

ANNUAL COMPREHENSIVE FINANCIAL REPORT 2022

FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2022
CITY OF PLANO, TEXAS





CITY OF PLANO, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEAR ENDED SEPTEMBER 30, 2022

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CITY OF PLANO, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022
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INTRODUCTORY SECTION

ANNUAL COMPREHENSIVE FINANCIAL REPORT 2022

FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2022
CITY OF PLANO, TEXAS



January 5, 2023

To the Honorable Mayor, Members of the City Council
and Citizens of the City of Plano, Texas:

The Annual Comprehensive Financial Report (ACFR) of the City of Plano, Texas (the City or Plano), for the year ended September 30, 2022, is submitted in accordance with Section 3.14 in the City Charter.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls established for this purpose.

Weaver and Tidwell, L.L.P. has issued an unmodified (clean) opinion on the City's financial statements for the year ended September 30, 2022. The independent auditors' report is located in the beginning of the financial section of the ACFR.

This letter of transmittal is designed to complement the Management's Discussion and Analysis (MD&A) and should be read in conjunction. The City's MD&A can be found immediately following the independent auditors' report and provides a narrative introduction, overview and analysis of the basic financial statements.

City of Plano Profile

The City of Plano is the largest city in Collin County, located in the southwest corner of the county, approximately 20 miles north of downtown Dallas. There are currently 72.1 square miles of land in the City's boundary.

The City was incorporated on June 2, 1873. It was subsequently chartered on June 10, 1961, and operates under a Council-Manager form of government. The City Council is comprised of a Mayor and seven members and is responsible for enacting ordinances, resolutions and regulations governing the City, as well as, appointing the members of various statutory and advisory boards, the City Manager, the City Attorney and the Chief Municipal Judge. The City Manager is the chief administrative officer of the government and is responsible for the enforcement of laws and ordinances, the appointment and supervision of the Deputy City Managers and heads of departments and the performance of functions within the municipal organization.

Financial reporting of the entity (the government) includes all the funds of the primary government (the City of Plano as legally defined, in addition to three blended component units as discussed in the accompanying footnotes), as well as, the Tax Increment Financing Districts and Tax Increment Reinvestment Zone, reported as discretely presented component units. Discretely presented component units are legally separate entities and are not part of the primary government's operations.

The government provides a full range of services including police and fire protection, environmental health, community development, building inspection, traffic control, parks and libraries, the construction and operation of water, sewer, drainage, sustainability and environmental services, streets and infrastructure and convention, tourism and cultural events.

The Plano Housing Authority, a related organization, is not a part of this report as the City's accountability does not extend beyond making the appointments of the Plano Housing Authority Board.

Local Economy

Plano is a community that offers exceptional housing, award-winning schools and a dynamic business climate, all of which are strong factors in the success of the City's economy. The City continues to benefit from other favorable conditions including a stable, diverse economic base and a desirable location for work and living.

Since 2017, Plano's population has grown an estimated 4.3% to 291,200 in 2022. According to residential development projections by the City's planning department, it is projected to grow to 308,100 by 2032 and to 319,600 by 2042.

According to the *U.S. Census Bureau*, the median household income of Plano is \$96,348.

Plano is ranked #11 in the nation and #2 in Texas for the "Best Cities for Jobs" according to *Wallethub.com*. Cities are compared across 31 key indicators of job-market strength, including job opportunities, employment growth and monthly starting salary.

Comparing 100 cities across four categories of tax friendliness, elderly care, affordability and livability, *Smartasset.com* ranks Plano as the most affordable Texas city for an early retirement.

Franchising.com's Top City to Start a Business ranked Plano #22 in the nation and #2 in Texas. Key factors considered include economy of the city, business friendly tax codes, high number of new business applications, a high percentage of self-employed people and a high survival rate for businesses.

Plano's High Point Tennis Center earned a 2022 Outstanding Facility Award from the United State Tennis Association. The award recognizes the High Point Tennis Center as an exemplary facility committed to the growth and development of tennis in the community.

Plano is ranked the 16th Safest City in America according to *WalletHub.com*. They looked at 182 U.S. cities across 44 key indicators of safety, including home and community safety, natural disaster risk and financial safety.

Plano is the 7th best housing market for growth and stability, according to the *Smartasset.com*.

WalletHub.com's Best & Worst Places to Raise a Family ranked Plano #4 as best place to raise a family. The City was compared to more than 180 U.S. cities considering 46 key metrics, including essential family dynamics, the quality of local school and health-care systems and opportunities for fun and recreation.

GOBankingRates.com named Plano 23rd on its list of "Best Cities for Young Professionals". Each city was analyzed and based on the median annual rent for a one-bedroom apartment focusing on the percentage of the population between ages 20 to 34. This age group was evaluated based on the unemployment rate, labor force participation, median income and the annual cost of living.

Plano remains one of only a few cities in the United States to carry AAA-rated bonds, the highest possible bond rating from Moody's Investor Service, Standard & Poor's and Fitch, Inc. The ratings are due to the City's stable financial position driven by conservative budgeting, as well as its large and diverse tax base and strong management practices.

Given Plano's continued pro-business attitude and enthusiastic accommodation of industry, the City's economy continues to prosper. The following categories represent key factors that impact Plano's economic and financial success:

Property Tax Revenues

Property tax revenues are the City's largest source of funding. According to the Collin County and Denton County Appraisal Districts, the original certified property appraisals increased 2.4% for fiscal year 2022, with 54.4% of the increase coming from new property. The tax rate decreased to 44.65 cents. Tax collections for fiscal year 2022 totaled \$202.2 million, an increase of 0.9% from the prior year.

Sales Tax Revenues

After property tax revenues, the General Fund's second largest revenue source is sales tax generated from a variety of businesses operating in the City. Sales tax collections are produced primarily from Plano's sizeable retail base, which includes numerous retail store facilities, Historic Downtown Plano with Dallas Area Rapid Transit (DART) light rail access, as well as hundreds of other specialty shops and major retailers.

Sales tax allocations to the City totaled \$108.4 million from October 2021 through September 2022, an increase of 17.1% compared to fiscal year 2021.

Employment

The unemployment rate in Plano at September 30 decreased from 3.8% in 2021 to 3.0% in 2022. This compares favorably to the unemployment rate nationally of 3.5% and 4.0% statewide. A strong business atmosphere, coupled with a highly educated and motivated workforce, continue to draw diverse companies to relocate to Plano. The four largest job industries are trade, transportation and utilities; professional and business services; education and health services and government. According to the U.S. Census Bureau, 57.6% of Plano residents have a bachelor's degree or higher.

Plano's large businesses, employing 1,000+, include: Bank of America, Capital One Finance, Hewlett Packard Enterprise, Toyota Motor North America, Ericsson, AT&T, Liberty Mutual Insurance, NTT DATA, JPMorgan Chase, Fannie Mae, PepsiCo, Frito-Lay, Texas Health Plano, Medical City Plano, FedEx Office, USAA, Abbott, Steward Systems and Samsung Electronics America. Employing 500-999, companies having significant operations in Plano include: Baylor Scott & White Medical Center – Plano, Children's Health Plano, The Heart Hospital Baylor Plano, Palo Alto Networks, Crestron Electronics, U.S. Renal Care, PennyMac Financial Services, Cigna, Aimbridge Hospitality, Tyler Technologies, Alkami Technology, Inogen, Hilti North America, Transamerica, Samsung Telecommunications and Pizza Hut, U.S. This type of environment creates a broad range of employment opportunities for Plano and area residents and creates a significant business component to the local tax base.

Job Growth

In fiscal year 2022, the following businesses announced relocation and expansion:

Beckett Collectibles, a sports memorabilia and collectibles company, relocated its headquarters to 2700 Summit Avenue in August 2022. The 100,000 square-foot facility will support 160 employees and the company's future growth plans.

Delasco, a leading manufacturer and distributor of specialty dermatology instruments and equipment, consolidated operations from three locations into a single 37,000 square-foot facility in the Research/Technology Crossroads. In Plano since February 2022, the company is located on 4001 E Plano Parkway and has 40 employees.

Amdocs, Inc., a Missouri-based multinational software corporation, relocated its operations to Legacy business park and is located at 6105 Tennyson Parkway.

CG Infinity (FKA Cyber Group), a worldwide software consultant company, established its headquarters in Plano and occupies a 33,000 square-foot office located at 5420 W Plano Parkway. In Plano since March 2022, the newly rebranded company will have 250 employees.

BE Fulfilled, a fulfillment and marketing solutions firm, relocated its office into 28,180 square feet of leased space at the Research/Technology Crossroads. The company is located at 3100 Technology Drive and moved in December 2021.

Argon Medical Devices, a global medical specialty product manufacturer, relocated its corporate headquarters to 7800 Dallas Parkway. The company moved into the 25,000 square-foot office in November 2021.

TDK-Lambda Americas, a designer and manufacturer of programmable and high voltage power supplies, relocated into 20,000 square feet located at 3000 Technology Drive and has 35 employees.

DEX Imaging, a Florida-based retail office equipment sales and leasing company, expanded into an 18,000 square-foot office located at 2805 E Plano Parkway. Established in Plano since March 2022, the company is the largest copier repair, sales and leasing leader in the area and has 25 employees.

Costco IT Center, a Washington-based multi-national warehouse company, relocated its technology center and 110 employees from Washington state.

Palm Harbor Homes, Inc., a national marketer and manufacturer of factory-built homes founded in 1977, relocated its headquarters to Plano. The 11,000 square-foot office located at 4965 Preston Park Boulevard will serve as the company's corporate headquarters.

Tasty Restaurant Group, an operational and managerial support company, relocated its headquarters from California. The company moved into 9,000 square feet located at 6201 W Plano Parkway in January 2022 and employs 189.

KOTRA (Korean Trade-Investment Promotion Agency), a South Korea-based national trade and investment promotion organization, relocated its regional headquarters to 5360 Legacy Drive. The agency occupies 3,000 square feet and moved in June 2022.

National Vision Inc., a Georgia-based national optical retail company, expanded its lens processing production facility adding an additional 3,800 square feet. The expansion increased the total space occupied by the company to 8,800 square feet located at 640 Shiloh Road.

Elite Advanced Polymers, Inc., an application-driven advanced compounding company, relocated its corporate headquarters from Mississippi to Legacy business park.

Long-Term Financial Planning

Long-term planning and responding prudently to changing economic conditions remain key in maintaining the City's fiscal health. During the 2022-23 budget process, the City Manager met with each council member to hear their priorities, followed by meeting with each department to receive updates on City operations. In summary, the Plano economy and service demands are back to pre-COVID-19 levels and the organization is operating at full capacity.

The City is a service industry and subject to the same economic conditions affecting the entire country with inflation, supply chain disruptions and labor shortages. While long-term economic forecasts for Plano and the North Texas region remain highly favorable, Plano faces a shrinking supply of undeveloped land. These factors are taken into account when planning for the City's financial future.

During the budget processes the past two years, there was a significant amount of economic uncertainty, and with that, the recommended budget in each of those years brought forward minimal requests. Over the previous two years, the City received Federal funds through the Coronavirus Aid, Relief and Economic Security Act (CARES) and the American Rescue Plan Act (ARPA). Without those funds, the City and community would have been significantly impacted due to the financial shortfall faced in sales and hotel occupancy taxes.

Across all of Plano's operating funds in fiscal year 2023, appropriations equal \$675.9 million, a \$49.4 million or 5.8% increase from the fiscal year 2022 final budget. Projected at \$332.2 million in fiscal year 2023, General Fund revenues are expected to decrease by \$5.5 million when compared to the fiscal year 2022 final budget, while fiscal year 2023 General Fund appropriations are set at \$360.5 million, an increase of \$12.7 million from the fiscal year 2022 final budget.

Resources have been diligently set aside on a pay-go basis for renovating, repairing and replacing existing infrastructure via the Capital Maintenance Fund, which has been a highlighted factor in maintaining the City's AAA bond ratings. Capital Maintenance funding for fiscal year 2023 will be primarily supported by transfers of \$35.3 million from the General Fund, \$2.0 million from the Water and Sewer Fund, \$1.5 million from the Convention and Tourism Fund and \$500 thousand from the Municipal Drainage Fund.

The City of Plano will use bond authority approved by voters in May 2021 for the fiscal year 2023 Community Investment Program. Of the \$197.3 million budgeted for General Obligation capital expenditures in fiscal year 2023, \$127.7 million is for street improvement, \$36.1 million dedicated for park improvement and recreation center projects and \$25.2 million for public safety facilities and improvements at other City facilities.

Budgetary impacts are minimized by setting aside resources to purchase equipment and replace existing equipment which has reached the end of its useful life with the Equipment Replacement Fund (a component of the internal service's Equipment Maintenance Fund). The fund collects regularly scheduled depreciation charges from City departments possessing vehicles and capital equipment and uses those funds for future purchases of new equipment on an as needed basis. In fiscal year 2023, the Equipment Replacement Fund's projected revenues total \$20.6 million, with depreciation charges of \$14.9 million as the primary source of revenue. The fund is also expected to collect \$603 thousand from the auction of City equipment and \$750 thousand from interest earned on the fund's available balance.

The City has programed a General Obligation bond sale of \$80.7 million to support capital projects in fiscal year 2023. The General Obligation sale will fund numerous street improvements, the continued development and renovation of Plano's park system, and renovations and additions to recreation, public safety and other City facilities.

For 2023, costs in the Water and Sewer Fund and Sustainability and Environmental Services Fund have increased due to contractual commitments with the North Texas Municipal Water District (NTMWD), experiencing issues of inflation, supply chain disruptions, labor shortages and increased service demands, which are increasing costs. Due to an increase in both water and wastewater related fees passed down from NTMWD, the City has budgeted for a 9.0% increase in both water and wastewater fees effective November 1, 2022. The City continues in its effort to minimize the impact of the pass through rate increases from NTMWD on to customers, including the hiring of a water and sewer rate consultant in order to plan both short-term and long-term water and wastewater rates to ensure sustainability of the Water and Sewer Fund.

Similarly, rate increases are necessary in the Sustainability and Environmental Services Fund due to recent growth in the residential and commercial entities. Monthly residential rates for single-family and duplex units were increased by \$2.50 for 95-gallon containers and \$1.79 for single-family 68-gallon containers. The rate for additional 95-gallon containers for non-franchisee and residential customers increased \$2.08 per month. The City attempted to absorb the additional charges from NTMWD initially. However, the City deemed it

necessary to raise waste collection rates as well as water and wastewater rates for both residential and non-residential customers by the minimum rate, as well as, the variable rates depending on volumetric usage.

Relevant Financial Policies

Financial Policies. The City Council Finance Subcommittee developed written policies detailing financial goals and guidelines for the City. These included policies for accounting, budgeting, capital improvements, asset management, revenue management, risk management, investing, cash management and fund balance and reserve levels. City Council adopted these policies, and on a periodic basis, the financial policies are reviewed and updated.

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

In developing and maintaining the City's accounting system, consideration is given to the adequacy of the internal control structure. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets; and (3) compliance with all applicable rules, regulations and contractual requirements. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. The City believes that the internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

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

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

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

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

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

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

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

Major Initiatives

The fiscal year 2023 Community Investment Program (CIP) will continue to reflect the City's commitment to enhancing and maintaining its infrastructure. Major facility projects from fiscal year 2022 CIP included construction expenditures of a new fire training facility in northwest Plano as well as the expansion and partial renovation of the Harrington Library located near downtown. Total municipal facilities expenditures were \$15.7 million. Plano's parks and recreation system saw \$16.2 million in expenditures to improve parks, connect trails and obtain land for future park development. Expenditures include the completion of an outdoor pool at Oak Point Recreation Center, renovation of Willow Creek Park and construction of artificial sports fields at Russell Creek Park to replace existing grass fields. Numerous major street projects were undertaken in fiscal year 2022, with a total of \$39.3 million spent to improve intersections, collector and residential streets, screening walls, sidewalks and alleys. Design and construction of water and sewer infrastructure renovations and replacements totaled \$18.3 million in fiscal year 2022, with major expenditures occurring in the citywide water meter replacement project and replacement of water lines in the Post Oak and Whiffletree neighborhoods. Finally, \$32.3 million was invested through the Capital Maintenance Fund on repairs, renovations and rehabilitation projects for City streets, facilities and park assets with the goal of extending the useful life of those assets.

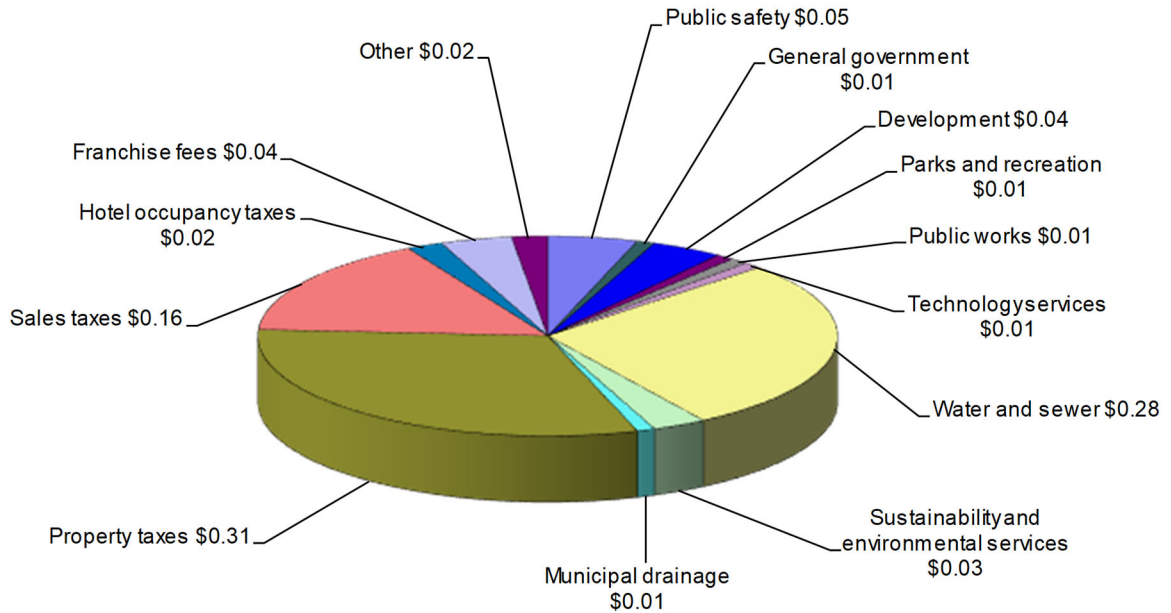
Plano also budgeted \$10.3 million for economic development incentives for fiscal year 2023 to remain competitive with surrounding neighboring cities. Fiscal year 2022 was the 16th year with two-cents from the property tax rate devoted for these incentives. The Economic Development Incentive Fund is used to attract and retain major business and employees to the City.

Tax Abatements

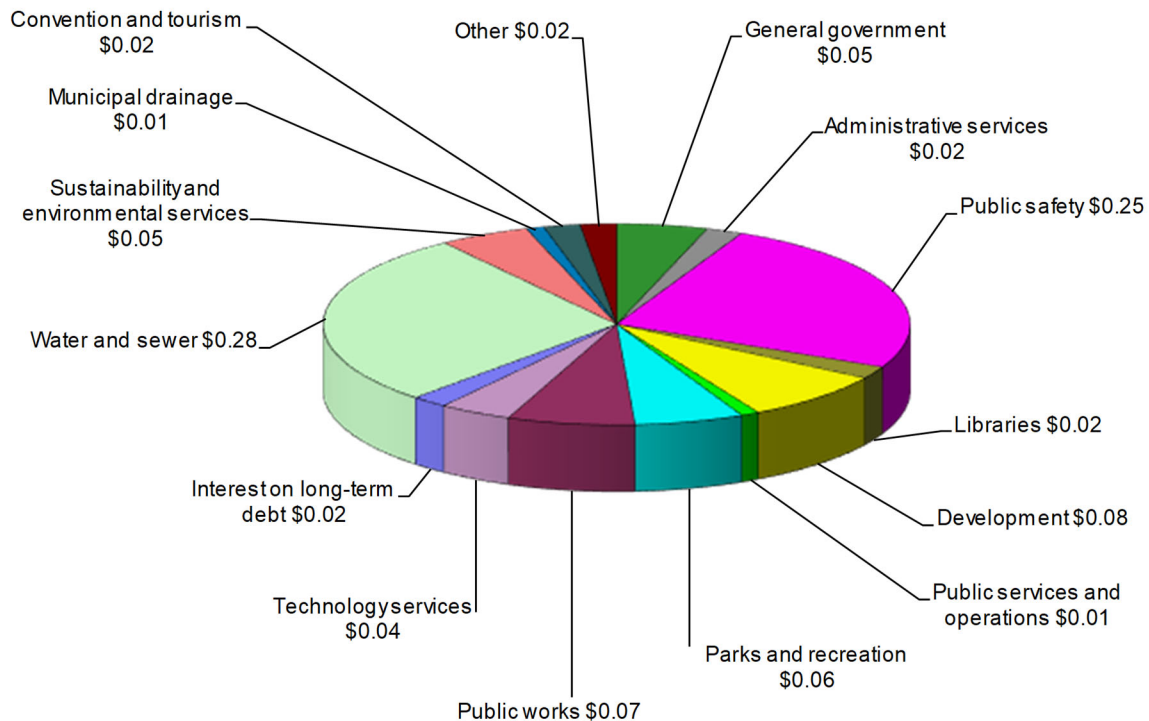
The City enters into economic development agreements designed to promote development and redevelopment within the City, spur economic improvement, stimulate commercial activity, generate additional sales tax and enhance the property tax base and economic vitality of the City. These programs abate or rebate property tax revenues. The City's economic development agreements are authorized under Chapter 380 of the Texas Local Government Code and Chapter 311 (Tax Increment Financing Act) and Chapter 312 (Property Redevelopment and Tax Abatement) of the Texas Tax Code. The economic development agreements are designed to support the creation of new businesses, the expansion and retention of existing businesses within the City and the attraction of companies that offer high impact jobs and share the community's values.

The following charts depict the sources and uses of the City's financial breakout as of fiscal year-end 2022:

Where the Money Comes From Revenues per \$1



Where the Money Goes Cost per \$1



Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its ACFR for the fiscal year ended September 30, 2021. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

A Certificate of Achievement is valid for a period of one year. The City has received a Certificate of Achievement for the last 41 consecutive years (fiscal years ended 1981-2021). The City believes the current report continues to conform to the Certificate of Achievement Program requirements, and are submitting it to the GFOA to determine its eligibility for another certificate.

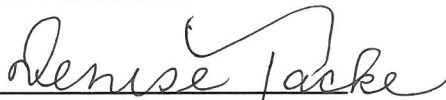
Many persons are responsible for the preparation of this report and maintenance of records upon which it is based. Appreciation is expressed to the City employees throughout the organization, especially those employees of the Accounting Department, who were instrumental in the successful completion of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

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

Respectfully submitted,



Mark D. Israelson
CITY MANAGER



Denise Tacke, CPA
DIRECTOR OF FINANCE



Allison Friloux
CONTROLLER



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Plano
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morill

Executive Director/CEO

CITY OF PLANO ORGANIZATION CHART



CITY OF PLANO, TEXAS
ELECTED OFFICIALS AND ADMINISTRATIVE OFFICERS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

Elected Officials

<u>City Council</u>	<u>Term Expires</u>
John Muns Mayor Place 6	May 2025
Kayci Prince Mayor Pro Tem Place 4	May 2025
Maria Tu Deputy Mayor Pro Tem Place 1	May 2023
Anthony Ricciardelli Place 2	May 2025
Rick Grady Place 3	May 2023
Shelby Williams Place 5	May 2023
Julie Holmer Place 7	May 2023
Rick Smith Place 8	May 2025

Administrative Officers

<u>Name</u>	<u>Position</u>
Mark Israelson	City Manager
Denise Tacke, CPA	Director of Finance
Allison Friloux	Controller



FINANCIAL SECTION

ANNUAL COMPREHENSIVE FINANCIAL REPORT 2022

FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2022
CITY OF PLANO, TEXAS



Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the 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 City of Plano, Texas (the City), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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 City, as of September 30, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note I to the basic financial statements, during the year ended September 30, 2022, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and the individual fund budgetary comparison schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the individual fund budgetary comparison schedule 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 accompanying combining and individual nonmajor fund financial statements and the individual fund budgetary comparison schedule are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information Included in the Annual Comprehensive Financial Report (ACFR)

Management is responsible for the other information included in the ACFR. The other information comprises the introductory section and statistical section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 5, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 City's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
January 5, 2023



MANAGEMENT'S DISCUSSION & ANALYSIS

ANNUAL COMPREHENSIVE FINANCIAL REPORT 2022

FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2022
CITY OF PLANO, TEXAS



CITY OF PLANO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022

(unaudited)

Management's discussion and analysis of the City's financial performance provides an overview and analysis of the City's financial activities for the fiscal year ended September 30, 2022. Please read it in conjunction with the accompanying transmittal letter and the accompanying basic financial statements.

For the last two-and-a-half years, the City faced many challenges. These unforeseen and uncontrollable factors had significant impact on the City; however, the current economy and service demands are back to pre-COVID-19 levels and the City continues to position itself to meet citizen and business needs.

The City continues to benefit from many favorable conditions including a stable, diverse economic base and a desirable location for work and living.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$1.7 billion (net position). Of this amount, \$1.3 billion (76.0 percent) is net investment in capital assets. The amount of net position restricted for a specific purpose is \$51.9 million (3.0 percent). The remaining \$364.2 million (21.0 percent) is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.
- The City's total net position increased by \$75.2 million.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$419.2 million, an increase of \$25.0 million in comparison with the prior year. Within this total, \$113.4 million (27.1 percent) is restricted by specific legal requirements and \$247.7 million (59.1 percent) has been committed and assigned to specific types of expenditures. Unassigned fund balance is \$57.6 million (13.7 percent) and can be used for any lawful purpose. The remaining \$506 thousand (0.1 percent) is nonspendable.
- The City's total bonded debt increased by \$34.7 million primarily due to issuance in the current year of General Obligation bonds.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business. The Statement of Net Position presents information on all of the City's assets, deferred outflows, liabilities and deferred inflows with the difference 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 City is improving or deteriorating. The Statement of Net Position combines and consolidates current financial resources (short-term spendable resources) with capital assets and long-term obligations of governmental and business-type funds. In order to assess the overall health

City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2022
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or financial condition of the City, other non-financial factors should also be taken into consideration. These include changes in the City's property tax base and the condition of the City's infrastructure (roads, drainage improvements, storm and sewer lines, etc.).

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (uncollected taxes and earned but not used vacation leave).

In the Statement of Net Position and the Statement of Activities, the City is divided into three types of activities:

- **Governmental activities** – Most of the City's basic services are reported here, including police, fire, libraries, development, public services and operations, parks and recreation, public works, technology services and general administration. Property taxes, sales taxes and franchise fees finance most of these activities. Additionally, the City has two blended component units that are detailed in the accompanying footnotes.
- **Business-type activities** – The City charges a fee to customers in order to cover all or most of the cost of certain services the City provides. The City's water and sewer operations, sustainability and environmental services, municipal drainage system, convention and tourism, municipal golf course, downtown center development and recreation revolving programs are reported as business-type activities.
- **Component units** – The City includes separate legal Tax Increment Financing (TIF) and Tax Increment Reinvestment Zone (TIRZ) entities in its report; TIF No. 2 East Side, TIF No. 3 Silver Line (formerly Cotton Belt) Regional Rail Project and TIRZ No. 4 Collin Creek Mall Redevelopment. Although legally separate, the City is financially accountable for the TIF No. 2 and No. 3 and TIRZ No. 4. TIRZ No. 4 had no activity in fiscal year 2022.

The government-wide financial statements can be found on pages 19-21 of this report.

Fund Financial Statements

A fund is a self-balancing set of accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary 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 statements, it is useful to compare the 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.

City of Plano, Texas
Management's Discussion and Analysis (continued)
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The City maintains twenty 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, Debt Service Fund, Capital Maintenance Fund, Street Improvements Fund, Municipal Facilities Fund, Park Improvements Fund, Economic Development Incentive Fund and Grant Fund, all of which are considered to be major funds. Data from the other twelve governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the Combining Financial Statements Section elsewhere in this report.

The basic governmental fund financial statements can be found on pages 22-28.

- **Proprietary funds.** The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer operations, sustainability and environmental services, municipal drainage system, convention and tourism, municipal golf course, downtown center development and recreation revolving programs. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses its internal service funds to account for its equipment maintenance services, municipal warehouse, technology services, risk management and health claims programs. Because these services predominately benefit government rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City maintains seven individual enterprise funds. The proprietary fund financial statements provide separate information for the water and sewer operations, sustainability and environmental services and municipal drainage system, as they are considered major funds. Data from the remaining four enterprise funds, known as the other enterprise funds, as well as the internal service funds, are combined into single aggregated presentations in the proprietary fund financial statements. Individual fund data is provided in the Combining Financial Statements Section elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 30-37 of this report.

- **Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 38-39 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 41-84 of this report.

- **Other information.** In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the General Fund's budget to actual performance and the City's progress in funding its obligation to provide pension and other postemployment benefits to its employees and retirees.

The required supplementary information can be found on pages 85-92 of this report.

City of Plano, Texas
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The combining statements referred to earlier in connection with nonmajor governmental, nonmajor enterprise, internal service, fiduciary and component unit funds can be found on pages 93-133 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's combined net position was \$1.7 billion as of September 30, 2022. This analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities.

By far the largest portion of the City's net position (76.0 percent) reflects its net investment in capital assets (land, buildings and equipment). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

Table 1
Net Position
(in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 596,733	\$ 544,303	\$ 173,871	\$ 174,641	\$ 770,604	\$ 718,944
Capital assets	1,386,357	1,335,538	454,910	443,126	1,841,267	1,778,664
Total assets	<u>1,983,090</u>	<u>1,879,841</u>	<u>628,781</u>	<u>617,767</u>	<u>2,611,871</u>	<u>2,497,608</u>
Deferred outflows	58,584	42,303	7,737	5,650	66,321	47,953
Noncurrent liabilities	616,802	621,019	104,749	116,711	721,551	737,730
Other liabilities	53,589	56,113	19,383	18,378	72,972	74,491
Total liabilities	<u>670,391</u>	<u>677,132</u>	<u>124,132</u>	<u>135,089</u>	<u>794,523</u>	<u>812,221</u>
Deferred inflows	131,318	67,177	19,338	8,345	150,656	75,522
Net position:						
Net investment in capital assets	930,684	930,348	386,232	385,245	1,316,916	1,315,593
Restricted	46,145	50,665	5,776	6,050	51,921	56,715
Unrestricted	263,136	196,822	101,040	88,688	364,176	285,510
Total net position	<u>\$ 1,239,965</u>	<u>\$ 1,177,835</u>	<u>\$ 493,048</u>	<u>\$ 479,983</u>	<u>\$ 1,733,013</u>	<u>\$ 1,657,818</u>

An additional portion of the City's net position (3.0 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (21.0 percent) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as, for its separate governmental and business-type activities. The same situation held true to the prior fiscal year.

City of Plano, Texas
Management's Discussion and Analysis (continued)
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Table 2
Change in Net Position
(in Thousands)

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 49,518	\$ 45,894	\$ 230,282	\$ 201,723	\$ 279,800	\$ 247,617
Operating grants and contributions	46,288	38,178	-	-	46,288	38,178
Capital grants and contributions	5,289	4,521	2,804	1,211	8,093	5,732
General revenues:						
Property taxes	216,372	212,713	-	-	216,372	212,713
Sales taxes	108,199	93,477	-	-	108,199	93,477
Other taxes	3,120	2,255	10,889	6,945	14,009	9,200
Franchise fees	21,086	19,634	8,629	8,479	29,715	28,113
Investment income (loss)	(23,117)	2,975	(4,728)	480	(27,845)	3,455
Total revenues	<u>426,755</u>	<u>419,647</u>	<u>247,876</u>	<u>218,838</u>	<u>674,631</u>	<u>638,485</u>
Expenses:						
General government	28,959	26,693	-	-	28,959	26,693
Administrative services	11,020	12,796	-	-	11,020	12,796
Police	86,631	85,181	-	-	86,631	85,181
Fire	66,170	64,309	-	-	66,170	64,309
Libraries	12,110	11,335	-	-	12,110	11,335
Development	45,910	48,276	-	-	45,910	48,276
Public services and operations	8,283	7,666	-	-	8,283	7,666
Parks and recreation	38,039	35,646	-	-	38,039	35,646
Public works	43,147	40,696	-	-	43,147	40,696
Technology services	24,817	23,536	-	-	24,817	23,536
Interest on long-term debt	12,831	13,461	-	-	12,831	13,461
Water and sewer	-	-	169,318	166,293	169,318	166,293
Sustainability and environmental services	-	-	31,906	28,780	31,906	28,780
Municipal drainage	-	-	7,055	6,483	7,055	6,483
Convention and tourism	-	-	9,511	7,467	9,511	7,467
Municipal golf course	-	-	942	838	942	838
Downtown center development	-	-	9	9	9	9
Recreation revolving	-	-	2,778	1,154	2,778	1,154
Total expenses	<u>377,917</u>	<u>369,595</u>	<u>221,519</u>	<u>211,024</u>	<u>599,436</u>	<u>580,619</u>
Increase in net position before transfers	48,838	50,052	26,357	7,814	75,195	57,866
Transfers	<u>13,292</u>	<u>11,644</u>	<u>(13,292)</u>	<u>(11,644)</u>	-	-
Increase (decrease) in net position	62,130	61,696	13,065	(3,830)	75,195	57,866
Net position – October 1	<u>1,177,835</u>	<u>1,116,139</u>	<u>479,983</u>	<u>483,813</u>	<u>1,657,818</u>	<u>1,599,952</u>
Net position – September 30	<u>\$ 1,239,965</u>	<u>\$ 1,177,835</u>	<u>\$ 493,048</u>	<u>\$ 479,983</u>	<u>\$ 1,733,013</u>	<u>\$ 1,657,818</u>

The City's total net position increased by \$75.2 million. As a result of the American Rescue Plan Act (ARPA) and designation of State and Local Fiscal Recovery Funds (SLFRF) funds, the City was allocated \$36.4 million. The City received 50% of the allocation on June 1, 2021, \$18.2 million, with the balance of \$18.2 million received June 6, 2022. The City is claiming the full amount of the funds under the Revenue Replacement for the Provision of Government Services category. The initial tranche is to be used toward the following approved projects: a computerized signal system, City facility modifications, sidewalk repairs, signage enhancements and improvements, recreation revolving programs, overtime costs for fire personnel and public safety salaries. The City utilized the entire second tranche of \$18.2 million of the SLFRF funding in the current year on public safety salaries.

The City spent \$7.9 million from the U.S. Department of the Treasury through the Emergency Rental Assistance Program. The program makes funding available to assist households that are unable to pay rent or utilities through existing or newly created rental assistance programs.

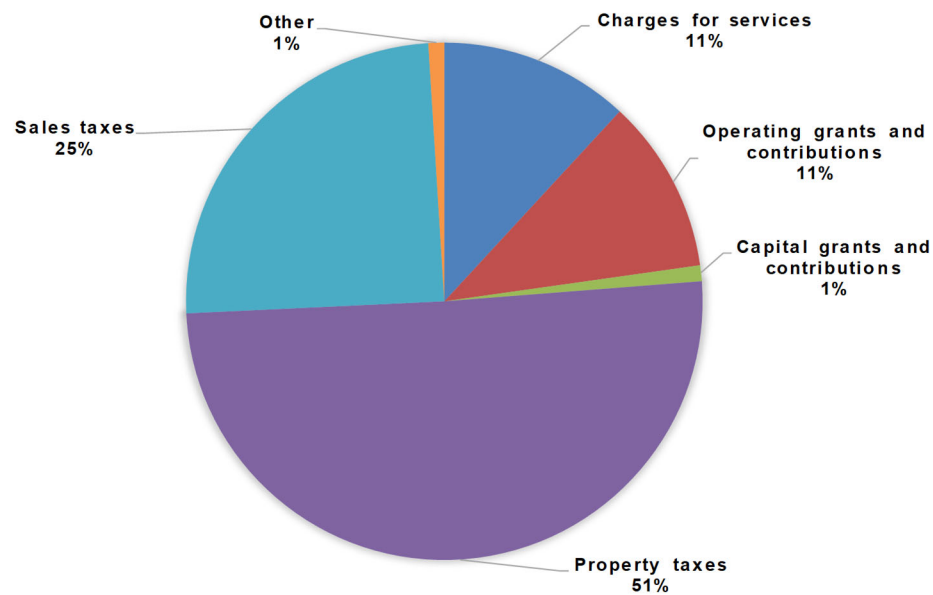
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Property tax revenues are reported at \$216.4 million, higher over prior year by \$3.7 million as a result of additional properties added in the current year and increases in total assessed property values. In fiscal year 2023, the total appraised value includes an increase in new property coming on-line of \$573.1 million while existing property values are expected to increase by \$3.7 billion. Sales tax revenues increased over prior year by \$14.7 million due to the economic recovery. Hotel occupancy tax revenues are higher over prior year by \$3.9 million, as the industry has recovered from the pandemic. Investment losses are reported at \$27.8 million, decreasing \$31.3 million over prior year, as a result of fair market value adjustments to investments as required by the Governmental Accounting Standards Board (GASB) Statement No. 31. The unrealized loss for fiscal year 2022 is \$38.7 million. Water and sewer charges for services increased \$25.2 million over prior year due to increased commercial consumption as businesses returned to their work facilities. Additionally, the sewer rate increased effective November 1, 2021.

Governmental Activities

Governmental activities increased the City's net position by \$62.1 million. Key elements of this increase are shown in Table 2.

Revenues by Source – Governmental Activities



Program revenues were \$101.1 million, compared to \$88.6 million in fiscal year 2021. Of this increase, operating grants are higher than prior year by \$8.1 million primarily due to utilization of SLFRF funds for police and fire.

General revenues decreased from \$331.1 million in fiscal year 2021 to \$325.7 million in fiscal year 2022. Property tax revenues increased by \$3.7 million due to additional properties added in the current year and increases in total assessed property value. Sales tax revenues increased over prior year by \$14.7 million due to the economic recovery post-Coronavirus. These increases are offset by investment losses reported at \$23.1 million, as a result of fair market value adjustments to investments as required by GASB Statement No. 31. The citywide unrealized loss for fiscal year 2022 is \$38.7 million.

Overall, governmental activities expenses were \$377.9 million, an increase of \$8.3 million over the prior year, primarily the result of increased spending as service demands have resumed to pre-COVID-19 levels and the organization operating at full capacity.

