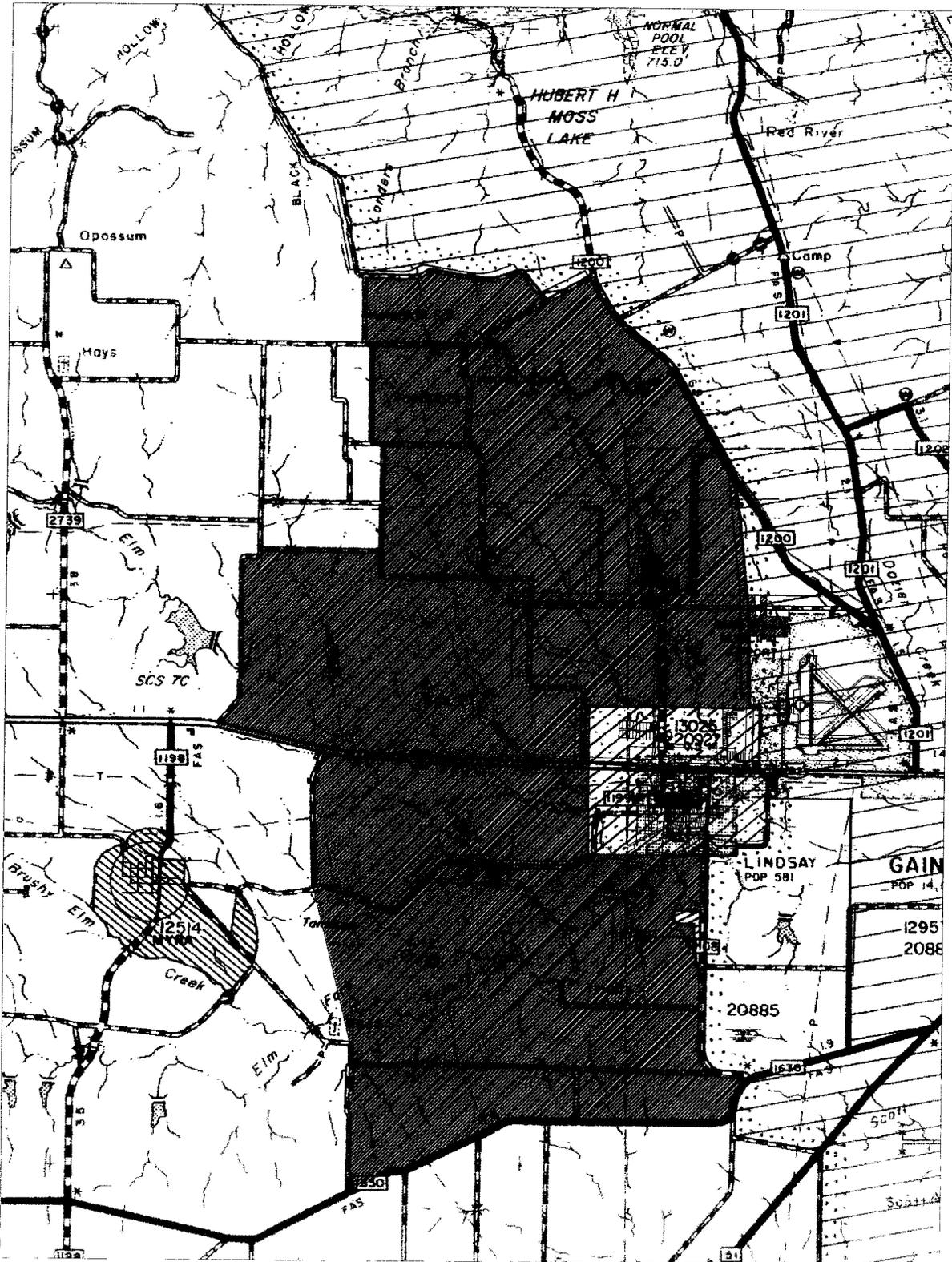
Texas Commission on Environmental Quality
Water Supply Division
Utilities and Districts Section, MC-153
P. O. Box 13087
Austin, TX 78711-3087

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CITY OF LINDSAY
WATER AND SEWER CNN APPLICATION

EXHIBIT A



CITY OF LINDSAY

LINDSAY PROPOSED WATER AND SEWER CCN

-  LINDSAY PROPOSED CCN AREA
-  REQUESTS FOR SERVICE LOCATIONS

CITY OF LINDSAY
WATER AND SEWER CNN APPLICATION

EXHIBIT B

Kathleen Hartnett White, *Chairman*
R. B. "Ralph" Marquez, *Commissioner*
Larry R. Soward, *Commissioner*
Glenn Shankle, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

March 11, 2005

Robert Walterscheid
City of Lindsay
P.O. Box 183
Lindsay, TX 76250

Re: Compliance Evaluation Investigation at:
City of Lindsay, Cooke County, Texas
TCEQ ID No.: 0490003

Dear Mr. Walterscheid:

On February 10, 2005, Erin Tanski of the Texas Commission on Environmental Quality (TCEQ) D/FW Region Office conducted an investigation of the above-referenced facility to evaluate compliance with applicable requirements for Public Water Supply systems. No violations were documented during the investigation.

