

COMPREHENSIVE ANNUAL FINANCIAL REPORT | 2020

For Fiscal Year Ended September 30, 2020
City of Plano, Texas





CITY OF PLANO, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR FISCAL YEAR ENDED SEPTEMBER 30, 2020

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CITY OF PLANO, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020
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INTRODUCTORY SECTION

COMPREHENSIVE ANNUAL FINANCIAL REPORT | 2020

*For Fiscal Year Ended September 30, 2020
City of Plano, Texas*



January 5, 2021

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

The Comprehensive Annual Financial Report (CAFR) of the City of Plano, Texas (the City or Plano), for the year ended September 30, 2020, 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, 2020. The independent auditors' report is located in the beginning of the financial section of the CAFR.

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 72.2 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 a Municipal Judge. The City Manager is the chief administrative officer of the government and is responsible for the enforcement of laws and ordinances, the appointment and supervision of the 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, 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

In March 2020, the World Health Organization declared the novel coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. This contagious disease outbreak, which has continued to spread, and related adverse public health developments, has affected public education, workforces, economies and financial markets globally leading to an economic downturn. It has also disrupted the normal operations of many businesses and organizations.

While Plano's economy has been negatively impacted by the pandemic, the City continues to benefit from other favorable conditions including a stable, diverse economic base and a desirable location for work and living.

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.

Since 2015, Plano's population has grown an estimated 5.1% to 287,500 in 2020. According to residential development projections by the City's planning department, it is projected to grow to 298,000 by 2030 and to 308,500 by 2040.

According to the *U.S. Census Bureau*, the median household income of Plano is \$92,121.

Plano is ranked #3 for the "Most Recession-Resistant Cities" according to *Smartasset.com*. Cities were ranked based upon employment, housing and social assistance.

Housemethod.com ranks Plano as the top city for saving money in their "Best and Worst U.S. Cities for Saving Money" listing. According to *Housemethod.com*, data was collected for the 100 largest cities in the United States and analyzed for the yearly cost of living; considering median income, home mortgage and state income tax, as well as, daily cost of living including cost of gasoline and groceries.

Niche.com ranks Plano the 4th "Best Suburb for Young Professionals in Texas".

Smartasset.com named Plano 7th on its list of "Best Cities to Buy an Affordable Family Home – 2020 Edition", looking at 100 of the largest U.S. cities. They considered homes with at least two bedrooms, five-year change in homeownership rate, down payment-to-income ratio, housing costs as a percentage of income, high school graduation rate and property and violent crime rates.

Considering cost of ownership and maintenance, traffic and infrastructure, safety and access to vehicles and maintenance, *Wallethub.com* ranks Plano the 6th "Best City to Drive In".

According to *Niche.com*, Plano is ranked 8th in "Best Cities to Raise a Family" taking into account key factors, such as the quality of schools, safety, affordability and access to family amenities.

Comparing more than 180 most populated U.S. cities, *Wallethub.com* ranked Plano 12th on their "Best Cities for Jobs" list, considering the key indicators of job market and socio-economics.

Niche.com ranks Plano #8 in their "2020 Best Cities to Live".

Plano is one of the top ten "Best Cities for Keeping New Year's Resolutions" according to *Housemethod.com*. This ranking is based on eating healthy, exercise, saving money and reducing stress.

Based on statistics such as proficiency scores, graduation rates, SAT and ACT scores and low student to teacher ratios, *Niche.com* ranks Plano Independent School District (entity independent of the City) #12 in their "Best School Districts in Texas" listing, ranking nearly 100,000 schools and districts.

TheMunicipal.com ranks Plano as the 3rd Safest Cities in America, comparing 180 U.S. cities across key factors such as: home and community safety, natural disaster risk and financial safety.

Plano remains one of only a few cities in the United States receiving an “AAA” bond rating, the highest possible bond rating from Moody’s Investor Service, Standard & Poor’s and Fitch, Inc. In issuing their ratings, they praised the City for its 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 continues to prosper economically. 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 5.5% for fiscal year 2020, with 35.3% of the increase coming from new property. This increase in values allowed for a decrease in the tax rate from 46.03 cents to 44.82 cents. Tax collections for fiscal year 2020 totaled \$193.8 million, an increase of 2.1% 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 \$86.8 million from October 2019 through September 2020, a decrease of 1.7% compared to fiscal year 2019 due to the global COVID-19 pandemic.