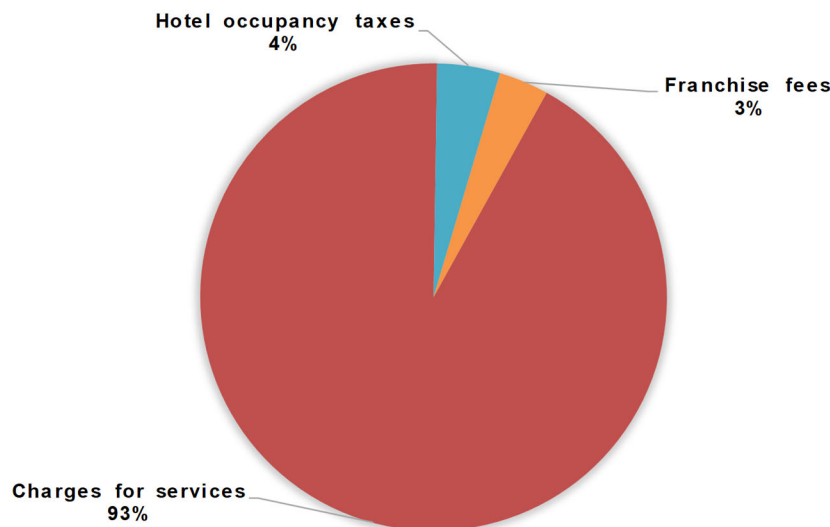
City of Plano, Texas
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Business-Type Activities

Revenues of the City's business-type activities were \$247.9 million for the fiscal year ended September 30, 2022. Revenues increased approximately \$29.0 million, or 13.3%, as compared to the prior fiscal year. Expenses for the City's business-type activities increased \$10.5 million, or 5.0%. These changes are the result of several factors, including the following:

- The City's water and sewer system recorded charges for services of \$191.5 million, an increase of \$25.2 million, or 15.2%, from the prior year primarily attributable to increased commercial consumption as businesses returned to their work facilities post-pandemic. Additionally, the sewer rate increased effective November 1, 2021. Sewer revenues are calculated on averages of the winter quarter period (November-February) from prior actual usage. Contractual payments to North Texas Municipal Water District (NTMWD) increased \$1.6 million in the current year due to a rate increase effective October 1, 2021.
- The City's sustainability and environmental services activities operated with expenses exceeding program and franchise fee revenues by \$2.3 million in fiscal year 2022. Costs for temporary labor supporting compost operations increased due to growth in service demands, as well as higher fuel costs to operate the department's fleet.
- The City's municipal drainage activity operated with charges for services exceeding expenses by \$2.9 million, compared to \$3.0 million in the prior year. The municipal drainage revenues are higher due to a rate increase effective January 1, 2021.
- The City's convention and tourism activity operated with charges for services and hotel occupancy tax revenues exceeding expenses by \$4.5 million as compared to net revenues of \$480 thousand in the prior fiscal year. Hotel occupancy tax revenues are significantly higher in the current fiscal year as the travel industry has recovered from the COVID-19 pandemic.
- The City's recreation revolving activity reported charges for services exceeding expenses by \$627 thousand primarily due to a full year of classes offered post-pandemic with increased program participation and additional classes offered.

Revenues by Source – Business-Type Activities

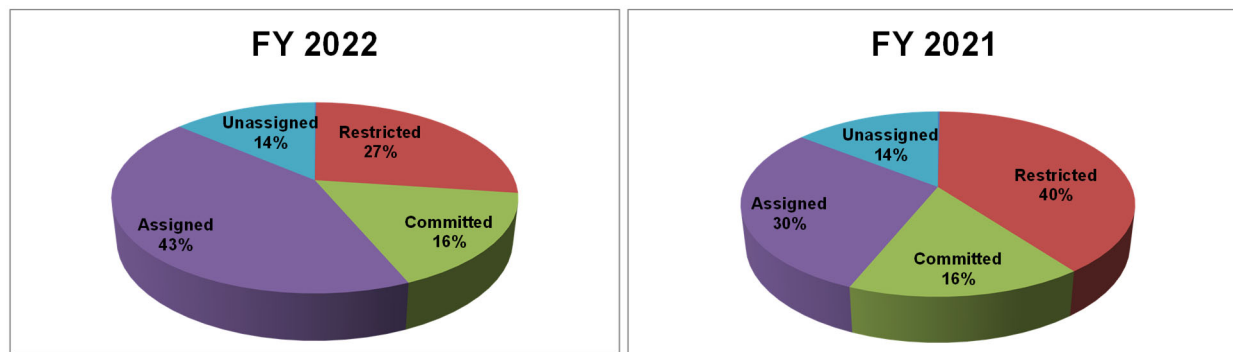


Financial Analysis of the City's Funds

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

Governmental Funds – The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unrestricted fund balances (unassigned, assigned and committed) may serve as a useful measure of a government's net resources available for spending in the next fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$419.2 million. Within this total, \$113.4 million is restricted by specific legal requirements, such as debt covenants, and \$247.7 million has been committed and assigned to specific types of expenditures. Unassigned fund balance is \$57.6 million and can be used for any lawful purpose. The remaining \$506 thousand is nonspendable.



The General Fund is the chief operating fund of the City. The fund balance of the City's General Fund increased by \$2.8 million during the current fiscal year. Key factors in this increase are as follows:

- General fund revenues increased \$16.5 million compared to prior year. Sales tax revenues increased over prior year by \$15.9 million due to economic recovery following the pandemic.
- Expenditures increased \$9.5 million primarily due to increased spending as service demands have returned to pre-COVID-19 levels and the organization is operating at full capacity.

The Debt Service Fund has a total fund balance of \$5.1 million, all of which is restricted for the payment of debt service. The fund balance decreased by \$2.3 million primarily due to bond principal and interest payments exceeding property tax revenues in the current year.

The Capital Maintenance Fund balance of \$59.7 million is assigned for replacement and renewals of the City's facilities and infrastructure. The Capital Maintenance Fund balance increased \$16.9 million from the prior year as a result of transfers in the fund exceeding capital outlay expenditures by \$18.9 million. During the current fiscal year, an additional \$2.8 million was transferred in based on the City Council approved Sales Tax Policy which can be used to allocate any revenue received from sales tax over the re-estimated budget revenue projection to the Capital Maintenance Fund.

The Street Improvements Fund has a total fund balance of \$101.2 million, with \$9.5 million in restricted and \$91.7 million in assigned. The Street Improvements Fund balance increased \$12.2 million primarily due to other financing sources related to debt issuance of \$53.4 million exceeding capital outlay of \$39.3 million for streets projects.

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Management's Discussion and Analysis (continued)
September 30, 2022
(unaudited)

The Municipal Facilities Fund has a total fund balance of \$17.7 million, with \$13.4 million in restricted and \$4.3 million in assigned. The Municipal Facilities Fund balance decreased \$11.7 million due to capital outlay expenditures exceeding other financing sources related to debt issuance.

The Park Improvements Fund has a total fund balance of \$47.0 million, with \$41.2 million in restricted and \$5.9 million in assigned. The Park Improvements Fund balance increased over prior year by \$4.3 million due to other financing sources related to debt issuance of \$21.9 million exceeding net expenditures of \$17.5 million in the current year.

The Economic Development Incentive Fund balance of \$69.1 million increased over prior year by \$4.7 million as a result of contributions exceeding expenses in the current year. Expenditures are based upon incentive obligations which stimulate economic development for the City through usage of Chapter 380 agreements as authorized by the Texas Local Government Code. The portion of the fund balance obligated but unpaid for potential incentives on signed economic development agreements totals \$6.3 million.

The Grant Fund has a negative fund balance of \$1.8 million due to reimbursements not being received within 30 days and, therefore, not considered available to pay liabilities of the current period.

Proprietary Funds – The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

- The City's Water and Sewer Fund net position of \$436.1 million increased by \$14.3 million over the prior year. In the current fiscal year, total operating revenues are \$191.4 million while operating expenses are \$168.1 million. Revenue is higher in the current year by \$25.2 million due to increased commercial consumption as businesses return to facilities post-pandemic. Water rates remained the same as prior year while sewer rates increased effective November 1, 2021. Sewer revenues are calculated on averages of the winter quarter period (November-February) from prior actual usage. Contractual payments to NTMWD increased \$1.6 million in the current year due to a rate increase effective October 1, 2021. Contractual payments to NTMWD are \$115.2 million of the total operating expense.
- The City's Sustainability and Environmental Services Fund reported negative net position of \$2.2 million in the current year compared to negative net position of \$985 thousand in the prior year. Total operating revenues are \$29.5 million which are exceeded by operating expenses of \$30.8 million. The change in net position was a decrease of \$1.2 million, due to the increased customer growth and need for additional services, impacting increased personnel and contractual related expenses.
- The City's Municipal Drainage Fund net position decreased over the prior year by \$192 thousand. Drainage rates increased in January 2021 with current year revenues reported at \$9.9 million and operating expenses, non-operating revenues and expenses and transfers out of \$10.1 million.

General Fund Budgetary Highlights

During the current year, the actual expenditures on a budgetary basis were \$290.9 million compared to the final budget amount of \$300.6 million. Actual expenditures on a budgetary basis were \$18.8 million lower than the original budget and \$9.7 million lower as compared to the final budget. Decreases to the original budget were due to continued prudent spending by the various departments and utilization of SLFRF funds.

For fiscal year 2022, the actual revenues on a budgetary basis were \$333.9 million as compared to the final and original budget amounts, each at \$329.6 million and \$306.5 million, respectively.

The City has an actual budgetary basis General Fund balance of \$68.9 million as of September 30, 2022, compared to the final and original budget fund balances of \$55.4 million and \$26.4 million, respectively.

City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2022
(unaudited)

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the fiscal year 2022, the City had \$1.8 billion invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads, bridges and water and sewer lines (Table 3). This amount represents a net increase (including additions and deductions) of \$62.6 million over the prior fiscal year.

Table 3
Capital Assets at Year-end
(Net of Depreciation, in Thousands)

	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Land	\$ 168,925	\$ 168,174	\$ 8,023	\$ 6,803	\$ 176,948	\$ 174,977
Buildings and improvements	364,042	346,482	376,894	382,231	740,936	728,713
Equipment	54,984	54,216	707	735	55,691	54,951
Construction in progress	62,791	43,997	26,876	10,636	89,667	54,633
Public art	1,846	1,825	50	50	1,896	1,875
Infrastructure	729,516	720,844	-	-	729,516	720,844
Right-to-use leased buildings	611	-	717	-	1,328	-
Right-to-use leased equipment	3,642	-	45	-	3,687	-
Drainage improvements	-	-	41,597	42,671	41,597	42,671
Totals	\$ 1,386,357	\$ 1,335,538	\$ 454,909	\$ 443,126	\$ 1,841,266	\$ 1,778,664

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

Residential street and alley replacement	\$ 6.6
Fire Training Center	6.3
Oak Point Recreation Center pools	5.7
Collin Creek redevelopment	5.2
Expansion of Harrington Library	4.7
Repair of streets	3.2
	<u>\$ 31.7</u>

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

City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2022
(unaudited)

Capital Improvement Program for Fiscal Year 2023

The City's fiscal year 2023 General Obligation capital budget includes \$197.3 million for capital projects, principally for three major categories: street improvements and enhancements, parks and recreation and municipal facilities. An additional \$80.7 million in General Obligation bond proceeds will be required to support the fiscal year 2023 General Obligation capital investment program.

Street Improvements and Enhancements. The City plans to spend \$127.7 million on street improvements and enhancements including \$10.9 million for Shiloh Road expansion from Park Boulevard to 14th Street, \$18.5 million for arterial repairs and \$23.0 million for residential concrete repair. The remaining funds for street improvements are for a variety of projects totaling \$75.3 million.

Parks and Recreation. Estimated expenditures for parks and recreation facilities are \$36.1 million including \$5.9 million for maintenance facilities, \$3.5 million for Oak Point Park and Nature Preserve, \$2.9 million for Jack Carter Park improvements and \$2.0 million for Old Shepard Community Park renovation. The remaining funds for park improvements are for a variety of projects.

Municipal Facilities. Estimated expenditures for municipal facilities are \$25.2 million including \$7.0 million for Fire Station No. 5 remodel, \$5.2 million for City Council Chambers renovation and \$4.6 million in renovations for the Parkway Service and Fleet Service Centers. The remaining funds for municipal facilities are for a variety of projects.

Debt

At year-end, the City had \$657.7 million in bonds, tax anticipation notes and leases payable outstanding as compared to \$617.9 million at the end of the prior fiscal year, an increase of 6.4%.

Table 4
Outstanding Debt at Year-end
(in Thousands)

	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
General obligation bonds and tax anticipation notes (backed by the City)	\$ 553,206	\$ 513,078	\$ -	\$ -	\$ 553,206	\$ 513,078
Revenue bonds (backed by fee revenues)	-	-	99,406	104,791	99,406	104,791
Leases payable	4,274	-	782	-	5,056	-
Totals	\$ 557,480	\$ 513,078	\$ 100,188	\$ 104,791	\$ 657,668	\$ 617,869

During the current fiscal year, the City issued \$76.5 million in General Obligation bonds.

The City's General Obligation bonds and tax notes continue to carry AAA-rated bonds issued by Moody's Investor Service, Standard & Poor's and Fitch, Inc., the highest rating possible. This rating has been assigned to the City's tax-supported debt since February 2000. The City's Water and Sewer Revenue bonds carry AAA ratings as assigned by Standard & Poor's and AA+ ratings as assigned by Fitch. Municipal Drainage Revenue bonds are rated as Aa1 by Moody's and AAA as assigned by Standard & Poor's.

The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on General Obligation long-term debt.

**City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2022
(unaudited)**

The City maintains a self-insurance program for general liability, public officials' errors and omission, police professional liability, property loss and workers' compensation, as well as health related claims under the group accident and health insurance coverage provided to all City employees. The City has claims and judgments of \$8.6 million outstanding at year-end compared with \$8.3 million at the end of the prior fiscal year. Claims and judgements of \$5.1 million relate to property and liability losses while \$3.5 million relate to health claims.

Other obligations include accrued vacation pay and sick leave. More detailed information about the City's long-term liabilities and self-insurance is presented in Notes 7 and 12 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

In addition to the economy, the City's elected and appointed officials continue to focus on the organizational and community values that have made Plano the best City in North Texas to live, work and play. During the budget process over the previous two years there was a significant amount of economic uncertainty, and with that, the budget in each of those years brought forward minimal requests. The past two years the City received Federal funds through the Coronavirus Aid, Relief and Economic Security Act (CARES) and the ARPA that allowed the City to operate without impacting service levels. Within the strategic goal to deliver outstanding operational analysis and effectiveness, the City is committed to providing exceptional services at the greatest possible value. This is reinforced by consistently offering one of the lowest tax rates in the region, which includes lowering the tax rate from the previous year's rate of 44.65 cents to 41.76 cents per \$100 of assessed property valuation. The fiscal year 2023 tax rate of 41.76 cents meets the City's No-New-Revenue Tax Rate, previously known as the Effective Tax Rate. The fiscal year 2023 Combined Budget was developed with a focus on Plano's five (5) main values/priorities: financial policies/ratings, personnel, quality infrastructure, service demands/programs and affordability/property tax.

The 2023 budget was developed with a focus on the values and priorities that have made Plano successful, with a commitment to continue adapting when necessary and keeping Plano as the best value in North Texas. While the City has experienced a recent economic recovery from the impacts of the global pandemic (COVID-19), for 2023, consideration is taken into account moving forward as the local and national economy begin to show signs of slowing and inflation approaching. The 2023 budget positions the City to meet citizen and business needs, while understanding the City must retain adaptability to respond to unforeseen challenges as the community and economy continue into more uncertain times.

The annual budget is a critical City Council policy document that defines the service priorities and projects financial resources for the City of Plano. Given the cautious approach moving forward as just mentioned, the 2023 budget contains no new programs or services. The budget provides for continued maintenance and improvements to the city's \$2.8 billion infrastructure. With an aging infrastructure, it is critical for the City to reinvest in maintaining what it owns. Fortunately, increased property values and resulting revenues, as well as, increased sales tax receipts, will allow us to increase funding for infrastructure maintenance and repair. The City is positioned to maintain our infrastructure, take care of our personnel, maintain our financial policies and bond ratings and also serve our citizens through existing service offerings and public safety programs.

The largest single revenue source in the fiscal year 2023 General Fund budget is property taxes, which account for 45.5% of total revenues. Assessed property values in Plano increased 9.0% from the prior year, including \$573.0 million in new property entering the tax roll for the first time. In addition, the 65 and over exemption equals \$5.6 million in property tax revenue this year. According to the certified figures received from both Collin and Denton Central Appraisal Districts, the total assessed property value for 2023 of \$52.0 billion is an increase of \$4.3 billion or 9.0%. Existing property values are expected to increase by \$3.7 billion, or 7.8%. Sales tax revenue remains the City's second largest revenue source, making up 30.3% of General Fund revenues.

City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2022
(unaudited)

For the first time in 2 years, the NTMWD increased its water volumetric rate and also projected significantly higher Upper East Fork Interceptor rate increases. In addition, inflationary costs have been estimated higher than previous years. The NTMWD will increase wholesale water rates from \$2.99 per thousand gallons to \$3.39 per thousand gallons in 2023. Additionally, wastewater treatment rates, including the Upper East Fork Interceptor, will increase in 2023 from \$3.94 per thousand gallons to \$4.30 per thousand gallons. These increases have been required to pay for debt service and the increased treatment and operational costs associated with the \$300 million pipeline that was opened in 2014 to bring raw water from Lake Texoma to the NTMWD Wylie Water Treatment Plant, and also support the expansion of, and improvements to, the District's water treatment operations. This is coupled with additional expansion of water reservoirs, namely the Bois d'Arc Lake. These improvements ensure that the region has an adequate supply of drinking water for many years in the future. Replacing deteriorating pipelines, improving treatment plants and extending main lines into sprawling North Texas neighborhoods raise water costs.

Sustainability and Environmental Services has experienced recent growth in both residential and commercial entities and therefore, the need for additional services are warranted. Monthly residential rates for single-family and duplex units were increased by \$2.50 for 95-gallon containers and \$1.79 for single-family 68-gallon containers. The rate for additional 95-gallon containers for non-franchisee and residential customers increased \$2.08 per month.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, 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 Accounting Division, at City of Plano, 1520 Avenue K, Suite 370, Plano, Texas 75074.



BASIC FINANCIAL STATEMENTS

ANNUAL COMPREHENSIVE FINANCIAL REPORT 2022

FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2022
CITY OF PLANO, TEXAS



CITY OF PLANO, TEXAS
GOVERNMENT-WIDE STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2022

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Cash and cash equivalents	\$ 60,787,355	\$ 10,551,568	\$ 71,338,923	\$ 13,353,869
Investments	463,765,287	70,545,767	534,311,054	-
Receivables (net of allowance for uncollectibles)	25,546,380	29,611,558	55,157,938	1,148
Leases receivables	7,714,443	4,503,223	12,217,666	138,229
Internal balances	(11,793,184)	11,793,184	-	-
Due from other governments	3,319,783	-	3,319,783	-
Inventories	2,346,652	160,651	2,507,303	-
Prepaid items and other assets	4,499,504	4,930,877	9,430,381	-
Restricted assets:				
Cash and cash equivalents	-	4,465,334	4,465,334	-
Investments	-	34,400,837	34,400,837	-
Receivables	-	133,418	133,418	-
Net pension asset	35,515,315	2,116,459	37,631,774	-
Net other post employment benefits asset	5,031,467	658,727	5,690,194	-
Capital assets:				
Nondepreciable	233,562,064	34,949,286	268,511,350	1,330,465
Depreciable (net)	1,152,794,792	419,960,260	1,572,755,052	-
Total assets	1,983,089,858	628,781,149	2,611,871,007	14,823,711
DEFERRED OUTFLOWS OF RESOURCES				
Pensions related	43,430,221	5,472,635	48,902,856	-
Other postemployment benefits related	13,755,388	2,142,485	15,897,873	-
Deferred charges on refundings	1,398,339	121,447	1,519,786	-
Total deferred outflows of resources	58,583,948	7,736,567	66,320,515	-
LIABILITIES				
Accounts payable	3,918,617	8,944,352	12,862,969	33,035
Accrued liabilities	8,972,544	2,209,669	11,182,213	-
Contracts payable	12,202,991	841,526	13,044,517	-
Accrued interest payable	1,825,679	1,282,682	3,108,361	-
Customer deposits	-	3,543,275	3,543,275	-
Escrow liability	-	231,320	231,320	-
Unearned revenue	22,476,779	1,336,154	23,812,933	-
Due to other governments	211,599	-	211,599	-
Retainage payable	3,808,881	993,469	4,802,350	-
Seized assets payable	172,294	-	172,294	-
Noncurrent liabilities:				
Due within one year:				
Compensated absences	5,909,589	756,783	6,666,372	-
Leases payable	1,459,041	163,637	1,622,678	-
Bonds and notes payable	42,469,744	5,585,508	48,055,252	-
Liability for insurance claims	8,601,390	-	8,601,390	-
Due in more than one year:				
Compensated absences	44,810,820	3,804,949	48,615,769	-
Leases payable	2,814,948	618,414	3,433,362	-
Bonds and notes payable	510,736,639	93,820,074	604,556,713	-
Total liabilities	670,391,555	124,131,812	794,523,367	33,035
DEFERRED INFLOWS OF RESOURCES				
Pensions related	94,762,973	10,304,260	105,067,233	-
Other postemployment benefits related	28,849,750	4,590,440	33,440,190	-
Leases related	7,704,993	4,443,411	12,148,404	123,248
Total deferred inflows of resources	131,317,716	19,338,111	150,655,827	123,248
NET POSITION				
Net investment in capital assets	930,684,227	386,232,200	1,316,916,427	1,330,465
Restricted for:				
Special revenue:				
Public safety	39,545,184	-	39,545,184	-
Public services and operations	2,494,046	-	2,494,046	-
Other	457,774	-	457,774	-
Component unit	101,806	-	101,806	13,336,963
Debt service	3,545,203	5,775,755	9,320,958	-
Unrestricted	263,136,295	101,039,838	364,176,133	-
Total net position	\$ 1,239,964,535	\$ 493,047,793	\$ 1,733,012,328	\$ 14,667,428

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

CITY OF PLANO, TEXAS
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Function/Program Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 28,958,997	\$ 7,860,975	\$ 468,031	\$ -
Administrative services	11,020,080	149,117	515,377	-
Police	86,630,567	8,633,086	8,530,202	114,698
Fire	66,169,812	6,903,668	14,396,746	-
Libraries	12,110,167	120,946	145,083	-
Development	45,910,292	10,939,460	20,010,431	-
Public services and operations	8,283,381	1,165,120	1,308,102	-
Parks and recreation	38,038,757	8,673,156	660,353	200,000
Public works	43,146,962	416,040	253,300	4,974,013
Technology services	24,817,161	4,656,195	-	-
Interest on long-term debt	12,831,275	-	-	-
Total governmental activities	377,917,451	49,517,763	46,287,625	5,288,711
Business-type Activities:				
Water and sewer	169,317,808	191,480,491	-	2,804,559
Sustainability and environmental services	31,906,204	21,004,408	-	-
Municipal drainage	7,055,069	9,908,199	-	-
Convention and tourism	9,511,343	3,081,453	-	-
Municipal golf course	941,744	1,338,795	-	-
Downtown center development	8,581	62,831	-	-
Recreation revolving	2,778,478	3,405,797	-	-
Total business-type activities	221,519,227	230,281,974	-	2,804,559
Total primary government	\$ 599,436,678	\$ 279,799,737	\$ 46,287,625	\$ 8,093,270
Component units	\$ 1,314,221	\$ -	\$ -	\$ -

General revenues:
Property taxes
Sales taxes
Mixed drink taxes
Hotel occupancy taxes
Other taxes
Franchise fees based upon gross receipts
Investment loss
Transfers
Total general revenues and transfers
Change in net position
Net position - beginning
Net position - ending

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

Net (Expense) Revenue and Changes in Net Position

Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (20,629,991)		\$ (20,629,991)	
(10,355,586)		(10,355,586)	
(69,352,581)		(69,352,581)	
(44,869,398)		(44,869,398)	
(11,844,138)		(11,844,138)	
(14,960,401)		(14,960,401)	
(5,810,159)		(5,810,159)	
(28,505,248)		(28,505,248)	
(37,503,609)		(37,503,609)	
(20,160,966)		(20,160,966)	
(12,831,275)		(12,831,275)	
<u>(276,823,352)</u>		<u>(276,823,352)</u>	
	\$ 24,967,242	24,967,242	
	(10,901,796)	(10,901,796)	
	2,853,130	2,853,130	
	(6,429,890)	(6,429,890)	
	397,051	397,051	
	54,250	54,250	
	627,319	627,319	
	<u>11,567,306</u>	<u>11,567,306</u>	
<u>(276,823,352)</u>	<u>11,567,306</u>	<u>(265,256,046)</u>	
			\$ (1,314,221)
216,371,573	-	216,371,573	3,636,676
108,199,089	-	108,199,089	-
2,752,147	-	2,752,147	-
-	10,889,103	10,889,103	-
368,973	-	368,973	-
21,085,800	8,628,798	29,714,598	-
(23,117,209)	(4,727,933)	(27,845,142)	-
13,292,034	(13,292,034)	-	-
<u>338,952,407</u>	<u>1,497,934</u>	<u>340,450,341</u>	<u>3,636,676</u>
62,129,055	13,065,240	75,194,295	2,322,455
1,177,835,480	479,982,553	1,657,818,033	12,344,973
<u>\$ 1,239,964,535</u>	<u>\$ 493,047,793</u>	<u>\$ 1,733,012,328</u>	<u>\$ 14,667,428</u>

**CITY OF PLANO, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2022**

	General	Debt Service	Capital Maintenance	Street Improvements
ASSETS				
Cash and cash equivalents	\$ 7,312,147	\$ 579,168	\$ 7,100,826	\$ 13,048,885
Investments	56,185,795	4,461,898	54,704,585	100,528,284
Receivables (net of allowance for uncollectibles):				
Taxes	19,328,821	312,511	-	-
Accounts	1,286,172	-	-	3,500
Accrued interest	503,642	17,305	212,162	389,881
Assessments	-	-	-	1,299,821
Other	-	-	-	-
Leases receivables	7,714,443	-	-	-
Due from other funds	4,629,602	-	-	-
Due from other governments	30,657	-	-	559,563
Inventories	220,337	-	-	-
Prepaid items and other assets	283,030	-	-	-
Total assets	\$ 97,494,646	\$ 5,370,882	\$ 62,017,573	\$ 115,829,934
LIABILITIES				
Accounts payable	\$ 2,119,121	\$ -	\$ -	\$ -
Accrued liabilities	8,687,912	-	-	-
Contracts payable	-	-	1,704,121	6,541,036
Unearned revenue	255,585	-	-	4,676,918
Due to other funds	120,560	-	-	-
Due to other governments	211,599	-	-	-
Retainage payable	-	-	567,358	1,584,011
Seized assets payable	-	-	-	-
Total liabilities	11,394,777	-	2,271,479	12,801,965
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	10,035,607	307,320	-	1,859,384
Leases related	7,704,993	-	-	-
Total deferred inflows of resources	17,740,600	307,320	-	1,859,384
FUND BALANCE				
Nonspendable:				
Prepaid items and inventories	503,367	-	-	-
Restricted for:				
Debt service	-	5,063,562	-	-
Street improvements	-	-	-	9,487,828
Municipal facilities	-	-	-	-
Park improvements	-	-	-	-
Grant	-	-	-	-
Special revenue	-	-	-	-
Blended component unit	-	-	-	-
Other capital projects	-	-	-	-
Committed to:				
Economic development incentive	-	-	-	-
Assigned to:				
General government	48,126	-	-	-
Administrative services	237,539	-	-	-
Police	514,972	-	-	-
Fire	1,685,866	-	-	-
Libraries	512,646	-	-	-
Development	1,739,042	-	-	-
Public services and operations	45,070	-	-	-
Parks and recreation	596,226	-	-	-
Public works	59,268	-	-	-
Capital maintenance	-	-	59,746,094	-
Street improvements	-	-	-	91,680,757
Municipal facilities	-	-	-	-
Park improvements	-	-	-	-
Other capital projects	-	-	-	-
Other purposes	3,028,960	-	-	-
Unassigned	59,388,187	-	-	-
Total fund balance	68,359,269	5,063,562	59,746,094	101,168,585
Total liabilities, deferred inflows and fund balance	\$ 97,494,646	\$ 5,370,882	\$ 62,017,573	\$ 115,829,934

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

Municipal Facilities	Park Improvements	Economic Development Incentive	Grants	Other Governmental Funds	Total Governmental Funds
\$ 2,287,374 17,621,868	\$ 5,759,903 44,374,146	\$ 7,915,193 60,978,447	\$ 2,300,271 14,113,453	\$ 6,208,012 47,041,981	\$ 52,511,779 400,010,457
-	-	-	-	-	19,641,332
-	-	-	-	31,833	1,321,505
68,343	172,097	236,494	54,737	182,445	1,837,106
-	-	-	-	-	1,299,821
-	-	-	1,029,493	-	1,029,493
-	-	-	-	-	7,714,443
-	-	-	120,560	-	4,750,162
-	-	-	2,518,106	211,457	3,319,783
-	-	-	-	-	220,337
-	-	-	-	2,177	285,207
<u>\$ 19,977,585</u>	<u>\$ 50,306,146</u>	<u>\$ 69,130,134</u>	<u>\$ 20,136,620</u>	<u>\$ 53,677,905</u>	<u>\$ 493,941,425</u>
\$ -	\$ -	\$ -	\$ 79,314	\$ 554,767	\$ 2,753,202
-	-	-	-	132,093	8,820,005
1,369,828	2,588,006	-	-	-	12,202,991
-	-	-	17,544,276	-	22,476,779
-	-	-	2,313,458	-	2,434,018
-	-	-	-	-	211,599
954,296	703,216	-	-	-	3,808,881
-	-	-	-	172,294	172,294
<u>2,324,124</u>	<u>3,291,222</u>	<u>-</u>	<u>19,937,048</u>	<u>859,154</u>	<u>52,879,769</u>
-	-	-	1,954,312	-	14,156,623
-	-	-	-	-	7,704,993
-	-	-	1,954,312	-	21,861,616
-	-	-	-	2,177	505,544
-	-	-	-	-	5,063,562
-	-	-	-	-	9,487,828
13,376,472	-	-	-	-	13,376,472
-	41,157,314	-	-	-	41,157,314
-	-	-	36,953	-	36,953
-	-	-	-	42,490,027	42,490,027
-	-	-	-	101,806	101,806
-	-	-	-	1,637,373	1,637,373
-	-	69,130,134	-	-	69,130,134
-	-	-	-	-	48,126
-	-	-	-	-	237,539
-	-	-	-	-	514,972
-	-	-	-	-	1,685,866
-	-	-	-	-	512,646
-	-	-	-	-	1,739,042
-	-	-	-	-	45,070
-	-	-	-	-	596,226
-	-	-	-	-	59,268
-	-	-	-	-	59,746,094
-	-	-	-	-	91,680,757
4,276,989	-	-	-	-	4,276,989
-	5,857,610	-	-	-	5,857,610
-	-	-	-	8,587,368	8,587,368
-	-	-	-	-	3,028,960
-	-	-	(1,791,693)	-	57,596,494
<u>17,653,461</u>	<u>47,014,924</u>	<u>69,130,134</u>	<u>(1,754,740)</u>	<u>52,818,751</u>	<u>419,200,040</u>
<u>\$ 19,977,585</u>	<u>\$ 50,306,146</u>	<u>\$ 69,130,134</u>	<u>\$ 20,136,620</u>	<u>\$ 53,677,905</u>	<u>\$ 493,941,425</u>

**CITY OF PLANO, TEXAS
RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2022**

Total fund balance per balance sheet	\$ 419,200,040
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	1,335,629,913
Deferred charges on refundings represent a consumption of net position that applies to future periods and, therefore, will not be recognized as an outflow of resources until then. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.	1,398,339
Net pension and other post employment benefits asset and deferred outflows related to pensions and other postemployment benefits.	97,732,391
Internal service funds are used by management to charge the costs of equipment maintenance, municipal warehouse, technology services, risk management and health claims to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	101,377,855
Long-term liabilities, including bonds payable and accrued interest, are not due and payable in the current period and, therefore, are not reported in the funds.	(605,917,903)
Deferred inflows represent an acquisition of net position that applies to future periods. The amount is unavailable and deferred at the fund level but recognized as revenue in the governmental activities.	14,156,623
Deferred inflows related to pensions and other post employment benefits.	<u>(123,612,723)</u>
Net position of governmental activities	<u>\$ 1,239,964,535</u>

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



CITY OF PLANO, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	General	Debt Service	Capital Maintenance	Street Improvements
REVENUES				
Taxes:				
Property taxes	\$ 150,794,974	\$ 51,376,711	\$ -	\$ -
Sales taxes	108,387,048	-	-	-
Mixed drink taxes	2,752,147	-	-	-
Other taxes	368,973	-	-	-
Franchise fees	20,570,938	-	-	-
Fines and forfeitures	4,206,204	-	-	-
Contributions	-	-	-	-
Rollback taxes	-	-	203,156	-
Licenses and permits	12,415,455	-	-	-
Intragovernmental	13,530,063	-	-	-
Intergovernmental	2,067,269	-	-	2,246,815
Charges for services	15,385,834	-	-	-
Assessed taxes	-	-	-	-
Loan repayments	-	-	-	-
Investment loss	(4,179,583)	(1,670,096)	(2,290,703)	(3,551,958)
Miscellaneous	1,851,777	114,698	3,600	69,800
Total revenues	<u>328,151,099</u>	<u>49,821,313</u>	<u>(2,083,947)</u>	<u>(1,235,343)</u>
EXPENDITURES				
Current operating:				
General government	32,625,979	-	-	-
Administrative services	13,191,495	-	-	-
Police	88,503,551	-	-	-
Fire	55,784,000	-	-	-
Libraries	13,000,673	-	-	-
Development	35,553,576	-	-	-
Public services and operations	7,242,777	-	-	-
Parks and recreation	29,326,212	-	-	-
Public works	8,063,690	-	-	-
Technology services	1,000,000	-	-	-
Capital outlay	1,012,705	-	32,305,655	39,288,082
Interest and fiscal charges	-	-	-	666,345
Debt service:				
Principal retirement	343,642	33,050,000	-	-
Interest and fiscal charges	46,348	19,060,522	-	-
Total expenditures	<u>285,694,648</u>	<u>52,110,522</u>	<u>32,305,655</u>	<u>39,954,427</u>
Excess (deficiency) of revenues over (under) expenditures	<u>42,456,451</u>	<u>(2,289,209)</u>	<u>(34,389,602)</u>	<u>(41,189,770)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	50,889,415
Premium on sale of bonds	-	-	-	2,481,829
Transfers in	8,052,849	-	51,250,549	-
Transfers out	(47,698,708)	-	-	-
Total other financing sources (uses)	<u>(39,645,859)</u>	<u>-</u>	<u>51,250,549</u>	<u>53,371,244</u>
Net change in fund balances	2,810,592	(2,289,209)	16,860,947	12,181,474
Fund balances - beginning	<u>65,548,677</u>	<u>7,352,771</u>	<u>42,885,147</u>	<u>88,987,111</u>
Fund balances - ending	<u>\$ 68,359,269</u>	<u>\$ 5,063,562</u>	<u>\$ 59,746,094</u>	<u>\$ 101,168,585</u>

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

Municipal Facilities	Park Improvements	Economic Development Incentive	Grants	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 202,171,685
-	-	-	-	-	108,387,048
-	-	-	-	-	2,752,147
-	-	-	-	-	368,973
-	-	-	-	-	20,570,938
-	-	-	-	244,789	4,450,993
-	-	9,434,847	-	666,899	10,101,746
-	-	-	-	-	203,156
-	-	-	-	-	12,415,455
-	-	-	-	-	13,530,063
-	200,000	-	30,674,378	1,070,062	36,258,524
-	-	-	-	4,670,630	20,056,464
-	-	-	-	143,929	143,929
-	-	-	64,394	-	64,394
(938,927)	(1,402,599)	(2,870,401)	(35,813)	(3,071,403)	(20,011,483)
-	115,000	197,566	-	32,222	2,384,663
<u>(938,927)</u>	<u>(1,087,599)</u>	<u>6,762,012</u>	<u>30,702,959</u>	<u>3,757,128</u>	<u>413,848,695</u>
-	-	-	-	-	32,625,979
-	-	-	319,190	-	13,510,685
-	-	-	6,125,321	2,214,904	96,843,776
-	-	-	14,187,014	281,960	70,252,974
-	-	-	46,378	132,003	13,179,054
-	-	2,034,583	10,169,372	383,592	48,141,123
-	-	-	58,941	1,704,250	9,005,968
-	-	-	391,582	-	29,717,794
-	-	-	48,303	-	8,111,993
-	-	-	-	-	1,000,000
15,653,621	16,184,916	-	51,225	803,172	105,299,376
60,124	273,757	-	-	-	1,000,226
-	-	-	-	-	33,393,642
-	-	-	-	-	19,106,870
<u>15,713,745</u>	<u>16,458,673</u>	<u>2,034,583</u>	<u>31,397,326</u>	<u>5,519,881</u>	<u>481,189,460</u>
<u>(16,652,672)</u>	<u>(17,546,272)</u>	<u>4,727,429</u>	<u>(694,367)</u>	<u>(1,762,753)</u>	<u>(67,340,765)</u>
4,683,371	20,877,214	-	-	-	76,450,000
228,404	1,018,162	-	-	-	3,728,395
-	-	-	61,410	653,324	60,018,132
-	-	-	-	(114,139)	(47,812,847)
<u>4,911,775</u>	<u>21,895,376</u>	<u>-</u>	<u>61,410</u>	<u>539,185</u>	<u>92,383,680</u>
(11,740,897)	4,349,104	4,727,429	(632,957)	(1,223,568)	25,042,915
<u>29,394,358</u>	<u>42,665,820</u>	<u>64,402,705</u>	<u>(1,121,783)</u>	<u>54,042,319</u>	<u>394,157,125</u>
<u>\$ 17,653,461</u>	<u>\$ 47,014,924</u>	<u>\$ 69,130,134</u>	<u>\$ (1,754,740)</u>	<u>\$ 52,818,751</u>	<u>\$ 419,200,040</u>

CITY OF PLANO, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Net change in fund balances - total governmental funds	\$ 25,042,915
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation/amortization in the current period.	44,091,848
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	3,600,034
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(46,784,753)
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Pension and other postemployment benefits net expense are not reported in governmental funds.	39,318,546
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Pension and other postemployment benefits net expense in internal service funds	2,339,731
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	1,800,302
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Internal service funds are used by management to charge the costs of equipment maintenance, municipal warehouse, technology services, risk management and health claims to individual funds. The net expenses of certain activities of internal service funds are reported within governmental activities.	<u>(7,279,568)</u>
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Change in net position of governmental activities	<u><u>\$ 62,129,055</u></u>
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The notes to the financial statements are an integral part of this statement.