The TCEQ appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions regarding these matters, please feel free to contact Ms. Erin Tanski in our D/FW Region Office at 817/588-5853.

Sincerely,

Charles Marshall
Work Leader, Public Water Supply Section
D/FW Regional Office

CM/emt
cc: TCEQ-Austin

REPLY TO: REGION 4-DALLAS/FORT WORTH • 2309 GRAVEL DR. • FORT WORTH, TEXAS 76118-6951 • 817/588-5800 • FAX 817/588-5700

P.O. Box 13087 • Austin, Texas 78711-3087 • 512/239-1000 • Internet address: www.tceq.state.tx.us

printed on recycled paper using soy based ink

APP1017

Kathleen Hartnett White, *Chairman*
R. B. "Ralph" Marquez, *Commissioner*
Larry R. Soward, *Commissioner*
Margaret Hoffman, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

February 9, 2004

The Honorable Norbert Majors, Mayor
Town of Lindsay
PO Box 153
Lindsay, Texas 76250

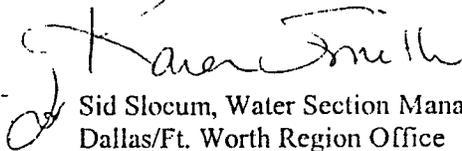
Re: Comprehensive Compliance Investigation at:
Town of Lindsay Wastewater Plant, (Cooke County), Texas
TPDES Permit No.: 10923-001, EPA ID No.: TX0025097

Dear Mayor Majors:

On January 13, 2004, Carrie Landrum of the Texas Commission on Environmental Quality (TCEQ) Dallas/Ft. Worth Region Office conducted an investigation of the above-referenced facility to evaluate compliance with applicable requirements for wastewater treatment. No violations were documented during the investigation; however, two areas of concern were identified for which you may want to take action. These areas of concern will be re-evaluated during the next compliance investigation.

The TCEQ appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions regarding these matters, please feel free to contact Carrie Landrum in the Dallas/Ft. Worth Region Office at 817-588-5847.

Sincerely,


Sid Slocum, Water Section Manager
Dallas/Ft. Worth Region Office

SS/cl

enclosure: Investigation Report No. 260497

Sample Results

APP1018

REPLY TO: REGION 4 • 2309 GRAVEL DR. • FORT WORTH, TEXAS 76118-6951 • 817/588-5800 • FAX 817/588-5700

P.O. Box 13087 • Austin, Texas 78711-3087 • 512/239-1000 • Internet address: www.tceq.state.tx.us

print: this is a copy of the original document

Texas Commission on Environmental Quality

Investigation Report

TOWN OF LINDSAY

TOWN OF LINDSAY WWTP

RN102069788

Investigation # 260497

Incident #

Investigator: CARRIE LANDRUM

Site Classification

Conducted: 01/13/2004 -- 01/13/2004

SIC Code: 4952

Program(s): WASTEWATER

Investigation Type : Compliance Investigation

Location : 600 feet East of FM Road 3108
Bridge over Elm Fork Trinity River Southeast
of the Town of Lindsay in Cooke CountyAdditional ID(s) : WQ0010923001
TPDES0025097

Address : , ,

Activity Type : WW CCI Discretionary - Comprehensive
compliance investigationPrincipal(s) :

| Role | Name |
|------------|-----------------|
| RESPONDENT | TOWN OF LINDSAY |

Contact(s) :

| Role | Title | Name | Phone |
|-------------------------------|----------|------------------------|---------------------|
| Notified | OPERATOR | MR CHARLES YOUNG JR | Home (940) 665-6385 |
| Participated in Investigation | OPERATOR | MR CHARLES YOUNG JR | Home (940) 665-6385 |
| Regulated Entity Contact | OPERATOR | MR CHARLES YOUNG JR | Home (940) 665-6385 |
| Regulated Entity Mail Contact | MAYOR | MR NORBERT MAGES | Work (940) 665-4455 |

Other Staff Member(s) :

| Role | Name |
|------------|-------------|
| Supervisor | Karen Smith |

Associated Check List

| <u>Checklist Name</u> | <u>Unit Name</u> |
|-----------------------------|------------------|
| WQ INVESTIGATION TYPES FY04 | lindsay |
| WQ GENERAL CCI CHECKLIST | lindsay |

Investigation Comments :

GENERAL FACILITY AND PROCESS INFORMATION

The Town of Lindsay operates a 0.066 MGD domestic wastewater facility. The wastewater treatment system is comprised of a bar screen, oxidation ditch, two oxidation-stabilization ponds, and an effluent discharge chamber.