Employment

Due to the global COVID-19 pandemic, the unemployment rate in Plano at September 30 increased from 3.0% in 2019 to 6.3% in 2020. However, this compares favorably to the unemployment rate nationally of 7.7% and 8.3% 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, 56.7% 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, Liberty Mutual Insurance, JCPenny, NTT DATA, JPMorgan Chase, Fannie Mae, PepsiCo, Frito-Lay, Texas Health Plano, Medical City Plano, FedEx Office, USAA, Steward Systems and Samsung Electronics America. Employing 500-999, companies having significant operations in Plano include: AT&T, Baylor Scott & White Medical Center – Plano, Children’s Health Plano, nThrive, The Heart Hospital Baylor Plano, Palo Alto Networks, Crestron Electronics, U.S. Renal Care, PennyMac Financial Services, Alkami Technology, Samsung Telecommunications America, Cigna, Raytheon, Abbott, Tyler Technologies 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 2020, the following businesses announced relocation and expansion:

Reata, an Irving-based pharmaceutical firm, relocated its headquarters to Plano in January 2020. They will expand their headquarters, leasing 327,400 square feet, in a build-to-suit facility at the southwest corner of Legacy Drive and Communications Parkway in Legacy Business Park. The company expects to double their workforce to 400 by the end of 2020, and double employment again by mid-2022 by adding new teams such as sales, marketing, finance and accounting.

Children's Medical Center, the eighth-largest pediatric health care provider, is expanding its Plano campus at 7601 Preston Road. The expansion plans include the addition of a 300,000-square-foot building, doubling the size and increasing available number of beds from 72 to 240. The additional space will allow the hospital campus to expand specialty care programs such as cardiology, oncology, gastroenterology, orthopedics and neurology. The new building is expected to be completed by the end of 2023.

Ryan, a Dallas-based tax services firm, is relocating its headquarters to a new build-to-suit building at the southeast corner of State Highway 121 and Communications Parkway in Legacy West. The company will move 550 employees and occupy 200,000 square feet by 2023.

Aimbridge, a Plano-based hotel management firm, has expanded to include the entire HQ53 office building on Headquarters Drive in Legacy Business Park. The firm's original lease was for a third of the building. Aimbridge will fully occupy the more than 200,000-square-foot building scheduled to open by March 2021.

Inogen, a Southern-California oxygen concentrator manufacturer, has relocated to 600 Shiloh Road in the Research/Technology Crossroads. The company has begun moving into its 154,000-square-foot facility and will be fully occupied with 600 employees by the fourth quarter of 2021.

OPEX, a New Jersey-based warehouse automation firm, acquired the 114,000-square-foot building at 2801 Summit Avenue in the Research/Technology Crossroads for its expansion into North Texas.

Primal Health, L.P., a health and nutritional products and services firm, has expanded their office and warehouse space by 57,000 square feet for a total of 105,000 square feet at 3100 Technology Drive near the President George Bush Turnpike.

Paragon Healthcare, a Dallas-based infusion and pharmacy company, relocated their headquarters to the Apex building at 3033 W. President George Bush Turnpike in December 2019. The company leased nearly 68,000 square feet and will bring a workforce of 330 by 2021.

Tech Mahindra Americas, an India-based IT firm, has expanded their U.S. headquarters by leasing 65,000 square feet of space at 5700 Democracy Drive in Legacy Business Park. The company will create 200 new positions for a total of 500 employees at the new location by July 2021.

First United Mortgage Co., a Plano-based mortgage and insurance firm, will expand their headquarters and relocate to The Parkwood, located off Dallas Parkway near Windhaven Drive. The firm and its 230 employees will double their space and occupy more than 60,000 square feet in the new building, expected to be completed by late 2021.