CITY OF PLANO, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AS OF SEPTEMBER 30, 2022

	Business-type Activities Enterprise Funds					Governmental Activities- Internal Service Funds
	Sustainability and					
	Water and Sewer	Environmental Services	Municipal Drainage	Other Enterprise Funds	Total	
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 9,143,075	\$ 5,960	\$ 557,943	\$ 844,590	\$ 10,551,568	\$ 8,275,576
Investments	59,775,879	-	4,298,376	6,471,512	70,545,767	63,754,830
Receivables (net of allowance for uncollectibles):						
Accounts	24,330,902	1,957,983	1,215,854	1,055,845	28,560,584	-
Accrued interest	280,110	-	16,671	40,697	337,478	416,596
Other	39,351	654,235	-	19,910	713,496	527
Leases receivables	3,013,601	-	-	1,489,622	4,503,223	-
Due from other funds	285,374	-	-	-	285,374	-
Inventories	160,651	-	-	-	160,651	2,126,315
Prepaid items and other assets	3,537,381	935,963	980	456,553	4,930,877	4,214,297
Net pension asset	128,129	1,229,202	263,077	496,051	2,116,459	1,790,657
Net other post employment benefits asset	190,911	255,818	88,796	123,202	658,727	326,047
Restricted assets:						
Revenue bond debt service-						
Cash and cash equivalents	95,877	-	565,428	-	661,305	-
Investments	738,646	-	2,331,444	-	3,070,090	-
Accrued interest receivable	2,865	-	16,894	-	19,759	-
Revenue bond reserve fund-						
Investments	-	-	2,024,601	-	2,024,601	-
Revenue bond construction fund-						
Cash and cash equivalents	518,716	-	3,285,313	-	3,804,029	-
Investments	3,996,167	-	25,309,979	-	29,306,146	-
Accrued interest receivable	15,499	-	98,160	-	113,659	-
Total current assets	106,253,134	5,039,161	40,073,516	10,997,982	162,363,793	80,904,845
Capital assets:						
Land	4,856,807	-	174,354	2,992,154	8,023,315	62,522
Public art	-	-	-	50,000	50,000	-
Buildings	2,748,029	569,023	52,921	14,282,224	17,652,197	5,975,294
Right-to-use leased buildings	-	-	-	880,001	880,001	212,651
Improvements other than buildings	738,394,415	-	-	3,519,353	741,913,768	-
Equipment	-	462,816	15,048	1,995,447	2,473,311	52,656,407
Rolling equipment	-	-	-	-	-	71,312,582
Drainage improvements	-	-	56,019,607	-	56,019,607	-
Right-to-use leased equipment	-	-	-	59,760	59,760	3,357,503
Construction in progress	12,212,041	-	14,663,930	-	26,875,971	-
Less accumulated depreciation	(366,100,877)	(419,537)	(14,479,752)	(18,038,218)	(399,038,384)	(82,850,016)
Total capital assets (net of accumulated depreciation)	392,110,415	612,302	56,446,108	5,740,721	454,909,546	50,726,943
Total noncurrent assets	392,110,415	612,302	56,446,108	5,740,721	454,909,546	50,726,943
Total assets	498,363,549	5,651,463	96,519,624	16,738,703	617,273,339	131,631,788
DEFERRED OUTFLOWS OF RESOURCES						
Pensions related	2,587,266	1,555,642	440,393	889,334	5,472,635	2,552,061
Other postemployment benefits related	936,645	658,531	180,016	367,293	2,142,485	753,752
Deferred charges on refundings	-	-	121,447	-	121,447	-
Total deferred outflows of resources	3,523,911	2,214,173	741,856	1,256,627	7,736,567	3,305,813

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

(continued)

CITY OF PLANO, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AS OF SEPTEMBER 30, 2022
(continued)

	Business-type Activities Enterprise Funds					Governmental Activities- Internal Service Funds
	Water and Sewer	Sustainability and Environmental Services	Municipal Drainage	Other Enterprise Funds	Total	
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 7,252,343	\$ 59,221	\$ 1,514,367	\$ 118,421	\$ 8,944,352	\$ 1,165,415
Accrued liabilities	116,797	1,771,172	25,517	296,183	2,209,669	152,539
Due to other funds	-	1,704,769	-	-	1,704,769	896,749
Accrued interest payable	-	-	-	3,446	3,446	13,650
Leases payable	-	-	-	163,637	163,637	1,120,847
Customer deposits	3,411,645	-	-	131,630	3,543,275	-
Escrow liability	231,320	-	-	-	231,320	-
Unearned revenue	120	-	-	1,336,034	1,336,154	-
Liability for compensated absences	327,849	270,098	24,323	134,513	756,783	150,490
Liability for insurance claims	-	-	-	-	-	8,601,390
Total current liabilities	11,340,074	3,805,260	1,564,207	2,183,864	18,893,405	12,101,080
Current liabilities payable from restricted assets:						
Contracts payable	841,526	-	-	-	841,526	-
Current portion of long-term debt	3,477,357	-	2,108,151	-	5,585,508	-
Accrued interest payable	588,506	-	690,730	-	1,279,236	-
Retainage payable	458,230	-	535,239	-	993,469	-
Total current liabilities payable from restricted assets	5,365,619	-	3,334,120	-	8,699,739	-
Total current liabilities	16,705,693	3,805,260	4,898,327	2,183,864	27,593,144	12,101,080
Noncurrent liabilities:						
Bonds payable	38,358,983	-	55,461,091	-	93,820,074	-
Leases payable	-	-	-	618,414	618,414	2,121,321
Liability for compensated absences	1,487,482	1,430,968	250,534	635,965	3,804,949	702,249
Total noncurrent liabilities	39,846,465	1,430,968	55,711,625	1,254,379	98,243,437	2,823,570
Total liabilities	56,552,158	5,236,228	60,609,952	3,438,243	125,836,581	14,924,650
DEFERRED INFLOWS OF RESOURCES						
Pensions related	4,226,479	3,391,917	873,621	1,812,243	10,304,260	5,201,759
Other postemployment benefits related	2,005,235	1,421,064	385,344	778,797	4,590,440	1,550,656
Leases related	2,956,981	-	-	1,486,430	4,443,411	-
Total deferred inflows of resources	9,188,695	4,812,981	1,258,965	4,077,470	19,338,111	6,752,415
NET POSITION						
Net investment in capital assets	353,504,700	612,302	27,156,528	4,958,670	386,232,200	47,484,775
Restricted for:						
Debt service	837,388	-	4,938,367	-	5,775,755	-
Unrestricted	81,804,519	(2,795,875)	3,297,668	5,520,947	87,827,259	65,775,761
Total net position	\$ 436,146,607	\$ (2,183,573)	\$ 35,392,563	\$ 10,479,617	\$ 479,835,214	\$ 113,260,536

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

CITY OF PLANO, TEXAS
RECONCILIATION OF THE STATEMENT OF NET POSITION
OF PROPRIETARY FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2022

Total net position - total enterprise funds	\$ 479,835,214
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Amounts reported for business-type activities in the statement of net position are different because:

Internal service funds are used by management to charge the costs of equipment maintenance, municipal warehouse, technology services, risk management and health claims to individual funds.

The net receivable due from activities of the internal service funds is reported within business-type activities.

13,212,579

Net position of business-type activities
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\$ 493,047,793

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



CITY OF PLANO, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Business-type Activities Enterprise Funds					Governmental Activities- Internal Service Funds
	Water and Sewer	Sustainability and Environmental Services	Municipal Drainage	Other Enterprise Funds	Total	
OPERATING REVENUES						
Charges for services	\$ 190,661,569	\$ 15,722,606	\$ 9,796,036	\$ 7,819,159	\$ 223,999,370	\$ 93,101,153
Franchise fees	-	8,628,798	-	-	8,628,798	-
Sale of compost products	-	3,283,268	-	-	3,283,268	-
Subrogation receipts	-	-	-	-	-	672,288
Intergovernmental	-	69,366	-	-	69,366	63,314
Contributions	-	10,859	-	-	10,859	-
Miscellaneous charges	741,869	1,824,498	102,350	66,722	2,735,439	50,286
Total operating revenues	191,403,438	29,539,395	9,898,386	7,885,881	238,727,100	93,887,041
OPERATING EXPENSES						
Personnel services	11,628,119	9,184,467	3,353,667	5,542,192	29,708,445	13,098,661
Pension and other postemployment benefits expense (net)	(1,896,487)	(1,593,469)	(420,098)	(837,986)	(4,748,040)	(2,339,731)
Contractual services	10,563,261	11,820,947	825,468	7,465,933	30,675,609	20,848,893
Supplies	1,836,903	580,191	269,864	993,812	3,680,770	10,458,968
Claims expense	-	-	-	-	-	43,624,269
Depreciation and amortization	17,928,318	63,130	1,122,571	343,790	19,457,809	12,213,589
Solid waste disposal	-	8,076,406	-	-	8,076,406	-
Wastewater treatment	37,493,446	-	-	-	37,493,446	-
Charges in lieu of taxes	11,213,000	2,317,063	-	-	13,530,063	-
Water supply	77,678,572	-	-	-	77,678,572	-
Miscellaneous	1,659,176	382,988	33,116	125,399	2,200,679	105,167
Total operating expenses	168,104,308	30,831,723	5,184,588	13,633,140	217,753,759	98,009,816
Operating income (loss)	23,299,130	(1,292,328)	4,713,798	(5,747,259)	20,973,341	(4,122,775)
NONOPERATING REVENUES (EXPENSES)						
Investment loss	(2,670,521)	-	(1,808,164)	(249,248)	(4,727,933)	(3,105,726)
Gain on property disposition	-	-	-	-	-	431,634
Interest and fiscal charges	(1,270,152)	-	(1,688,087)	(35,670)	(2,993,909)	(29,834)
Hotel occupancy taxes	-	-	-	10,889,103	10,889,103	-
Miscellaneous	77,053	93,811	9,813	2,995	183,672	28,556
Total nonoperating revenues (expenses)	(3,863,620)	93,811	(3,486,438)	10,607,180	3,350,933	(2,675,370)
Income (loss) before contributions and transfers	19,435,510	(1,198,517)	1,227,360	4,859,921	24,324,274	(6,798,145)
Contributions from developers	2,804,559	-	-	-	2,804,559	-
Transfers in	-	-	-	-	-	1,336,749
Transfers out	(7,959,898)	-	(1,419,523)	(3,912,613)	(13,292,034)	(250,000)
Change in net position	14,280,171	(1,198,517)	(192,163)	947,308	13,836,799	(5,711,396)
Total net position - beginning	421,866,436	(985,056)	35,584,726	9,532,309	465,998,415	118,971,932
Total net position - ending	\$ 436,146,607	\$ (2,183,573)	\$ 35,392,563	\$ 10,479,617	\$ 479,835,214	\$ 113,260,536

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

**CITY OF PLANO, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET POSITION OF PROPRIETARY FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Change in net position - total enterprise funds	\$ 13,836,799
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Amounts reported for business-type activities in the statement of activities are different because:

Internal service funds are used by management to charge the costs of equipment maintenance, municipal warehouse, technology services, risk management and health claims to individual funds.

The net revenues of certain activities of internal service funds are reported within business-type activities.

(771,559)

Change in net position of business-type activities	<u><u>\$ 13,065,240</u></u>
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The notes to the financial statements are an integral part of this statement.

CITY OF PLANO, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Business-type Activities Enterprise Funds					Governmental Activities- Internal Service Funds
	Water and Sewer	Sustainability and Environmental Services	Municipal Drainage	Other Enterprise Funds	Total	
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers	\$ 187,139,767	\$ 20,998,502	\$ 9,741,776	\$ 8,403,336	\$ 226,283,381	\$ -
Cash received from other funds	-	-	-	-	-	93,363,679
Cash received from subrogation	-	-	-	-	-	672,288
Franchise fees	-	8,628,798	-	-	8,628,798	-
Charges in lieu of taxes	(11,213,000)	(2,317,063)	-	-	(13,530,063)	-
Cash payments to suppliers for goods and services	(130,987,394)	(19,143,442)	(536,049)	(8,783,610)	(159,450,495)	(75,828,211)
Cash paid to or on behalf of employees for services	(11,561,197)	(8,504,466)	(3,307,638)	(5,475,380)	(28,848,681)	(12,964,605)
Net cash provided (used) by operating activities	33,378,176	(337,671)	5,898,089	(5,855,654)	33,082,940	5,243,151
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Hotel occupancy taxes	-	-	-	10,889,103	10,889,103	-
Transfers to other funds	(7,959,898)	-	(1,419,523)	(3,912,613)	(13,292,034)	(250,000)
Transfers from other funds	-	-	-	-	-	1,336,749
Net cash provided (used) by noncapital financing activities	(7,959,898)	-	(1,419,523)	6,976,490	(2,402,931)	1,086,749
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and construction of capital assets	(18,887,278)	-	(8,803,285)	-	(27,690,563)	(11,458,717)
Bond proceeds	6,457	-	-	-	6,457	-
Bond issuance costs paid	(5,750)	-	(3,000)	-	(8,750)	-
Proceeds from sale of equipment	-	-	-	-	-	543,745
Principal paid on long-term debt	(2,945,000)	-	(1,970,000)	(157,710)	(5,072,710)	(327,986)
Interest and fees paid on long-term debt	(1,650,277)	-	(1,731,443)	(32,224)	(3,413,944)	(16,184)
Proceeds from insurance damages	77,053	93,811	9,813	2,995	183,672	17,039
Net cash provided (used) by capital and related financing activities	(23,404,795)	93,811	(12,497,915)	(186,939)	(35,995,838)	(11,242,103)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchases of investment securities	(64,510,692)	-	(33,964,400)	(6,471,512)	(104,946,604)	(63,754,830)
Proceeds from sale and maturities of investment securities	62,413,588	209,184	40,849,752	5,635,341	109,107,865	67,688,034
Interest on investments	(2,602,202)	1,230	(1,699,822)	(256,827)	(4,557,621)	(2,746,249)
Net cash provided (used) by investing activities	(4,699,306)	210,414	5,185,530	(1,092,998)	(396,360)	1,186,955
Net increase (decrease) in cash and cash equivalents	(2,685,823)	(33,446)	(2,833,819)	(159,101)	(5,712,189)	(3,725,248)
Cash and cash equivalents - beginning	12,443,491	39,406	7,242,503	1,003,691	20,729,091	12,000,824
Cash and cash equivalents - ending	<u>\$ 9,757,668</u>	<u>\$ 5,960</u>	<u>\$ 4,408,684</u>	<u>\$ 844,590</u>	<u>\$ 15,016,902</u>	<u>\$ 8,275,576</u>
Classified as:						
Current assets	\$ 9,143,075	\$ 5,960	\$ 557,943	\$ 844,590	\$ 10,551,568	\$ 8,275,576
Restricted assets	614,593	-	3,850,741	-	4,465,334	-
Total	<u>\$ 9,757,668</u>	<u>\$ 5,960</u>	<u>\$ 4,408,684</u>	<u>\$ 844,590</u>	<u>\$ 15,016,902</u>	<u>\$ 8,275,576</u>
Noncash disclosures:						
Developers' contributions	\$ 2,804,559	\$ -	\$ -	\$ -	\$ 2,804,559	\$ -
Premium amortization	366,797	-	153,151	-	519,948	-
Amortization of deferred charge on refunding	-	-	(16,564)	-	(16,564)	-
Property disposition/adjustments	-	-	-	-	-	(100,593)
Decrease in fair value of investments	(4,388,551)	(2,685)	(1,815,866)	(432,214)	(6,639,316)	(4,414,209)
Transfer in (out) of capital assets	(6,728)	(98,601)	(4,440)	-	(109,769)	336,852

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

(continued)

CITY OF PLANO, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022
(continued)

	Business-type Activities Enterprise Funds					Governmental Activities- Internal Service Funds
	Water and Sewer	Sustainability and Environmental Services	Municipal Drainage	Other Enterprise Funds	Total	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss)	\$ 23,299,130	\$ (1,292,328)	\$ 4,713,798	\$ (5,747,259)	\$ 20,973,341	\$ (4,122,775)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization	17,928,318	63,130	1,122,571	343,790	19,457,809	12,213,589
Pension and other postemployment benefits expense (net)	(1,896,487)	(1,593,469)	(420,098)	(837,986)	(4,748,040)	(2,339,731)
Change in assets and liabilities:						
(Increase) decrease in-						
Accounts receivables	(3,571,445)	102,258	(156,610)	(278,091)	(3,903,888)	-
Leases receivables	(3,013,601)	-	-	(1,489,622)	(4,503,223)	-
Other receivables	(10,531)	(14,353)	-	(5,535)	(30,419)	438
Due from other funds	(215,374)	-	-	-	(215,374)	13,792
Due from other governments	-	-	-	-	-	(63,314)
Prepaid items and other assets	(1,541,796)	37,115	(680)	(96,517)	(1,601,878)	(845,648)
Inventories	(3,562)	-	-	-	(3,562)	(186,627)
Increase (decrease) in-						
Accounts payable	(210,678)	(24,794)	593,079	(96,414)	261,193	(97,910)
Accrued liabilities	35,099	434,360	9,399	37,536	516,394	50,702
Due to other funds	-	1,704,769	-	-	1,704,769	236,257
Liability for compensated absences	31,823	245,641	36,630	29,276	343,370	83,354
Customer deposits	(409,691)	-	-	(17,166)	(426,857)	-
Deferred inflows from leases	2,956,981	-	-	1,486,430	4,443,411	-
Unearned revenue	(10)	-	-	815,904	815,894	-
Liability for insurance claims	-	-	-	-	-	301,024
Total adjustments	10,079,046	954,657	1,184,291	(108,395)	12,109,599	9,365,926
Net cash provided (used) by operating activities	\$ 33,378,176	\$ (337,671)	\$ 5,898,089	\$ (5,855,654)	\$ 33,082,940	\$ 5,243,151

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

CITY OF PLANO, TEXAS
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
AS OF SEPTEMBER 30, 2022

	Pension and Other Post-Employment Benefits Trust Funds	Collin Creek Custodial Funds
ASSETS		
Cash and cash equivalents	\$ (1,345,853)	\$ 69,491,626
Investments:		
Mutual funds:		
Domestic equity funds	124,375,952	-
International equity funds	55,881,137	-
Fixed income funds	35,966,310	-
Real estate investment trusts	28,125,153	-
Collective investment trusts	35,724,464	-
Accrued interest	2,860	-
Prepaid items and other assets	37,538	-
Total assets	<u>278,767,561</u>	<u>69,491,626</u>
LIABILITIES		
Accrued liabilities	514,917	4,997,499
Bond holder liability	-	46,205,944
Total liabilities	<u>514,917</u>	<u>51,203,443</u>
NET POSITION		
Net position restricted for pensions	176,513,540	-
Net position restricted for other postemployment benefits	101,739,104	-
Net position restricted for custodial funds	-	18,288,183
Total net position	<u>\$ 278,252,644</u>	<u>\$ 18,288,183</u>

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

CITY OF PLANO, TEXAS
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Pension and Other Post-Employment Benefits Trust Funds	Collin Creek Custodial Funds
ADDITIONS		
Contributions:		
From employers	\$ 10,789,384	\$ -
From retirees	2,667,520	-
From City and developer	-	352,240
Total contributions	<u>13,456,904</u>	<u>352,240</u>
Investment return:		
Net decrease in fair value of investment	(58,251,445)	-
Interest	7,784	-
Dividends	7,042,353	350,754
Miscellaneous	31,602	-
Total investment return (loss)	<u>(51,169,706)</u>	<u>350,754</u>
Less investment expenses:		
Trustee fees	128,317	-
Advisory fees	181,782	-
Total investment expenses	<u>310,099</u>	<u>-</u>
Net investment return (loss)	<u>(51,479,805)</u>	<u>350,754</u>
Total additions	<u>(38,022,901)</u>	<u>702,994</u>
DEDUCTIONS		
Benefits	13,571,700	-
Administrative expenses	2,725,113	-
Bond interest	-	2,020,774
Project expenses	-	26,219,124
Total deductions	<u>16,296,813</u>	<u>28,239,898</u>
Change in net position	<u>(54,319,714)</u>	<u>(27,536,904)</u>
Total net position - beginning	<u>332,572,358</u>	<u>45,825,087</u>
Total net position - ending	<u>\$ 278,252,644</u>	<u>\$ 18,288,183</u>

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



CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America (GAAP) applicable to state and local governments. GAAP for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *State and Local Governments – Audit and Accounting Guide*. The significant accounting policies of the City are described below.

A. Financial Statement Presentation

The basic financial statements are prepared in conformity with GAAP, which requires the government-wide financial statements to be prepared using the accrual basis of accounting and the economic resources measurement focus. Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities, business-type activities and activities of its discretely presented component units on the Statement of Net Position and Statement of Activities. The City's Statement of Net Position includes both noncurrent assets and noncurrent liabilities of the City. In addition, the Statement of Activities reflects depreciation expense on the City's capital assets, including infrastructure.

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

The Management's Discussion and Analysis (MD&A) provides an analytical overview of the City's financial activities. In addition, a budgetary comparison statement is presented that compares the original adopted and final amended General Fund and Debt Service Fund budgets with actual results. The City does not have any special revenue funds with legally adopted budgets.

B. Reporting Entity

The City is governed by an elected mayor and seven-member council. As required by GAAP, these financial statements present the City (the primary government) and its discretely presented component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations and data from these units are combined with data of the primary government. A discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the City. The criteria for including organizations as component units within the

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2022

City's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name);
- the City appoints a voting majority of the organization's board;
- the City is able to impose its will on the organization;
- the organization has the potential to impose a financial benefit/burden on the City; or
- there is fiscal dependency by the organization on the City.

Discretely Presented Component Units.

The City has established a Tax Increment Financing District Number Two (TIF No. 2) for project improvements within the City. The TIF No. 2 provides financing for public improvements associated with the future development of East Plano. The project was approved by City Council in fiscal year 1999. The TIF No. 2 is legally separate from the City, and the City appoints a majority of its governing board; however, the entity is fiscally dependent on the City. All taxing entities, including the Plano Independent School District, Collin College and Collin County continued to participate through the initial term which expired December 31, 2014. In fiscal year 2014, the City passed an ordinance to extend the termination date for an additional 15 years. The additional 15-year term includes participation with the City, as well as, Collin County. Financial reports may be obtained by request to the City's Accounting Division, 1520 Avenue K, Suite 370, Plano, Texas 75074.

In December 2018, City Council approved Tax Increment Financing Reinvestment Zone Number Three (TIF No. 3) to support construction and development of the Silver Line (formerly Cotton Belt) Regional Rail Project in the City of Plano. TIF No. 3 consists of two non-contiguous areas within an approximate ½ mile walking distance of planned 12th Street and Shiloh Road Stations. A station along the Dallas Area Rapid Transit (DART) Red Line is also planned for the project. Properties within TIF No. 3 largely consist of commercial, industrial and office type uses. The base year for calculating tax increments is 2018. Contributions are limited to a total of \$12.3 million or the revenue on real property taxes levied through 2038, whichever occurs first. A portion of the increments collected from existing TIF No. 2 parcels within an approximate ½ mile walking distance of the proposed 12th Street Station shall also be dedicated to the project. Project expenditures are expected to begin third quarter of 2023 and, therefore, no expenses are reported in the current fiscal year.

On July 22, 2019, a development agreement for the Collin Creek Mall Redevelopment Project was approved between the City and Collin Creek Development, LLC (developer). As part of the agreement, City Council agreed to establish a tax increment reinvestment zone (TIRZ) and two public improvement districts. In 2020, City Council established TIRZ No. 4 to support the redevelopment of the mall and its surrounding commercial areas. City Council adopted an ordinance upon finding that development or redevelopment of the property would not occur solely through private investment in the reasonably foreseeable future, that the zone is feasible and that public improvements in the zone will significantly enhance the value of all taxable real property in the zone and will be of general benefit to the City. The City has pledged 75% and the County has pledged 50% of their tax increment for 36 years. The revenue stream from the assessment will be used for projects benefitting the zone other than Collin Creek projects. The City, as a participant, will benefit from the new development within the zone and retain approximately \$54 million in net additional real property tax revenue. TIRZ No. 4 had no activity in fiscal year 2022.

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

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2022

Blended Component Units.

The City has established the Downtown Plano Public Improvement District (PID) for project improvements and services for the Downtown Plano area, which benefits the primary government. The PID was approved in October 2014. In November 2017, City Council voted to renew the PID for an additional five years. The PID is utilized to provide additional improvements and services in Downtown Plano where funding is derived from a special assessment paid by downtown property owners and based on a property's taxable value. Chapter 372 of the Texas Local Government Code allows City Council to establish an advisory board for the PID, which has the responsibility of developing the improvement plan for the PID. The advisory board must consist of the property owners. Additionally, an executive committee is comprised of three property owners representing the greatest appraised property values, plus five other members to be elected by the entire advisory board. The executive committee shall prepare a service plan and assessment plan for consideration of the advisory board, whose recommendation shall be presented to City Council for review and approval. In fiscal year 2020, City Council expanded the boundary of the Downtown PID, which provided additional resources needed to stimulate greater business and residential activity and encourage a thriving downtown.

The Plano Improvement Corporation (PIC) was established as a 501(c)3 to serve as a non-profit corporation to facilitate real estate transactions and serve as an independent foundation for acceptance of donations. The City desired to create the PIC for the purpose of transfer of land and improvements that the City wants developed pursuant to Texas Local Government Code §272.001(b)(4). Occasionally, individuals, as well as charitable corporations and foundations, desire to donate to the City to benefit the citizens of Plano. The City provides all financial support to the PIC and because the services provided by the PIC exclusively benefit the City, it is blended into the City's financial statements in the other governmental funds category.

Related Organization.

The City's mayor appoints the board of the Plano Housing Authority, but the City's accountability for this organization does not extend beyond making the appointments. Thus, it is not included in the primary government or as a discretely presented component unit.

C. Upcoming and Newly Implemented Accounting Pronouncements

The GASB has issued the following statements:

GASB Statement No. 87, *Leases*, increases the usefulness of government financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement were effective for reporting periods beginning after June 15, 2021. The City has implemented this Statement in fiscal year 2022.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, improves financial reporting by addressing these relationships and availability payment arrangements. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The City is currently evaluating the impact of this Statement.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA), provides guidance on the accounting and financial reporting of contractual arrangements. It defines SBITA; establishes that a SBITA results in a right-to-use subscription asset; provides capitalization criteria; and requires note disclosures. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The City is currently evaluating the impact of this Statement.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, increases consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2022

component unit does not have a governing board and the primary government performs the duties that governing board typically would perform; mitigates costs associated with the reporting of certain defined contribution pension, OPEB and benefit plans other than pension or OPEB plans; and enhances the relevance, consistency and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement related to the accounting and financial reporting for Section 457 plans was effective for fiscal years beginning after June 15, 2021, and have no impact on the City's financial statements.

GASB Statement No. 99, *Omnibus 2022*, enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement related to extension of use of London Interbank Offered Rate (LIBOR), accounting for Supplemental Nutrition Assistance Program (SNAP) distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement No. 34, as amended and terminology updates related to Statements No. 53 and 63 are effective immediately and implemented in the current year. All other requirements of this Statement are effective for fiscal years beginning after June 15, 2022, or June 15, 2023. The City is currently evaluating the impact of this Statement.

GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, enhances the accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The City has implemented this Statement.

GASB Statement No. 101, *Compensated Absences*, will better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The City is currently evaluating the impact of this Statement.

D. Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements; the focus is either the City as a whole or major individual funds (within the fund financial statements). The government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. The exception to this general rule is interfund services provided by the internal service funds. Elimination of these charges would distort the direct costs reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a functional category (police, fire, public works, etc.) or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment; (2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment; and (3) grants and contributions that are restricted to meeting the capital requirements of a particular function or segment. Taxes and other items properly excluded from program revenues are reported instead as general revenues.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2022

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

Separate fund financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The major governmental funds are the General, Debt Service, Capital Maintenance, Street Improvements, Municipal Facilities, Park Improvements, Economic Development Incentive and Grant funds. The major enterprise funds are the Water and Sewer, Sustainability and Environmental Services and Municipal Drainage funds. 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 nonmajor funds are combined in a separate column in the fund financial statements.

Internal service funds, which traditionally provide services primarily to other funds of the government, are presented in the summary form as part of the proprietary fund financial statements. Because the principal users of the internal services are the City's governmental activities, financial statements of internal service funds are consolidated into the governmental activities column when presented at the government-wide level. To the extent possible, the cost of these services is reflected in the appropriate functional activity (police, fire, public works, etc.). The City's internal service funds consist of Equipment Maintenance, Municipal Warehouse, Technology Services, Risk Management and Health Claims funds.

The City's fiduciary funds are presented only in the fund financial statements. Since by definition these assets are being held for the benefit of a third-party (other local governments, individuals, pension participants, developer projects, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. The City's fiduciary funds consist of funds that account for the Pension Trust and Other Post-Employment Benefits (OPEB) Trust Funds, as well as, custodial funds related to the Collin Creek Mall redevelopment project.

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

E. Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund statements. The economic resources measurement focus means all assets, liabilities and deferred outflows and inflows (whether current or noncurrent) are included on the Statement of Net Position and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services, which are accrued. Expenses are recognized at the time the liability is incurred.

Governmental fund level financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, in other words, as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2022

fiscal year. 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, lease liabilities and claims and judgments, are recorded only when the obligation has matured and is due and payable shortly after year-end. General capital asset acquisitions, including entering into contracts giving the City the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

Ad valorem, franchise and sales tax revenues recorded in the General Fund and ad valorem tax revenues recorded in the Debt Service Fund are recognized under the susceptible to accrual concept.

Licenses and permits, charges for services, fines and forfeitures, contributions and miscellaneous revenues are recorded as revenues when received in cash, as the resulting receivable is not measurable. Investment earnings or losses are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. Intergovernmental grant revenues are recognized when all eligibility requirements have been met. Additionally, funds received in advance for which all eligibility requirements have not been met are considered unearned revenue.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as needed.

Paving assessments in the Street Improvements Fund are recorded as revenues when cash is received. The assessments are measurable when assessed but are generally not available for use.

Proprietary and fiduciary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and deferred outflows, liabilities and deferred inflows associated with the operation of these funds are included on the balance sheet. Proprietary fund-type operating statements present increases (revenues) and decreases (expenses) in total net position. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's Water and Sewer, Sustainability and Environmental Services, Municipal Drainage, Convention and Tourism, Municipal Golf Course, Downtown Center Development and Recreation Revolving Funds are charges to customers for sales and services. Operating expenses for the enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The following major funds are used by the City:

1. Governmental Funds:

The focus of governmental fund measurement (in the fund financial statements) is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the major governmental funds of the City:

- a. The General Fund accounts for several of the City's primary services (police, fire, public works, libraries, parks and recreation, etc.) and is the primary operating unit of the City.
- b. The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.
- c. The Capital Maintenance Fund accounts for the financing of betterments and renewals to the City's facilities and infrastructure and for public improvements not requiring general obligation bond financing.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2022

- d. The Street Improvements Fund accounts for the financing and acquisition of right-of-way and construction of streets, storm sewers and alleys. Resources are provided primarily through bond sales, paving assessments and interest earnings.
- e. The Municipal Facilities Fund accounts for the financing and construction of various City facilities. Funds are provided primarily through bond sales and interest earnings.
- f. The Park Improvements Fund accounts for the financing and construction of park projects. Funds are provided primarily through bond sales and interest earnings.
- g. The Economic Development Incentive Fund accounts for \$0.02 of ad valorem revenue designated by City Council for stimulating economic development for the City through usage of Chapter 380 agreements as authorized by the Texas Local Government Code.
- h. The Grant Fund accounts for resources received from other governmental agencies.

2. Enterprise Funds:

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

- a. The Water and Sewer Fund accounts for the operation of the City's water and sewer utilities. Activities of the fund include administration, operation and maintenance of the water and sewer system and billing and collection activities. All costs are financed through charges made to utility customers with rates reviewed regularly and adjusted, if necessary, to ensure financial integrity of the fund.
- b. The Sustainability and Environmental Services Fund accounts for the provision of environmental services to customers who are billed monthly at a rate sufficient to cover the cost of providing such services.
- c. The Municipal Drainage Fund accounts for the City's storm water management program.

3. Other Fund Types:

The City additionally reports for the following fund types:

- a. Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, generally on a cost-reimbursement basis.
- b. Fiduciary funds are used to account for the accumulation of resources to be used for the retirement benefit payments, postemployment health benefits for employees of the City and project redevelopment of the Collin Creek Mall area.

F. Cash, Cash Equivalents and Investments

Cash and cash equivalents include cash on hand, demand deposits, escrow cash with a fiscal agent and short-term investments with original maturities of three months or less from the date of acquisition.

Cash and cash equivalents for government-wide funds are pooled in order to maximize investment opportunities. Although individual funds may experience temporary overdraft liabilities, a positive balance is maintained in combined cash.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2022

All investments are recorded at fair value based on quoted market prices, except for certificates of deposit and investments in government pools, which are recorded at amortized cost and certain Pension and OPEB Trust funds that are measured at net asset value. Amortized cost approximates fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

G. Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either interfund advances or interfund receivable/payable. All other outstanding balances between funds are reported as due to/from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

H. Inventories, Prepaid Items and Other Assets

Inventories of supplies are maintained at the City warehouse for use by all City funds and are accounted for by the consumption method. They are valued at cost, which is determined using a weighted-average method. The cost of governmental fund type inventory is recorded as an expenditure when consumed rather than when purchased.

Prepaid items are for payments made by the City in the current year to receive services occurring in the subsequent fiscal year, utilizing the consumption method. Inventories and prepaid items are reflected as nonspendable fund balance in the governmental funds.

I. Interfund Transactions

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

J. Capital Assets

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2022

Property, plant, equipment, right-to-use leased assets and infrastructure of the primary government and business-type activities are depreciated/amortized using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	15-40
Right-to-use leased buildings	3-100
Improvements other than buildings	20-50
Equipment	5-10
Right-to-use leased equipment	3-10
Infrastructure	30-50
Drainage Improvements	50

K. Compensated Absences

City employees are granted vacation and sick leave in varying amounts. Employees are required to utilize a minimum of 40 hours of vacation per year. Upon termination and completion of five years of service, an employee is reimbursed for accumulated vacation up to 480 hours. Vacation leave in excess of 480 hours will not be reimbursed upon termination. Full-time, non-civil service employees, with at least five years of service, are eligible to be paid out for unused sick leave upon termination up to 720 hours. However, fire department civil service shift personnel may be paid for up to 1,080 hours. Accumulated vacation and sick leave is accrued when incurred in the government-wide and proprietary financial statements.

L. Federal and State Grants

Grants and shared revenues are generally accounted for within the fund financed. Federal grants are accounted for within the Grant Fund (special revenue), Street Improvements Fund (capital projects) and Park Improvements Fund (capital projects). Various state grants are also included in the Grant Fund and Street Improvements Fund. Grant revenues received for purposes normally financed through the general government are accounted for within the General Fund and those for specific purposes in the special revenue funds.

M. Retirement Plans

The City has two separate retirement (pension) plans, Texas Municipal Retirement System (TMRS) and Retirement Security Plan (RSP), covering substantially all employees. In addition, the City has an Internal Revenue Code Section 457 deferred compensation plan and an OPEB plan (Section 115 Other Post-Employment Benefits Trust or 115 Trust). It is the City's policy to record the cost for such plans on the accrual basis (see Note 5).

N. Deferred Outflows/Inflows of Resources

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

- Difference in expected and actual experience for the pension and OPEB plans – This difference is deferred and recognized over the estimated average remaining service lives of all members determined as of the measurement date.
- Changes in actuarial assumptions used to determine pension liability for the pension and OPEB plans – This difference is deferred and amortized over the estimated average remaining service lives of all members determined as of the measurement date.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2022

- Pension and OPEB plans' employer contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Deferred charges on refundings – This outflow results 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.

In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category.

- Unavailable revenue – These deferred inflows are reported on the governmental funds balance sheet as the funds are not received soon enough after year end to pay liabilities of the current period. These deferred inflows are reclassified to revenue on the governmental-wide financial statements.
- Difference in expected and actual experience for the pension and OPEB plans – This difference is deferred and recognized over the estimated average remaining service lives of all members determined as of the measurement date.
- Changes in actuarial assumptions used to determine liabilities for the OPEB plan – This difference is deferred and amortized over the estimated average remaining service lives of all members determined as of the measurement date.
- Difference in projected and actual investment earnings on pension and OPEB plans' assets – This difference is deferred and amortized over a closed five-year period.
- Deferred amounts related to leases – This amount is initially an offset to Lease Receivable recorded at lease commencement, and subsequently, recognized as revenue over the life of the lease term.

O. Long-Term Debt

General Obligation bonds issued for general government capital projects that are to be repaid from tax revenues of the City are recorded in the government-wide statement of net position. Tax anticipation notes have been issued to fund permanent public improvements related to public safety communications and network infrastructure. Such notes are to be repaid from tax revenues of the City and are recorded in the government-wide statement of net position. Revenue bonds issued for proprietary fund assets that are to be repaid by the proprietary fund are recorded in the proprietary funds.

Revenue bonds have been issued to fund capital projects of proprietary funds. Such bonds are to be repaid from the net revenues of the applicable proprietary fund. To date, revenue bonds have been issued for municipal drainage and waterworks and sewer system improvements.

Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective-interest method in the government-wide financial statements. Issuance costs are recognized as an expense in the period incurred. 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, issuance costs, in the current period. The face amount of the debt issued is reflected as other financing sources. Premiums are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2022

P. Net Position

In the government-wide and proprietary funds financial statements, the net position is reported in three components: (1) net investment in capital assets, (2) restricted and (3) unrestricted. Net investment in capital assets represents the City's total investment in capital assets, net of depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvements of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

The Sustainability and Environmental Services Fund reported negative net position of \$2,183,573 at September 30, 2022. Operating expenses continue to exceed revenues. Fiscal year 2023 revenues are budgeted to increase \$2.0 million from the final fiscal year 2022 budget, which is primarily attributed to a \$2.00 residential rate increase for the 95-gallon cart and \$1.43 for the 68-gallon cart. Expenses are projected to increase to account for the growth in commercial and residential entities.