During the investigation, effluent samples were taken from Outfall 001, immediately following the effluent weir. Analyses results are attached to this report. Sample results were compliant with permit limits. Persistent foam was observed in the discharge channel and trace foam was observed

in the receiving stream. An additional effluent sample was collected during the investigation to be analyzed for NH₃N. Sample results indicated that the foaming may have been caused by elevated NH₃N levels. The city is not required by their permit to test for NH₃N and elevated NH₃N is somewhat common in pond wastewater systems.

The primary flow measuring device for outfall 001 is a 22.5 degree V-notch weir. A flow accuracy check was not performed because the distance between the flow meter read-out and effluent weir was too great to obtain an accurate reading.

Mr. Young conducts field measurements for pH and dissolved oxygen. Effluent samples are collected by Mr. Young and are preserved on ice for transport to Williams Testing Laboratory in Denton. The first oxidation pond was dredged in August 2003. Cole & Smithsen Construction hauled 1,968 cubic yards of sludge to Gainesville Municipal Airport BLU for final disposal.

The Town of Lindsay has no industrial facilities that discharge to the sanitary sewer system. The city's collection system has approximately 300 connections. The plant operator reports no significant problems with inflow/infiltration.

BACKGROUND

The file review conducted prior to the investigation indicated that the facility is in general compliance with their permit.

No Violations Associated to this Investigation

Areas of Concern

Description

Are calibration and maintenance records adequate for any analytical equipment used?

Does the receiving stream have such conditions as foaming, floating materials, sludge deposits, or color and turbidity?

Additional Comments

The operator should include additional information in his calibration log for the dissolved oxygen meter. Initial meter reading, calibration value, elevation, and salinity values should be recorded even if the values entered remain the same during each calibration event.

Foaming was observed in the discharge channel immediately following the effluent weir. Foaming persists throughout the discharge channel, but accumulates around rocks, brush, and other debris. Trace amounts of foam reach the creek. An additional sample was collected during the investigation to be analyzed for ammonia-nitrogen.

Signed *Caitie Landau*
Environmental Investigator

Date 2/9/04

Signed *Karen Smith*
Supervisor

Date 2/9/04

Attachments: (in order of final report submittal)

Enforcement Action Request (EAR)

Maps, Plans, Sketches

Letter to Facility (specify type) : COM

Photographs

Investigation Report

Correspondence from the facility

Sample Analysis Results

Other (specify) :

Manifests

NOR

INVESTIGATION SAMPLE RESULTS

Regulated Entity Name: Town of Lindsay

Authorization ID(s): 10923-001

Date of Investigation: January 13, 2004

| Sampling Location & Parameter | Measured Value | Authorized Limit | Type Sample | COC ID No. | Primary Source of Wastewater or Waste |
|-------------------------------|----------------|------------------|---------------|------------|---------------------------------------|
| Outfall 001 | | | | | Domestic |
| Flow (MGD) | 0.0145 | N/A | instantaneous | N/A | Sewage |
| BOD ₅ (mg/L) | 32 | 100 | grab | 011248-01 | " |
| TSS (mg/L) | 20 | N/A | grab | " | " |
| pH (SU) | 7.6 | 6.0 - 9.0 | grab | " | " |
| DO (mg/L) | 5.4 | ≥ 4.0 | grab | " | " |
| NH ₃ N (mg/L) | 28.2 | N/A | grab | " | " |



TEXAS
COMMISSION ON
ENVIRONMENTAL
QUALITY

Chain of Custody Record

Nº 011248

Region: *BY* Organization #: *40034* PCA Code: *94039* Program: *WQ* Sampler telephone number: *817 588 5847*

E-Mail ID: *clendrum* Sampler (Signature): *Clendrum* Sampler: (please print clearly) *Carne Landrum*

| LAB ID Number | Sample ID | Date | Time | # of Bottles | Grab/Comp. | Matrix L.S.M.O.T | CL2 | pH | Cond: | Analyses Requested | REMARKS |
|---------------|------------|----------------|--------------|--------------|------------|------------------|-----------|------------|------------|-------------------------|---|
| <i>01</i> | <i>-01</i> | <i>1/13/04</i> | <i>10:50</i> | <i>2</i> | <i>G</i> | <i>L</i> | <i>NA</i> | <i>7.6</i> | <i>5.4</i> | <i>BOD / TSS / NH3N</i> | <i>RECEIVED FEB 02 2004 ICEY REGION 4 - DFW</i> |
| | <i>-02</i> | | | | | | | | | | |
| | <i>-03</i> | | | | | | | | | | |
| | <i>-04</i> | | | | | | | | | | |
| | <i>-05</i> | | | | | | | | | | |
| | <i>-06</i> | | | | | | | | | | |
| | <i>-07</i> | | | | | | | | | | |
| | <i>-08</i> | | | | | | | | | | |
| | <i>-09</i> | | | | | | | | | | |
| | <i>-10</i> | | | | | | | | | | |