TT Electronics, a United Kingdom-based manufacturer, is expanding to occupy a facility at 2900 E. Plano Parkway. Their lease represents 58,500 square feet of space in the Research/Technology Crossroads and is expected to house 125 employees by 2021.

Appen Global, an Australian-based tech firm, has leased more than 50,000 square feet of office space in the Apex building at 3033 W. President George Bush Turnpike. The firm plans to bring 300 new jobs.

Transamerica Corp., a Baltimore-based insurance and financial services firm, relocated its local Plano office to 6600 Chase Oaks Boulevard in Legacy Central, leasing 49,000 square feet in May 2020.

Enseo, a tech firm, is relocating their headquarters to 2201 10th Street in the Research/Technology Crossroads. Their plans include bringing 139 jobs and renovating the 43,000-square-foot building.

Qualtrics, a Provo and Seattle-based software company, expanded by creating 200 new jobs and moving into a 40,000-square-foot office at 6105 Tennyson Parkway. Their new office accommodates 300 employees and will be the company's third-largest location following after their two headquarters.

Samsung SDS America, an IT services subsidiary of South Korea-based Samsung SDS, leased 24,000 square feet of office space at the Apex building at 3033 W. President George Bush Turnpike in April 2020.

Digital Matrix Systems, an international risk management firm, will move its headquarters to Preston Park Towers occupying 22,500 square feet at 4975 Preston Park Boulevard. Providing the company with room to grow their employment, they will occupy the space by the end of 2020.

Tokio Marine Holdings, a Japan-based financial firm, has expanded into Plano by leasing 22,000 square feet in the One Legacy West tower at Legacy Drive and State Highway 121.

Dasan Zhong Solutions, an Oakland-based telecom equipment developer, has relocated their headquarters into 5700 Tennyson Parkway in Plano's Legacy West, leasing 14,000 square feet of office space.

Omnigo Software, a St. Louis-based tech firm, has relocated its headquarters to Plano.

Digital.ai, a software applications firm, is a new Plano-based company formed by combining CollabNet VersionOne, XebiaLabs and Arxan Technologies in April 2020.

Lamb Crafted, a golf equipment manufacturing firm, has relocated its headquarters to 932 14th Street. The renovated 7,500-square-foot building will be completed in late 2020 with potential workforce expansion in 2021.

Long-Term Financial Planning

Long-term planning and responding prudently to changing economic conditions remain key in maintaining the City's fiscal health. Since March 2020, the City, State and Country have faced a global pandemic, an economic downturn and social unrest. These unforeseen and uncontrollable factors have had historic impact on the community and the City, as well as the nation as a whole. Additionally, 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.

Many City revenue sources have been impacted by recent events, including sales tax, permit and license revenues, hotel/motel taxes and fines and fees; however, property tax revenue will not be impacted until fiscal year 2022. The City implemented a budget contingency plan in March 2020 taking quick and decisive action to freeze positions, delay projects, cut expenses and reprogram resources in recognition of the changed environment. The City also took a proactive approach with budget reductions for fiscal year 2021, recognizing projected COVID-19 impacts through the end of the next fiscal year.

Across all of Plano's operating funds in fiscal year 2021, appropriations equal \$605.1 million, a \$16.6 million or 2.8% increase from the fiscal year 2020 final budget. Projected at \$312.9 million in fiscal year 2021, General Fund revenues are expected to increase when compared to the fiscal year 2020 final budget, while fiscal year 2021 General Fund appropriations are set at \$327.7 million, an increase of \$3.3 million from the fiscal year 2020 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 2021 will be primarily supported by transfers of \$35.3 million from the General Fund, \$2.0 million from the Water and Sewer Fund, \$500 thousand 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 2013, May 2017 and May 2019 for the fiscal year 2021 Community Investment Program. Of the \$154.6 million budgeted for General Obligation capital expenditures in fiscal year 2021, \$87.6 million is for street improvements, \$35.0 million is dedicated for park improvements and recreation center projects, \$30.4 million for public safety facilities, branch library expansions and improvements at other City facilities and \$1.6 million for improvements to public infrastructure to support economic redevelopment.