The Grant Fund also reported negative fund balance of \$1,754,740 at September 30, 2022, due to reimbursements not being received within 30 days and, therefore, not considered available to pay liabilities of the current period.

Q. Leases

Effective October 1, 2021, the City implemented GASB Statement No. 87, *Leases*, which required the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

Lessee –

The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide and proprietary funds financial statements.

At implementation of GASB Statement No. 87 and the commencement of leases beginning after October 1, 2021, the City initially measured the lease liability at the present value of payments expected to be made during the remaining lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease right-to-use asset was initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease right-to use asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a re-measurement of its lease and will re-measure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2022

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

Lessor –

The City recognizes a lease receivable and deferred inflow of resources in the government-wide, governmental funds and proprietary funds financial statements.

At implementation of GASB Statement No. 87 and the commencement of leases beginning after October 1, 2021, the City initially measured the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a re-measurement of its lease, and will re-measure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance sheet includes a reconciliation between fund balance and net position of governmental activities as reported in the government-wide statement of net position. One element of the reconciliation explains, “Long-term liabilities, including bonds payable and accrued interest, are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this difference are as follows:

Bonds and tax anticipation notes payable	\$ (518,930,000)
Bond premium	(34,276,383)
Accrued interest payable	(1,812,029)
Leases payable	(1,031,821)
Compensated absences	(49,867,670)
	<u><u>\$ (605,917,903)</u></u>

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2022

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between net change in fund balances and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of the reconciliation explains, "Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense." The details of this difference are as follows:

Capital outlay	\$ 105,299,376
Depreciation expense	(60,611,848)
Lease amortization expense	(365,649)
Other capital-related transactions	<u>(230,031)</u>
	<u><u>\$ 44,091,848</u></u>

Another element of the reconciliation states, "The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this difference are as follows:

Bonds issued:	
New money	\$ (76,450,000)
Premium	(3,728,395)
Principal payments	33,050,000
Lease principal payments	<u>343,642</u>
	<u><u>\$ (46,784,753)</u></u>

The reconciliation also states, "Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this difference are as follows:

Changes in:	
Compensated absences	\$ (4,505,128)
Accrued interest	(182,710)
Amortization of deferred charge on refunding	(512,145)
Amortization of bond premium	<u>7,000,285</u>
	<u><u>\$ 1,800,302</u></u>

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2022

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Legal Compliance - Budgets

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

- The City Manager, between 60 and 90 days prior to October 1 of each fiscal year, shall submit to City Council a proposed budget. Such budget shall provide a complete financial plan for the fiscal year.
- At the meeting of City Council at which the budget is submitted, City Council shall fix the time and place of a public hearing on the budget and shall cause to be published in the official newspaper of the City, a notice of the hearing setting forth the time and place thereof at least five days before the date of such hearing.
- The budget shall be finally adopted no later than 15 days prior to the beginning of the fiscal year and should City Council fail to so adopt a budget, the then existing budget together with its tax-levying ordinance and its appropriation ordinance, shall be deemed adopted for the ensuing fiscal year.

City Council approves annual appropriations for operations and interfund transfers for all operating and debt service funds. Only the General Fund and Debt Service Fund have legally adopted annual budgets. The City Manager has the authority to transfer unexpended balances between departmental budgets within appropriated funds. City Council, however, must approve any increase in fund appropriations. The legal level of budgetary control is the fund level. During the year, there was an appropriation increase of \$3,500,000 for the General Fund. Funds with operating appropriations and interfund transfers set by ordinance include the General Fund and Debt Service Fund. During the year, appropriations are adjusted as a result of re-estimates by the departments. For budgetary purposes, unencumbered appropriations lapse at fiscal year-end.

Budgets and Budgetary Basis of Accounting

The Budgetary Comparison Schedule, included in the required supplementary information section of this report, presents a comparison of budgetary data to actual results of operations for the General Fund, for which an annual operating budget is legally adopted. This fund utilizes the same basis of accounting for both budgetary purposes and actual results, with the following exceptions:

- The portion of ad valorem tax revenues in the General Fund from “rolled back” tax payments (those taxes, up to five years back, on properties previously taxed at special use exemption values and currently changed to full values) are excluded from the budgetary basis tax revenues and from the general governmental expenditures.
- The General Fund encumbrances are added to the actual expenditures for budgetary comparison.
- The GASB 31 fair value adjustments are excluded for budgetary comparison.

Nature and Purpose of Classifications of Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or legally or contractually

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2022

required to be maintained intact. Fund balance should be reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as, through debt covenants), grantors, contributors, laws or regulations of other governments, or imposed by law through constitutional provision or enabling legislation. Fund balance should be reported as committed when amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed fund balance also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. Fund balance should be reported as assigned for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the governing body itself, or a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. Unassigned fund balance is the residual classification for the General Fund and includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

Open encumbrances are recorded as assignments of fund balance as of September 30 of each year, and the subsequent year's budget is increased to reflect these encumbrances. Unspent and unencumbered appropriations lapse at the end of the fiscal year. Below are details of encumbrances at September 30, which are classified as a portion of assigned fund balance:

Assigned to encumbrances:

Governmental funds

General	\$ 5,438,755
Capital maintenance	11,977,920
Street improvements	91,680,757
Municipal facilities	4,276,989
Park improvements	5,857,610
	<u>\$ 119,232,031</u>

City Council is the City's highest level of decision-making authority and the formal action that is required to be taken to establish, modify or rescind a fund balance commitment is a resolution approved by City Council. This can also be done through adoption or amendment of the budget. The resolution must either be approved or rescinded, 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.

City Council has authorized the City Manager as the official to assign fund balance. Such assignments cannot exceed the available (spendable, unrestricted and uncommitted) fund balance in any particular fund.

When multiple categories of fund balance are available for expenditure (for example, a construction project is being funded partly by a grant, funds set aside by City Council and unassigned fund balance), the City will start with the most restricted category and spend those funds first before the next category with available funds.

It is the desire of the City to maintain adequate General Fund balance to maintain liquidity and in anticipation of economic downturns or natural disasters. City Council has adopted a financial standard to maintain a General Fund minimum unassigned fund balance of 30 days working capital.

**CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2022**

IV. DETAILED NOTES ON ALL FUNDS

1. DEPOSITS AND INVESTMENTS:

Deposits

Pursuant to provisions of both the Texas Public Funds Investment Act (PFIA) and the Public Funds Investment Policy of the City, all deposits of the City that exceed the federal depository insurance coverage level are collateralized with an irrevocable letter of credit at 100% or by securities held by a third party custodian and pledged to the City in an amount not less than 102% (on a fair value basis) of the City's deposit of public funds and any accrued interest.

At September 30, 2022, the carrying amount of the City's demand deposits was \$9,037,840, which includes component units' deposits of \$13,353,869. The bank balance was \$10,864,676. Cash on hand totaled \$1,413,562. The carrying value and the bank balance of the City's non-negotiable certificates of deposit (CD) were \$26,280,816. The carrying value of cash held in trust by a bank trust department for the Pension and Other Post-Employment Benefits Trust Funds was \$1,322,392. The carrying value of cash held in trust by a bank trust department for the Collin Creek Custodial Funds was \$69,491,626.

Investments – Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs or quoted prices in markets that are not active; and Level 3 inputs are significant unobservable inputs. As of September 30, 2022, the City does not value any of its investments using Level 3 inputs. Additionally, the Pension and Other Post-Employment Benefits Trust Funds have investments measured at the Net Asset Value (NAV). Investments measured at NAV are not classified in the fair value hierarchy.

The City has the following recurring fair value measurements as of September 30, 2022:

- U.S. agencies of \$230.8 million are valued using matrix pricing (Level 2 inputs)
- Municipal bonds of \$311.7 million are valued using quoted market prices in markets that are not active (Level 2 inputs)

The Pension and Other Post-Employment Benefits Trust Funds have the following recurring fair value measurements as of September 30, 2022:

- Fixed income investments of \$36.0 million are valued using quoted market prices (Level 1 inputs)
- Equities of \$180.3 million are valued using quoted market prices (Level 1 inputs)

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2022

At September 30, 2022, the City's investment balances measured at fair value levels were as follows:

	9/30/2022	Fair Value Measurements Using			
		Quoted Prices in Active Markets for Identical Assets Primary Government (Level 1)	Significant Other Observable Inputs Primary Government (Level 2)	Significant Other Observable Inputs Component Unit (Level 2)	Weighted Avg Maturity (Years)
Government-wide					
U.S. agencies	\$ 230,755,841	\$ -	\$ 230,755,841	\$ -	0.8088
Municipal bonds	311,675,234	-	311,675,234	-	0.9645
Total Government-wide	542,431,075	-	542,431,075	-	1.7733
Trust Funds					
Pension and Other					
Post-Employment Benefits:					
Fixed income funds	35,966,310	35,966,310	-	-	NA
Domestic equity funds	124,375,953	124,375,953	-	-	NA
International equity funds	55,881,137	55,881,137	-	-	NA
Total Investment Trust Funds	216,223,400	216,223,400	-	-	
Total Investments Measured at Fair Value	758,654,475	\$ 216,223,400	\$ 542,431,075	\$ -	

At September 30, 2022, the City's investment balances measured at the net asset value (NAV) per share (or its equivalent) were as follows:

	9/30/2022	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Trust Funds				
Pension and Other				
Post-Employment Benefits:				
Real estate collective trusts	\$ 28,125,153	\$ -	Quarterly	45 days
Collective investment trusts	35,724,463	-	Not limited	None
Total Investments Measured at the NAV	63,849,616	\$ -		
Total Investments	\$ 822,504,091			

In addition, the City had investments in government pools at September 30, 2022 totaling \$76,038,480, which are recorded at amortized cost. GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, establishes criteria for an external investment pool to qualify for making an election to measure all of its investments at amortized cost. The City does not have any limitations or restrictions on withdrawals.

Investments in the Pension and the Other Post-Employment Benefits Trust Funds are held by a bank trust department, apart from the overall City's cash and investments. The City employs the services of professional investment managers, an investment consultant and a custodial bank to retain the assets and administer benefit payments of the Pension and Other Post-Employment Benefits Trust Funds. The investments are subject to the policies and guidelines established by the Pension and Other Post-Employment Benefits Trust Funds committee members.

The City is authorized to invest in: (1) obligations of, or guaranteed by, governmental entities; (2) certificates of deposit, issued by a depository institution that has its main office or branch in Texas; (3) fully collateralized repurchase agreements having a defined termination date; (4) commercial paper having a stated maturity of 270 days or fewer and is rated not less than A-1 or P-1 or an equivalent rating by at least two nationally recognized credit rating agencies or one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state; (5) no-load money market mutual funds registered and regulated by the SEC having a dollar-weighted average stated maturity of 90 days or fewer, or no-load mutual funds

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2022

registered with the SEC, having an average weighted maturity of less than two years and continuously rated of not less than AAA or its equivalent; and (6) eligible investment pools that invest in instruments and follow practices allowed by current law as defined by PFIA, provided that each investment meets guidelines set forth by the City's investment policy.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from increasing interest rates, the City's investment policy establishes the portfolio's maximum average dollar-weighted maturity of no more than two and a half years. By policy, the City will not directly invest in securities maturing more than five years from the date of purchase.

Credit Risk. The City's investment policy, in conjunction with state law, specifies the type of credit rating of all authorized investments. The City's investments in U.S. Agency securities, including, U.S. Agency for International Development (AID), Tennessee Valley Authority (TVA), Federal National Mortgage Association (FNMA) and Federal Farm Credit Bank (FFCB), are rated AA+ by Standard and Poor's and Aaa by Moody's Investors Service. The investment in the Texas Local Government Pools (Texas Class, Texas Daily and Texas Fixed Income Trust) carried a credit rating of AAAm by Standard & Poor's as of September 30, 2022.

Custodial Credit Risk. For deposits, custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy follows state statutes, which require that all deposits in financial institutions be fully collateralized or insured. For investments, custodial credit risk is the risk that in the event of the failure of a counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that all investments held by outside parties for safekeeping be held in the name of the City. The City was not exposed to any custodial credit risk during the year.

Concentration of Credit Risk. With the exception of U.S. Treasury securities and authorized pools, the City's investment policy limits the amount that may be invested in any one security type to 50% of the total investment portfolio. As of September 30, 2022, five percent (5%) or more of the City's total investments are in municipal bonds (47.5%), Federal National Mortgage Association (10.3%) and investment pools (11.6%), on a fair value basis.

2. PROPERTY TAXES:

The City's ad valorem or property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the City. The property taxes attach as an enforceable lien on property as of January 1. Appraised values are established by the Central Appraisal Districts of Collin and Denton Counties at 100% of estimated market value and certified by the Appraisal Review Boards. The original certified assessed value for the tax roll of January 1, 2021 was \$47,692,308,621. Subsequent adjustments decreased this value to \$46,034,181,944.

Taxes are due October 1 and become delinquent after the following January 31. Penalty and interest is charged at 7% on delinquent taxes beginning February 1, and increases each month to 18% on July 1.

Property taxes at the fund level are recorded as receivables and deferred revenues at the time the tax levy is billed. Current year revenues recognized are those ad valorem taxes collected within the current period or soon enough thereafter to pay current liabilities, generally thirty days after year-end. Current tax collections for the year ended September 30, 2022, were 99.8% of the tax levy.

The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The tax rate to finance general governmental services, including debt service, for the year ended September 30, 2022, was \$0.4465 (\$0.3330 for general government and \$0.1135 for debt service) per \$100 of assessed valuation. Thus, the City has a tax margin

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2022

of \$2.0535 per \$100 and could have levied up to \$945,311,926 in additional taxes from the present assessed valuation.

In Texas, countywide central appraisal districts are required to assess all property within the appraisal district on the basis of 100% of its appraised value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every five years; however, the City, at its own expense, requires annual reviews of appraised values. The City may challenge appraised values established by the appraisal district through various appeals, and, if necessary, legal action. Under this system, the City sets tax rates on City property. However, if the no-new-revenue rate, excluding tax rates for bonds and other contractual obligations, adjusted for new improvements, exceeds the rate for the previous year by more than 3.5%, an election is required to determine whether to limit the tax rate to no more than 3.5% above the tax rate of the previous year.

3. RECEIVABLES:

Receivables at September 30, 2022 for the government's individual major funds and nonmajor, internal service and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, consist of the following:

	Property Taxes	Other Taxes	Accounts	Leases	Accrued Interest	Assessments	Other	Gross Receivables	Less: Allowance for Uncollectibles	Net Total Receivables
General	\$ 2,421,192	\$ 18,438,489	\$ 1,286,172	\$ 7,714,443	\$ 503,642	\$ -	\$ -	\$ 30,363,938	\$ (1,530,860)	\$ 28,833,078
Debt Service	861,440	-	-	-	17,305	-	-	878,745	(548,929)	329,816
Capital Maintenance	-	-	-	-	212,162	-	-	212,162	-	212,162
Street Improvements	-	-	3,500	-	389,881	1,299,821	-	1,693,202	-	1,693,202
Municipal Facilities	-	-	-	-	68,343	-	-	68,343	-	68,343
Park Improvements	-	-	-	-	172,097	-	-	172,097	-	172,097
Economic Development Incentive	-	-	-	-	236,494	-	-	236,494	-	236,494
Grant	-	-	-	-	54,737	-	1,029,493	1,084,230	-	1,084,230
Water and Sewer	-	-	24,353,241	3,013,601	298,474	-	39,351	27,704,667	(22,339)	27,682,328
Sustainability and Environmental Services	-	-	1,958,662	-	-	-	654,235	2,612,897	(679)	2,612,218
Municipal Drainage	-	-	1,215,854	-	131,725	-	-	1,347,579	-	1,347,579
Nonmajor and Other Funds	-	-	1,087,678	1,489,622	639,738	-	20,437	3,237,475	-	3,237,475
	<u>\$ 3,282,632</u>	<u>\$ 18,438,489</u>	<u>\$ 29,905,107</u>	<u>\$ 12,217,666</u>	<u>\$ 2,724,598</u>	<u>\$ 1,299,821</u>	<u>\$ 1,743,516</u>	<u>\$ 69,611,829</u>	<u>\$ (2,102,807)</u>	<u>\$ 67,509,022</u>

The enterprise fund accounts receivable includes unbilled charges for services of \$10,245,094 rendered at September 30, 2022.

Leases receivable – The City has entered into multiple lease agreements for land and cell sites as lessor. Effective October 1, 2021, the City implemented GASB Statement No. 87, *Leases*. At implementation of this statement, the City initially measured the lease receivable at the present value of payments expected to be received during the remaining lease term. The lease rate, term and ending lease receivables are as follows:

	Interest Rates	Receivable at Commencement	Lease Term in Years	Ending Balance
General Fund:				
Land	4.20%	\$ 7,126,406	20-50	\$ 6,847,759
Cell sites	4.20%	922,692	30	866,684
				<u>\$ 7,714,443</u>
Water and Sewer Fund:				
Cell sites	4.20%	\$ 3,503,408	30	<u>\$ 3,013,601</u>
Nonmajor Funds:				
Land	4.20%	\$ 1,510,423	114	<u>\$ 1,489,622</u>

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2022

4. CAPITAL ASSETS:

Capital asset activity for the year ended September 30, 2022 was as follows:

Primary Government

	Balance at Beginning of Year	Additions and Transfers	Retirements	Balance at End of Year
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 168,174,195	\$ 750,894	\$ -	\$ 168,925,089
Construction in progress	43,996,673	18,794,475	-	62,791,148
Public art	1,824,677	21,150	-	1,845,827
Total capital assets, not being depreciated	213,995,545	19,566,519	-	233,562,064
Capital assets, being depreciated/amortized:				
Buildings	316,539,836	28,458,376	-	344,998,212
Right-to-use leased buildings	-	805,551	-	805,551
Improvements other than buildings	341,350,851	11,610,566	-	352,961,417
Equipment	250,769,352	16,847,029	(6,369,237)	261,247,144
Right-to-use leased equipment	-	4,140,066	-	4,140,066
Infrastructure	1,441,775,031	42,685,394	-	1,484,460,425
Total capital assets, being depreciated/amortized	2,350,435,070	104,546,982	(6,369,237)	2,448,612,815
Less accumulated depreciation/amortization for:				
Buildings	(177,556,611)	(12,888,535)	-	(190,445,146)
Right-to-use leased buildings	-	(194,407)	-	(194,407)
Improvements other than buildings	(133,852,157)	(9,620,044)	-	(143,472,201)
Equipment	(196,553,113)	(15,976,042)	6,265,682	(206,263,473)
Right-to-use leased equipment	-	(498,064)	-	(498,064)
Infrastructure	(720,930,738)	(34,013,994)	-	(754,944,732)
Total accumulated depreciation/amortization	(1,228,892,619)	(73,191,086)	6,265,682	(1,295,818,023)
Total capital assets, being depreciated/amortized, net	1,121,542,451	31,355,896	(103,555)	1,152,794,792
Governmental Activities capital assets, net	\$1,335,537,996	\$ 50,922,415	\$ (103,555)	\$ 1,386,356,856
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 6,803,117	\$ 1,220,198	\$ -	\$ 8,023,315
Construction in progress	10,636,025	16,239,946	-	26,875,971
Public art	50,000	-	-	50,000
Total capital assets, not being depreciated	17,489,142	17,460,144	-	34,949,286
Capital assets, being depreciated/amortized:				
Buildings	17,652,197	-	-	17,652,197
Right-to-use leased buildings	-	880,001	-	880,001
Improvements other than buildings	729,118,689	12,795,079	-	741,913,768
Drainage improvements	55,972,902	46,705	-	56,019,607
Equipment	2,491,243	-	(17,932)	2,473,311
Right-to-use leased equipment	-	59,760	-	59,760
Total capital assets, being depreciated/amortized	805,235,031	13,781,545	(17,932)	818,998,644
Less accumulated depreciation/amortization for:				
Buildings	(16,115,675)	(131,377)	-	(16,247,052)
Right-to-use leased buildings	-	(162,462)	-	(162,462)
Improvements other than buildings	(348,498,202)	(17,927,085)	-	(366,425,287)
Drainage improvements	(13,302,225)	(1,119,925)	-	(14,422,150)
Equipment	(1,682,405)	(102,020)	17,932	(1,766,493)
Right-to-use leased equipment	-	(14,940)	-	(14,940)
Total accumulated depreciation/amortization	(379,598,507)	(19,457,809)	17,932	(399,038,384)
Total capital assets, being depreciated/amortized, net	425,636,524	(5,676,264)	-	419,960,260
Business-type Activities capital assets, net	\$ 443,125,666	\$ 11,783,880	\$ -	\$ 454,909,546

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2022

Additions to right-to-use assets and accumulated amortization include the impact of the implementation of GASB Statement No. 87, *Leases*.

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

Governmental activities:	
General government	\$ 14,800,221
Administrative services	20,303
Police	936,488
Fire	313,826
Libraries	393,054
Development	303,043
Public services and operations	74,870
Parks and recreation	9,788,414
Public works	34,347,278
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	12,213,589
Total depreciation/amortization expense - governmental activities	<u>\$ 73,191,086</u>
Business-type activities:	
Water and sewer	\$ 17,928,318
Sustainability and environmental services	63,130
Municipal drainage	1,122,571
Convention and tourism	226,752
Recreation revolving	117,038
Total depreciation/amortization expense - business-type activities	<u>\$ 19,457,809</u>

Component Unit

	Balance at Beginning of Year	Additions and Transfers	Retirements and Transfers	Balance at End of Year
TIF No. 2 Activities:				
Capital assets, not being depreciated:				
Land	<u>\$ 2,885,633</u>	<u>\$ 24,000</u>	<u>\$ (1,579,168)</u>	<u>\$ 1,330,465</u>

Future expenditures for capital projects will be funded from federal and state grants, as well as, unexpended bond proceeds and additional general obligation or revenue bonds and operating revenues. In May 2021, \$363,965,000 of various purpose General Obligation bonds were authorized, of which \$66,615,000 has been issued.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2022

5. EMPLOYEE BENEFIT PLANS:

Summary of Significant Accounting Policies

For purposes of measuring the pension and OPEB net liabilities, deferred outflows and inflows of resources and expense, information about the fiduciary net position of TMRS, RSP and 115 Trust and additions to/deductions from Plans' fiduciary net positions have been determined on the same basis as they are reported by the Plans. 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.

A summary of the pension and OPEB net liabilities, deferred outflows and inflows of resources and expenses are below and discussed in further detail in this footnote.

	Pension		Total	OPEB
	TMRS	RSP	Pension	115 Trust
Net liability (asset)	\$ (6,663,146)	\$ (30,968,628)	\$ (37,631,774)	\$ (5,690,194)
Deferred outflow	37,717,398	11,185,458	48,902,856	15,897,873
Deferred inflow	79,577,999	25,489,234	105,067,233	33,440,190
Expense (income) in current year	1,049,704	(2,074,454)	(1,024,750)	(2,800,418)

A. Texas Municipal Retirement System Plan

Plan Description

The City participates as one of 901 plans in the defined benefit cash-balance plan administered by TMRS. TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Title 8, Subtitle G (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS does not receive any funding from the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at tmrs.com.

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

Benefits Provided

TMRS provides retirement, disability and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the member's benefit is calculated based on the sum of the member's contributions with interest, the city-financed monetary credits with interest, and their age at retirement and other actuarial factors. The retiring member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24 or 36 monthly payments, which cannot exceed 75% of the total member contributions and interest.

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

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2022

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

Plan provisions for the City were as follows:

Employee deposit rate	7%
Matching ratio (City to employee)	2 to 1
A member is vested after	5 years
Service retirement eligibility	20 years at any age, 5 years at age 60 and above

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	1,525
Inactive employees entitled to but not yet receiving benefits	1,230
Active employees	2,358
	<u>5,113</u>

Contributions and Funding Policy

Member contribution rates in TMRS are either 5%, 6% or 7% of the member's total compensation, and the city matching percentages are either 1:1 (1 to 1), 1.5:1 (1 ½ to 1) or 2:1 (2 to 1), 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 actuarial cost method. The City's contribution rate is based on the liabilities created from the benefit plan options selected by the city and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 7% of their annual compensation during the fiscal year. The City's contribution rate requirement set by TMRS was 16.68% for the months October through December 2021 and 16.35% for the months in calendar year 2022. The City's actual contributions to TMRS were at 16.75% for fiscal year 2022, which provided for additional voluntary contributions. The City's contributions to TMRS for fiscal year 2022 were \$31,784,103.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2021, and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The TPL in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Inflation:	2.5% per year
Overall payroll growth:	2.75% per year, adjusted down for population declines, if any
Investment rate of return:	6.75%, net of pension plan investment expense, including inflation

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
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Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. 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.

Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global equity	35.00 %	7.55 %
Core fixed income	6.00	2.00
Non-core fixed income	20.00	5.68
Other public and private markets	12.00	7.22
Real estate	12.00	6.85
Hedge funds	5.00	5.35
Private equity	10.00	10.00
Total	<u>100.00 %</u>	

Discount Rate

The discount rate used to measure the TPL 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 TPL.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2022

Changes in the Net Pension (Asset)/Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset)/Liability (a) - (b)
Balance at December 31, 2020	\$ 1,187,128,542	\$ 1,132,106,941	\$ 55,021,601
Changes for the year:			
Service cost	33,499,863	-	33,499,863
Interest (on the total pension liability)	79,592,577	-	79,592,577
Difference between expected and actual experience	15,902,679	-	15,902,679
Benefit payments, including refunds of employee contributions	(49,458,379)	(49,458,379)	-
Contributions - employer	-	31,077,671	(31,077,671)
Contributions - employee	-	12,641,458	(12,641,458)
Net investment income	-	147,638,938	(147,638,938)
Administrative expense	-	(682,877)	682,877
Other	-	4,676	(4,676)
Net change	79,536,740	141,221,487	(61,684,747)
Balance at December 31, 2021	\$ 1,266,665,282	\$ 1,273,328,428	\$ (6,663,146)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the NPL of the City, calculated using the discount rate of 6.75%, as well as, what the City's NPL would be if it were calculated using a discount rate that is 1-percentage-point-lower (5.75%) and 1-percentage-point-higher (7.75%) than the current rate:

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
\$ 168,510,677	\$ (6,663,146)	\$ (150,989,184)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the Schedule of Changes in Fiduciary Net Position, by participating city and may be obtained at www.tmrs.com.

Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions

For the year ended September 30, 2022, the City recognized pension expense of \$1,049,704.

At September 30, 2022, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience	\$ 12,743,350	\$ (3,760,835)
Difference in assumption changes	826,587	-
Difference in projected and actual investment earnings	-	(75,817,164)
Employer contributions subsequent to the measurement date	24,147,461	-
	<u>\$ 37,717,398</u>	<u>\$ (79,577,999)</u>

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
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Deferred outflows of resources of \$24,147,461 related to employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for fiscal year 2023. Other amounts reported as deferred outflows and inflows of resources will be recognized in pension expense in the following fiscal years:

2023	\$ (11,475,855)
2024	(29,560,873)
2025	(13,722,227)
2026	<u>(11,249,107)</u>
Total	<u>\$ (66,008,062)</u>

B. Retirement Security Plan

Plan Description

On January 1, 1983, the City withdrew from the Federal Social Security system and created the RSP, a single-employer, defined benefit pension trust fund, to provide retirement benefits for all full-time employees of the City. The Plan is created by City ordinance and administered by a committee of five or more, not to exceed seven, which meets a minimum of four times a year. Professional investment management and an investment consultant are used, and a custodial bank retains the assets and provides for administration of benefit payments.

The Plan issues a separate publicly available financial report that includes financial statements and required supplementary information. The financial report may be obtained by request to the City's Human Resources Department, 1520 Avenue K, Suite 130, Plano, Texas 75074.

Benefits Provided

As of the December 31, 2021 biennial actuarial valuation, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	1,033
Inactive employees entitled to but not yet receiving benefits	90
Active employees	<u>2,221</u>
	<u>3,344</u>

Retirement benefits become vested after five years of service. Members who terminate employment prior to completing five years of service are not eligible for any benefit and all contributions made on their behalf remain with the plan. Members are eligible to receive full retirement income benefits when they reach age 65 or reduced benefits when they reach a younger age and meet certain length-of-service requirements. Early retirement benefits are paid upon completion of 20 years of vesting service (TMRS credited service) or upon attaining age 60 with five years of vesting service. At least five years must be with the City. The RSP provides retirement income benefits, with annual cost-of-living adjustments, based on a member's years of service, average compensation (highest three years of last ten), and choice of single or joint-life monthly payments or a lump-sum payment as follows.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2022

For normal retirement, the monthly benefit payment is calculated as follows:

.007 X City of Plano credited service since January 1, 1983 (not to exceed 25 years) X average compensation (highest 3 years of last 10).

Early retirement benefits paid upon completion of 20 years of vesting (TMRS credited service) or upon attaining age 60 with 5 years of vesting service with the City are calculated as follows:

.007 X City of Plano credited service since January 1, 1983 (not to exceed 25 years) X average compensation (highest 3 years of last 10) X a reduction factor based on the number of years which the benefit start date precedes the normal retirement date. The benefit amount is reduced by one-fifteenth (1/15) for each of the first five years and one-thirtieth (1/30) for each of the next five years (and on an Actuarial Equivalent basis thereafter) by which the starting date of payments precedes the employee's normal retirement date.

Benefits are paid as a monthly life annuity to the participant, with a guarantee that should the participant die prior to receiving 60 monthly payments, the payments will continue to a beneficiary for the balance of the 60-month period. There is no reduction factor if the participant waits until age 65 to begin drawing a monthly benefit.

A lump-sum payment option is available to eligible employees. Lump-sum payments follow these guidelines:

When lump-sum value is less than \$5,000, the benefit must be in form of a single lump-sum payment.

When lump-sum value is \$5,000 - \$25,000, participant has a choice of single lump-sum payment or monthly annuity payments.

When lump-sum value exceeds \$25,000, the participant must receive monthly annuity payments.

Joint and survivor options are available. Additionally, benefits are available for members who become totally and permanently disabled. Each April 1, retirement benefits that have been paid for at least 12 months are adjusted to reflect changes in the U.S. Consumer Price Index (not to exceed 4%), as determined by the Plan's actuary. This cost of living adjustment is applied to only the participant's benefits; spouses or beneficiaries are excluded.

Contributions and Funding Policy

Contributions by the City are established as part of the City budget process and the actuarially determined percentage of each payroll. No employee contributions are required by the plan. The City contributed \$6,533,924 for the year ended September 30, 2022.

The contribution amount is a 15-year level percentage of pay funding with a 2.75% payroll growth assumption. This funding approach produces a contribution pattern that is intended to increase in amount from year to year but remain relatively constant as a percent of payroll. Administrative costs, including investment, custodial trustee and actuarial services, are charged to the plan.

Net Pension Liability

The City's NPL was measured as of December 31, 2021 and the TPL used to calculate the NPL was determined by an actuarial valuation as of that date.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2022

Actuarial Assumptions

The TPL was determined by an actuarial valuation as of December 31, 2021 using the following actuarial assumptions:

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method:	Entry Age Normal
Amortization method:	Level percentage of payroll, closed
Remaining amortization period:	15 years as of the measurement date
Asset valuation method:	5-year smoothed market; 20% corridor
Inflation:	2.50%
Salary increases:	8.00% to 2.75%, including inflation
Investment rate of return:	6.75%
Retirement age:	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality:	2019 Municipal Retirees of Texas mortality tables are used. Generational mortality improvements applied using the ultimate rates of Scale MP-2014.

Rate of Return

Asset Class	Long-Term Expected Arithmetic Real Rate of Return	Target Asset Allocation	Development of Long-Term Arithmetic Return for Investment Portfolio
Domestic equity	6.30%	45%	2.84%
International equity	5.17%	20%	1.03%
Fixed income	1.07%	25%	0.27%
Core real estate	3.82%	10%	0.38%
Cash equivalents	-0.45%	0%	0.00%
Total Expected Arithmetic Real Return:			4.52%
Inflation Assumption for Actuarial Valuation:			2.50%
Total Expected Arithmetic Nominal Return:			7.02%

Discount Rate

A single discount rate of 6.75% was used to measure the TPL for the measurement period ending December 31, 2021. This single discount rate was based on the expected rate of return on pension plan investments of 6.75%. Based on the stated assumptions and the projection of cash flows as of each year ending December 31, the Plan's fiduciary net position and future contributions were sufficient to finance all the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of the projected benefit payments to determine the TPL.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2022

The projection of cash flows used to determine the single discount rate for the Plan assumed that the funding policy adopted by the RSP's Committee will remain in effect for all future years. Under this funding policy, the City of Plano will finance the unfunded actuarial accrued liability as a level percentage of payroll over the closed period ending September 30, 2035. Under this policy there are 14 years remaining in the amortization period.

Changes in the Net Pension (Asset)/Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (a) - (b)
Balance at December 31, 2020	\$ 178,366,242	\$ 192,402,983	\$ (14,036,741)
Changes for the year:			
Service cost	5,216,760	-	5,216,760
Interest (on the total pension liability)	11,987,174	-	11,987,174
Difference between expected and actual experience	559,364	-	559,364
Benefit payments	(6,773,708)	(6,773,708)	-
Contributions - employer	-	6,318,436	(6,318,436)
Net investment income	-	28,427,222	(28,427,222)
Administrative expense	-	(50,473)	50,473
Net change	10,989,590	27,921,477	(16,931,887)
Balance at December 31, 2021	\$ 189,355,832	\$ 220,324,460	\$ (30,968,628)

Sensitivity of the Net Pension (Asset)/Liability to Changes in the Discount Rate

The following presents the NPL of the City, as well as, what the City's NPL would be if it were calculated using a discount rate of 1-percentage point lower and 1-percentage point higher than the current discount rate.

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
\$ (3,313,058)	\$ (30,968,628)	\$ (53,643,874)

Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions

For the year ended September 30, 2022, the City recognized pension income of \$2,074,454.

At September 30, 2022, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience	\$ 650,785	\$ (1,291,352)
Difference in assumption changes	5,510,847	-
Difference in projected and actual investment earnings	-	(24,197,882)
Employer contributions subsequent to the measurement date	5,023,826	-
	\$ 11,185,458	\$ (25,489,234)

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2022

Deferred outflows of resources of \$5,023,826 related to employer contributions subsequent to the measurement date will be recognized as a reduction of the NPL for fiscal year 2023. Other amounts reported as deferred outflows and inflows of resources will be recognized in pension expense in the following fiscal years:

2023	\$ (3,903,123)
2024	(8,367,360)
2025	(4,814,351)
2026	(2,366,817)
2027	87,063
Thereafter	36,986
Total	<u>\$ (19,327,602)</u>

C. Deferred Compensation Plan

The City offers its employees a deferred compensation plan, which is a defined-contribution benefit plan, created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with such amounts, and all income attributable to such amounts, property or rights are held in trust or under one or more annuity contracts described in Internal Revenue Code Section 401(f). Except as may otherwise be permitted or required by law, no assets or income of the plan shall be used for, or diverted to, purposes other than for the exclusive purpose of providing benefits for participants and their beneficiaries or defraying reasonable expenses of administration of the plan. Accordingly, the assets of the plan are not reported in the City's basic financial statements.

D. Section 115 Post-Employment Benefits Trust

Plan Description

The 115 Trust (the Plan) was established on March 1, 2008 to comply with the requirements of Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, for the purpose of funding and providing certain benefits to its eligible retirees and dependents, such as medical, dental and vision insurance benefits. It is a single-employer, defined benefit OPEB plan.

The 115 Trust was created by the City of Plano, Texas (the City) ordinance and is administered by the Risk Pool Trustees (the Trustees) who meet at least four times a year. The Trustees consist of five City employees, including three (3) City Deputy Managers, Director of Finance and Director of Human Resources, who are appointed by the City through the City Manager pursuant to the City of Plano Welfare Benefit Plan. The Trustees oversee the Plan and set policies for operations, including appointing management and directing investment decisions. Professional investment management and an investment consultant are used and a custodial bank retains the assets. Pursuant to Section 6.01 of the Welfare Benefit Plan and Resolution 2007-9-2(R), City Council has set forth delegation to the City Manager, or his designee, the authority to amend each Plan in any and all respects, except for any amendment that would materially increase the costs of the Plan to the City.

The 115 Trust issues a separate publicly available financial report that includes financial statements and required supplementary information at the 115 Trust's fiscal year-end which is December 31. Those financial reports may be obtained by request to the City's Human Resources Department, 1520 Avenue K, Suite 130, Plano, Texas 75074.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2022

Benefits Provided

The City offers its retired employees and their dependents under age 65 health insurance coverage under the same plan as the active employees and Medicare supplementary insurance for retirees 65 and older. The number of retired participants receiving health insurance coverage for 2021 was 571 of which 287 were on the same plan as the active employees and 284 on Medicare supplementary insurance. Premiums are paid by the retired employees and claims are processed by the City's agent and paid through the Health Claims Fund. Expenditures for postretirement healthcare benefits are recognized as retirees' report claims. Claims paid for retired employees for 2022 were \$6,347,591.

As of December 31, 2021, the following were covered by the benefit terms:

Retirees and dependents currently receiving benefits	399
Terminated members entitled to benefits, but not yet receiving them	141
Active members	<u>2,221</u>
	<u>2,761</u>

Contributions and Funding Policy

The City has the authority to establish and amend the Plan contributions. The City transfers retiree and City contributions to the 115 Trust on a monthly basis. Contributions by the City are established as part of the City budget process and are based on amounts determined in the actuarial study prepared biennially. Retirees and their dependents currently receiving benefits are required to contribute specified amounts monthly toward the cost of health insurance premiums. Monthly retiree premiums contributed to the Plan are based on the benefit election of the Plan member and are as follows:

	Medical Plan	Dental Plan	Vision Plan
Retiree only	\$ 538.00	\$ 45.00	\$ 9.22
Retiree and spouse	1,392.00	88.00	14.75
Retiree and children	994.00	108.00	15.09
Retiree and family	2,006.00	164.00	24.28
Spouse only	854.00	45.00	9.22
Children only	456.00	63.00	9.22
Spouse and children only	1,468.00	119.00	15.06

Net OPEB Liability

The City's net OPEB liability was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of October 1, 2021.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2022

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of October 1, 2021.