Relinquished by: *Clendrum* Date: *1/13/04* Time: *13:00* Received by: _____

Relinquished by: _____ Date: _____ Time: _____ Received by: _____

Relinquished by: _____ Date: _____ Time: _____ Received by: _____

Relinquished by: *Clendrum* Date: *1/14/04* Time: *8:20* Received by: *Omica Mott*

Shipper Name: *Clendrum* Shipper Number: *6011 107 383 6802*

0041

CL

APP1023



TCEQ Laboratory

Report of Analysis

Jan 29, 2004 8:13 AM

| | | | |
|--|--------------------------|--------------------------------------|----------------------|
| TCEQ Sample #: 0400100 | Group #: 20040041 | Chain of Custody #: 011248-01 | Region: 4 |
| Program: Water Quality Monitoring | | Organization #: 4204 | Work #: 94039 |
| Sample Collected: 1/13/04 10:50 | | Permit #: 10923-01 | |
| Sample Received: 01/14/04 | Matrix: LIQUID | Sample Collected: CLANDRUM | |

| | | | |
|----------------------|--------------|----------------------|----------------------|
| Sample Depth: | CL2R: | Field pH: 7.6 | Conductivity: |
|----------------------|--------------|----------------------|----------------------|

Collection Site: Lindsay-Grab

| Constituent Name | Result | Unit | Prepared | Analyzed | Method |
|---------------------------|--------|------|----------|----------------|--------|
| Ammonia Nitrogen | 28.2 | mg/L | | 01/21/04 11:45 | 350.1 |
| BOD (5 day) | 32 | mg/L | | 01/15/04 8:30 | 405.1 |
| Total Suspended Solids | 20 | mg/L | | 01/15/04 8:30 | 160.2 |
| Volatile Suspended Solids | 18 | mg/L | | 01/15/04 8:30 | 160.4 |

End of Data for TCEQ Sample #: 0400100

Laboratory Approval:

Jan 29, 2004

TNRFYNL.rpt

Modified Date: 24-Jul-2003

CITY OF LINDSAY
WATER AND SEWER CNN APPLICATION

EXHIBIT C

CITY OF LINDSAY, TEXAS

ANNUAL FINANCIAL REPORT

For the Year Ended October 31, 2004

City of Lindsay
Annual Financial Report
For The Year Ended October 31, 2004

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Financial Section

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HESS & ROHMER, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

BRIAN D. HESS, CPA
MELODY ROHMER, CPA
LESLIE DANGELMAYR, CPA

Independent Auditors' Report on Financial Statements

Honorable Steven Zwinggi, Mayor and
Members of the City Council
City of Lindsay, Texas
P.O. Box 153
Lindsay, Texas 76250

Members of the City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lindsay, State of Texas, as of and for the year ended October 31, 2004, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Lindsay, State of Texas management. Our responsibility is to express opinions on these financial statements based on our audit.

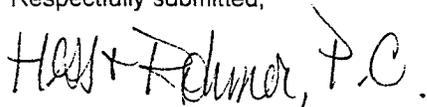
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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, each major fund, and the aggregate remaining fund information for the primary government of the City of Lindsay, State of Texas, as of October 31, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 2005, on our consideration of the City of Lindsay, State of Texas internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis and the budgetary information identified as Required Supplementary Information in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

Respectfully submitted,



Hess & Rohmer, P.C.

January 24, 2005

MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Lindsay

This section of the City of Lindsay's Annual Financial and Compliance Report presents our discussion and analysis of the City's financial performance during the fiscal year ended October 31, 2004. Please read it in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The City's total combined net assets were \$1,847,898 at October 31, 2004.

During the year, the City had expenses that were \$98,508 less than the \$406,622 generated in tax and other revenues for governmental programs, thereby increasing the City's net assets by approximately 5.6%.

Total cost of the City's programs decreased from last year, with no new programs added this year.

The General Fund ended the year with a fund balance of \$682,056.

The resources available for appropriation were \$12,369 less than budgeted for the General Fund.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the City.

The government-wide financial statements include the Statement of Net Assets and the Statement of Activities. These provide information about the activities of the City as a whole and present a longer-term view of the City's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

The remaining statements are fund financial statements that focus on individual parts of the government, reporting the City's operations in more detail than the government-wide statements.

The governmental funds statements tell how general government services were financed in the short term as well as what remains for future spending.