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 equipment maintenance internal service 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 2021, the Equipment Replacement Fund's projected revenues total \$16.9 million, with depreciation charges of \$11.4 million as the primary source of revenue. The fund is also expected to collect \$605 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 \$80.2 million, a Municipal Drainage Revenue bond sale of \$50 million and a Water Revenue bond sale of \$12.5 million to support capital projects in fiscal year 2021. The General Obligation sale will fund numerous street improvements, the continued development and renovation of Plano's park system, renovations and additions to recreation and library facilities and public infrastructure improvements. Municipal Drainage Revenue bond sales will fund utility infrastructure construction and rehabilitation for Plano's municipal drainage utility system, chiefly the extensive renovation of drainage culverts at the Collin Creek Mall property which is undergoing redevelopment, with other funding used for a variety of smaller scale drainage and erosion control projects. Water Revenue bonds will support the second phase of the citywide program to replace water meters that have reached the end of their expected useful life.

On November 1, 2020, billing for wastewater use is budgeted to increase by 5.0% to help pay for a 5.0% increase in wastewater related fees passed down from the North Texas Municipal Water District (NTMWD), Plano's water supplier. The City will continue in its effort to minimize the impact of the pass through rate increases from NTMWD on to customers. In a continuing effort to minimize the overall effect of the increase, the City hired 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 utility fund. City Council attempted to absorb the additional charges from NTMWD initially, but has since had to raise rates to both residents and non-residents. City Council deemed it necessary to raise wastewater rates for both residential and non-residential customers by the minimum rate, as well as the variable rates depending on volumetric usage while maintaining the same water rates from the previous fiscal year.

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. The 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. We believe that the City's 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 by 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. Recommendations for corrective action are made to the City Manager and City Council, if appropriate, 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 the City Council.