As of December 31, 2021:

Actuarial cost method:	Entry Age Normal
Amortization method:	Level percent, Closed
Remaining amortization period:	15 years, as of the valuation date
Amortization growth rate:	2.75%
Asset valuation method:	Fair Value
Inflation:	2.50%
Salary increases:	2.75%
Discount rate:	6.75%
Healthcare cost trend rates:	5.50% for 2021, decreasing to an ultimate rate of 3.90% for 2072 and beyond.
Dental cost trend rates:	4.00% for 2021, decreasing to an ultimate rate of 3.90% for 2072 and beyond.
Retirement:	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality:	
Active participants	Sex Distinct RP 2000 Combined Healthy Mortality Table with Blue Collar adjustment with rates multiplied by 0.545 (male) or 0.52 (female) and projected fully generationally using Scale BB.
Retired participants	Sex Distinct RP 2000 Combined Healthy Mortality Table with Blue Collar adjustment with rates multiplied by 1.09 (male) or 1.03 (female) and projected fully generationally using Scale BB.
Disabled participants	Sex Distinct RP 2000 Combined Healthy Mortality Table with Blue Collar adjustment with rates multiplied by 1.09 (male) or 1.03 (female) and projected fully generationally using Scale BB, with a minimum 3% mortality rate.

Rate of Return

The long-term rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of December 31, 2021.

Asset Classification	Index	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
US Core Fixed Income	Bloomberg Barclays Aggregate	12.00%	1.39%	1.28%
US Equity Market	S&P 500 TR	41.00%	4.94%	3.46%
US Equity Market	Russell 3000	17.00%	5.17%	3.57%
Non-US Equity	MSCI ACWI Ex US NR	25.00%	6.78%	4.94%
Private Real Estate Property	NCREIF Property	5.00%	4.61%	3.58%
Assumed Inflation - Mean			2.30%	2.30%
Assumed Inflation - Standard Deviation			1.23%	
Portfolio Real Mean Return			4.99%	3.91%
Portfolio Nominal Mean Return			7.29%	6.35%
Portfolio Standard Deviation			14.58%	
Long-Term Expected Rate of Return			6.75%	

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2022

Discount Rate

A single discount rate of 6.75% was used to measure the total OPEB liability. Based on the stated assumptions and the projection of cash flows as of each Plan year, the OPEB plan's fiduciary net position and future contributions were sufficient to finance all the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of the projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB (Asset)/Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB (Asset)/Liability (a) - (b)
Balance at December 31, 2020	\$ 121,920,822	\$ 115,731,947	\$ 6,188,875
Changes for the year:			
Service cost	3,512,754	-	3,512,754
Interest on total OPEB liability	8,296,379	-	8,296,379
Effect of economic/demographic gains or losses	(13,844,749)	-	(13,844,749)
Effect of assumptions changes or inputs	10,053,138	-	10,053,138
Benefit payments, net of retiree contributions	(5,132,293)	(5,132,293)	-
Employer contributions	-	4,327,093	(4,327,093)
Net investment income	-	15,596,951	(15,596,951)
Administrative expenses	-	(27,453)	27,453
Net change	2,885,229	14,764,298	(11,879,069)
Balance at December 31, 2021	\$ 124,806,051	\$ 130,496,245	\$ (5,690,194)

Sensitivity of the Net OPEB (Asset)/Liability to Changes in the Discount Rate

The following presents the net OPEB (asset)/liability of the City, as well as, what the City's net OPEB (asset)/liability would be if it were calculated using a discount rate 1-percentage point lower or 1-percentage point higher than the current discount rate.

1% Decrease 5.75%	Current Discout Rate 6.75%	1% Increase 7.75%
\$ 6,702,629	\$ (5,690,194)	\$ (16,547,454)

Sensitivity of the Net OPEB (Asset)/Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB (asset)/liability of the City, as well as, what the City's net OPEB (asset)/liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rate.

1% Decrease	Current Trend Rate	1% Increase
\$ (13,181,515)	\$ (5,690,194)	\$ 3,021,459

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2022

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

For the year ended September 30, 2022, the City recognized OPEB income of \$2,800,418. At September 30, 2022, the City reported deferred outflows and inflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience	\$ 4,190,738	\$ (12,491,698)
Difference in assumption changes	8,506,501	(7,430,350)
Difference in projected and actual investment earnings	-	(13,518,142)
Employer contributions subsequent to the measurement date	3,200,634	-
	<u>\$ 15,897,873</u>	<u>\$ (33,440,190)</u>

Deferred outflows of resources of \$3,200,634 related to employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for fiscal year 2023. Other amounts reported as deferred outflows and inflows of resources will be recognized in OPEB expense in the following fiscal years:

2023	\$ (5,607,580)
2024	(7,585,250)
2025	(4,768,491)
2026	(2,414,132)
2027	(75,831)
Thereafter	<u>(291,667)</u>
Total	<u>\$ (20,742,951)</u>

6. CUSTODIAL UNITS:

To develop and revitalize the Collin Creek Mall area, the developer plans include 400,000 square feet of retail space, as well as, an assortment of restaurants and entertainment destinations. The creation of the PID and TIRZ units will be the vehicles to facilitate these funds held in trust. The following entities are accounted for as custodial units.

As part of the Collin Creek Mall Redevelopment Project, the developer plans to develop 99-acres of real property and the TIRZ No. 4 revenue stream from the assessment will be used for projects benefiting the zone. On August 9, 2021, City Council approved an agreement to consider the sale of the TIRZ No. 4 increment generated from the project's 99-acres. On September 13, 2021, the TIRZ No. 4 assignment of the 99-acres' increment was approved via a purchase and sale between the City and ORIX Public Finance, LLC in the amount of \$38,500,000.

The Collin Creek East PID was created on January 13, 2020, which boundaries were expanded on February 8, 2021. The Collin Creek West PID was approved on February 8, 2021. The Collin Creek East and West PIDs contain approximately 60 acres and 39 acres, respectively. The funding of this development is through PID bonds, developer cash contributions, TIRZ revenue stream and land acquisition by the City, all of which will reside in a trust. The City authorized the issuance of PID bonds to construct, reimburse or acquire the public improvements within the districts, including a garage. The amount of Collin Creek East and West PID bonds issued are \$32,761,000 and \$14,687,000, respectively.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2022

These bonds are issued by the City pursuant to the Public Improvements District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, an ordinance adopted by the City on August 23, 2021, and an Indenture of Trust, dated as of September 1, 2021, by and between the City and the Trustee.

Proceeds of the bonds will be used to provide funds for (i) paying a portion of the actual costs of the PID improvements in the Collin Creek East and West districts, (ii) paying interest on the bonds during and after the period of acquisition and construction of the public improvements, (iii) funding the reserve account of the reserve fund, (iv) paying district formation costs and (v) paying bond issuance costs.

The bonds are special obligations of the City payable solely from the pledged revenues and other funds comprising the trust estate, as and to the extent provided in the indenture. The bonds do not give rise to a charge against the general credit or taxing power of the City and are payable solely from the sources identified in the indenture.

	Interest Rate (%)	Issue Date	Maturity Date	Original Issue	Net Retirement	Outstanding
2021 Collin Creek East PID	4.375	9/1/2021	12/31/2051	\$ 32,761,000	\$ -	\$ 32,761,000
2021 Collin Creek West PID	4.000	9/1/2021	12/31/2051	14,687,000	-	14,687,000
				<u>\$ 47,448,000</u>	<u>\$ -</u>	<u>\$ 47,448,000</u>

The difference in the bond holder liability of the custodial funds, reported in the basic financial statements compared to the table above, is attributed to the underwriter's discount for the PID East and PID West bonds of \$982,830 and \$440,610, respectively. The PID West bonds were also issued at a premium of \$181,384.

7. LONG-TERM DEBT:

A summary of long-term debt transactions, including current portion, for the year ended September 30, 2022, is as follows (in thousands of dollars):

	Balance, Beginning of Year	Increase	Decrease	Balance, End of Year	Due Within One Year
Governmental Activities:					
General obligation bonds	\$ 470,730	\$ 76,450	\$ (30,710)	\$ 516,470	\$ 33,235
Tax anticipation notes	4,800	-	(2,340)	2,460	2,460
Deferred amounts:					
Premium	37,548	3,728	(7,000)	34,276	6,775
Total bonds and notes payable	513,078	80,178	(40,050)	553,206	42,470
Compensated absences	46,132	24,120	(19,531)	50,721	5,910
Leases payable	-	4,946	(672)	4,274	1,459
Liability for insurance claims	8,300	43,624	(43,323)	8,601	8,601
Net pension liability	48,223	-	(48,223)	-	-
Net other postemployment benefits liability	5,286	-	(5,286)	-	-
Governmental Activities Long-term debt	<u>\$ 621,019</u>	<u>\$ 152,868</u>	<u>\$ (157,085)</u>	<u>\$ 616,802</u>	<u>\$ 58,440</u>

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2022

	Balance, Beginning of Year	Increase	Decrease	Balance, End of Year	Due Within One Year
Business-Type Activities:					
Water and Sewer revenue bonds	\$ 39,330	\$ -	\$ (2,945)	\$ 36,385	\$ 3,020
Municipal Drainage revenue bonds	55,265	-	(1,970)	53,295	1,955
Deferred amounts:					
Premium	10,196	-	(470)	9,726	611
Total bonds payable	104,791	-	(5,385)	99,406	5,586
Compensated absences	4,218	2,350	(2,006)	4,562	757
Leases payable	-	940	(158)	782	164
Net pension liability	6,799	-	(6,799)	-	-
Net other postemployment benefits liability	903	-	(903)	-	-
Business-type Activities Long-term debt	<u>\$ 116,711</u>	<u>\$ 3,290</u>	<u>\$ (15,251)</u>	<u>\$ 104,750</u>	<u>\$ 6,507</u>

The compensated absences liability attributable to the governmental activities will be liquidated by several of the City's governmental and internal service funds. Approximately 98.8% has been paid by the General Fund, 0.6% by special revenue funds and 0.6% by internal service funds.

Pension and OPEB liabilities for governmental-type funds are recorded at the government-wide statement level and are primarily liquidated in the General Fund. Liabilities for the proprietary type activities are recorded and liquidated in the fund that incurs the liability.

The liability for insurance claims will be liquidated through a variety of funds. The General Fund bears approximately 83.5% of the claims and judgments liability. The enterprise funds bear approximately 12.6% of the claims and judgment liability, while the internal service and special revenue funds bear approximately 3.8% and 0.1%, respectively.

Long-term debt at September 30, 2022 includes the following individual issues (not including the unamortized premium of \$34,276,383 and the unamortized deferred charge on refunding of \$1,398,339 of the General Obligation bonds, the unamortized premium of \$4,274,242 and unamortized deferred charges of \$121,447 of the Municipal Drainage Revenue bonds and the unamortized premium of \$5,451,340 of the Water and Sewer Revenue bonds).

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2022

	Interest Rate (%)	Issue Date	Maturity Date	Original Issue	Net Retirement	Outstanding
General Obligation Bonds:						
2013 Refunding and Improvements	2.00 - 5.00	2/15/2013	9/1/2033	\$ 61,925,000	\$ 28,860,000	\$ 33,065,000
2014 Refunding and Improvements	2.00 - 4.00	4/15/2014	9/1/2034	29,325,000	15,470,000	13,855,000
2015 Refunding and Improvements	2.00 - 5.00	5/1/2015	9/1/2035	75,685,000	46,820,000	28,865,000
2016 Refunding and Improvements	1.00 - 5.00	4/15/2016	9/1/2036	67,195,000	20,440,000	46,755,000
2017 Improvements	2.00 - 5.00	2/1/2017	9/1/2036	41,290,000	7,840,000	33,450,000
2017 Refunding	4.00 - 5.00	8/1/2017	9/1/2031	27,805,000	7,355,000	20,450,000
2018 Improvements	3.00 - 5.00	4/15/2018	9/1/2038	77,915,000	10,155,000	67,760,000
2019 Refunding and Improvements	3.00 - 5.00	4/1/2019	9/1/2039	63,420,000	7,055,000	56,365,000
2020 Refunding and Improvements	3.00 - 4.00	4/1/2020	9/1/2040	74,635,000	5,930,000	68,705,000
2021 Refunding and Improvements	2.00 - 5.00	5/1/2021	9/1/2041	74,085,000	3,335,000	70,750,000
2022 Improvements	4.00 - 5.00	5/1/2022	9/1/2042	76,450,000	-	76,450,000
				<u>\$ 716,130,000</u>	<u>\$ 199,660,000</u>	<u>\$ 516,470,000</u>
Tax Anticipation Notes:						
2017 Tax anticipation notes	4.50 - 5.00	2/1/2017	9/1/2023	\$ 13,450,000	\$ 10,990,000	\$ 2,460,000
				<u>\$ 19,195,000</u>	<u>\$ 16,735,000</u>	<u>\$ 2,460,000</u>
Water & Sewer Revenue Bonds:						
2016 Improvements	1.00 - 5.00	4/15/2016	5/1/2036	\$ 24,775,000	\$ 5,495,000	\$ 19,280,000
2018 Improvements	3.00 - 5.00	4/15/2018	5/1/2028	11,350,000	3,925,000	7,425,000
2021 Improvements	4.00 - 5.00	5/1/2021	5/1/2031	10,605,000	925,000	9,680,000
				<u>\$ 46,730,000</u>	<u>\$ 10,345,000</u>	<u>\$ 36,385,000</u>
Municipal Drainage Revenue Bonds:						
2015 Refunding	2.00 - 4.00	5/1/2015	5/15/2027	\$ 7,105,000	\$ 5,540,000	\$ 1,565,000
2017 Refunding and Improvements	2.00 - 5.00	2/1/2017	5/15/2036	8,035,000	2,105,000	5,930,000
2019 Refunding and Improvements	2.00 - 4.00	8/1/2019	5/15/2039	6,925,000	855,000	6,070,000
2021 Refunding and Improvements	2.00 - 5.00	5/1/2021	5/15/2061	40,590,000	860,000	39,730,000
				<u>\$ 69,445,000</u>	<u>\$ 16,150,000</u>	<u>\$ 53,295,000</u>

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2022

The annual requirements to amortize debt outstanding as of September 30, 2022, including interest payments of \$200,545,520 follow (noted in thousands).

Year Ended September 30	General Obligation and Tax Anticipation Notes		Water and Sewer		Municipal Drainage	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 35,695	\$ 20,960	\$ 3,020	\$ 1,569	1,955	1,749
2024	34,070	18,638	3,165	1,427	2,030	1,675
2025	34,755	17,096	3,315	1,279	2,110	1,593
2026	33,550	15,549	3,470	1,123	1,955	1,503
2027	32,075	13,984	3,630	960	1,925	1,415
2028-2032	148,490	50,120	13,125	2,779	8,955	5,812
2033-2037	132,090	23,413	6,660	679	9,215	4,006
2038-2042	68,205	5,306	-	-	6,735	2,765
2043-2047	-	-	-	-	4,020	2,179
2048-2052	-	-	-	-	4,565	1,632
2053-2057	-	-	-	-	5,175	1,026
2058-2061	-	-	-	-	4,655	309
Total	\$ 518,930	\$ 165,066	\$ 36,385	\$ 9,816	\$ 53,295	\$ 25,664

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

A. General Obligation Bonds

The City is required by ordinance to create from ad valorem tax revenues a sinking fund sufficient to pay the current interest and principal installments as they become due. The Debt Service Fund has \$5,063,562 available to service the general obligation debt after all debt due in the current fiscal year has been paid.

There are a number of limitations and restrictions contained in the various General Obligation bonds. Management of the City believes it is in compliance with the significant limitations and restrictions at September 30, 2022.

In June 2022, the City issued \$76,450,000 in General Obligation bonds, with interest rates ranging from 4.0% to 5.0%.

B. Water and Sewer Revenue Bonds

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

The bond indenture requires the City to make equal monthly installments to a debt service fund to pay principal and interest requirements as they become due. At September 30, 2022, \$837,388 is in restricted net position of the Water and Sewer Fund for debt service requirements.

A reserve fund is not required so long as the net revenues equal or exceed 150% of the annual debt service requirements due and payable in the fiscal year.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2022

Restricted assets of the Water and Sewer Fund at September 30, 2022 are as follows:

Cash and cash equivalents	\$	614,593
Investments		4,734,813
Accrued interest receivable		18,364
	\$	<u>5,367,770</u>

C. Municipal Drainage Revenue Bonds

These bonds are secured by a first lien on and pledge of the revenues of the Municipal Drainage Fund in accordance with the provisions of the bond indenture.

The bond indenture requires the City to make equal monthly installments to a debt service fund to pay principal and interest requirements as they become due. At September 30, 2022, \$2,913,766 is in restricted net position of the Municipal Drainage Fund for debt service requirements.

In addition, the bond indenture requires a reserve equal to the average annual debt services requirement be maintained in order to pay any bond principal and interest should the debt service funds be insufficient. At September 30, 2022, the reserve required and in restricted net position of the Municipal Drainage Fund is \$2,024,601.

Restricted assets of the Municipal Drainage Fund at September 30, 2022 are as follows:

Cash and cash equivalents	\$	3,850,741
Investments		29,666,024
Accrued interest receivable		115,054
	\$	<u>33,631,819</u>

D. Leases Payable

The City has entered into multiple lease agreements as lessee. The leases allow the right-to-use of buildings and equipment over the term of the lease. The City is required to make periodic payments at its incremental borrowing rate or the interest rate stated or implied within the leases. Effective October 1, 2021, the City implemented GASB Statement No. 87, *Leases*. At implementation of this statement and the commencement of leases beginning after October 1, 2021, the City initially measured the lease liability at the present value of payments expected to be made during the remaining lease term. The lease rate, term and ending lease liability are as follows (noted in thousands):

	Interest Rates	Liability at Commencement	Lease Term in Years	Ending Balance
Governmental activities:				
Buildings	4.20%	\$ 806	3-100	\$ 625
Equipment	4.20%	4,140	3-9	3,649
Total governmental activities				<u>\$ 4,274</u>
Business-type activities:				
Buildings	4.20%	880	10	\$ 736
Equipment	4.20%	60	10	46
Total business-type activities				<u>\$ 782</u>

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2022

The annual requirements to amortize leases payable outstanding as of September 30, 2022, including interest of \$943,615 follow (noted in thousands).

Year Ended September 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 1,459	\$ 150	\$ 164	\$ 30
2024	1,320	91	174	23
2025	1,183	37	185	15
2026	99	8	181	8
2027	-	7	78	1
2028-2032	-	37	-	-
2033-2037	-	40	-	-
2038-2042	-	41	-	-
2043-2047	-	44	-	-
2048-2052	-	45	-	-
2053-2057	-	48	-	-
2058-2062	-	49	-	-
2063-2067	-	53	-	-
2068-2072	1	53	-	-
2073-2077	16	43	-	-
2078-2082	21	39	-	-
2083-2087	31	34	-	-
2088-2092	39	27	-	-
2093-2097	54	17	-	-
2098-2101	51	4	-	-
Total	<u>\$ 4,274</u>	<u>\$ 867</u>	<u>\$ 782</u>	<u>\$ 77</u>

8. INTERFUND TRANSACTIONS:

A summary of interfund receivables and payables at September 30, 2022 is as follows:

Due To Other Funds	Due From Other Funds			
	General	Grants	Water and Sewer	Total
General	\$ -	\$ 120,560	\$ -	\$ 120,560
Grants	2,313,458	-	-	2,313,458
Sustainability and Environmental Services	1,704,769	-	-	1,704,769
Internal Service	611,375	-	285,374	896,749
Total	<u>\$ 4,629,602</u>	<u>\$ 120,560</u>	<u>\$ 285,374</u>	<u>\$ 5,035,536</u>

Due to and due from entries are primarily used to account for cash owed between funds that are expected to be repaid within one year or less.

The City performs a calculation to determine the value of the charges in lieu of taxes to be paid to the General Fund. This calculation is reasonably equivalent to the value of the services provided to the Water and Sewer and Sustainability and Environmental Services Funds and is, therefore, appropriately reported as an expense as opposed to a transfer. During fiscal year 2022, charges in lieu of taxes were \$13,530,063.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2022

Transfers between funds during the year were as follows:

Transfers Out	Transfers In						Total
	General	Capital Maintenance	Grants	Nonmajor Governmental	Blended Component Units	Internal Service	
General	\$ -	\$ 46,000,549	\$ 61,410	\$ 250,000	\$ 50,000	\$ 1,336,749	\$ 47,698,708
Water and Sewer	5,959,898	2,000,000	-	-	-	-	7,959,898
Municipal Drainage	919,523	500,000	-	-	-	-	1,419,523
Blended Component Units	10,815	-	-	103,324	-	-	114,139
Nonmajor Enterprise	1,162,613	2,750,000	-	-	-	-	3,912,613
Internal Service	-	-	-	250,000	-	-	250,000
Total	\$ 8,052,849	\$ 51,250,549	\$ 61,410	\$ 603,324	\$ 50,000	\$ 1,336,749	\$ 61,354,881

The City performs a cost allocation to determine the portion of indirect expenses that will be transferred by the respective business-type activities to the General Fund. The City funds the Capital Maintenance Fund by transferring amounts from other funds each year based on a portion of depreciation.

Transfers are primarily used to move funds to finance various programs in accordance with budgetary authorizations.

9. TAX ABATEMENTS AND ECONOMIC DEVELOPMENT INCENTIVES:

The City enters into economic development agreements designed to promote development and redevelopment within the City, spur economic improvement, stimulate commercial activity, generate additional sales tax and enhance the property tax base and economic vitality of the City. These programs abate or rebate property tax revenues. The City's economic development agreements are authorized under Chapter 380 of the Texas Local Government Code and Chapter 311 (Tax Increment Financing Act) and Chapter 312 (Property Redevelopment and Tax Abatement) of the Texas Tax Code. The economic development agreements are designed to support the creation of new businesses, the expansion and retention of existing businesses within the City and the attraction of companies that offer high impact jobs and share the community's values. Recipients may be eligible to receive economic assistance based on the employment, economic or community impact of the project requesting assistance. Recipients generally commit to building or remodeling real property and related infrastructure, redeveloping properties, expanding operations or bringing targeted business to the City. Agreements generally contain recapture provisions which may require repayment or termination if recipients do not meet the required provisions of the economic incentives.

The City has the following categories of economic development agreements:

- **Tax Abatements** - The City of Plano offers tax abatement on improvements to real and business personal property as directed under Chapter 312 of the Texas Tax Code. The abatements allow the City to designate tax reinvestment zones and negotiate tax abatement agreements with applicants with underlying goals to further economic development in Plano. Real Property abatements are offered to applicants that pursue the construction of new or expanded facilities in which to house the applicable project. The abatement applies to the assessed value of the improvements made. Business Personal Property abatements are offered to applicants that pursue the purchase or long-term lease of existing facilities. The abatement applies to the assessed value of new personal property brought into the taxing jurisdiction. Property taxes abated under this program in fiscal year 2022 are \$5,581,277.
- **Economic Development** - In 2006, a property tax increase of two-cents per \$100 valuation was approved by City Council that is dedicated to economic development. Chapter 380 of the Texas Local Government Code allows municipalities to establish and provide programs to promote state

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2022

or local economic development and to stimulate business and commercial activity. The City's economic development program offers incentives to provide a competitive advantage, foster relocation, encourage employment retention or growth and/or assist in public infrastructure improvements within the City. For fiscal year 2022, the City paid incentives of \$954,320.

- Tax Rebates – The City of Plano offers property tax rebates to real and business personal property, pursuant to Chapter 380 of the Texas Local Government Code to promote local economic development and stimulate business and commercial activity in the City. The City paid out \$151,506 in tax rebates in fiscal year 2022.
- Tax Increment Financing - The City has TIF zones under Chapter 311 of the State of Texas Code. The City enters into economic development and infrastructure reimbursement agreements which earmark TIF revenues for payment to developers and represent obligations over the life of the TIF or until all terms of the agreements have been met. These obligations are described in section I.B. of the footnotes. Additionally, the City enters into general economic development agreements under Chapter 380 of the Texas Local Government Code which are funded with TIF resources. The City paid \$1,338,221 in TIF obligations in fiscal year 2022.

10. REGIONAL SYSTEMS FOR WATER SUPPLY, WASTEWATER TREATMENT AND SOLID WASTE DISPOSAL:

The City secures its water supply and sewer services from the North Texas Municipal Water District (District), a district authorized by the Texas Constitution, Article XVI, Section 59; created by the Texas Legislature, Article 8280-141; and authorized to act by the confirming vote of the majority of the qualified voters in each of the cities comprising the District. The District has police, taxation and eminent domain powers and is authorized to issue revenue and/or tax bonds upon approval by the Attorney General of the State of Texas and functions as a political subdivision of the State of Texas independent of the City. The District is governed by a 17-member board (the "Board"), the City being authorized by statute to appoint two of those members. The Board has full power and discretion to establish its budget and to set the rates for the services it provides by contracts with its member cities and customers. The Board is empowered by statute and contract, or otherwise permitted by law, to discontinue a facility or service in order to prevent an abuse or to enforce payment of an unpaid charge, fee or rental due to the District. Because of the factors mentioned above, the District is not included in the City's basic financial statements. A portion of the outstanding bonds of the District is contract revenue bonds based on contracts with certain member cities of the District. The City provides for the payment of its contractual obligations with the District from revenues generated by its waterworks and sewer systems. Such contractual payments provide for the payment of the principal and interest requirements, and the premium payment, if any, on specified indebtedness and associated operation and maintenance expenses of the District.

Water Supply

On December 12, 1953, the City entered into a contract with the District whereby the District agreed to provide water for the benefit of the City. In return for this service, the City agreed to pay the District at a rate per 1,000-gallon basis, subject to minimum annual payments. The City's annual payment for the year ended September 30, 2022 was \$77,678,572.

Wastewater Treatment

On October 1, 1975, the City entered into a contract for wastewater treatment services with the District. The District has been designated by the Texas Water Quality Board as the regional agency to provide and develop a Regional System for Wastewater Treatment in the general area of the East Fork of the Trinity River, which includes the City and other cities located in Collin, Dallas, Kaufman and Rockwall counties. Relative thereto, the City and other cities have entered into wastewater system contracts with the District, which provide for the establishment, operation and maintenance of a regional wastewater system for the

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2022

purpose of providing facilities to adequately receive, transport, treat and dispose of wastewater for the cities. In order to provide said services, the contract provides that (a) the District will acquire, design, construct and complete the system and repair, replace and/or extend the system to provide service to the cities; (b) in consideration of payments to be made under the contract, each of the cities shall have the right to discharge all its wastewater from its sewage system into the District's system, subject to certain quality requirements set forth in the contract; (c) the District will issue its bonds, in amounts and at times determined by the District, to provide for the wastewater treatment facilities; (d) each city agrees to pay its proportionate share of the annual requirement sufficient to pay or provide for the payment of an "Operation and Maintenance Component" and a "Bond Service Component;" (e) each city's proportionate share of the annual requirement shall be a percentage obtained by dividing such city's estimated contributing flow to the system by the total estimated contributing flow to the system by all cities during such fiscal year. No city will exercise oversight responsibility for the District and no city is liable for the District's debt. The City's payment for the year ended September 30, 2022 was \$37,493,446, net of payments to the City for facilities usage.

Solid Waste Disposal

On November 29, 1979, the City entered into a contract for services with the District, whereby the District agreed to provide a solid waste disposal system for the benefit of the City and other cities. Each city agreed to pay its share of an annual requirement for the operating expenses and debt service of the District to be calculated in the same manner as the wastewater contract. The City's annual payment for the year ended September 30, 2022 was \$8,076,406.

11. COMMITMENTS AND CONTINGENCIES:

The City has contractual commitments of \$114,494,678 in the capital projects funds, \$12,076,054 in the Water and Sewer Fund and \$19,191,597 in the Municipal Drainage Fund. These commitments are for construction of various projects and will be funded primarily from general obligation bond proceeds in the capital projects funds, revenue bond proceeds in the Water and Sewer Fund and revenue bond proceeds in the Municipal Drainage Fund.

Various claims and lawsuits are pending in which the City is involved. Included among the various actions are those for which the discovery process is currently underway or which have yet to proceed to trial. It is the opinion of City management that the ultimate outcome of all other lawsuits will not have a material adverse effect on the City's financial position.

The City participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement that may arise as the result of these audits is not believed to be material.

12. SELF-INSURANCE:

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains a self-insurance program for general liability, public officials' errors and omission, police professional liability, property loss and workers' compensation. The Risk Management Fund has been established to pay identified claims and judgments, maintain loss reserves and purchase insurance coverage as required.

Group medical benefits are paid from the Health Claims Fund, which has an annually negotiated stop loss provision. Revenues are recognized from employee payroll deductions and from City contributions.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2022

The liabilities for insurance claims reported in each of the funds are based on GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. These liabilities include an estimate for incurred but not reported claims. Change in each fund's claims liability amount in fiscal years 2022 and 2021 was as follows:

Fund	Liability, Beginning of year	Current year Claims and Changes in Estimates	Claim Payments	Liability, End of year
2022				
Property/Liability Loss	\$ 5,379,968	\$ 5,113,138	\$ (5,439,696)	\$ 5,053,410
Health Claims	2,920,398	38,511,131	(37,883,549)	3,547,980
Total	<u>\$ 8,300,366</u>	<u>\$ 43,624,269</u>	<u>\$ (43,323,245)</u>	<u>\$ 8,601,390</u>
2021				
Property/Liability Loss	\$ 5,422,171	\$ 5,068,555	\$ (5,110,758)	\$ 5,379,968
Health Claims	2,627,741	33,222,080	(32,929,423)	2,920,398
Total	<u>\$ 8,049,912</u>	<u>\$ 38,290,635</u>	<u>\$ (38,040,181)</u>	<u>\$ 8,300,366</u>

REQUIRED SUPPLEMENTARY INFO.

ANNUAL COMPREHENSIVE FINANCIAL REPORT 2022

FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2022
CITY OF PLANO, TEXAS



CITY OF PLANO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND - SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022
(UNAUDITED)

	Budgeted Amounts			Adjustments-	Actual on a	Variance with
	Original	Final	Actual	Budgetary	Basis	Final Budget -
				Basis		Positive
						(Negative)
REVENUES:						
Taxes:						
Property taxes	\$ 152,928,764	\$ 150,538,231	\$ 150,794,974	\$ (203,156)	\$ 150,591,818	\$ 53,587
Sales taxes	87,149,229	106,448,350	108,387,048	-	108,387,048	1,938,698
Mixed drink taxes	1,697,154	2,585,075	2,752,147	-	2,752,147	167,072
Other taxes	129,589	360,975	368,973	-	368,973	7,998
Franchise fees	19,194,571	20,229,243	20,570,938	-	20,570,938	341,695
Fines and forfeitures	4,607,563	4,371,765	4,206,204	-	4,206,204	(165,561)
Licenses and permits	8,902,592	11,823,375	12,415,455	-	12,415,455	592,080
Intragovernmental	13,530,063	13,530,063	13,530,063	-	13,530,063	-
Intergovernmental	2,163,284	2,117,112	2,067,269	-	2,067,269	(49,843)
Charges for services	12,765,354	14,827,279	15,385,834	-	15,385,834	558,555
Investment income	1,710,000	1,000,000	(4,179,583)	5,958,201	1,778,618	778,618
Miscellaneous	1,696,071	1,766,093	1,851,777	-	1,851,777	85,684
Total revenues	306,474,234	329,597,561	328,151,099	5,755,045	333,906,144	4,308,583
EXPENDITURES:						
General government	35,593,772	17,408,208	32,625,979	(155,031)	32,470,948	(15,062,740)
Administrative services	13,212,929	13,635,644	13,191,495	145,314	13,336,809	298,835
Police	93,693,185	95,722,424	88,503,551	420,742	88,924,293	6,798,131
Fire	68,530,811	70,357,524	55,784,000	409,227	56,193,227	14,164,297
Libraries	12,926,488	13,474,194	13,000,673	512,646	13,513,319	(39,125)
Development	37,251,609	39,079,833	35,553,576	1,706,356	37,259,932	1,819,901
Public services and operations	7,443,756	7,620,781	7,242,777	37,570	7,280,347	340,434
Parks and recreation	30,128,056	31,191,198	29,326,212	427,116	29,753,328	1,437,870
Public works	8,444,699	8,372,258	8,063,690	26,582	8,090,272	281,986
Technology services	1,000,000	1,000,000	1,000,000	-	1,000,000	-
Capital outlay	1,507,710	2,722,067	1,012,705	1,705,077	2,717,782	4,285
Debt service:						
Principal retirement on leases	-	-	343,642	-	343,642	(343,642)
Interest and fiscal charges on leases	-	-	46,348	-	46,348	(46,348)
Total expenditures	309,733,015	300,584,131	285,694,648	5,235,599	290,930,247	9,653,884
Excess (deficiency) of revenues over (under) expenditures	(3,258,781)	29,013,430	42,456,451	519,446	42,975,897	13,962,467
OTHER FINANCING SOURCES (USES):						
Transfers in	8,063,857	8,042,034	8,052,849	-	8,052,849	10,815
Transfers out	(44,000,549)	(47,250,549)	(47,698,708)	-	(47,698,708)	(448,159)
Total other financing sources (uses)	(35,936,692)	(39,208,515)	(39,645,859)	-	(39,645,859)	(437,344)
Net change in fund balance	(39,195,473)	(10,195,085)	2,810,592	519,446	3,330,038	13,525,123
FUND BALANCE, October 1	65,548,677	65,548,677	65,548,677	-	65,548,677	-
FUND BALANCE, September 30	\$ 26,353,204	\$ 55,353,592	\$ 68,359,269	\$ 519,446	\$ 68,878,715	\$ 13,525,123

CITY OF PLANO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
ADJUSTMENTS TO REVENUES, EXPENDITURES AND OTHER
FINANCING USES FROM GAAP BASIS TO BUDGETARY BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022
(UNAUDITED)

	Net Change in Fund Balance
GAAP basis	\$ 2,810,592
Revenues:	
Decrease due to rolled back taxes	(203,156)
Increase due to GASB Statement	
No.31 market adjustment	5,958,201
Expenditures:	
Increase due to encumbrances	(5,235,599)
Budgetary basis	\$ 3,330,038

**CITY OF PLANO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST EIGHT YEARS
(UNAUDITED)**

Fiscal year ending December 31,	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability								
Service cost	\$ 33,499,863	\$ 32,466,781	\$ 31,626,466	\$ 30,262,774	\$ 28,866,767	\$ 27,113,143	\$ 25,341,004	\$ 22,556,087
Interest (on the total pension liability)	79,592,577	75,778,584	71,666,069	67,704,728	64,180,007	60,407,716	59,290,515	55,667,118
Difference between expected and actual experience	15,902,679	(4,677,159)	(1,524,064)	193,289	(4,550,911)	950,930	(6,117,445)	(122,591)
Change of assumptions	-	-	1,969,335	-	-	-	(685,185)	-
Benefit payments, including refunds of employee contributions	(49,458,379)	(45,703,919)	(40,759,727)	(39,552,473)	(34,399,087)	(32,526,510)	(29,059,878)	(26,400,655)
Net change in total pension liability	79,536,740	57,864,287	62,978,079	58,608,318	54,096,776	55,945,279	48,769,011	51,699,959
Total pension liability - beginning	<u>1,187,128,542</u>	<u>1,129,264,255</u>	<u>1,066,286,176</u>	<u>1,007,677,858</u>	<u>953,581,082</u>	<u>897,635,803</u>	<u>848,866,792</u>	<u>797,166,833</u>
Total pension liability - ending (a)	<u>1,266,665,282</u>	<u>1,187,128,542</u>	<u>1,129,264,255</u>	<u>1,066,286,176</u>	<u>1,007,677,858</u>	<u>953,581,082</u>	<u>897,635,803</u>	<u>848,866,792</u>
Plan fiduciary net position								
Contributions - employer	31,077,671	30,213,790	30,578,118	29,233,234	28,535,854	26,761,281	25,429,543	28,690,370
Contributions - employee	12,641,458	12,289,329	12,087,312	11,556,306	11,029,878	10,345,977	9,831,426	9,684,277
Net investment income (loss)	147,638,938	80,158,056	141,253,119	(28,192,692)	114,003,401	51,816,415	1,121,428	40,500,200
Benefit payments, including refunds of employee contributions	(49,458,379)	(45,703,919)	(40,759,727)	(39,552,473)	(34,399,087)	(32,526,510)	(29,059,878)	(26,400,655)
Administrative expense	(682,877)	(518,522)	(797,858)	(544,700)	(590,653)	(585,071)	(683,011)	(422,815)
Other	<u>4,676</u>	<u>(20,231)</u>	<u>(23,967)</u>	<u>(28,458)</u>	<u>(29,932)</u>	<u>(31,522)</u>	<u>(33,734)</u>	<u>(34,762)</u>
Net change in plan fiduciary net position	141,221,487	76,418,503	142,336,997	(27,528,783)	118,549,461	55,780,570	6,605,774	52,016,615
Plan fiduciary net position - beginning	<u>1,132,106,941</u>	<u>1,055,688,438</u>	<u>913,351,441</u>	<u>940,880,224</u>	<u>822,330,763</u>	<u>766,550,193</u>	<u>759,944,419</u>	<u>707,927,804</u>
Plan fiduciary net position - ending (b)	<u>1,273,328,428</u>	<u>1,132,106,941</u>	<u>1,055,688,438</u>	<u>913,351,441</u>	<u>940,880,224</u>	<u>822,330,763</u>	<u>766,550,193</u>	<u>759,944,419</u>
Net pension (asset)/liability (a) - (b)	<u>\$ (6,663,146)</u>	<u>\$ 55,021,601</u>	<u>\$ 73,575,817</u>	<u>\$ 152,934,735</u>	<u>\$ 66,797,634</u>	<u>\$ 131,250,319</u>	<u>\$ 131,085,610</u>	<u>\$ 88,922,373</u>
Plan fiduciary net position as a percentage of the total pension liability	100.53%	95.37%	93.48%	85.66%	93.37%	86.24%	85.40%	89.52%
Covered payroll	\$ 180,592,252	\$ 175,496,112	\$ 172,539,364	\$ 165,009,673	\$ 157,569,687	\$ 147,755,548	\$ 140,393,376	\$ 138,229,574
Net pension liability as a percentage of covered payroll	(3.69)%	31.35%	42.64%	92.68%	42.39%	88.83%	93.37%	64.33%

Note: GASB 68 requires 10 fiscal years of data. As a result of the City implementing GASB 68 in fiscal year 2015, this schedule will be built to show the remaining reporting requirement.