Proprietary fund statements offer short- and long-term financial information about the activities the government operates like businesses.

The notes to the financial statements provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The statements are followed by a section of required supplementary information further explains and supports the information in the financial statements.

Government-wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net assets and how they have changed. Net assets – the difference between the City's assets and liabilities – is one way to measure the City's financial health or position.

- Over time, increases or decreases in the City's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.

- To assess the overall health of the City, one needs to consider additional nonfinancial factors such as changes in the City's tax base.

The government-wide financial statements of the City include the *Governmental activities*. Most of the City's basic services are included here, such as general government, public safety, highways and streets, sanitation, economic development, culture and recreation, and interest on long-term debt. Property taxes and grants finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds – not the city as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The Board of Trustees establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The City has the following kinds of funds:

- **Governmental funds** – Most of the City's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we describe the differences between governmental activities and governmental funds in reconciliation schedules following each of the fund financial statements.
- **Proprietary funds** – Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City implemented GASB Statement #34 this year. We did not present net asset measurements in prior years since they were not required by generally accepted accounting principles. Therefore, our analysis of comparative balances and changes therein is limited to the current year's operations. In future years, we will present both current and prior year data and discuss significant changes in the accounts. Our analysis focuses on the net assets (Table I) and changes in net assets (Table II) of the District's governmental and business-type activities.

Net assets of the District's governmental activities increased from \$1,749,390 to \$1,847,898. Unrestricted net assets – the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – was \$1,106,162 at October 31, 2004. This increase in governmental net assets represents an increase of 5.6 percent from the prior year.

**Table I
City of Lindsay**

NET ASSETS

| | Governmental Activities 2004 | Business-type Activities 2004 | Total |
|--|------------------------------------|-------------------------------------|------------------|
| Current and other assets | 743,185 | 375,636 | 1,118,821 |
| Restricted assets | - | 51,155 | 51,155 |
| Capital assets | 478,160 | 525,795 | 1,003,955 |
| Total assets | <u>1,221,345</u> | <u>952,586</u> | <u>2,173,931</u> |
| Current liabilities | 3,156 | 40,703 | 43,859 |
| Long term liabilities | - | 282,174 | 282,174 |
| Total liabilities | <u>3,156</u> | <u>322,877</u> | <u>326,033</u> |
| Net Assets: | | | |
| Invested in capital assets net of related debt | 478,160 | 223,621 | 701,781 |
| Restricted | - | 39,955 | 39,955 |
| Unrestricted | 740,029 | 366,133 | 1,106,162 |
| Total net assets | <u>1,218,189</u> | <u>629,709</u> | <u>1,847,898</u> |

**Table II
City of Lindsay**

CHANGES IN NET ASSETS

| | Governmental Activities 2004 | Business-type Activities 2004 | Total |
|---|------------------------------------|-------------------------------------|------------------|
| Revenues: | | | |
| Program Revenues: | | | |
| Charges for Services | 21,146 | 166,065 | 187,211 |
| Operating grants and contributions | 1,479 | - | 1,479 |
| General Revenues: | | | |
| Property taxes | 80,911 | - | 80,911 |
| Sales & liquor taxes | 78,078 | - | 78,078 |
| Franchise taxes (fees) | 33,695 | 6,391 | 40,086 |
| Investment Earnings | 13,388 | 5,469 | 18,857 |
| Total Revenue | <u>228,697</u> | <u>177,925</u> | <u>406,622</u> |
| Expenses: | | | |
| General government | 56,587 | | 56,587 |
| Court | 9,465 | | 9,465 |
| Police | 53,731 | | 53,731 |
| Fire | 5,659 | | 5,659 |
| Recreation | 2,103 | | 2,103 |
| Streets | 30,241 | | 30,241 |
| Water & sewer utilities | | 114,004 | 114,004 |
| Solid waste management | | 36,324 | 36,324 |
| Total Expenses | <u>157,786</u> | <u>150,328</u> | <u>308,114</u> |
| Increase in net assets before transfers and special items | 70,911 | 27,597 | 98,508 |
| Transfers | (36,299) | 36,299 | - |
| Special Items | - | - | - |
| Net assets, beginning of year | 1,183,577 | 565,813 | 1,749,390 |
| Net assets, end of year | <u>1,218,189</u> | <u>629,709</u> | <u>1,847,898</u> |

The Statement of Activities presents the cost of each of the City's functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by state revenues as well as local tax dollars.

- The cost of all *governmental* activities this year was \$157,786.
- However, the amount that our taxpayers paid for these activities through property taxes was \$80,911, and through sales & liquor taxes was \$78,078.
- Some of the cost was paid by those who directly benefited from the programs, \$21,146, or
- By grants and contributions \$1,479.

- The cost of all *business-type* activities this year was \$150,328.
- This cost was paid by those who directly benefited from the program, \$166,065.