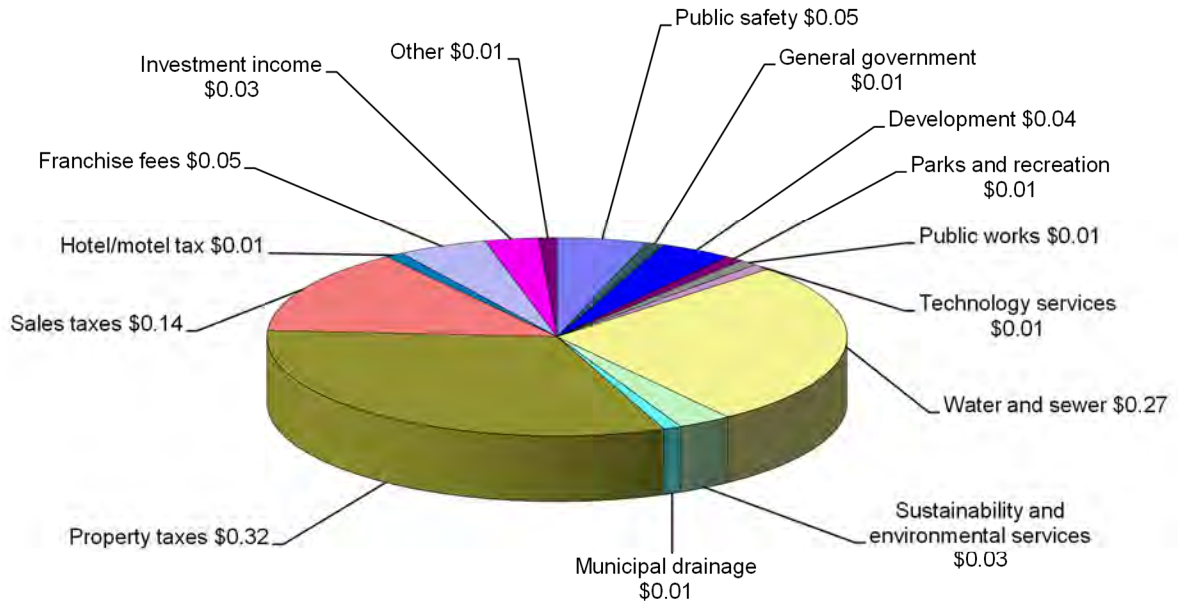
Major Initiatives

The fiscal year 2021 Community Investment Program (CIP) will continue to reflect the City's commitment to enhancing and maintaining its infrastructure. Major facility projects from the fiscal year 2020 CIP included the completion of a new police substation in northwest Plano and the new Neighborhood Services building. Plano's park and recreation system saw \$29.1 million in expenditures to improve parks, connect trails and obtain land for future park development, with the largest expenditure being renovation of the north side of Carpenter Park in central Plano. Numerous major street projects were undertaken in fiscal year 2020, with a total of \$30.4 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 \$18.8 million in fiscal year 2020, with major expenditures occurring in the first phase of a citywide water meter replacement project and inflow and infiltration repairs across the City's sanitary sewer system totaling \$2.4 million. Finally, \$51.1 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.

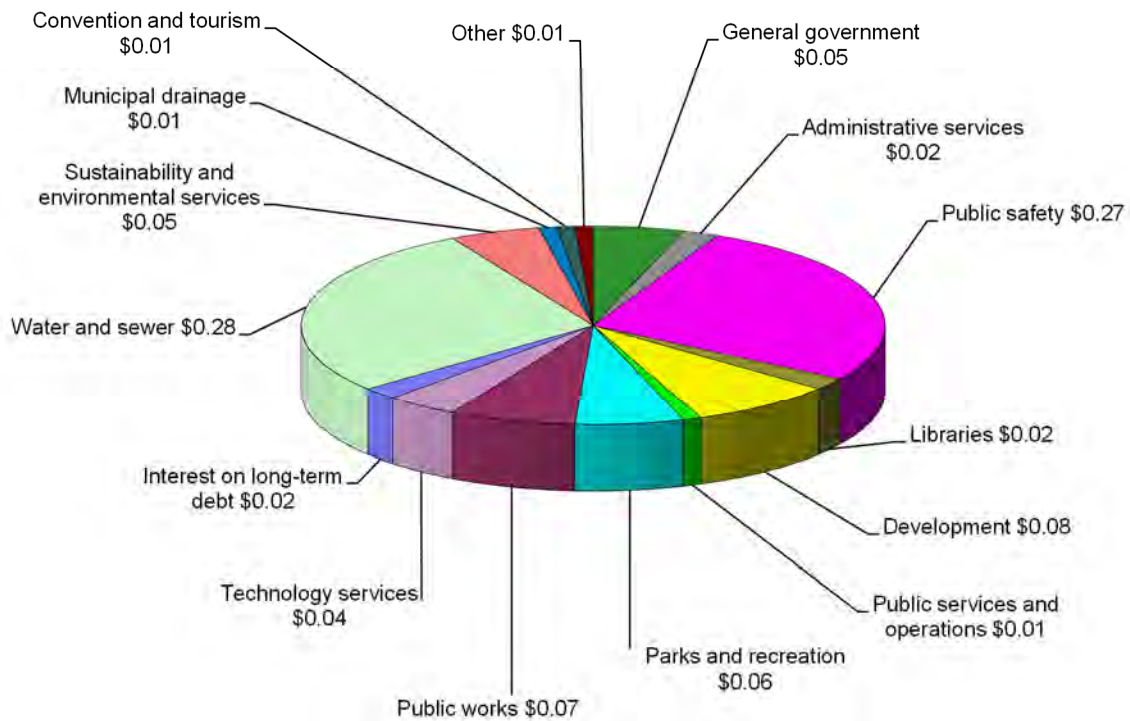
Plano also budgeted \$9.2 million for economic development incentives for fiscal year 2021 to remain competitive with surrounding neighboring cities. Fiscal year 2020 was the 14th year with two-cents from the property tax rate devoted for these incentives. The Economic Development Incentive Fund is used to attract and retain major business and employees to the City.