**CITY OF PLANO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS
LAST EIGHT YEARS
(UNAUDITED)**

For year ending September 30,	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess	Covered Payroll	Contributions as a Percentage of Covered Payroll
2022	\$ 31,582,175	\$ 31,784,103	\$ (201,928)	\$ 188,550,301	16.86%
2021	30,844,427	31,809,437	(965,010)	184,831,171	17.21%
2020	29,310,064	30,463,893	(1,153,829)	175,520,827	17.36%
2019	28,822,800	30,304,772	(1,481,972)	171,116,724	17.71%
2018	28,117,546	28,953,620	(836,074)	162,477,475	17.82%
2017	26,897,936	28,071,915	(1,173,979)	155,007,834	18.11%
2016	25,652,983	26,360,550	(707,567)	145,557,931	18.11%
2015	25,302,110	28,302,110	(3,000,000)	138,720,040	20.40%

Note: GASB 68 requires 10 fiscal years of data. As a result of the City implementing GASB 68 in fiscal year 2015, this schedule will be built to show the remaining reporting requirement.

Notes to Schedule of Contributions

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 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: 24 years
Asset valuation method: 10 year smoothed market; 12% soft corridor
Inflation: 2.50%
Salary increases: 3.50% to 11.50% including inflation
Investment rate of return: 6.75%
Retirement age: Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018.
Mortality: Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes There were no benefit changes during the year.

CITY OF PLANO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT SECURITY PLAN
SCHEDULE OF CHANGES IN NET PENSION (ASSET)/LIABILITY AND RELATED RATIOS
LAST EIGHT YEARS
(UNAUDITED)

Fiscal year ending December 31,	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability								
Service cost	\$ 5,216,760	\$ 5,110,419	\$ 4,725,748	\$ 4,510,192	\$ 5,073,946	\$ 4,716,387	\$ 3,803,153	\$ 3,674,544
Interest (on the total pension liability)	11,987,174	11,314,548	10,611,657	9,976,825	9,960,603	9,240,119	8,412,933	7,802,936
Difference between expected and actual experience	559,364	-	325,133	-	(3,005,892)	-	(1,059,691)	-
Assumption changes	-	-	6,187,338	-	2,989,199	-	7,094,524	-
Benefit payments	(6,773,708)	(6,252,909)	(5,775,825)	(5,275,730)	(4,760,146)	(4,297,533)	(3,822,305)	(3,518,902)
Net change in total pension liability	10,989,590	10,172,058	16,074,051	9,211,287	10,257,710	9,658,973	14,428,614	7,958,578
Total pension liability - beginning	178,366,242	168,194,184	152,120,133	142,908,846	132,651,136	122,992,163	108,563,549	100,604,971
Total pension liability - ending (a)	189,355,832	178,366,242	168,194,184	152,120,133	142,908,846	132,651,136	122,992,163	108,563,549
Plan fiduciary net position								
Employer contributions	6,318,436	5,745,254	5,664,638	5,406,257	5,159,461	4,133,463	3,959,196	4,037,995
Pension plan investment income (loss)	28,427,222	25,238,831	27,982,706	(8,633,093)	21,781,774	6,276,782	2,076,698	8,012,049
Benefit payments	(6,773,708)	(6,252,909)	(5,775,825)	(5,275,730)	(4,760,146)	(4,297,533)	(3,822,305)	(3,518,902)
Pension plan administrative expenses	(50,473)	(83,295)	(48,584)	(81,574)	(363,144)	(336,043)	(327,528)	(278,376)
Other	-	-	-	-	-	-	-	(22,051)
Net change in plan fiduciary net position	27,921,477	24,647,881	27,822,935	(8,584,140)	21,817,945	5,776,669	1,886,061	8,230,715
Plan fiduciary net position - beginning	192,402,983	167,755,102	139,932,167	148,516,307	126,698,362	120,921,693	119,035,632	110,804,917
Plan fiduciary net position - ending (b)	220,324,460	192,402,983	167,755,102	139,932,167	148,516,307	126,698,362	120,921,693	119,035,632
Net pension (asset)/liability - ending (a) - (b)	<u>\$ (30,968,628)</u>	<u>\$ (14,036,741)</u>	<u>\$ 439,082</u>	<u>\$ 12,187,966</u>	<u>\$ (5,607,461)</u>	<u>\$ 5,952,774</u>	<u>\$ 2,070,470</u>	<u>\$ (10,472,083)</u>
Plan fiduciary net position as a percentage of total pension liability	116.35%	107.87%	99.74%	91.99%	103.92%	95.51%	98.32%	109.65%
Covered payroll	\$ 162,011,179	\$ 158,708,674	\$ 156,481,717	\$ 149,344,120	\$ 142,526,560	\$ 132,482,794	\$ 130,412,851	\$ 117,023,684
Net pension (asset)/liability as a percentage of covered payroll	(19.12)%	(8.84)%	0.28%	8.16%	(3.93)%	4.49%	1.59%	(8.95)%

Note: GASB 68 requires 10 fiscal years of data. As a result of the City implementing GASB 68 in fiscal year 2015, this schedule will be built to show the remaining reporting requirement.

**CITY OF PLANO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT SECURITY PLAN
SCHEDULE OF CONTRIBUTIONS
LAST EIGHT YEARS
(UNAUDITED)**

For year ending September 30,	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2022	\$ 6,533,924	\$ 6,533,924	\$ -	\$ 167,536,555	3.90%
2021	6,358,994	6,358,994	-	166,054,205	3.83%
2020	5,758,065	5,758,065	-	159,062,559	3.62%
2019	5,601,861	5,601,861	-	154,747,546	3.62%
2018	5,339,710	5,339,710	-	147,505,817	3.62%
2017	4,880,321	4,880,321	-	139,928,684	3.49%
2016	4,081,765	4,081,765	-	130,825,766	3.12%
2015	3,908,790	3,908,790	-	125,281,726	3.12%

Note: GASB 68 requires 10 fiscal years of data. As a result of the City implementing GASB 68 in fiscal year 2015, this schedule will be built to show the remaining reporting requirement.

Notes to Schedule of Contributions

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 of odd numbered years. The actuarially determined contribution rate determined by the valuation is effective for the biennium period beginning with the fiscal year following the valuation date.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method: Entry Age Normal
Amortization method: Level percentage of payroll, closed
Remaining amortization period: 15 years as of the measurement date
Asset valuation method: 5-year smoothed market; 20% corridor
Inflation: 2.50%
Salary increases: 8.00% to 2.75%, including inflation
Investment rate of return: 6.75%
Retirement age: Experience-based table of rates that are specific to the type of eligibility condition.
Mortality: 2019 Municipal Retirees of Texas mortality tables are used. Generational mortality improvements applied using the ultimate rates of Scale MP-2014.

CITY OF PLANO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SECTION 115 POST-EMPLOYMENT BENEFITS TRUST
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST FIVE YEARS
(UNAUDITED)

Fiscal year ending December 31,	2021	2020	2019	2018	2017
Total OPEB liability					
Service cost	\$ 3,512,754	\$ 3,512,754	\$ 2,929,725	\$ 2,631,776	\$ 2,631,472
Interest on total OPEB liability	8,296,379	7,600,903	6,961,454	6,401,106	7,587,712
Effect of economic/demographic gains or losses	(13,844,749)	-	6,923,828	-	(1,889,319)
Effect of assumptions changes or inputs	10,053,138	-	(495,595)	-	(17,339,980)
Benefit payments, net of retiree contributions	(5,132,293)	(3,597,582)	(4,052,790)	(3,396,639)	(2,505,768)
Net change in total OPEB liability	2,885,229	7,516,075	12,266,622	5,636,243	(11,515,883)
Total OPEB liability - beginning	121,920,822	114,404,747	102,138,125	96,501,882	108,017,765
Total OPEB liability - ending (a)	124,806,051	121,920,822	114,404,747	102,138,125	96,501,882
Plan fiduciary net position					
Employer contributions	4,327,093	4,344,778	4,792,867	4,834,363	5,585,470
Net investment income (loss)	15,596,951	12,934,745	19,624,624	(4,140,078)	11,242,528
Benefit payments, net of retiree contributions	(5,132,293)	(3,597,582)	(4,052,790)	(3,396,639)	(2,505,768)
Administrative expenses	(27,453)	(27,250)	(19,124)	(36,227)	(10,951)
Net change in plan fiduciary net position	14,764,298	13,654,691	20,345,577	(2,738,581)	14,311,279
Plan fiduciary net position - beginning	115,731,947	102,077,256	81,731,679	84,470,260	70,158,981
Plan fiduciary net position - ending (b)	130,496,245	115,731,947	102,077,256	81,731,679	84,470,260
Net OPEB (asset)/liability - ending (a) - (b)	\$ (5,690,194)	\$ 6,188,875	\$ 12,327,491	\$ 20,406,446	\$ 12,031,622
Plan fiduciary net position as a percentage of the total OPEB liability	104.56%	94.92%	89.22%	80.02%	87.53%
Covered payroll	\$ 162,006,381	\$ 158,641,160	\$ 156,985,248	\$ 152,783,696	\$ 148,694,595
Net OPEB liability as a percentage of covered payroll	(3.51)%	3.90%	7.85%	13.36%	8.09%

Note: GASB 75 requires 10 fiscal years of data. As a result of the City implementing GASB 75 in fiscal year 2018, this schedule will be built to show the remaining reporting requirement.

**CITY OF PLANO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SECTION 115 POST-EMPLOYMENT BENEFITS TRUST
SCHEDULE OF CONTRIBUTIONS
LAST FIVE YEARS
(UNAUDITED)**

Fiscal year ending September 30,	2022	2021	2020	2019	2018
Actuarially determined contributions	\$ 3,692,978	\$ 4,291,299	\$ 4,510,751	\$ 4,451,343	\$ 3,774,139
Contributions in relation to the actuarially determined contribution	4,262,934	4,296,812	4,515,739	4,769,684	5,044,806
Contribution excess	<u>\$ (569,956)</u>	<u>\$ (5,513)</u>	<u>\$ (4,988)</u>	<u>\$ (318,341)</u>	<u>\$ (1,270,667)</u>
Covered payroll	\$ 167,536,555	\$ 166,054,205	\$ 159,062,559	\$ 154,747,546	\$ 147,505,817
Contributions as a percentage of covered payroll	2.54%	2.59%	2.84%	3.08%	3.42%

Note: GASB 75 requires 10 fiscal years of data. As a result of the City implementing GASB 75 in fiscal year 2018, this schedule will be built to show the remaining reporting requirement.

Notes to Schedule of Contributions

Valuation Date:

Notes The Actuarially Determined Contribution is the sum of the current year's normal cost plus an amount necessary to amortize the unfunded liability over a closed 16-year period. Actuarial valuations have been performed biennially as of October 1. The most recent valuation was performed as of October 1, 2019.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method:	Entry age normal
Amortization method:	Level percentage of payroll, closed
Remaining amortization period:	16 years
Asset valuation method:	Fair value
Inflation:	2.50%
Salary increases:	2.75%
Investment rate of return:	6.75%
Healthcare cost trend rates:	4.00% for 2019, rising and then decreasing to an ultimate rate of 4.00% for 2073 and beyond
Dental cost trend rates:	4.74% for 2017, gradually decreasing to an ultimate rate of 3.92% for 2075 and beyond
Mortality:	
Active participants	Sex Distinct RP 2000 Combined Healthy Mortality Table with Blue Collar adjustment with rates multiplied by 0.545 (male) or 0.52 (female) and projected fully generationally using Scale BB.
Retired participants	Sex Distinct RP 2000 Combined Healthy Mortality Table with Blue Collar adjustment with rates multiplied by 1.09 (male) or 1.03 (female) and projected fully generationally using Scale BB.
Disabled participants	Sex Distinct RP 2000 Combined Healthy Mortality Table with Blue Collar adjustment with rates multiplied by 1.09 (male) or 1.03 (female) and projected fully generationally using Scale BB, with a minimum 3% mortality rate.

COMBINING FINANCIAL STATEMENTS

ANNUAL COMPREHENSIVE FINANCIAL REPORT 2022

FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2022
CITY OF PLANO, TEXAS



NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS:

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

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

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

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

MUNICIPAL COURT FUND – to account for building security fund monies received from conviction of misdemeanor fees to be used to provide for the security and housing of municipal courts; teen court fees collected from teens requesting teen court, these monies are used to cover the costs of administering teen court; municipal court technology state fees collected with each citation that has resulted from a conviction; judicial efficiency state fees collected for payment on any part of a judgment on or after the 31st date on which a judgment is entered where one-half is remitted to the state, four-tenths is retained locally with no restriction, while one-tenth is used for the purpose of improving judicial efficiency; juvenile case managers supervise youth under 17 years of age who have been charged with a crime, fees received are used to fund a portion of the juvenile case manager position; traffic safety fees collected in relation to motor vehicle code violations which are used for public safety purposes; child safety fees collected from \$1 for each registered vehicle, these fees are used to fund the school crossing guard program and other child safety related programs.

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

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

DONATIONS FUND – to account for donations related to various programs within the City.

COMMUNITY PARAMEDIC PROGRAM FUND – to account for donations from local hospitals to increase the overall well-being of patients recently discharged from the hospital enabling paramedics to better assist Plano residents who frequently use the 9-1-1 system.

BLENDED COMPONENT UNITS:

DOWNTOWN PLANO PUBLIC IMPROVEMENT DISTRICT – organized to provide additional improvements and services in Downtown Plano where funding is derived from a special assessment paid by downtown property owners and based on a property's taxable value.

PLANO IMPROVEMENT CORPORATION – organized as a legally separate, nonprofit entity that serves the citizens of the City by facilitating real estate transactions and serve as an independent foundation for acceptance of donations.

CAPITAL PROJECTS FUNDS:

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

The City's nonmajor capital projects funds are as follows:

PUBLIC INFRASTRUCTURE FUND – to account for improvements to City of Plano owned infrastructure related to existing commercial facilities, including streets, utilities, open space and other infrastructure.

PARK SERVICES FUND – to account for building permit fees exclusively for the acquisition and development of new neighborhoods and parks.



CITY OF PLANO, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2022

	Special Revenue		
	Criminal Investigation	Plano Television	Public Safety Communications
ASSETS			
Cash and cash equivalents	\$ 459,133	\$ 223,522	\$ 2,607,049
Investments	3,537,146	1,722,012	20,084,639
Receivables (net of allowance for uncollectibles):			
Accounts	15,100	-	16,733
Accrued interest	13,718	6,678	77,895
Due from other governments	-	-	119,239
Prepaid items and other assets	-	-	1,095
Total assets	\$ 4,025,097	\$ 1,952,212	\$ 22,906,650
LIABILITIES			
Accounts payable	\$ -	\$ 12,945	\$ 520,972
Accrued liabilities	117,722	8,645	-
Seized assets payable	-	-	-
Total liabilities	117,722	21,590	520,972
FUND BALANCES			
Prepaid items and other assets	-	-	1,095
Restricted for:			
Capital projects	-	-	-
Special revenue	3,907,375	1,930,622	22,384,583
Blended component unit	-	-	-
Assigned to:			
Capital projects	-	-	-
Total fund balances	3,907,375	1,930,622	22,385,678
Total liabilities and fund balance	\$ 4,025,097	\$ 1,952,212	\$ 22,906,650

Special Revenue

Municipal Court	Memorial Library	Seized Assets	Donations	Community Paramedic Program
\$ 1,498,533	\$ 53,034	\$ 19,727	\$ 64,515	\$ 9,637
11,544,664	408,574	151,978	497,018	74,244
-	-	-	-	-
44,775	1,585	589	1,928	288
92,218	-	-	-	-
-	1,082	-	-	-
<u>\$ 13,180,190</u>	<u>\$ 464,275</u>	<u>\$ 172,294</u>	<u>\$ 563,461</u>	<u>\$ 84,169</u>
\$ 6,502	\$ 11,301	\$ -	\$ 37	\$ -
4,585	-	-	-	1,141
-	-	172,294	-	-
<u>11,087</u>	<u>11,301</u>	<u>172,294</u>	<u>37</u>	<u>1,141</u>
-	1,082	-	-	-
-	-	-	-	-
13,169,103	451,892	-	563,424	83,028
-	-	-	-	-
-	-	-	-	-
<u>13,169,103</u>	<u>452,974</u>	<u>-</u>	<u>563,424</u>	<u>83,028</u>
<u>\$ 13,180,190</u>	<u>\$ 464,275</u>	<u>\$ 172,294</u>	<u>\$ 563,461</u>	<u>\$ 84,169</u>

(continued)

CITY OF PLANO, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2022
(continued)

	Blended Component Units	
	Downtown Plano Public Improvement District	Plano Improvement Corporation
ASSETS		
Cash and cash equivalents	\$ 71,967	\$ 29,849
Investments	-	-
Receivables (net of allowance for uncollectibles):		
Accounts	-	-
Accrued interest	-	-
Due from other governments	-	-
Prepaid items and other assets	-	-
Total assets	<u>\$ 71,967</u>	<u>\$ 29,849</u>
LIABILITIES		
Accounts payable	\$ -	\$ 10
Accrued liabilities	-	-
Seized assets payable	-	-
Total liabilities	<u>-</u>	<u>10</u>
FUND BALANCES		
Prepaid items and other assets	-	-
Restricted for:		
Capital projects	-	-
Special revenue	-	-
Blended component unit	71,967	29,839
Assigned to:		
Capital projects	-	-
Total fund balances	<u>71,967</u>	<u>29,839</u>
Total liabilities and fund balance	<u>\$ 71,967</u>	<u>\$ 29,849</u>

Capital Projects		
Public Infrastructure	Park Services	Total Nonmajor Governmental Funds
\$ 187,818	\$ 983,228	\$ 6,208,012
1,446,943	7,574,763	47,041,981
-	-	31,833
5,612	29,377	182,445
-	-	211,457
-	-	2,177
<u>\$ 1,640,373</u>	<u>\$ 8,587,368</u>	<u>\$ 53,677,905</u>
\$ 3,000	\$ -	\$ 554,767
-	-	132,093
-	-	172,294
<u>3,000</u>	<u>-</u>	<u>859,154</u>
-	-	2,177
1,637,373	-	1,637,373
-	-	42,490,027
-	-	101,806
-	8,587,368	8,587,368
<u>1,637,373</u>	<u>8,587,368</u>	<u>52,818,751</u>
<u>\$ 1,640,373</u>	<u>\$ 8,587,368</u>	<u>\$ 53,677,905</u>

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Special Revenue		
	Criminal Investigation	Plano Television	Public Safety Communications
REVENUES			
Fines and forfeitures	\$ 241,879	\$ -	\$ -
Contributions	-	-	-
Intergovernmental	11,662	-	1,058,400
Charges for services	-	514,862	1,683,680
Assessed taxes	-	-	-
Investment loss	-	(86,772)	(968,578)
Miscellaneous	32,222	-	-
Total revenues	285,763	428,090	1,773,502
EXPENDITURES			
Police	57,674	-	932,260
Fire	-	-	190,945
Libraries	-	-	-
Development	-	-	-
Public services and operations	-	972,944	677,410
Capital outlay	8,265	58,386	391,916
Total expenditures	65,939	1,031,330	2,192,531
Excess (deficiency) of revenues over (under) expenditures	219,824	(603,240)	(419,029)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	500,000	-
Transfers out	-	-	-
Total other financing sources (uses)	-	500,000	-
Net change in fund balances	219,824	(103,240)	(419,029)
Fund balances - beginning	3,687,551	2,033,862	22,804,707
Fund balances - ending	\$ 3,907,375	\$ 1,930,622	\$ 22,385,678

Special Revenue

Municipal Court	Memorial Library	Donations	Community Paramedic Program
\$ 2,910	\$ -	\$ -	\$ -
-	126,779	144,293	87,443
-	-	-	-
713,508	-	-	-
-	-	-	-
(586,291)	(20,494)	(25,190)	(4,856)
-	-	-	-
<u>130,127</u>	<u>106,285</u>	<u>119,103</u>	<u>82,587</u>
1,224,970	-	-	-
-	-	-	91,015
-	132,003	-	-
-	-	-	-
-	-	53,896	-
262,802	-	75,000	-
<u>1,487,772</u>	<u>132,003</u>	<u>128,896</u>	<u>91,015</u>
(1,357,645)	(25,718)	(9,793)	(8,428)
-	-	103,324	-
-	-	-	-
-	-	103,324	-
(1,357,645)	(25,718)	93,531	(8,428)
14,526,748	478,692	469,893	91,456
<u>\$ 13,169,103</u>	<u>\$ 452,974</u>	<u>\$ 563,424</u>	<u>\$ 83,028</u>

(continued)

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022
(continued)

	Blended Component Units	
	Downtown Plano Public Improvement District	Plano Improvement Corporation
REVENUES		
Fines and forfeitures	\$ -	\$ -
Contributions	-	308,384
Intergovernmental	-	-
Charges for services	-	-
Assessed taxes	143,929	-
Investment loss	-	-
Miscellaneous	-	-
Total revenues	<u>143,929</u>	<u>308,384</u>
EXPENDITURES		
Police	-	-
Fire	-	-
Libraries	-	-
Development	145,553	235,288
Public services and operations	-	-
Capital outlay	-	-
Total expenditures	<u>145,553</u>	<u>235,288</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,624)</u>	<u>73,096</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	50,000	-
Transfers out	-	(114,139)
Total other financing sources (uses)	<u>50,000</u>	<u>(114,139)</u>
Net change in fund balances	48,376	(41,043)
Fund balances - beginning	<u>23,591</u>	<u>70,882</u>
Fund balances - ending	<u>\$ 71,967</u>	<u>\$ 29,839</u>

Capital Projects		
Public Infrastructure	Park Services	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 244,789
-	-	666,899
-	-	1,070,062
-	1,758,580	4,670,630
-	-	143,929
(1,023,677)	(355,545)	(3,071,403)
-	-	32,222
<u>(1,023,677)</u>	<u>1,403,035</u>	<u>3,757,128</u>
-	-	2,214,904
-	-	281,960
-	-	132,003
2,751	-	383,592
-	-	1,704,250
-	6,803	803,172
<u>2,751</u>	<u>6,803</u>	<u>5,519,881</u>
<u>(1,026,428)</u>	<u>1,396,232</u>	<u>(1,762,753)</u>
-	-	653,324
-	-	(114,139)
-	-	539,185
(1,026,428)	1,396,232	(1,223,568)
2,663,801	7,191,136	54,042,319
<u>\$ 1,637,373</u>	<u>\$ 8,587,368</u>	<u>\$ 52,818,751</u>



CITY OF PLANO, TEXAS
DEBT SERVICE FUND - SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022
(UNAUDITED)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Property taxes	\$ 52,085,782	\$ 51,524,866	\$ 51,376,711	\$ (148,155)
Investment income (loss)	300,000	300,000	(1,670,096)	(1,970,096)
Miscellaneous	115,097	115,097	114,698	(399)
Total revenues	<u>52,500,879</u>	<u>51,939,963</u>	<u>49,821,313</u>	<u>(2,118,650)</u>
EXPENDITURES				
Principal retirement	33,050,000	33,050,000	33,050,000	-
Interest and fiscal charges	20,627,622	19,061,772	19,060,522	1,250
Total expenditures	<u>53,677,622</u>	<u>52,111,772</u>	<u>52,110,522</u>	<u>1,250</u>
Net change in fund balance	(1,176,743)	(171,809)	(2,289,209)	(2,117,400)
Fund balance - beginning	<u>7,352,771</u>	<u>7,352,771</u>	<u>7,352,771</u>	<u>-</u>
Fund balance - ending	<u>\$ 6,176,028</u>	<u>\$ 7,180,962</u>	<u>\$ 5,063,562</u>	<u>\$ (2,117,400)</u>



NONMAJOR ENTERPRISE FUNDS

CONVENTION AND TOURISM FUND – to account for the convention and tourism activities of the City's Plano Event Center and Visit Plano operations.

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

DOWNTOWN CENTER DEVELOPMENT FUND – to account for improvements and activities in support of the City's downtown area.

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

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
AS OF SEPTEMBER 30, 2022

	Business-type Activities Enterprise Funds				Total Nonmajor Enterprise Funds
	Convention and Tourism	Municipal Golf Course	Downtown Center Development	Recreation Revolving	
ASSETS					
Cash and cash equivalents	\$ 389,185	\$ 67,615	\$ 107,806	\$ 279,984	\$ 844,590
Investments	2,963,085	520,905	830,535	2,156,987	6,471,512
Receivables:					
Accounts	1,020,611	-	16,920	18,314	1,055,845
Accrued interest	11,492	2,020	18,819	8,366	40,697
Other	19,910	-	-	-	19,910
Leases receivables	-	-	1,489,622	-	1,489,622
Prepaid items and other assets	439,171	-	-	17,382	456,553
Net pension asset	326,953	46,868	-	122,230	496,051
Net other post employment benefits asset	85,642	19,210	-	18,350	123,202
Capital assets:					
Land	2,359,859	595,296	36,999	-	2,992,154
Public art	-	-	50,000	-	50,000
Buildings	11,354,841	2,427,383	-	500,000	14,282,224
Right-to-use leased buildings	880,001	-	-	-	880,001
Improvements other than buildings	790,021	1,247,352	-	1,481,980	3,519,353
Equipment	1,650,803	17,479	-	327,165	1,995,447
Right-to-use leased equipment	59,760	-	-	-	59,760
Less accumulated depreciation	(13,660,200)	(3,692,214)	-	(685,804)	(18,038,218)
Total capital assets (net of accumulated depreciation)	3,435,085	595,296	86,999	1,623,341	5,740,721
Total assets	8,691,134	1,251,914	2,550,701	4,244,954	16,738,703
DEFERRED OUTFLOWS OF RESOURCES					
Pensions related	636,263	130,097	-	122,974	889,334
Other postemployment benefits related	250,550	54,621	-	62,122	367,293
Total deferred outflows of resources	886,813	184,718	-	185,096	1,256,627
LIABILITIES					
Current liabilities:					
Accounts payable	108,931	6,982	-	2,508	118,421
Accrued liabilities	112,379	6,503	-	177,301	296,183
Unearned revenue	376,559	-	-	959,475	1,336,034
Accrued interest payable	3,446	-	-	-	3,446
Leases payable	163,637	-	-	-	163,637
Customer deposits	-	-	-	131,630	131,630
Liability for compensated absences	95,905	16,993	-	21,615	134,513
Total current liabilities	860,857	30,478	-	1,292,529	2,183,864
Noncurrent liabilities:					
Leases payable	618,414	-	-	-	618,414
Liability for compensated absences	509,830	74,320	-	51,815	635,965
Total noncurrent liabilities	1,128,244	74,320	-	51,815	1,254,379
Total liabilities	1,989,101	104,798	-	1,344,344	3,438,243
DEFERRED INFLOWS OF RESOURCES					
Pensions related	1,277,180	252,502	-	282,561	1,812,243
Other postemployment benefits related	526,049	122,135	-	130,613	778,797
Leases related	-	-	1,486,430	-	1,486,430
Total deferred inflows of resources	1,803,229	374,637	1,486,430	413,174	4,077,470
NET POSITION					
Net investment in capital assets	2,653,034	595,296	86,999	1,623,341	4,958,670
Unrestricted	3,132,583	361,901	977,272	1,049,191	5,520,947
Total net position	\$ 5,785,617	\$ 957,197	\$ 1,064,271	\$ 2,672,532	\$ 10,479,617

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Business-type Activities Enterprise Funds				Total Nonmajor Enterprise Funds
	Convention and Tourism	Municipal Golf Course	Downtown Center Development	Recreation Revolving	
OPERATING REVENUES					
Charges for services	\$ 3,065,789	\$ 1,338,795	\$ 62,831	\$ 3,351,744	\$ 7,819,159
Miscellaneous charges	12,669	-	-	54,053	66,722
Total operating revenues	<u>3,078,458</u>	<u>1,338,795</u>	<u>62,831</u>	<u>3,405,797</u>	<u>7,885,881</u>
OPERATING EXPENSES					
Personnel services	3,590,112	668,486	-	1,283,594	5,542,192
Pension and other postemployment benefits expense (net)	(592,937)	(113,703)	-	(131,346)	(837,986)
Contractual services	5,837,753	272,137	8,581	1,347,462	7,465,933
Supplies	756,130	99,895	-	137,787	993,812
Depreciation and amortization	226,752	-	-	117,038	343,790
Miscellaneous	103,747	3,030	-	18,622	125,399
Total operating expenses	<u>9,921,557</u>	<u>929,845</u>	<u>8,581</u>	<u>2,773,157</u>	<u>13,633,140</u>
Operating income (loss)	<u>(6,843,099)</u>	<u>408,950</u>	<u>54,250</u>	<u>632,640</u>	<u>(5,747,259)</u>
NONOPERATING REVENUES (EXPENSES)					
Investment income (loss)	(161,772)	(18,338)	23,019	(92,157)	(249,248)
Interest and fiscal charges	(35,670)	-	-	-	(35,670)
Hotel occupancy taxes	10,889,103	-	-	-	10,889,103
Miscellaneous	2,995	-	-	-	2,995
Total nonoperating revenues (expenses)	<u>10,694,656</u>	<u>(18,338)</u>	<u>23,019</u>	<u>(92,157)</u>	<u>10,607,180</u>
Income before transfers	3,851,557	390,612	77,269	540,483	4,859,921
Transfers out	<u>(3,689,432)</u>	<u>(67,121)</u>	<u>-</u>	<u>(156,060)</u>	<u>(3,912,613)</u>
Change in net position	162,125	323,491	77,269	384,423	947,308
Total net position - beginning	<u>5,623,492</u>	<u>633,706</u>	<u>987,002</u>	<u>2,288,109</u>	<u>9,532,309</u>
Total net position - ending	<u>\$ 5,785,617</u>	<u>\$ 957,197</u>	<u>\$ 1,064,271</u>	<u>\$ 2,672,532</u>	<u>\$ 10,479,617</u>

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Business-type Activities Enterprise Funds				Total Nonmajor Enterprise Funds
	Convention and Tourism	Municipal Golf Course	Downtown Center Development	Recreation Revolving	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 2,780,411	\$ 1,338,795	\$ 59,639	\$ 4,224,491	\$ 8,403,336
Cash payments to suppliers for goods and services	(6,858,572)	(381,889)	(9,061)	(1,534,088)	(8,783,610)
Cash paid to or on behalf of employees for services	(3,503,920)	(648,466)	-	(1,322,994)	(5,475,380)
Net cash provided (used) by operating activities	(7,582,081)	308,440	50,578	1,367,409	(5,855,654)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Hotel occupancy taxes	10,889,103	-	-	-	10,889,103
Transfers to other funds	(3,689,432)	(67,121)	-	(156,060)	(3,912,613)
Net cash provided (used) by noncapital financing activities	7,199,671	(67,121)	-	(156,060)	6,976,490
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Principal paid on long-term debt	(157,710)	-	-	-	(157,710)
Interest paid on long-term debt	(32,224)	-	-	-	(32,224)
Proceeds from insurance damages	2,995	-	-	-	2,995
Net cash used by capital and related financing activities	(186,939)	-	-	-	(186,939)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of investment securities	(2,963,085)	(520,905)	(830,535)	(2,156,987)	(6,471,512)
Proceeds from sale and maturities of investment securities	3,457,074	310,655	746,774	1,120,838	5,635,341
Interest on investments	(152,948)	(18,532)	8,589	(93,936)	(256,827)
Net cash provided (used) by investing activities	341,041	(228,782)	(75,172)	(1,130,085)	(1,092,998)
Net increase (decrease) in cash and cash equivalents	(228,308)	12,537	(24,594)	81,264	(159,101)
Cash and cash equivalents - beginning	617,493	55,078	132,400	198,720	1,003,691
Cash and cash equivalents - ending	<u>\$ 389,185</u>	<u>\$ 67,615</u>	<u>\$ 107,806</u>	<u>\$ 279,984</u>	<u>\$ 844,590</u>
Noncash disclosures:					
Decrease in fair value of investments	\$ (209,150)	\$ (32,955)	\$ (55,771)	\$ (134,338)	\$ (432,214)

(continued)

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022
(continued)

	Business-type Activities Enterprise Funds				Total Nonmajor Enterprise Funds
	Convention and Tourism	Municipal Golf Course	Downtown Center Development	Recreation Revolving	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	<u>\$ (6,843,099)</u>	<u>\$ 408,950</u>	<u>\$ 54,250</u>	<u>\$ 632,640</u>	<u>\$ (5,747,259)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	226,752	-	-	117,038	343,790
Pension and other postemployment benefits expense (net)	(592,937)	(113,703)	-	(131,346)	(837,986)
Change in assets and liabilities:					
(Increase) decrease in-					
Accounts receivables	(274,920)	-	-	(3,171)	(278,091)
Leases receivables	-	-	(1,489,622)	-	(1,489,622)
Other receivables	(5,730)	-	-	195	(5,535)
Prepaid items and other assets	(79,535)	-	-	(16,982)	(96,517)
Increase (decrease) in-					
Accounts payable	(75,677)	(6,827)	(480)	(13,430)	(96,414)
Accrued liabilities	35,512	1,432	-	592	37,536
Liability for compensated absences	50,680	18,588	-	(39,992)	29,276
Customer deposits	-	-	-	(17,166)	(17,166)
Deferred inflows from leases	-	-	1,486,430	-	1,486,430
Unearned revenue	(23,127)	-	-	839,031	815,904
Total adjustments	<u>(738,982)</u>	<u>(100,510)</u>	<u>(3,672)</u>	<u>734,769</u>	<u>(108,395)</u>
Net cash provided (used) by operating activities	<u>\$ (7,582,081)</u>	<u>\$ 308,440</u>	<u>\$ 50,578</u>	<u>\$ 1,367,409</u>	<u>\$ (5,855,654)</u>



INTERNAL SERVICE FUNDS

Internal service funds account for the financing of goods or services provided by one department for another.

The City has five internal service funds as follows:

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

MUNICIPAL WAREHOUSE FUND – to account for the operation of a central warehouse facility, which provides the capability of storing and distributing in volume supplies and materials used by City departments. An overhead charge is applied to the purchase price of all materials handled to cover the operating costs, including the cost of goods sold.

TECHNOLOGY SERVICES FUND – to account for the data processing and information systems. Charges for software, hardware and maintenance of the systems are billed to the user funds.

RISK MANAGEMENT FUND – to account for the operation of a self-insurance program for general liability, public officials' errors and omission, police professional liability, property loss and workers' compensation.

HEALTH CLAIMS FUND – to account for the self-insurance operation of group accident and health insurance coverage for all City employees. In addition to the basic insurance coverage provided, employees may purchase dependent coverage through payroll deductions. Coverage is financed by billings to the departments and through employee payroll deductions.