THE CITY'S FUNDS

As the City completed the year, its governmental funds (as presented in the balance sheet on page 11) reported a combined fund balance of \$682,056, which has increased from last year's total of \$641,870. There were no significant changes in individual fund balances from the prior year.

During Fiscal Year 2004 the City dealt with declining sales tax revenue due to the neighboring city Gainesville going "wet" and the closing of several local retail businesses. Sales tax revenue declined 23% in comparison to prior year. This event is what prompted the City to assess property taxes for the first time in 2003.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2004, the City had \$1,594,996 in a broad range of capital assets, including land, equipment, buildings, and vehicles. This amount represents a net increase of \$0, or 0 percent, above last year.

Additional information about the City's capital assets is presented in Note C to the financial statements.

Debt

No new debt was issued during the year. At year-end, the City had \$302,174 in a capital leases outstanding versus \$322,174 last year—a net decrease of 6.2 percent.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Board approved a \$.22/\$100 tax rate for 2004-2005, which was the same rate for 2003-2004. In comparison to prior years, there were less repairs and maintenance to the water department and to general city operations (i.e. streets) for 2003-2004. For 2004-2005, the Board has included in its budget, water department tank refurbishing and the purchase of new aerators for the sewer plant. The City also plans on making some park improvements to update the kitchen.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City's business office, at City of Lindsay, P.O. Box 153/608 Ash Street, Lindsay, Texas, 76250.

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Basic Financial Statements

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CITY OF LINDSAY
STATEMENT OF NET ASSETS
OCTOBER 31, 2004

| | Primary Government | | |
|---|----------------------------|-----------------------------|---------------------|
| | Governmental Activities | Business-type Activities | Total |
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 14,793 | \$ 70,162 | \$ 84,955 |
| Certificates of deposit | 648,000 | 297,000 | 945,000 |
| Receivables | | | |
| Accounts | | 8,048 | 8,048 |
| Property taxes (net) | 67,428 | | 67,428 |
| Sales taxes | 5,881 | | 5,881 |
| Due from state | 6,243 | | 6,243 |
| Accrued interest | 840 | 426 | 1,266 |
| Total current assets | <u>743,185</u> | <u>375,636</u> | <u>1,118,821</u> |
| Restricted assets: | | | |
| Cash - meter deposits | - | 600 | 600 |
| Certificate of deposit - meter deposits | | 10,600 | 10,600 |
| Lease reserve | | 39,955 | 39,955 |
| Total restricted assets | <u>-</u> | <u>51,155</u> | <u>51,155</u> |
| Capital assets: | | | |
| Buildings and improvements (net) | 368,070 | - | 368,070 |
| Plant and equipment (net) | 14,578 | 515,795 | 530,373 |
| Streets (net) | 71,812 | | 71,812 |
| Land | 23,700 | 10,000 | 33,700 |
| Total capital assets | <u>478,160</u> | <u>525,795</u> | <u>1,003,955</u> |
| Total assets | <u>1,221,345</u> | <u>952,586</u> | <u>2,173,931</u> |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable | 1,818 | 9,503 | 11,321 |
| Accrued payroll taxes | 1,014 | | 1,014 |
| Customer deposits | | 11,200 | 11,200 |
| Deferred revenue | 324 | | 324 |
| Current lease payable | | 39,935 | 39,935 |
| Less: discount on lease payable | | (19,935) | (19,935) |
| Total current liabilities | <u>3,156</u> | <u>40,703</u> | <u>43,859</u> |
| Long term liabilities: | | | |
| Lease payable | - | 392,297 | 392,297 |
| Less: discount on lease payable | | (110,123) | (110,123) |
| Total long term liabilities | <u>-</u> | <u>282,174</u> | <u>282,174</u> |
| Total liabilities | <u>3,156</u> | <u>322,877</u> | <u>326,033</u> |
| NET ASSETS | | | |
| Invested in capital assets, net of related debt | 478,160 | 223,621 | 701,781 |
| Restricted for lease reserve | | 39,955 | 39,955 |
| Unrestricted | 740,029 | 366,133 | 1,106,162 |
| Total net assets | <u>\$ 1,218,189</u> | <u>\$ 629,709</u> | <u>\$ 1,847,898</u> |

See accompanying notes to financial statements.

CITY OF LINDSAY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED OCTOBER 31, 2004

| Functions/Programs | Expenses | Program Revenues | | Net (Expense) Revenue |
|--------------------------------|-------------------|-------------------------|--|--------------------------|
| | | Charges for Services | Operating Grants and Contributions | |
| Governmental activities: | | | | |
| General government | \$ 56,587 | \$ 3,957 | | \$ (52,630) |
| Public safety: | | | | |
| Court | 9,465 | 16,264 | | 6,799 |
| Police | 53,731 | | 1,479 | (52,252) |
| Fire | 5,659 | | | (5,659) |
| Recreation | 2,103 | 925 | | (1,178) |
| Streets | 30,241 | | | (30,241) |
| Total governmental activities | <u>157,786</u> | <u>21,146</u> | <u>1,479</u> | <u>(135,161)</u> |
| Business-type activities: | | | | |
| Water and sewer utilities | 114,004 | 132,904 | - | 18,900 |
| Solid waste management | 36,324 | 33,161 | | (3,163) |
| Total business-type activities | <u>150,328</u> | <u>166,065</u> | <u>-</u> | <u>15,737</u> |
| Total primary government | <u>\$ 308,114</u> | <u>\$ 187,211</u> | <u>\$ 1,479</u> | <u>\$ (119,424)</u> |

See accompanying notes to financial statements.

CITY OF LINDSAY
STATEMENT OF ACTIVITIES (continued)
FOR THE YEAR ENDED OCTOBER 31, 2004

| | Primary Government | | Total |
|---|----------------------------|-----------------------------|--------------|
| | Governmental Activities | Business-type Activities | |
| Change in net assets: | | | |
| Net (expense) revenue | \$ (135,161) | \$ 15,737 | \$ (119,424) |
| General revenues: | | | |
| Taxes: | | | |
| Property | 80,911 | | 80,911 |
| Franchise (fees) | 33,695 | 6,391 | 40,086 |
| Liquor | 4,901 | | 4,901 |
| Sales | 73,177 | | 73,177 |
| Interest income | 13,388 | 5,469 | 18,857 |
| Transfers | (36,299) | 36,299 | - |
| Total general revenues and transfers | 169,773 | 48,159 | 217,932 |
| Change in net assets | 34,612 | 63,896 | 98,508 |
| Net assets - beginning | 1,183,577 | 565,813 | 1,749,390 |
| Net assets - ending | \$ 1,218,189 | \$ 629,709 | \$ 1,847,898 |

See accompanying notes to financial statements.

CITY OF LINDSAY
BALANCE SHEET - GOVERNMENTAL FUNDS
OCTOBER 31, 2004

| | General Fund | Other Governmental Fund | Total Governmental Funds |
|--|-------------------|-------------------------------|--------------------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 14,472 | \$ 321 | \$ 14,793 |
| Certificates of deposit | 648,000 | | 648,000 |
| Property taxes receivable (net) | 67,428 | | 67,428 |
| Sales taxes receivable | 5,881 | | 5,881 |
| Due from state | 6,243 | | 6,243 |
| Accrued interest | 840 | | 840 |
| Total assets | <u>\$ 742,864</u> | <u>\$ 321</u> | <u>\$ 743,185</u> |
| LIABILITIES | | | |
| Accounts payable | \$ 1,818 | \$ - | \$ 1,818 |
| Accrued payroll taxes | 1,014 | | 1,014 |
| Deferred revenue | 57,976 | 321 | 58,297 |
| Total liabilities | <u>60,808</u> | <u>321</u> | <u>61,129</u> |
| FUND BALANCES | | | |
| Unreserved | 682,056 | - | 682,056 |
| Total fund balances | <u>682,056</u> | <u>-</u> | <u>682,056</u> |
| Total liabilities and fund balances | <u>\$ 742,864</u> | <u>\$ 321</u> | <u>\$ 743,185</u> |

See accompanying notes to financial statements.

CITY OF LINDSAY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE
SHEET TO THE STATEMENT OF NET ASSETS
OCTOBER 31, 2004

| | |
|--|---------------------|
| Total fund balances - governmental funds balance sheet | \$ 682,056 |
| Amounts reported for governmental activities in the statement of net assets are difference because: | |
| Capital assets used in governmental activities are not reported in the funds. | 478,160 |
| Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds. | <u>57,973</u> |
| Net assets of governmental activities - statement of net assets | <u>\$ 1,218,189</u> |

See accompanying notes to financial statements.

CITY OF LINDSAY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED OCTOBER 31, 2004