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
AS OF SEPTEMBER 30, 2022

	Equipment Maintenance	Municipal Warehouse	Technology Services
ASSETS			
Cash and cash equivalents	\$ 4,609,814	\$ -	\$ 1,863,614
Investments	35,513,893	-	14,357,232
Receivables:			
Accrued interest	307,068	-	55,682
Other	-	-	527
Inventories	82,406	2,043,909	-
Prepaid items and other assets	4,181,321	-	776
Net pension asset	230,140	59,596	1,459,193
Net other post employment benefits asset	78,720	19,281	210,527
Capital assets:			
Land	51,515	-	11,007
Buildings	5,264,915	-	710,379
Right-to-use leased buildings	-	-	212,651
Equipment	27,389,416	-	25,266,991
Rolling equipment	71,312,582	-	-
Right-to-use leased equipment	-	-	3,357,503
Less accumulated depreciation	(66,768,157)	-	(16,081,859)
Total capital assets (net of accumulated depreciation)	37,250,271	-	13,476,672
Total assets	82,253,633	2,122,786	31,424,223
DEFERRED OUTFLOWS OF RESOURCES			
Pensions related	609,251	137,212	1,664,839
Other postemployment benefits related	222,634	57,598	435,673
Total deferred outflows of resources	831,885	194,810	2,100,512
LIABILITIES			
Current liabilities:			
Accounts payable	525,812	198,290	267,472
Accrued liabilities	31,853	6,545	107,054
Due to other funds	-	896,749	-
Accrued interest payable	-	-	13,650
Leases payable	-	-	1,120,847
Liability for compensated absences	27,828	11,330	110,593
Liability for insurance claims	-	-	-
Total current liabilities	585,493	1,112,914	1,619,616
Noncurrent liabilities:			
Leases payable	-	-	2,121,321
Liability for compensated absences	82,858	59,194	487,044
Total noncurrent liabilities	82,858	59,194	2,608,365
Total liabilities	668,351	1,172,108	4,227,981
DEFERRED INFLOWS OF RESOURCES			
Pensions related	1,119,238	248,712	3,577,973
Other postemployment benefits related	454,709	122,581	891,900
Total deferred inflows of resources	1,573,947	371,293	4,469,873
NET POSITION			
Net investment in capital assets	37,250,271	-	10,234,504
Unrestricted	43,592,949	774,195	14,592,377
Total net position	\$ 80,843,220	\$ 774,195	\$ 24,826,881

Risk Management	Health Claims	Total
\$ 701,297	\$ 1,100,851	\$ 8,275,576
5,402,773	8,480,932	63,754,830
20,954	32,892	416,596
-	-	527
-	-	2,126,315
1,200	31,000	4,214,297
41,728	-	1,790,657
17,519	-	326,047
-	-	62,522
-	-	5,975,294
-	-	212,651
-	-	52,656,407
-	-	71,312,582
-	-	3,357,503
-	-	(82,850,016)
-	-	50,726,943
6,185,471	9,645,675	131,631,788
140,759	-	2,552,061
37,847	-	753,752
178,606	-	3,305,813
59,934	113,907	1,165,415
7,087	-	152,539
-	-	896,749
-	-	13,650
-	-	1,120,847
739	-	150,490
5,053,410	3,547,980	8,601,390
5,121,170	3,661,887	12,101,080
-	-	2,121,321
73,153	-	702,249
73,153	-	2,823,570
5,194,323	3,661,887	14,924,650
255,836	-	5,201,759
81,466	-	1,550,656
337,302	-	6,752,415
-	-	47,484,775
832,452	5,983,788	65,775,761
\$ 832,452	\$ 5,983,788	\$ 113,260,536

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Equipment Maintenance	Municipal Warehouse	Technology Services
OPERATING REVENUES			
Charges for services	\$ 24,473,189	\$ 4,215,995	\$ 23,416,975
Subrogation receipts	-	-	-
Intergovernmental	63,314	-	-
Miscellaneous charges	-	38,247	-
Total operating revenues	24,536,503	4,254,242	23,416,975
OPERATING EXPENSES			
Personnel services	2,769,994	722,642	8,984,701
Pension and other postemployment benefits expense (net)	(505,046)	(120,714)	(1,598,599)
Contractual services	3,010,636	78,665	11,038,719
Supplies	5,750,241	3,560,496	1,135,815
Claims expense	-	-	-
Depreciation and amortization	9,903,812	-	2,309,777
Miscellaneous	40,832	31,215	2,672
Total operating expenses	20,970,469	4,272,304	21,873,085
Operating income (loss)	3,566,034	(18,062)	1,543,890
NONOPERATING REVENUES (EXPENSES)			
Investment loss	(1,703,613)	-	(644,589)
Gain on property disposition	421,601	-	10,033
Interest and fiscal charges	-	-	(29,834)
Miscellaneous	8,155	11,517	8,884
Total nonoperating revenues (expenses)	(1,273,857)	11,517	(655,506)
Income (loss) before transfers	2,292,177	(6,545)	888,384
Transfers in	336,749	-	1,000,000
Transfers out	-	-	(250,000)
Change in net position	2,628,926	(6,545)	1,638,384
Total net position - beginning	78,214,294	780,740	23,188,497
Total net position - ending	\$ 80,843,220	\$ 774,195	\$ 24,826,881

Risk Management	Health Claims	Total
\$ 8,344,007	\$ 32,650,987	\$ 93,101,153
672,288	-	672,288
-	-	63,314
-	12,039	50,286
<u>9,016,295</u>	<u>32,663,026</u>	<u>93,887,041</u>
621,324	-	13,098,661
(115,372)	-	(2,339,731)
2,493,708	4,227,165	20,848,893
12,416	-	10,458,968
5,113,138	38,511,131	43,624,269
-	-	12,213,589
30,448	-	105,167
<u>8,155,662</u>	<u>42,738,296</u>	<u>98,009,816</u>
<u>860,633</u>	<u>(10,075,270)</u>	<u>(4,122,775)</u>
(214,701)	(542,823)	(3,105,726)
-	-	431,634
-	-	(29,834)
-	-	28,556
<u>(214,701)</u>	<u>(542,823)</u>	<u>(2,675,370)</u>
645,932	(10,618,093)	(6,798,145)
-	-	1,336,749
-	-	(250,000)
<u>645,932</u>	<u>(10,618,093)</u>	<u>(5,711,396)</u>
186,520	16,601,881	118,971,932
<u>\$ 832,452</u>	<u>\$ 5,983,788</u>	<u>\$ 113,260,536</u>

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Equipment Maintenance	Municipal Warehouse	Technology Services
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from other funds	\$ 24,473,189	\$ 4,452,252	\$ 23,417,413
Cash received from subrogation	-	-	-
Cash payments to suppliers for goods and services	(9,736,887)	(3,751,156)	(12,481,777)
Cash paid to or on behalf of employees for services	(2,780,540)	(712,613)	(8,868,657)
Net cash provided (used) by operating activities	<u>11,955,762</u>	<u>(11,517)</u>	<u>2,066,979</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers to other funds	-	-	(250,000)
Transfers from other funds	<u>336,749</u>	<u>-</u>	<u>1,000,000</u>
Net cash provided by noncapital financing activities	<u>336,749</u>	<u>-</u>	<u>750,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(11,234,827)	-	(223,890)
Proceeds on sale of equipment	532,228	11,517	-
Principal paid on long-term debt	-	-	(327,986)
Interest paid on long-term debt	-	-	(16,184)
Proceeds from insurance damages	<u>8,155</u>	<u>-</u>	<u>8,884</u>
Net cash provided (used) by capital and related financing activities	<u>(10,694,444)</u>	<u>11,517</u>	<u>(559,176)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of investment securities	(35,513,893)	-	(14,357,232)
Proceeds from sales and maturities of investment securities	34,260,690	-	12,393,213
Interest on investments	<u>(1,809,337)</u>	<u>-</u>	<u>(627,438)</u>
Net cash provided (used) by investing activities	<u>(3,062,540)</u>	<u>-</u>	<u>(2,591,457)</u>
Net decrease in cash and cash equivalents	<u>(1,464,473)</u>	<u>-</u>	<u>(333,654)</u>
Cash and cash equivalents - beginning	<u>6,074,287</u>	<u>-</u>	<u>2,197,268</u>
Cash and cash equivalents - ending	<u>\$ 4,609,814</u>	<u>\$ -</u>	<u>\$ 1,863,614</u>
Noncash disclosure:			
Property disposition/adjustments	\$ (110,627)	\$ -	\$ 10,034
Decrease in fair value of investments	(2,414,682)	-	(957,482)
Transfer in of capital assets	336,852	-	-

Risk Management	Health Claims	Total
\$ 8,357,799	\$ 32,663,026	\$ 93,363,679
672,288	-	672,288
(8,001,172)	(41,857,219)	(75,828,211)
(602,795)	-	(12,964,605)
426,120	(9,194,193)	5,243,151
-	-	(250,000)
-	-	1,336,749
-	-	1,086,749
-	-	(11,458,717)
-	-	543,745
-	-	(327,986)
-	-	(16,184)
-	-	17,039
-	-	(11,242,103)
(5,402,773)	(8,480,932)	(63,754,830)
4,943,537	16,090,594	67,688,034
(142,057)	(167,417)	(2,746,249)
(601,293)	7,442,245	1,186,955
(175,173)	(1,751,948)	(3,725,248)
876,470	2,852,799	12,000,824
\$ 701,297	\$ 1,100,851	\$ 8,275,576
\$ -	\$ -	\$ (100,593)
(363,902)	(678,143)	(4,414,209)
-	-	336,852

(continued)

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022
(continued)

	Equipment Maintenance	Municipal Warehouse	Technology Services
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	<u>\$ 3,566,034</u>	<u>\$ (18,062)</u>	<u>\$ 1,543,890</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	9,903,812	-	2,309,777
Pension and other postemployment benefits expense (net)	(505,046)	(120,714)	(1,598,599)
Changes in assets and liabilities:			
(Increase) decrease in-			
Other receivables	-	-	438
Due from other funds	-	-	-
Due from other governments	(63,314)	-	-
Prepaid items and other assets	(986,644)	-	696
Inventories	(39,654)	(146,973)	-
Increase (decrease) in-			
Accounts payable	91,120	27,946	(305,267)
Accrued liabilities	12,554	1,317	35,196
Due to other funds	-	236,257	-
Liability for compensated absences	(23,100)	8,712	80,848
Liability for insurance claims	-	-	-
Total adjustments	<u>8,389,728</u>	<u>6,545</u>	<u>523,089</u>
Net cash provided (used) by operating activities	<u><u>\$ 11,955,762</u></u>	<u><u>\$ (11,517)</u></u>	<u><u>\$ 2,066,979</u></u>

<u>Risk Management</u>	<u>Health Claims</u>	<u>Total</u>
\$ 860,633	\$ (10,075,270)	\$ (4,122,775)
-	-	12,213,589
(115,372)	-	(2,339,731)
-	-	438
13,792	-	13,792
-	-	(63,314)
712	139,588	(845,648)
-	-	(186,627)
(25,616)	113,907	(97,910)
1,635	-	50,702
-	-	236,257
16,894	-	83,354
(326,558)	627,582	301,024
(434,513)	881,077	9,365,926
<u>\$ 426,120</u>	<u>\$ (9,194,193)</u>	<u>\$ 5,243,151</u>



FIDUCIARY FUNDS

PENSION AND OTHER POSTEMPLOYMENT BENEFIT TRUST FUNDS:

PENSION TRUST – to account for the Retirement Security Plan assets held for full-time employees as a substitute retirement plan to Social Security.

OTHER POSTEMPLOYMENT BENEFITS TRUST – to account for the Section 115 Post-Employment Benefits Trust assets held for the purpose of funding and providing certain benefits to its eligible retirees in accordance with the requirements of Governmental Accounting Standards Board Statement No. 45.

CUSTODIAL FUNDS:

COLLIN CREEK EAST PID – to account for the 60-acres of the Collin Creek Mall Redevelopment Project with funding deriving from PID bonds, developers' contributions and land acquisition, which is held in trust.

COLLIN CREEK WEST PID - to account for the 30-acres of the Collin Creek Mall Redevelopment Project with funding deriving from PID bonds, which is held in trust.

TIRZ NO. 4 – to account for the sale of the TIRZ revenue stream from the 99-acres of real property related to the Collin Creek Mall Redevelopment Project.

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF NET POSITION
FIDUCIARY FUNDS
AS OF SEPTEMBER 30, 2022

	Pension Trust Fund	Other Post-Employment Benefits Trust Fund	Total Pension and Other Post-Employment Benefits Trust Funds
ASSETS			
Cash and cash equivalents	\$ 222,045	\$ (1,567,898)	\$ (1,345,853)
Investments:			
Mutual funds:			
Domestic equity funds	79,986,433	44,389,519	124,375,952
International equity funds	31,481,153	24,399,984	55,881,137
Fixed income funds	21,687,934	14,278,376	35,966,310
Real estate investment trusts	21,165,032	6,960,121	28,125,153
Collective investment trusts	21,970,123	13,754,341	35,724,464
Accrued interest	820	2,040	2,860
Prepaid items and other assets	-	37,538	37,538
Total assets	176,513,540	102,254,021	278,767,561
LIABILITIES			
Accrued liabilities	-	514,917	514,917
Bond holder liability	-	-	-
Total liabilities	-	514,917	514,917
NET POSITION			
Net position restricted for pensions	176,513,540	-	176,513,540
Net position restricted for other postemployment benefits	-	101,739,104	101,739,104
Net position restricted for custodial funds	-	-	-
Total net position	\$ 176,513,540	\$ 101,739,104	\$ 278,252,644

Collin Creek East PID Custodial Fund	Collin Creek West PID Custodial Fund	TIRZ No. 4 Custodial Fund	Total Custodial Funds
\$ 23,729,566	\$ 7,600,470	\$ 38,161,590	\$ 69,491,626
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
23,729,566	7,600,470	38,161,590	69,491,626
3,662,188	1,335,311	-	4,997,499
31,778,170	14,427,774	-	46,205,944
35,440,358	15,763,085	-	51,203,443
-	-	-	-
-	-	-	-
(11,710,792)	(8,162,615)	38,161,590	18,288,183
\$ (11,710,792)	\$ (8,162,615)	\$ 38,161,590	\$ 18,288,183

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Pension Trust Fund	Other Post-Employment Benefits Trust Fund	Total Pension and Other Post-Employment Benefits Trust Funds
ADDITIONS			
Contributions:			
From employers	\$ 6,533,924	\$ 4,255,460	\$ 10,789,384
From retirees	-	2,667,520	2,667,520
From City and developer	-	-	-
Total contributions	<u>6,533,924</u>	<u>6,922,980</u>	<u>13,456,904</u>
Investment return:			
Net decrease in fair value of investments	(36,123,895)	(22,127,550)	(58,251,445)
Interest	615	7,169	7,784
Dividends	5,182,975	1,859,378	7,042,353
Miscellaneous	20,340	11,262	31,602
Total investment return (loss)	<u>(30,919,965)</u>	<u>(20,249,741)</u>	<u>(51,169,706)</u>
Less investment expenses:			
Trustee fees	90,077	38,240	128,317
Advisory fees	71,735	110,047	181,782
Total investment expenses	<u>161,812</u>	<u>148,287</u>	<u>310,099</u>
Net investment return (loss)	<u>(31,081,777)</u>	<u>(20,398,028)</u>	<u>(51,479,805)</u>
Total additions	<u>(24,547,853)</u>	<u>(13,475,048)</u>	<u>(38,022,901)</u>
DEDUCTIONS			
Benefits	7,224,109	6,347,591	13,571,700
Administrative expenses	70,088	2,655,025	2,725,113
Bond interest	-	-	-
Project expenses	-	-	-
Total deductions	<u>7,294,197</u>	<u>9,002,616</u>	<u>16,296,813</u>
Change in net position	<u>(31,842,050)</u>	<u>(22,477,664)</u>	<u>(54,319,714)</u>
Total net position - beginning	<u>208,355,590</u>	<u>124,216,768</u>	<u>332,572,358</u>
Total net position - ending	<u>\$ 176,513,540</u>	<u>\$ 101,739,104</u>	<u>\$ 278,252,644</u>

Collin Creek East PID Custodial Fund	Collin Creek West PID Custodial Fund	TIRZ No. 4 Custodial Fund	Total Custodial Funds
\$ -	\$ -	\$ -	\$ -
-	-	-	-
238,805	113,435	-	352,240
<u>238,805</u>	<u>113,435</u>	<u>-</u>	<u>352,240</u>
-	-	-	-
-	-	-	-
149,637	39,527	161,590	350,754
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>149,637</u>	<u>39,527</u>	<u>161,590</u>	<u>350,754</u>
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
149,637	39,527	161,590	350,754
<u>388,442</u>	<u>152,962</u>	<u>161,590</u>	<u>702,994</u>
-	-	-	-
-	-	-	-
1,433,294	587,480	-	2,020,774
21,977,458	4,241,666	-	26,219,124
<u>23,410,752</u>	<u>4,829,146</u>	<u>-</u>	<u>28,239,898</u>
(23,022,310)	(4,676,184)	161,590	(27,536,904)
<u>11,311,518</u>	<u>(3,486,431)</u>	<u>38,000,000</u>	<u>45,825,087</u>
<u>\$ (11,710,792)</u>	<u>\$ (8,162,615)</u>	<u>\$ 38,161,590</u>	<u>\$ 18,288,183</u>



DISCRETELY PRESENTED COMPONENT UNITS

TIF No. 2 – organized to account for a tax increment financing unit for improvements related to the future development of East Plano.

TIF No. 3 – organized to account for a tax increment financing unit for improvements related to the future construction and development of the Silver Line Regional Rail Project.

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
AS OF SEPTEMBER 30, 2022

	TIF No. 2	TIF No. 3	Total
ASSETS			
Current:			
Cash and cash equivalents	\$ 12,882,008	\$ 471,861	\$ 13,353,869
Receivables:			
Accrued interest	1,148	-	1,148
Leases receivables	138,229	-	138,229
Noncurrent:			
Capital assets, nondepreciable	1,330,465	-	1,330,465
Total assets	14,351,850	471,861	14,823,711
LIABILITIES			
Accounts payable	33,035	-	33,035
Total liabilities	33,035	-	33,035
DEFERRED INFLOWS OF RESOURCES			
Leases related	123,248	-	123,248
Total deferred inflows of resources	123,248	-	123,248
NET POSITION			
Net investment in capital assets	1,330,465	-	1,330,465
Restricted	12,865,102	471,861	13,336,963
Total net position	\$ 14,195,567	\$ 471,861	\$ 14,667,428

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	TIF No. 2	TIF No. 3	Total
OPERATING REVENUES			
Miscellaneous	\$ 4,908	\$ -	\$ 4,908
Total operating revenues	<u>4,908</u>	<u>-</u>	<u>4,908</u>
OPERATING EXPENSES			
Contractual services	1,314,221	-	1,314,221
Total operating expenses	<u>1,314,221</u>	<u>-</u>	<u>1,314,221</u>
Operating loss	(1,309,313)	-	(1,309,313)
NONOPERATING REVENUES			
Property taxes	3,060,488	265,827	3,326,315
Interest income on leases	16,129	-	16,129
Gain on capital asset disposal	289,324	-	289,324
Total nonoperating revenues	<u>3,365,941</u>	<u>265,827</u>	<u>3,631,768</u>
Change in net position	2,056,628	265,827	2,322,455
Total net position - beginning	<u>12,138,939</u>	<u>206,034</u>	<u>12,344,973</u>
Total net position - ending	<u>\$ 14,195,567</u>	<u>\$ 471,861</u>	<u>\$ 14,667,428</u>

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	TIF No. 2	TIF No. 3	Total
CASH FLOWS FROM OPERATING			
ACTIVITIES			
Cash payments to suppliers for goods and services	\$ (1,351,281)	\$ -	\$ (1,351,281)
Cash received from customers	4,908	-	4,908
Net cash used by operating activities	<u>(1,346,373)</u>	<u>-</u>	<u>(1,346,373)</u>
CASH FLOWS FROM NONCAPITAL			
FINANCING ACTIVITIES			
Property taxes	3,060,488	265,827	3,326,315
Proceeds from sale of land	289,324	-	289,324
Net cash provided by noncapital financing activities	<u>3,349,812</u>	<u>265,827</u>	<u>3,615,639</u>
CASH FLOWS FROM CAPITAL AND RELATED			
FINANCING ACTIVITIES			
Acquisition and construction of capital assets	1,555,168	-	1,555,168
Net cash provided by operating and related financing activities	<u>1,555,168</u>	<u>-</u>	<u>1,555,168</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales and maturities of investment securities	7,913,572	175,160	8,088,732
Interest on investments	14,981	-	14,981
Net cash provided by investing activities	<u>7,928,553</u>	<u>175,160</u>	<u>8,103,713</u>
Net increase in cash and cash equivalents	11,487,160	440,987	11,928,147
Cash and cash equivalents - beginning	<u>1,394,848</u>	<u>30,874</u>	<u>1,425,722</u>
Cash and cash equivalents - ending	<u>\$ 12,882,008</u>	<u>\$ 471,861</u>	<u>\$ 13,353,869</u>

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED SEPTEMBER 30, 2022
(continued)

	TIF No. 2	TIF No. 3	Total
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:			
Operating loss	<u>\$ (1,309,313)</u>	<u>\$ -</u>	<u>\$ (1,309,313)</u>
Changes in assets and liabilities:			
Increase in leases receivables	(138,229)	-	(138,229)
Increase (decrease) in:			
Deferred inflows from leases	123,248	-	123,248
Accounts payable	<u>(22,079)</u>	<u>-</u>	<u>(22,079)</u>
Total adjustments	<u>(37,060)</u>	<u>-</u>	<u>(37,060)</u>
Net cash used by operating activities	<u><u>\$ (1,346,373)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (1,346,373)</u></u>



STATISTICAL SECTION

ANNUAL COMPREHENSIVE FINANCIAL REPORT 2022

FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2022
CITY OF PLANO, TEXAS



STATISTICAL SECTION TABLE OF CONTENTS (unaudited)

Tables in the statistical section present detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the overall financial health of the City.

	<u>Pages</u>
<u>Financial Trends</u> - These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	136-141
<u>Revenue Capacity</u> - These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	142-145
<u>Debt Capacity</u> - These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	146-151
<u>Demographic and Economic Information</u> - These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	152-153
<u>Operating Information</u> - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	154-158

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

Table 1

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental activities:										
Net investment in capital assets	\$ 930,684,227	\$ 930,347,632	\$ 911,222,409	\$ 863,800,846	\$ 831,253,007	\$ 790,687,802	\$ 749,829,714	\$ 716,648,113	\$ 695,615,093	\$ 672,747,769
Restricted	46,144,013	50,665,804	76,623,719	57,577,590	53,020,956	59,809,891	68,249,570	47,465,237	32,097,048	51,536,304
Unrestricted	263,136,295	196,822,044	128,293,244	144,063,956	123,431,005	163,907,113	167,247,133	179,758,472	215,051,526	194,617,363
Total governmental activities net position	\$ 1,239,964,535	\$ 1,177,835,480	\$ 1,116,139,372	\$ 1,065,442,392	\$ 1,007,704,968	\$ 1,014,404,806	\$ 985,326,417	\$ 943,871,822	\$ 942,763,667	\$ 918,901,436
Business-type activities:										
Net investment in capital assets	\$ 386,232,200	\$ 385,244,970	\$ 389,326,342	\$ 377,284,205	\$ 378,270,126	\$ 377,622,087	\$ 374,462,834	\$ 370,220,021	\$ 360,960,813	\$ 362,997,446
Restricted	5,775,755	6,049,457	5,225,754	5,054,830	4,591,766	6,106,990	3,298,965	2,377,534	2,242,278	2,375,886
Unrestricted	101,039,838	88,688,126	89,260,757	101,767,064	91,641,587	81,186,158	88,495,857	88,328,906	89,364,337	88,538,490
Total business-type activities net position	\$ 493,047,793	\$ 479,982,553	\$ 483,812,853	\$ 484,106,099	\$ 474,503,479	\$ 464,915,235	\$ 466,257,656	\$ 460,926,461	\$ 452,567,428	\$ 453,911,822
Primary government:										
Net investment in capital assets	\$ 1,316,916,427	\$ 1,315,592,602	\$ 1,300,548,751	\$ 1,241,085,051	\$ 1,209,523,133	\$ 1,168,309,889	\$ 1,124,292,548	\$ 1,086,868,134	\$ 1,056,575,906	\$ 1,035,745,215
Restricted	51,919,768	56,715,261	81,849,473	62,632,420	57,612,722	65,916,881	71,548,535	49,842,771	34,339,326	53,912,190
Unrestricted	364,176,133	285,510,170	217,554,001	245,831,020	215,072,592	245,093,271	255,742,990	268,087,378	304,415,863	283,155,853
Total primary government net position	\$ 1,733,012,328	\$ 1,657,818,033	\$ 1,599,952,225	\$ 1,549,548,491	\$ 1,482,208,447	\$ 1,479,320,041	\$ 1,451,584,073	\$ 1,404,798,283	\$ 1,395,331,095	\$ 1,372,813,258

Source: Annual Comprehensive Financial Report

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

Table 2

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses										
Governmental activities:										
General government	\$ 28,958,997	\$ 26,692,769	\$ 28,402,791	\$ 27,370,123	\$ 26,304,530	\$ 27,352,742	\$ 27,017,457	\$ 27,636,869	\$ 22,837,719	\$ 22,902,283
Administrative services	11,020,080	12,795,988	13,857,328	13,469,841	11,464,812	11,729,785	10,635,244	9,555,715	9,004,302	8,715,712
Police	86,630,567	85,181,136	90,732,275	96,849,338	90,322,013	88,408,381	80,837,474	74,607,299	73,546,241	70,839,690
Fire	66,169,812	64,308,828	69,356,690	69,588,566	61,042,750	63,104,587	56,724,482	51,268,423	50,822,815	48,085,904
Libraries	12,110,167	11,335,058	12,572,838	13,630,329	11,436,405	12,381,069	12,107,913	10,646,832	11,152,367	10,268,273
Development	45,910,292	48,276,298	47,639,113	43,648,189	47,861,153	38,018,301	36,859,600	33,116,211	35,304,179	28,041,761
Public services and operations	8,283,381	7,665,759	8,464,111	8,742,013	7,972,290	8,350,096	7,638,382	6,575,756	7,350,378	6,372,030
Parks and recreation	38,038,757	35,645,989	35,069,347	35,901,150	33,854,714	36,069,542	32,462,901	30,933,825	32,444,929	28,605,874
Public works	43,146,962	40,695,992	39,076,813	37,692,509	35,968,999	33,751,984	32,287,926	30,531,725	29,653,914	31,256,009
Technology services	24,817,161	23,536,254	26,540,857	18,420,184	19,215,958	18,193,246	18,524,241	18,193,965	17,035,972	15,485,073
Interest on long-term debt	12,831,275	13,460,964	13,137,948	15,660,793	12,725,258	10,897,222	10,309,486	8,887,609	11,454,975	16,606,292
Total governmental activities expenses	377,917,451	369,595,035	384,850,111	380,973,035	358,168,882	348,256,955	325,405,106	301,954,229	300,607,791	287,178,901
Business-type activities:										
Water and sewer	169,317,808	166,293,322	165,919,227	158,249,938	153,117,762	144,379,544	133,481,605	117,747,963	113,527,471	108,229,423
Sustainability and environmental services	31,906,204	28,779,807	30,769,325	30,404,600	26,932,415	26,767,335	25,354,273	22,043,523	22,664,437	22,343,541
Municipal drainage	7,055,069	6,483,487	5,661,224	5,737,101	5,308,525	4,977,428	4,933,219	4,613,572	4,576,230	4,475,248
Convention and tourism	9,511,343	7,467,714	8,728,965	9,997,772	8,937,082	8,661,450	7,402,651	9,093,255	6,547,215	6,287,787
Municipal golf course	941,744	837,798	1,020,315	938,059	1,173,724	1,220,462	1,198,346	1,789,341	1,017,816	1,021,602
Downtown center development	8,581	8,748	12,385	11,788	26,836	17,406	14,273	11,726	28,931	9,893
Recreation revolving	2,778,478	1,153,645	2,170,082	3,891,884	3,432,942	3,574,034	3,295,974	3,349,987	3,215,117	3,326,229
Total business-type activities expenses	221,519,227	211,024,521	214,281,523	209,231,142	198,929,286	189,597,659	175,680,341	158,649,367	151,577,217	145,693,723
Total primary government expenses	599,436,678	580,619,556	599,131,634	590,204,177	557,098,168	537,854,614	501,085,447	460,603,596	452,185,008	432,872,624
Program Revenues										
Governmental activities:										
Charges for services:										
General government	7,860,975	8,670,629	5,852,307	7,158,219	6,906,381	10,088,711	6,691,140	6,551,280	6,152,383	5,913,645
Administrative services	149,117	18,267	23,513	24,847	49,074	5,855	3,928	21,428	5,296	11,515
Police	8,633,086	8,590,717	9,107,057	14,290,643	17,637,778	18,608,424	17,981,734	17,361,393	16,615,952	16,518,724
Fire	6,903,668	5,895,986	7,139,689	6,771,721	6,138,787	5,941,980	5,798,677	5,496,159	4,898,085	4,549,906
Libraries	120,946	76,877	67,348	137,389	323,969	251,187	245,954	339,198	432,864	467,501
Development	10,939,460	9,735,663	7,906,705	7,034,801	7,588,183	9,335,464	12,573,047	10,206,808	6,492,386	6,129,225
Public services and operations	1,165,120	1,327,940	1,377,109	1,580,198	1,578,599	1,550,664	1,534,663	1,494,484	1,448,584	1,473,792
Parks and recreation	8,673,156	6,974,286	5,163,321	9,551,063	6,200,769	4,858,934	5,049,382	4,668,090	4,423,381	4,534,559
Public works	416,040	282,033	170,167	154,379	89,655	34,783	18,829	39,452	48,710	112,267
Technology services	4,656,195	4,321,836	4,239,203	4,087,167	3,789,685	3,673,689	3,862,930	3,297,065	3,044,377	2,930,541
Operating grants and contributions	46,287,625	38,177,985	38,930,198	16,419,176	15,900,571	12,735,876	13,846,703	18,586,476	15,264,041	14,058,293
Capital grants and contributions	5,288,711	4,520,953	9,080,740	22,049,949	13,149,824	12,042,196	16,642,121	19,043,456	11,542,543	8,576,392
Total governmental activities program revenues	101,094,099	88,593,172	89,057,357	89,259,552	79,353,275	79,127,763	84,249,108	87,105,289	70,368,602	65,276,360

(continued)

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

**Table 2
(continued)**

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Business-type activities:										
Charges for services:										
Water and sewer	\$ 191,480,491	\$ 166,260,792	\$ 169,326,233	\$ 165,610,500	\$ 169,851,498	\$ 143,957,017	\$ 140,654,894	\$ 132,067,317	\$ 114,554,767	\$ 121,115,371
Sustainability and environmental services	21,004,408	21,748,362	19,189,375	18,892,173	17,707,463	17,819,166	16,288,331	16,168,862	16,147,526	16,403,721
Municipal drainage	9,908,199	9,445,831	7,709,626	7,547,254	7,618,351	7,541,895	7,318,823	7,163,876	7,400,810	6,292,462
Convention and tourism	3,081,453	1,002,340	1,542,996	3,409,953	2,720,286	1,861,402	2,420,541	2,214,354	1,727,103	1,759,911
Municipal golf course	1,338,795	1,254,783	1,054,720	919,608	977,664	1,020,019	887,717	954,645	965,465	994,125
Downtown center development	62,831	72,678	72,678	73,278	94,393	68,678	73,206	147,789	93,896	67,928
Recreation revolving	3,405,797	1,938,605	1,505,331	4,099,481	3,728,889	3,889,169	3,733,821	3,635,336	3,773,493	3,820,358
Operating grants and contributions	-	-	-	-	-	-	1,041	60,980	-	358,588
Capital grants and contributions	2,804,559	1,210,647	7,412,313	6,099,345	4,443,912	7,778,571	4,451,393	5,548,273	3,463,123	4,254,902
Total business-type activities program revenues	233,086,533	202,934,038	207,813,272	206,651,592	207,142,456	183,935,917	175,829,767	167,961,432	148,126,183	155,067,366
Total primary government program revenues	334,180,632	291,527,210	296,870,629	295,911,144	286,495,731	263,063,680	260,078,875	255,066,721	218,494,785	220,343,726
Net (expense) revenue										
Governmental activities	(276,823,352)	(281,001,863)	(295,792,754)	(291,713,483)	(278,815,607)	(269,129,192)	(241,155,998)	(214,848,940)	(230,239,189)	(221,902,541)
Business-type activities	11,567,306	(8,090,483)	(6,468,251)	(2,579,550)	8,213,170	(5,661,742)	149,426	9,312,065	(3,451,034)	9,373,643
Total primary government net (expense)	(265,256,046)	(289,092,346)	(302,261,005)	(294,293,033)	(270,602,437)	(274,790,934)	(241,006,572)	(205,536,875)	(233,690,223)	(212,528,898)
General revenues and transfers										
Governmental activities:										
Property taxes	216,371,573	212,712,653	206,429,516	202,327,784	191,237,106	173,005,300	163,619,692	150,960,855	140,180,751	133,922,409
Sales taxes	108,199,089	93,476,667	87,256,319	88,493,108	85,790,057	81,795,481	76,948,348	76,326,156	74,468,963	68,831,243
Mixed drink taxes	2,752,147	2,122,801	1,748,846	2,402,680	2,322,487	2,048,388	1,930,054	1,761,817	1,659,703	1,277,913
Other taxes	368,973	133,212	194,110	124,661	644,540	213,020	145,579	131,642	164,195	398,357
Franchise fees	21,085,800	19,634,200	21,635,342	24,031,070	25,088,152	24,553,341	24,665,352	25,341,454	24,332,547	23,283,089
Investment income	(23,117,209)	2,974,751	17,150,138	19,904,018	4,548,178	3,018,751	3,180,298	3,096,190	1,396,949	973,519
Transfers	13,292,034	11,643,687	12,075,463	12,167,586	12,559,897	13,573,300	12,121,270	10,491,502	11,898,312	12,443,267
Total governmental activities	338,952,407	342,697,971	346,489,734	349,450,907	322,190,417	298,207,581	282,610,593	268,109,616	254,101,420	241,129,797
Business-type activities:										
Hotel occupancy taxes	10,889,103	6,945,359	6,725,576	11,474,715	9,209,353	8,685,384	8,263,231	7,342,639	5,984,727	5,095,504
Franchise fees	8,628,798	8,478,963	8,464,909	9,035,082	8,631,271	8,753,718	8,499,964	7,957,587	7,570,258	7,068,059
Investment income	(4,727,933)	479,548	3,059,983	3,839,959	797,183	453,519	539,844	544,194	449,967	196,590
Transfers	(13,292,034)	(11,643,687)	(12,075,463)	(12,167,586)	(12,559,897)	(13,573,300)	(12,121,270)	(10,491,502)	(11,898,312)	(12,443,267)
Total business-type activities	1,497,934	4,260,183	6,175,005	12,182,170	6,077,910	4,319,321	5,181,769	5,352,918	2,106,640	(83,114)
Total primary government	340,450,341	346,958,154	352,664,739	361,633,077	328,268,327	302,526,902	287,792,362	273,462,534	256,208,060	241,046,683
Change in net position										
Governmental activities	62,129,055	61,696,108	50,696,980	57,737,424	43,374,810	29,078,389	41,454,595	53,260,676	23,862,231	19,227,256
Business-type activities	13,065,240	(3,830,300)	(293,246)	9,602,620	14,291,080	(1,342,421)	5,331,195	14,664,983	(1,344,394)	9,290,529
Total primary government	\$ 75,194,295	\$ 57,865,808	\$ 50,403,734	\$ 67,340,044	\$ 57,665,890	\$ 27,735,968	\$ 46,785,790	\$ 67,925,659	\$ 22,517,837	\$ 28,517,785

Source: Annual Comprehensive Financial Report

CITY OF PLANO, TEXAS

Table 3

FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

(unaudited)

	Fiscal year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Fund										
Nonspendable	\$ 503,367	\$ 648,008	\$ 747,041	\$ 443,626	\$ 452,138	\$ 426,935	\$ 455,431	\$ 506,576	\$ 793,454	\$ 152,616
Assigned	8,467,715	6,991,053	4,955,264	5,516,549	5,398,044	8,648,847	7,482,574	5,308,518	4,617,229	3,467,826
Unassigned	59,388,187	57,909,616	55,902,939	52,719,878	46,363,342	42,559,341	46,251,968	45,788,922	45,914,135	52,689,982
Total general fund	\$ 68,359,269	\$ 65,548,677	\$ 61,605,244	\$ 58,680,053	\$ 52,213,524	\$ 51,635,123	\$ 54,189,973	\$ 51,604,016	\$ 51,324,818	\$ 56,310,424
All Other Governmental Funds										
Nonspendable	\$ 2,177	\$ 48,005	\$ 4,618	\$ 2,907,075	\$ 2,914,126	\$ 203,063	\$ 350,071	\$ 200,110	\$ 64,510	\$ 22,830
Restricted	113,351,335	156,227,768	179,416,915	148,005,503	139,233,489	118,218,632	110,520,152	83,521,364	87,225,859	94,919,165
Committed	69,130,134	64,402,705	59,345,711	52,566,786	48,179,905	52,076,874	45,745,697	41,176,158	34,066,858	26,320,350
Assigned	170,148,818	109,121,698	74,982,713	96,815,937	85,460,149	82,418,884	79,391,186	96,276,903	86,964,225	69,940,931
Unassigned	(1,791,693)	(1,191,728)	(229,841)	(223,661)	(356,136)	-	-	(441,228)	-	-
Total all other governmental funds	\$ 350,840,771	\$ 328,608,448	\$ 313,520,116	\$ 300,071,640	\$ 275,431,533	\$ 252,917,453	\$ 236,007,106	\$ 220,733,307	\$ 208,321,452	\$ 191,203,276

Source: Annual Comprehensive Financial Report

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

Table 4

	Fiscal year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues:										
Taxes:										
Property taxes	\$ 202,171,685	\$ 200,329,766	\$ 193,848,107	\$ 189,817,662	\$ 178,046,219	\$ 161,637,414	\$ 152,476,517	\$ 139,784,392	\$ 130,387,583	\$ 124,453,986
Other taxes	111,508,168	94,781,930	88,687,767	90,755,222	88,014,346	83,724,225	78,390,614	78,708,945	75,793,144	70,185,140
Franchise fees	20,570,938	19,088,694	20,948,685	23,330,387	24,354,134	23,778,918	23,795,403	24,452,648	23,469,220	22,455,605
Fines and forfeitures	4,450,993	4,443,221	4,929,202	9,942,676	13,469,216	13,865,452	13,228,933	17,004,610	12,381,098	11,584,047
Contributions	10,101,746	9,626,167	9,517,998	9,172,962	11,864,743	8,275,401	16,065,928	14,451,847	14,386,075	7,912,545
Rollback taxes	203,156	363,767	240,301	194,215	775,587	1,083,768	2,080,324	1,705,253	593,756	704,467
Licenses and permits	12,415,455	11,428,949	8,215,483	8,794,102	9,521,069	11,096,275	13,864,396	11,521,327	8,464,559	8,514,993
Intragovernmental	13,530,063	12,283,397	12,376,756	12,264,483	12,366,054	10,272,023	9,845,021	9,073,068	8,839,577	9,246,857
Intergovernmental	36,258,524	30,816,508	32,045,840	24,118,568	7,226,129	3,294,983	8,600,986	8,762,083	6,861,157	8,378,604
Charges for services	20,056,464	16,959,300	16,646,271	21,068,480	17,232,194	17,591,060	17,476,570	17,235,709	16,093,966	15,626,146
Assessments	-	-	-	-	-	-	-	4,555	-	13,512
Assessed taxes	143,929	143,929	138,263	86,540	79,560	97,091	96,327	-	-	-
Loan repayments	64,394	151,802	75,562	161,782	26,190	44,326	52,553	-	-	-
Investment income	(20,011,483)	2,502,551	14,463,906	16,523,779	3,812,784	2,610,264	2,708,822	2,566,239	539,548	803,395
Insurance receipts	-	-	-	-	-	2,524,669	-	-	-	-
Miscellaneous	2,384,663	4,222,493	2,098,185	3,139,882	2,757,734	2,941,582	2,088,223	2,688,796	2,409,120	2,715,685
Total revenues	413,848,695	407,142,474	404,232,326	409,370,740	369,545,959	342,837,451	340,770,617	327,959,472	300,218,803	282,594,982
Expenditures:										
Current:										
General government	32,625,979	28,827,074	30,798,961	28,330,854	29,285,243	27,946,543	28,719,550	28,745,531	23,153,000	22,100,556
Administrative services	13,510,685	13,530,398	12,181,897	12,293,671	11,242,058	11,009,172	10,137,693	9,671,352	9,075,852	8,429,725
Police	96,843,776	92,282,548	91,502,568	92,232,377	91,071,389	85,173,812	77,750,758	76,345,150	72,624,201	69,419,105
Fire	70,252,974	68,937,969	66,364,628	65,226,911	61,459,845	59,067,134	53,993,731	51,601,545	48,671,045	45,723,609
Libraries	13,179,054	11,956,910	12,454,004	12,651,794	11,346,986	10,933,170	10,910,966	9,894,090	9,807,337	9,163,013
Development	48,141,123	49,205,188	47,449,567	42,292,492	48,359,267	35,587,723	35,279,126	33,168,506	35,721,485	27,163,001
Public services and operations	9,005,968	8,119,893	8,272,140	8,116,706	7,937,937	7,659,746	7,323,817	6,603,174	7,293,539	6,204,948
Parks and recreation	29,717,794	27,449,113	26,077,933	26,737,356	25,293,952	24,471,388	23,043,731	21,730,109	20,362,792	19,376,076
Sustainability and environmental services	-	-	-	-	-	-	877	51,856	-	664,613
Public works	8,111,993	7,486,190	7,264,887	7,480,001	7,427,734	6,488,697	6,328,770	5,945,885	5,817,124	5,931,011
Technology services	1,000,000	1,000,000	2,379,149	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Capital outlay	105,299,376	107,477,666	127,135,076	108,889,776	102,403,953	90,609,900	79,143,347	79,259,135	44,164,938	45,403,651
Interest and fiscal charges	1,000,226	706,751	502,461	656,331	579,586	204,212	267,002	273,480	100,335	175,051
Debt service:										
Principal retirement	33,393,642	31,530,000	29,375,000	30,205,000	28,765,000	27,145,000	28,540,000	29,430,000	28,135,000	30,335,000
Interest and fiscal charges	19,106,870	19,139,601	17,442,679	18,023,790	14,650,303	14,652,723	12,982,753	12,398,406	13,015,703	13,902,230
Total expenditures	481,189,460	467,649,301	479,200,950	454,137,059	440,823,253	401,949,220	375,422,121	366,118,219	318,942,351	304,991,589
Deficiency of revenues under expenditures	(67,340,765)	(60,506,827)	(74,968,624)	(44,766,319)	(71,277,294)	(59,111,769)	(34,651,504)	(38,158,747)	(18,723,548)	(22,396,607)

(continued)

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

Table 4
(continued)

	Fiscal year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Other financing sources (uses):										
Issuance of debt	\$ 76,450,000	\$ 62,595,000	\$ 70,455,000	\$ 59,145,000	\$ 77,915,000	\$ 54,740,000	\$ 33,610,000	\$ 30,130,000	\$ 20,680,000	\$ 22,175,000
Issuance of debt-refunding	-	11,490,000	4,180,000	4,275,000	-	27,805,000	33,585,000	51,300,000	8,645,000	39,750,000
Escrow payment-refunding	-	(13,110,000)	(4,590,261)	(4,869,493)	-	(32,589,261)	(39,339,873)	(57,298,532)	(11,373,354)	(48,059,266)
Premium on sale of bonds	3,728,395	7,392,136	7,085,255	6,127,422	4,443,627	10,517,669	12,243,821	10,503,390	952,750	11,439,780
Capital receipt of land	-	-	-	-	-	-	650,000	-	-	-
Capital disposal of land	-	-	-	-	-	-	(650,000)	-	-	-
Proceeds from sale of land	-	-	1,890,396	-	-	-	830,000	456,000	-	144,020
Transfers in	60,018,132	51,442,913	48,962,041	43,039,104	40,819,060	38,680,903	36,271,298	38,735,713	33,629,949	26,993,051
Transfers out	(47,812,847)	(40,271,457)	(36,640,140)	(31,844,078)	(28,807,912)	(25,687,045)	(24,688,986)	(22,976,771)	(21,678,227)	(13,587,046)
Total other financing sources	92,383,680	79,538,592	91,342,291	75,872,955	94,369,775	73,467,266	52,511,260	50,849,800	30,856,118	38,855,539
Net change in fund balances	\$ 25,042,915	\$ 19,031,765	\$ 16,373,667	\$ 31,106,636	\$ 23,092,481	\$ 14,355,497	\$ 17,859,756	\$ 12,691,053	\$ 12,132,570	\$ 16,458,932
Debt service as a percentage of noncapital expenditures	14.0%	14.1%	13.3%	14.0%	12.8%	13.4%	14.0%	14.6%	15.0%	17.0%

Source: Statement of Revenues and Expenditures

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

Table 5

Fiscal Year	Estimated Market Value			Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property Residential	Real Property Non-Residential	Non-Real Property Personal			
2013	\$ 20,614,106,560	\$ 8,261,636,814	\$ 2,793,315,064	\$ 6,021,553,525	\$ 25,647,504,913	\$ 0.4886
2014	21,311,000,073	8,823,285,904	2,991,385,705	6,200,498,251	26,925,173,431	0.4886
2015	23,162,425,188	9,484,172,986	3,226,199,045	7,039,911,544	28,832,885,675	0.4886
2016	25,513,643,395	10,228,975,248	3,332,540,330	7,795,148,020	31,280,010,953	0.4886
2017	28,337,673,807	11,154,737,907	3,336,271,261	8,476,155,936	34,352,527,039	0.4786
2018	30,462,326,984	14,153,497,676	3,572,079,971	9,121,844,876	39,066,059,755	0.4686
2019	33,597,627,029	15,316,491,841	3,592,061,370	9,784,093,465	42,722,086,775	0.4603
2020	35,162,765,539	16,227,114,514	4,025,352,218	10,340,342,237	45,074,890,034	0.4482
2021	36,212,423,085	16,628,075,561	4,144,052,447	10,419,695,940	46,564,855,153	0.4482
2022	37,813,711,417	16,695,210,222	3,968,989,421	10,785,602,439	47,692,308,621	0.4465

Source: City of Plano Budget Department and Collin and Denton Central Appraisal Districts based on original tax roll.