| | General Fund | Other Governmental Fund | Total Governmental Funds |
|---|-------------------|-------------------------------|--------------------------------|
| REVENUES | | | |
| Property taxes | \$ 67,354 | \$ - | \$ 67,354 |
| Franchise taxes (fees) | 33,695 | | 33,695 |
| Liquor taxes | 4,901 | | 4,901 |
| Sales taxes | 73,177 | | 73,177 |
| Licenses and permits | 3,258 | | 3,258 |
| Fees | 17,888 | | 17,888 |
| Grants and donations | 200 | 1,279 | 1,479 |
| Interest | 13,388 | | 13,388 |
| Total revenues | <u>213,861</u> | <u>1,279</u> | <u>215,140</u> |
| EXPENDITURES | | | |
| General government | 49,762 | - | 49,762 |
| Public safety | | | |
| Court | 8,314 | | 8,314 |
| Police | 45,918 | 1,279 | 47,197 |
| Fire | 4,971 | | 4,971 |
| Recreation | 1,847 | | 1,847 |
| Streets | 26,564 | | 26,564 |
| Total expenditures | <u>137,376</u> | <u>1,279</u> | <u>138,655</u> |
| Excess (deficiency) of revenues over (under) expenditures | 76,485 | - | 76,485 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers to other fund | <u>(36,299)</u> | - | <u>(36,299)</u> |
| Total other financing sources (uses) | <u>(36,299)</u> | - | <u>(36,299)</u> |
| Net change in fund balances | 40,186 | - | 40,186 |
| Fund balances - beginning | 641,870 | - | 641,870 |
| Fund balances - ending | <u>\$ 682,056</u> | <u>\$ -</u> | <u>\$ 682,056</u> |

See accompanying notes to financial statements.

CITY OF LINDSAY

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED OCTOBER 31, 2004**

| | |
|--|------------------|
| Net change in fund balances - total governmental funds | \$ 40,186 |
| Amounts reported for governmental activities in the statement activities ("SOA") are different because: | |
| Capital outlays are not reported as expenses in the SOA | 180 |
| Loss on disposal of assets are not reported in the funds. | (141) |
| The depreciation of capital assets used in governmental activities is not reported in the funds | (19,170) |
| Certain property tax revenues are deferred in the funds. This is the change in these amounts for this year. | <u>13,557</u> |
| Change in net assets of governmental activities - statement of activities | <u>\$ 34,612</u> |

See accompanying notes to financial statements.

CITY OF LINDSAY
STATEMENT OF FUND NET ASSETS
PROPRIETARY FUND
OCTOBER 31, 2004

| | <u>Water and Sewer Utilities</u> |
|---|--------------------------------------|
| ASSETS | |
| Current assets: | |
| Cash and cash equivalents | \$ 70,162 |
| Certificates of deposit | 297,000 |
| Accounts receivable | 8,048 |
| Accrued interest | 426 |
| Total current assets | <u>375,636</u> |
| Restricted assets: | |
| Cash - meter deposits | 600 |
| Certificate of deposit - meter deposits | 10,600 |
| Lease reserve | 39,955 |
| Total restricted assets | <u>51,155</u> |
| Capital assets: | |
| Plant and equipment (net) | 515,795 |
| Land | 10,000 |
| Total capital assets | <u>525,795</u> |
| Total assets | <u>952,586</u> |
| LIABILITIES | |
| Current liabilities: | |
| Accounts payable | 9,503 |
| Customer deposits | 11,200 |
| Current lease payable | 39,935 |
| Less: discount on lease payable | <u>(19,935)</u> |
| Total current liabilities | <u>40,703</u> |
| Long term liabilities: | |
| Lease payable | 392,297 |
| Less: discount on lease payable | <u>(110,123)</u> |
| Total long term liabilities | <u>282,174</u> |
| Total liabilities | <u>322,877</u> |
| NET ASSETS | |
| Invested in capital assets, net of related debt | 223,621 |
| Restricted for lease reserve | 39,955 |
| Unrestricted | 366,133 |
| Total net assets | <u>\$ 629,709</u> |

See accompanying notes to financial statements.

CITY OF LINDSAY
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUND
FOR THE YEAR ENDED OCTOBER 31, 2004

| | <u>Water and Sewer Utilities</u> |
|---|--------------------------------------|
| OPERATING REVENUES | |
| Charges for services: | |
| Water and sewer charges | \$ 129,778 |
| Water connection fees | 3,126 |
| Sanitation charges | 33,161 |
| Franchise fees | 6,391 |
| Total operating revenues | <u>172,456</u> |
| OPERATING EXPENSES | |
| Depreciation | 31,946 |
| General and administrative | 5,991 |
| Labor | 8,479 |
| Payroll expenses | 10,898 |
| Repairs and maintenance | 12,673 |
| Supplies | 1,045 |
| Testing | 2,572 |
| Utilities | 55,565 |
| Total operating expenses | <u>129,169</u> |
| Operating income | <u>43,287</u> |
| NONOPERATING REVENUES (EXPENSES) | |
| Interest income | 5,469 |
| Interest expense | <u>(21,159)</u> |
| Total nonoperating revenues (expenses) | <u>(15,690)</u> |
| Net income before contributions and transfers | 27,597 |
| Transfers from other funds | <u>36,299</u> |
| Change in net assets | 63,896 |
| Net assets - beginning | <u>565,813</u> |
| Net assets - ending | <u>\$ 629,709</u> |

See accompanying notes to financial statements.