Note: Real, Personal and Tax-Exempt breakout of Net Adjustments provided by Kenneth L. Maun, Tax Assessor/Collector, is unavailable.

CITY OF PLANO, TEXAS
PROPERTY TAX RATES (per \$100 of assessed valuation) -
ALL DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(unaudited)

Table 6

Fiscal Year (1)	City Direct Rates			Overlapping Rates						
	General Fund	Debt Service Fund	Total	Plano School District	Allen School District	Collin County	Frisco School District	Lewisville School District	Denton County	Collin College
2013	\$ 0.3192	\$ 0.1694	\$ 0.4886	\$ 1.3734	\$ 1.67	\$ 0.240	\$ 1.46	\$ 1.4530	\$ 0.2829	\$ 0.0836
2014	0.3296	0.1590	0.4886	1.4530	1.67	0.235	1.46	1.4770	0.2849	0.0836
2015	0.3438	0.1448	0.4886	1.4390	1.64	0.225	1.46	1.4770	0.2849	0.0820
2016	0.3576	0.1310	0.4886	1.4390	1.61	0.225	1.46	1.4767	0.2620	0.0820
2017	0.3556	0.1230	0.4786	1.4390	1.59	0.192	1.46	1.4200	0.2484	0.0812
2018	0.3500	0.1186	0.4686	1.4390	1.57	0.192	1.46	1.4075	0.2378	0.0798
2019	0.3493	0.1110	0.4603	1.4390	1.55	0.181	1.44	1.3375	0.2256	0.0812
2020	0.3372	0.1110	0.4482	1.3374	1.46	0.175	1.34	1.3375	0.2253	0.0812
2021	0.3372	0.1110	0.4482	1.3374	1.43	0.173	1.31	1.3473	0.2331	0.0812
2022	0.3330	0.1135	0.4465	1.3208	1.41	0.168	1.27	1.3085	0.2175	0.0812

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

Sources: Representatives of the various taxing jurisdictions.

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

Table 7

Name of Taxpayer	2022			2013		
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation
Toyota Motor North America Inc	\$ 540,844,799	1	1.17%	\$ -		
Legacy West Investors LP	394,500,000	2	0.86%			
JP Morgan Chase Bank NA	356,158,752	3	0.77%			
CCI-D 6501 Legacy Owners LLC	335,000,000	4	0.73%			
Oncor Electric Delivery Company	259,792,826	5	0.56%	198,889,412	1	0.78%
5765 Bozeman (Tx) Owner LP	229,952,844	6	0.50%			
T-Mobile West LLC	228,894,995	7	0.50%			
Liberty Mutual Plano LLC	203,628,358	8	0.44%			
Bank of America NA	182,160,743	9	0.40%	122,952,041	3	0.48%
UDR Legacy Village LLC	176,750,105	10	0.38%			
KBSIII Legacy Town Center LLC				109,100,000	5	0.43%
J C Penney Co Inc				164,974,971	2	0.65%
Legacy Campus LP				113,967,727	4	0.45%
HSP Of Texas Inc				104,717,877	6	0.41%
United Dominion Realty LP				101,764,000	7	0.40%
Willow Bend Assoc LP				98,000,000	8	0.38%
Electronic Data Systems Corporation				97,375,778	9	0.38%
Ericsson Inc				96,756,777	10	0.38%
	<u>\$ 2,907,683,422</u>		<u>6.31%</u>	<u>\$ 1,208,498,583</u>		<u>4.74%</u>

Sources: Collin and Denton County Appraisal Districts

Note: Percentages calculated based on adjusted tax levy of \$46,034,181,944 for fiscal year 2022 and \$25,488,975,645 for fiscal year 2013.

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

Table 8

Fiscal Year	Tax Levied Within the Fiscal Year of the Levy	Adjustments to Levy in Subsequent Years	Adjusted Taxes Levied for the Fiscal Year	Collections Current Year's Taxes During Period	Collections Transferred to TIF Component Units	Total Current Year Collections	Percent of Levy Collected During Fiscal Period	Collections in Subsequent Years	Total Tax Collections	Ratio of Total Tax Collections to Current Levy
2013	\$ 124,539,135	\$ 468,684	\$ 125,007,819	\$ 123,439,222	\$ 765,800	\$ 124,205,022	99.73%	\$ 721,139	\$ 124,926,161	99.93%
2014	130,892,241	485,131	131,377,372	129,630,739	765,689	130,396,428	99.62	897,339	131,293,766	99.94
2015	139,575,321	237,635	139,812,956	137,978,707	866,051	138,844,758	99.48	872,762	139,717,520	99.93
2016	151,033,590	(41,410)	150,992,180	149,629,519	1,032,587	150,662,106	99.75	230,086	150,892,192	99.93
2017	161,973,421	(321,077)	161,652,344	160,220,041	1,467,896	161,687,937	99.82	(156,257)	161,531,680	99.93
2018	179,305,578	(469,029)	178,836,549	177,244,572	1,663,605	178,908,177	99.78	(218,287)	178,689,890	99.92
2019	191,830,572	(860,687)	190,969,885	189,455,568	1,960,247	191,415,815	99.78	(625,235)	190,790,580	99.91
2020	196,275,097	(529,286)	195,745,811	193,818,037	2,074,137	195,892,174	99.80	(420,738)	195,471,436	99.86
2021	202,492,736	(859,823)	201,632,913	199,425,009	2,548,640	201,973,649	99.74	(638,434)	201,335,215	99.85
2022	205,542,622	-	205,542,622	202,312,918	2,720,126	205,033,044	99.75	N/A	205,033,044	99.75

Note: Negative levy adjustments and collection balances are the result of recalculated refunds due to disputed appraisal values.

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

Table 9

Fiscal Year	Governmental Activities			Business-type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds and Tax Anticipation Notes	Leases	Water and Sewer Revenue Bonds	Municipal Drainage Revenue Bonds	Leases				
2013	\$ 330,423,813	\$ -	\$ -	\$ 20,150,978	\$ -	\$ 350,574,791	3.22 %	1,318	
2014	319,362,266	-	-	18,016,010	-	337,378,276	2.98	1,249	
2015	322,852,271	-	-	16,367,610	-	339,219,881	2.93	1,240	
2016	332,366,608	-	28,210,692	14,279,894	-	374,857,194	3.11	1,355	
2017	363,534,046	-	27,276,451	18,940,154	-	409,750,651	3.27	1,468	
2018	411,906,068	-	39,012,987	17,052,171	-	467,971,226	3.57	1,655	
2019	441,336,296	-	37,004,927	22,020,333	-	500,361,556	3.67	1,754	
2020	482,993,512	-	34,806,216	20,163,710	-	537,963,438	3.78	1,871	
2021	513,078,273	-	45,148,138	59,642,819	-	617,869,230	4.31	2,145	
2022	553,206,383	4,273,989	41,836,340	57,569,242	782,051	657,668,005	4.54	2,258	

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

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

Table 10

Fiscal Year	General Obligation Bonds and Tax Anticipation Notes	Less: Amounts Available in Debt Service Fund	Net General Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita
2013	\$ 330,423,813	\$ 1,573,430	\$ 328,850,383	1.28 %	\$ 1,237
2014	319,362,268	3,340,771	316,021,497	1.17	1,170
2015	322,852,271	3,701,797	319,150,474	1.11	1,166
2016	332,366,608	3,925,760	328,440,847	1.05	1,187
2017	363,534,046	4,440,930	359,093,116	1.05	1,287
2018	411,906,068	6,571,577	405,334,491	1.04	1,434
2019	441,336,296	5,548,057	435,788,239	1.02	1,527
2020	482,993,512	8,116,339	474,877,173	1.05	1,652
2021	513,078,273	7,352,771	505,725,502	1.09	1,755
2022	553,206,383	5,063,562	548,142,821	1.15	1,882

Note: See Table 5 for property value data.

Note: See Table 15 for population data.

**CITY OF PLANO, TEXAS
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
SEPTEMBER 30, 2022
(unaudited)**

Table 11

Taxing Body	Debt Outstanding	Percentage of Debt Applicable to Area	City of Plano Share of Debt
City of Plano	\$ 553,206,383	100.00%	\$ 553,206,383
Total direct debt	553,206,383		553,206,383
Plano Independent School District	492,195,000	69.81%	343,601,330
Collin County	543,645,000	33.38%	181,468,701
Denton County	559,930,000	1.58%	8,846,894
Frisco Independent School District	2,584,125,567	12.99%	335,677,911
Allen Independent School District	1,034,853,305	0.65%	6,726,546
Lewisville Independent School District	1,502,031,827	4.08%	61,282,899
Collin College	543,871,218	33.38%	181,544,213
Total overlapping debt	4,676,526,350		1,119,148,494
Total direct and overlapping bonded debt	\$ 5,229,732,733		\$ 1,672,354,877
Ratio of overlapping bonded debt to taxable assessed valuation (valued at 100% of market value)			3.55%
Per capita overlapping bonded debt			\$ 5,743

Sources: For net bonded debt, representatives (business manager or finance officer) of the taxing jurisdictions. For percentage of debt applicable to City, the Municipal Advisory Council of Texas.

**CITY OF PLANO, TEXAS
COMPUTATION OF LEGAL DEBT MARGIN
SEPTEMBER 30, 2022
(unaudited)**

Table 12

As a home rule city, the City of Plano is not limited by the law in the amount of debt it may issue. The City's Charter (Section 9.18) states:

The City Council shall have the power under the provisions of the state law to levy, assess and collect an annual tax upon real and personal property within the City to the maximum provided by the Constitution and the general laws of the State of Texas. The City Council shall also have the power to levy occupation taxes on such occupations as consistent with the general laws of the State of Texas.

Article II, Section 5 of the State of Texas Constitution states in part:

...but no tax for any purpose shall ever be lawful for any one year, which shall exceed two and one-half percent of the taxable property of such city.

The tax rate at October 1, 2021 is \$0.4465 per \$100.00 with assessed valuation at 100% of market value.

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

Table 13

Fiscal Year	Total Operating Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Annual Debt Service Requirements			Coverage
				Principal	Interest	Total	
2013	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2016	140,225,993	109,031,127	31,194,866	930,000	985,050	1,915,050	1629%
2017	143,783,223	118,878,037	24,905,186	855,000	980,400	1,835,400	1357%
2018	169,527,381	126,024,504	43,502,877	1,825,000	1,446,070	3,271,070	1330%
2019	165,449,556	130,333,204	35,116,352	1,855,000	1,411,200	3,266,200	1075%
2020	169,258,210	138,500,945	30,757,265	1,935,000	1,337,000	3,272,000	940%
2021	166,190,392	139,031,944	27,158,448	2,945,000	1,650,277	4,595,277	591%
2022	191,403,438	140,859,477	50,543,961	3,020,000	1,569,350	4,589,350	1101%

Note: Direct operating expense excludes depreciation, charges in lieu of taxes, and net pension and other postemployment benefits expense.

Beginning with the 2016 bond issue, a reserve fund is not required so long as the net revenues equal or exceed 150% of the annual debt service requirements due and payable in the fiscal year.

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

Table 14

Fiscal Year	Gross Revenue	Operating and Maintenance Expense	Net Revenue Available for Debt Service	Average Annual Debt Service Requirement			Coverage
				Principal	Interest	Total	
2013	\$ 6,327,655	\$ 2,524,631	\$ 3,803,024	\$ 1,165,588	\$ 325,751	\$ 1,491,339	2.55
2014	7,475,077	2,852,291	4,622,786	1,106,563	295,615	1,402,178	3.30
2015	7,256,952	3,350,309	3,906,643	1,053,667	230,741	1,284,408	3.04
2016	7,392,218	3,445,947	3,946,271	982,857	211,124	1,193,981	3.31
2017	7,507,296	3,297,572	4,209,724	945,000	260,839	1,205,839	3.49
2018	7,724,220	3,691,664	4,032,556	895,278	240,647	1,135,925	3.55
2019	8,014,835	3,817,171	4,197,664	1,040,500	303,410	1,343,910	3.12
2020	8,106,541	3,927,825	4,178,716	1,002,105	281,088	1,283,193	3.26
2021	9,515,469	3,871,129	5,644,340	1,381,625	684,897	2,066,522	2.73
2022	8,100,035	4,482,115	3,617,920	1,366,538	658,063	2,024,601	1.79

Note: Operating expense excludes depreciation and net pension and other postemployment benefits expense.

Note: Bond ordinance requires that revenues are at least 1.25 times the average annual debt service for all outstanding bonds.

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

Table 15

DEMOGRAPHICS					
Fiscal Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	PISD School Enrollment	Unemployment Rate (%)
2013	265,900	\$ 10,885,414	\$ 40,938	54,735	5.6 %
2014	270,100	11,317,730	41,902	54,822	4.6
2015	273,600	11,591,338	42,366	54,689	3.5
2016	276,700	12,058,309	43,579	54,573	3.7
2017	279,100	12,519,031	44,855	54,173	3.2
2018	282,700	13,115,584	46,394	53,952	3.2
2019	285,300	13,648,752	47,840	53,085	2.9
2020	287,500	14,218,313	49,455	50,116	6.3
2021	288,100	14,872,874	51,624	50,154	3.8
2022	291,200	14,499,430	49,792	49,405	3.0

Sources: Population estimates were prepared by the City of Plano. Personal income estimates were obtained from the U.S. Census Bureau beginning in fiscal year 2014. School enrollment figures were provided by the Plano Independent School District (PISD). Unemployment rates were provided by the Texas Workforce Commission.

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

Table 16

2022			2013		
Employer	Employees	Percentage of Total City Employment	Employer	Employees	Percentage of Total City Employment
JPMorgan Chase	8,108	4.83 %	Bank of America Home Loans	8,000	5.45 %
Capital One Finance	7,273	4.33	HP Enterprise Services	4,500	3.07
Bank of America	4,500	2.68	Capital One	3,175	2.16
Toyota Motor North America, Inc.	4,018	2.39	JCPenney	3,000	2.04
Liberty Mutual Insurance Company	2,519	1.50	Ericsson	2,650	1.81
AT&T Foundry	2,500	1.49	Alcatel-Lucent	2,500	1.70
Ericsson	2,457	1.46	Frito-Lay	2,400	1.64
Medical City Plano	2,332	1.39	Dell Services	2,250	1.53
USAA	2,092	1.25	Texas Health Presbyterian Hospital Plano	1,680	1.14
Samsung Electronics America, Inc.	2,081	1.24	Medical Center of Plano	1,300	0.89
Total	37,880	22.56	Total	31,455	21.43

Sources: Plano Economic Development Board
Sources: Texas Workforce Commission

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

Table 17

	Fiscal year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General government	87.0	84.0	90.5	95.0	96.0	92.5	90.0	93.0	91.0	96.5
Administrative services	94.0	99.0	101.0	104.5	96.0	92.5	91.5	87.5	83.5	81.5
Police	687.5	688.0	691.0	711.5	692.5	669.5	628.0	611.0	625.5	616.0
Fire	402.0	401.0	406.0	399.0	400.0	397.0	362.5	365.0	359.0	349.0
Libraries	150.5	144.5	145.5	155.5	156.5	152.0	155.0	149.0	148.5	148.5
Development	186.0	188.5	180.5	185.0	184.5	184.5	180.0	167.0	155.5	147.5
Public services and operations	81.0	76.5	77.5	78.0	76.0	75.0	73.0	71.5	69.0	66.5
Parks and recreation	423.5	380.5	439.5	438.5	421.5	415.5	360.5	358.0	347.5	386.0
Public works	59.0	63.0	62.0	69.0	70.0	69.0	66.0	61.0	61.0	61.0
Technology services	69.5	61.0	62.0	64.0	59.0	54.0	58.0	55.0	57.0	50.0
Water and sewer	121.0	122.0	132.5	136.5	141.5	141.5	145.5	147.0	150.0	147.0
Sustainability and environmental services	95.5	93.5	95.5	100.0	97.0	100.0	94.5	95.5	97.5	94.0
Municipal drainage	29.0	26.0	25.0	24.0	22.0	26.0	28.0	28.0	25.0	22.0
Convention and tourism	42.0	39.5	40.0	43.5	40.0	41.0	39.5	40.0	42.0	40.0
Municipal golf course	8.0	8.0	8.0	6.0	7.0	8.0	8.0	8.0	9.5	8.0
Recreation revolving	101.0	91.5	127.5	127.0	128.5	143.5	149.5	126.5	138.5	139.0
Total	2,636.5	2,566.5	2,684.0	2,737.0	2,688.0	2,661.5	2,529.5	2,463.0	2,460.0	2,452.5

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

Table 18

Function/Program	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Administrative Services										
Legal										
Ordinance/resolution review/preparation	128	179	147	147	129	141	226	194	226	237
Human Resources										
Full-time civilian employees	1,460	1,432	1,451	1,498	1,454	1,434	1,410	1,378	1,363	1,330
Accounting										
Payment requests processed	58,514	51,453	59,068	65,587	61,800	65,025	66,170	64,268	64,765	66,076
Police										
Employees (uniformed)	400	413	395	405	406	394	361	346	352	345
Citations	63,216	31,464	41,809	59,653	59,137	53,111	63,559	65,269	68,258	72,507
Public Safety Communications										
911 calls*	164,564	167,861	153,548	159,522	156,865	161,310	159,795	166,304	164,299	160,196
911 dispatches*	249,328	242,072	234,869	256,602	226,222	204,016	215,733	218,773	226,704	235,572
Fire										
Employees (uniformed)	381	381	385	379	380	377	343	347	341	333
Fire runs	38,021	32,570	25,723	27,496	27,890	26,570	25,005	24,618	22,615	21,801
EMS runs	21,511	20,035	17,288	18,148	17,667	15,760	15,689	15,462	14,521	14,155
Libraries										
Volumes in collection	728,356	729,551	745,562	740,968	691,466	795,654	770,701	786,982	803,074	811,941
Registered borrowers	198,264	186,277	190,504	195,986	188,470	188,787	181,131	200,369	203,478	205,512
Development										
Building Inspections										
Inspections (all construction)	56,207	47,950	48,155	55,252	64,632	71,069	65,230	59,384	56,014	62,479
New construction permits issued	1,168	692	551	817	755	765	825	1,070	810	818
Engineering										
New streets/alleys paved (miles)	7	1	2	3	1	5	4	4	5	5
New water lines installed (miles)	18	10	23	19	17	24	18	24	16	21
Public Services and Operations										
Environmental Health										
Inspections	4,938	7,019	6,652	6,355	6,242	7,417	6,482	5,929	6,087	5,898
Animal Control										
Animals impounded	6,089	7,401	8,075	6,386	6,383	6,891	6,947	7,687	8,302	9,152

(continued)

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

Table 18
(continued)

Function/Program	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Parks and Recreation										
Recreation attendance	2,058,132	1,274,219	1,000,229	2,496,307	2,332,667	2,295,266	2,561,438	2,420,165	2,356,309	2,393,394
Recreation center members	38,846	54,569	43,547	67,847	63,550	54,482	51,254	49,857	52,664	50,476
Public Works										
Streets										
Streets, alleys and sidewalks										
Excavate/Replace (Sq Ft)	3,331,913	5,328,213	4,690,871	2,632,027	2,562,992	2,461,590	2,109,483	1,661,006	1,607,939	1,490,877
Water and Sewer										
Water customers	82,849	82,425	82,206	81,772	81,346	80,827	80,621	80,371	79,139	78,534
Average daily water consumption (gal)	60,799,580	57,139,123	57,153,954	51,548,075	59,734,375	48,909,020	56,517,827	49,676,000	73,200,000	80,928,294
Maximum storage capacity (gal)+	126,000,000	126,000,000	126,000,000	126,000,000	85,500,000	85,500,000	85,500,000	85,500,000	88,000,000	88,000,000
Sustainability and Environmental Services (residential)										
Refuse collected (tons)	60,760	64,371	63,682	67,636	61,227	58,319	60,287	58,703	57,154	57,191
Bulky waste pickups (tons)	6,216	7,323	7,553	7,390	6,157	6,470	6,535	5,095	4,925	4,600
Recyclables collected (tons)	15,388	16,902	17,616	17,175	17,698	17,489	18,406	18,627	18,623	18,816
Yard trimmings collected (tons)	17,341	17,429	21,261	18,422	18,540	19,540	21,199	20,840	24,299	21,108
Municipal Drainage										
Environmental assessment requests	104	29	36	59	100	132	171	207	133	92
Storm sewer inlets maintained	3,761	6,529	9,364	9,847	10,023	9,870	9,268	8,462	8,983	9,527
Convention and Tourism										
Event days booked and serviced	256	148	168	300	300	150	246	275	247	249
Municipal Golf Course										
Rounds of golf played	59,170	57,719	44,702	46,834	48,155	52,746	48,982	45,223	50,447	53,324
Recreation Revolving										
Courses completed	6,411	4,006	2,993	6,464	6,999	6,512	6,971	7,137	6,966	7,172

Source: City Departments

Notes: *911 Calls and 911 dispatches include all calls to 911 which represent both police and fire.

+Beginning in Fiscal Year 2019, maximum water storage capacity includes gallons currently in the distribution system; data is not available for prior years.

Operating indicators are not available for the general government, technology services, property management or downtown center development functions.

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

Table 19

Function/Program	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Police										
Number of stations	3	3	3	3	3	3	3	3	3	3
Number of patrol units	163	162	161	159	154	147	130	127	124	128
Number of motorcycle units	0	1	2	5	5	5	5	5	6	6
Fire										
Number of stations and training centers	14	13	13	13	13	13	13	13	13	13
Number of fire engines/trucks	24	24	24	24	23	22	22	22	22	22
Number of EMS trucks	13	13	13	13	11	11	11	10	10	10
Libraries										
Number of libraries	5	5	5	5	5	5	5	5	5	5
Development										
Planning										
Streets- paved (miles)	1,056	1,050	1,050	1,048	1,045	1,044	1,039	1,035	1,031	1,026
Alleys- paved (miles)	521	520	520	520	519	519	519	519	519	519
Public Services and Operations										
Animal Services										
Animal control trucks	8	8	8	8	8	8	8	8	8	8
Parks and Recreation										
Parks* (acres)	4,376	4,376	4,382	4,382	4,375	4,322	4,268	4,244	4,241	4,002
Athletic fields	139	151	151	157	163	161	171	179	179	179
Playgrounds	70	70	70	71	70	71	69	70	69	69
Recreation centers	4	5	5	5	5	5	5	4	4	4
Tennis centers	1	1	1	1	1	1	1	1	1	1
Senior centers	1	1	1	1	1	1	1	1	1	1
Aquatic/Natatorium	9	9	9	9	9	9	8	7	8	9
Public Works										
Traffic signals	241	239	238	232	230	227	225	221	220	219

(continued)

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

**Table 19
(continued)**

Function/Program	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Water and Sewer										
Water mains (miles)	1,485	1,471	1,463	1,448	1,435	1,427	1,414	1,405	1,391	1,384
Sanitary sewers (miles)	1,052	1,050	1,049	1,045	1,042	1,037	1,032	1,029	1,024	1,019
Fire hydrants	16,176	16,001	15,945	15,794	15,583	15,452	15,256	15,111	14,918	14,817
Sustainability and Environmental Services										
Collection trucks	54	54	54	50	51	51	50	50	50	50
Municipal Drainage										
Storm sewers (miles)	707	705	704	700	697	694	688	682	677	673
Convention and Tourism										
Civic centers	1	1	1	1	1	1	1	1	1	1

Source: City Departments

Notes: *Includes Golf Course.

Capital asset indicators are not available for the general government, administrative services, property management, recreation revolving or downtown center development functions.

City of Plano, Texas

Single Audit Report

For the Fiscal Year Ended September 30, 2022

City of Plano, Texas
Single Audit Report
For the Fiscal Year Ended September 30, 2022
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**Independent Auditor's Report on Internal Control over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance with Government Auditing Standards**

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

We have audited, 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, the 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 City of Plano, Texas (the City) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 5, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
January 5, 2023

**Independent Auditor's Report on Compliance for Each Major
Federal and State Program, Report on Internal Control over Compliance,
and Report on Schedule of Expenditures of Federal
and State Awards Required by the Uniform Guidance and the
Texas Grant Management Standards**

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

Opinion on Each Major Federal and State Program

We have audited the City of Plano, Texas (the City)'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the Texas Grant Management Standards that could have a direct and material effect on each of the City's major federal and state programs for the year ended September 30, 2022. The City's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended September 30, 2022.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the Texas Grant Management Standards (TxGMS) issued by the Texas Governor's Office of Budget and Planning. Our responsibilities under those standards, the Uniform Guidance, and TxGMS are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal and state programs.

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and TxGMS will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and TxGMS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and TxGMS, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and TxGMS. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and the Texas Grant Management Standards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Plano, Texas as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon, dated January 5, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by the Uniform Guidance and Texas Grant Management Standards and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare 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 schedule of expenditures of federal and state awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
January 5, 2023

City of Plano, Texas

Schedule of Expenditures of Federal and State Awards For the Fiscal Year Ended September 30, 2022

Federal Grantor/Pass-Through Grantor Program Title	Federal Assistance Listing Number	Grantor or Pass-Through Grantor's Number	Program Award Expenditures	Passed Through to Subrecipients
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed through Texas Division of Emergency Management:				
Disaster Grants - Public Assistance:				
COVID-19 - Public Safety Equipment	97.036	180960	\$ 87,049	\$ -
COVID-19 - Non-Public Safety PPE, Equipment and Cleaning	97.036	189295	113,278	-
COVID-19 - Fire Department PPE (October 2021)	97.036	552961	21,832	-
COVID-19 - Staff Support	97.036	669809	41,726	-
COVID-19 - Testing Public Safety Employees	97.036	670233	55,305	-
COVID-19 - City of Plano Vaccine Clinic	97.036	670191	570,779	-
Winter Storm	97.036	243553	189,868	-
City of Plano - Winter Storm Donated Resources	97.036	660797	21,096	-
Total Assistance Listing Number 97.036			1,100,933	-
Passed through Texas Office of the Governor - Homeland Security Grants Division:				
Homeland Security Grant Program	97.067	4248501	41,000	-
Homeland Security Grant Program	97.067	4351601	36,680	-
Homeland Security Grant Program	97.067	4352101	36,218	-
Total Assistance Listing Number 97.067			113,898	-
Total U.S. Department of Homeland Security			1,214,831	-
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Direct Programs:				
Community Development Block Grants/Entitlement Grants	14.218	B-21-MC-48-0035	2,009,132	375,359
COVID-19 - Community Development Block Grant - Coronavirus Grant	14.218	B-20-MW-48-0035	207,237	207,237
Total CDBG Entitlement Grants Cluster			2,216,369	582,596
HOME Investment Partnerships Program	14.239	M-21-MC-48-0234	125,747	70,894
Total U.S. Department of Housing and Urban Development			2,342,116	653,490
U.S. DEPARTMENT OF THE INTERIOR				
Passed through Texas Historical Commission:				
Historic Preservation Fund Grants-In-Aid	15.904	TX-21-010	4,800	-
Total U.S. Department of the Interior			4,800	-
U.S. DEPARTMENT OF ENERGY				
Direct Program:				
Energy Efficiency and Conservation Block Grant Program	81.128	DE-EE0000969	4,350	-
Total U.S. Department of Energy			4,350	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through National Environmental Health Association:				
Food and Drug Administration Research	93.103	G-OAME-202111-01600	3,384	-
Food and Drug Administration Research	93.103	G-OATR-202111-01623	4,040	-
Passed through Association of Food and Drug Officials:				
Food and Drug Administration Research	93.103	G-MP-1909-07691	13,934	-
Food and Drug Administration Research	93.103	G-MP-2108-09668	5,788	-
Food and Drug Administration Research	93.103	G-SP-2105-09267	3,000	-
Passed through National Association of County and City Health Officials:				
Food and Drug Administration Research	93.103	2021-012507	3,800	-
Total Assistance Listing Number 93.103			33,946	-
Total U.S. Department of Health and Human Services			33,946	-

See accompanying Notes to the Schedule of Expenditures of Federal and State Awards.

City of Plano, Texas

Schedule of Expenditures of Federal and State Awards – Continued For the Fiscal Year Ended September 30, 2022

Federal Grantor/Pass-Through Grantor Program Title	Federal Assistance Listing Number	Grantor or Pass-Through Grantor's Number	Program Award Expenditures	Passed Through to Subrecipients
U.S. DEPARTMENT OF JUSTICE				
Direct Programs:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-DJ-BX-0403	1,287	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-DJ-BX-0571	1,236	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-DJ-BX-0639	20,576	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-21-GG-01894-JAGX	43,716	43,716
Total Assistance Listing Number 16.738			66,815	43,716
Drug Enforcement Administration Task Force 2	16.UNK	N/A	3,043	-
Federal Bureau of Investigation Regional Computer Forensics Laboratory	16.UNK	N/A	1,512	-
Federal Bureau of Investigation Violent Crimes Against Children Task Force	16.UNK	N/A	11,948	-
Total Assistance Listing Number 16.UNK			16,503	-
Department of Justice Equitable Sharing Program	16.922	N/A	10,491	-
Passed through Nancy Lieberman Charities:				
Public Safety Partnership and Community Policing Grants	16.710	N/A	1,010	-
Total U.S. Department of Justice			94,819	43,716
U.S. DEPARTMENT OF TRANSPORTATION				
Passed through Texas Department of Transportation:				
Highway Planning and Construction Cluster:				
Transportation Management Association	20.205	CSJ: 0918-24-239	9,344	9,344
Highway Safety Cluster:				
State and Community Highway Safety	20.600	2022-PlanoPD-S-1YG-00072	122,163	-
Total U.S. Department of Transportation			131,507	9,344
U.S. DEPARTMENT OF TREASURY				
Direct Programs:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	18,603,740	-
COVID-19 - Emergency Rental Assistance Program	21.023	N/A	7,913,513	7,863,355
United States Secret Service North Texas Financial Crimes Task Force	21.UNK	N/A	6,252	-
Treasury Equitable Sharing	21.016	N/A	42,089	-
Passed through Collin County:				
COVID-19 - Coronavirus Relief Fund - Municipal Direct Expense Funding	21.019	2020-401-05-11	319,190	-
Total U.S. Department of Treasury			26,884,784	7,863,355
INSTITUTE OF MUSEUM AND LIBRARY SERVICES				
Passed through Texas State Library and Archives Commission:				
Interlibrary Loan Lending Reimbursement Program	45.310	903360	18,304	-
Total Institute of Museum and Library Services			18,304	-
TOTAL FEDERAL ASSISTANCE			\$ 30,729,457	\$ 8,569,905

See accompanying Notes to the Schedule of Expenditures of Federal and State Awards.

City of Plano, Texas

Schedule of Expenditures of Federal and State Awards – Continued For the Fiscal Year Ended September 30, 2022

State Grantor/Pass-Through Grantor Program Title	Grantor or Pass-Through Grantor's Number	Program Award Expenditures	Passed Through to Subrecipients
TEXAS DEPARTMENT OF TRANSPORTATION			
Direct Programs:			
Park Boulevard Corridor Improvements	CSJ: 0918-24-155	\$ 1,327,499	\$ -
Legacy Corridor Improvements	CSJ: 0918-24-154	170,798	-
Total Texas Department of Transportation		1,498,297	-
TEXAS DEPARTMENT OF STATE HEALTH SERVICES			
Passed through North Central Texas Trauma Regional Advisory Council, Inc.:			
EMS Trauma Care System Program	N/A	7,146	-
Total Texas Department of State Health Services		7,146	-
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS			
Direct Programs:			
Texas Homeless Housing and Services Program	63226000004	6,438	6,438
Texas Homeless Housing and Services Program Youth Set-Aside	18226000004	13,066	10,725
Total Texas Department of Housing and Community Affairs		19,504	17,163
TEXAS COMPTROLLER OF PUBLIC ACCOUNTS			
Direct Programs:			
State / Local Criminal Investigation	N/A	5,595	-
Total Texas Comptroller of Public Accounts		5,595	-
TEXAS COMMISSION ON ENVIRONMENT QUALITY			
Direct Program:			
Texas Volkswagen Environmental Mitigation Program (TxVEMP)	582-20-12758-VW	63,314	-
Total Texas Commission on Environment Quality		63,314	-
TOTAL STATE ASSISTANCE		\$ 1,593,856	\$ 17,163

See accompanying Notes to the Schedule of Expenditures of Federal and State Awards.

City of Plano, Texas

Notes to the Schedule of Expenditures of Federal and State Awards

Note 1. General

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of the City of Plano, Texas (the City) and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Uniform Guidance and TxGMS. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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

Note 2. Loans

At September 30, 2022, the amount of loans outstanding related to the Community Development Block Grants and HOME Investment Partnerships Program was approximately \$906,804 and \$122,688, respectively.

Note 3. Indirect Cost Rate

The City has elected not to use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

City of Plano, Texas

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended September 30, 2022

Section 1. Summary of Auditor's Results

Financial Statements

An unmodified opinion was issued on the financial statements.

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? ☐ Yes ☒ None reported

Noncompliance material to the financial statements noted?

☐ Yes ☒ No

Federal and State Awards

An unmodified opinion was issued on compliance for the major programs.

Internal control over major programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiencies identified that are not considered to be material weakness(es)? ☐ Yes ☒ None reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

☐ Yes ☒ No

Identification of major programs:

Federal Assistance Listing/Grant Identification Number

Major Federal Programs:

97.036

21.023

21.027

Major State Program:

CSJ: 0918-24-155

Name of Federal or State Program or Cluster

Disaster Grants – Public Assistance

COVID-19 - Emergency Rental Assistance Program

COVID-19 - Coronavirus State and Local Fiscal Recovery Funds

Park Boulevard Corridor Improvements

Dollar threshold used to distinguish between Type A and Type B programs:

\$921,884 for federal programs
\$750,000 for state programs

Auditee qualified as low-risk under Uniform Guidance?
Auditee qualified as low-risk under TxGMS?

☒ Yes ☐ No
☐ Yes ☒ No

City of Plano, Texas

Schedule of Findings and Questioned Costs – Continued
For the Fiscal Year Ended September 30, 2022

Section 2. Financial Statement Findings

None

Section 3. Federal and State Award Findings and Questioned Costs

None

Section 4. Schedule of Prior Year Findings and Questioned Costs

None