The following charts depict the sources and uses of the City's financial breakout as of fiscal year-end 2020:

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 CAFR for the fiscal year ended September 30, 2019. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

A Certificate of Achievement is valid for a period of one year. The City has received a Certificate of Achievement for the last 39 consecutive years (fiscal years ended 1981-2019). We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Our appreciation is also extended to the Mayor and members of 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**

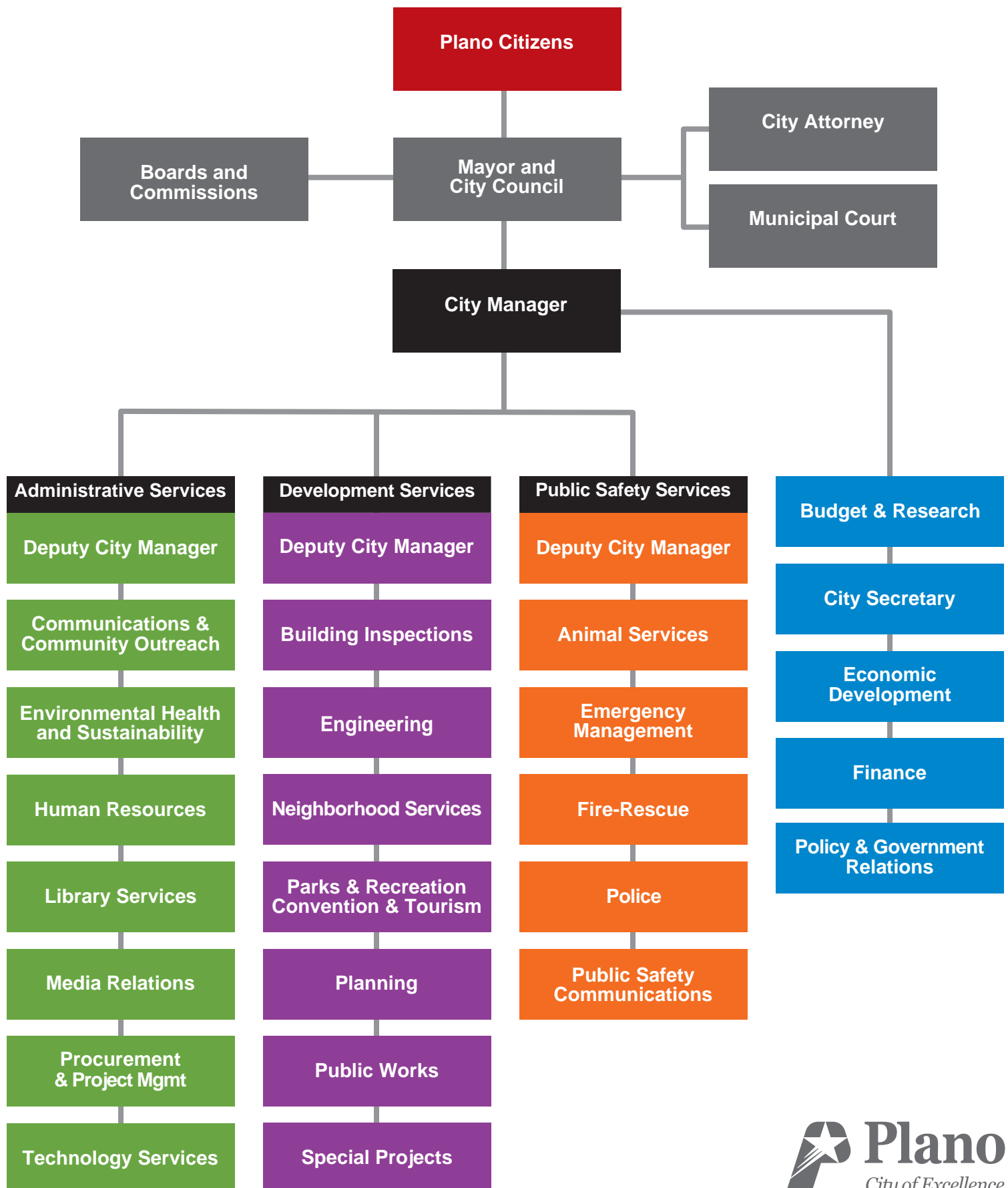
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

Executive Director/CEO

CITY OF PLANO ORGANIZATIONAL CHART



CITY OF PLANO, TEXAS

ELECTED OFFICIALS AND ADMINISTRATIVE OFFICERS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

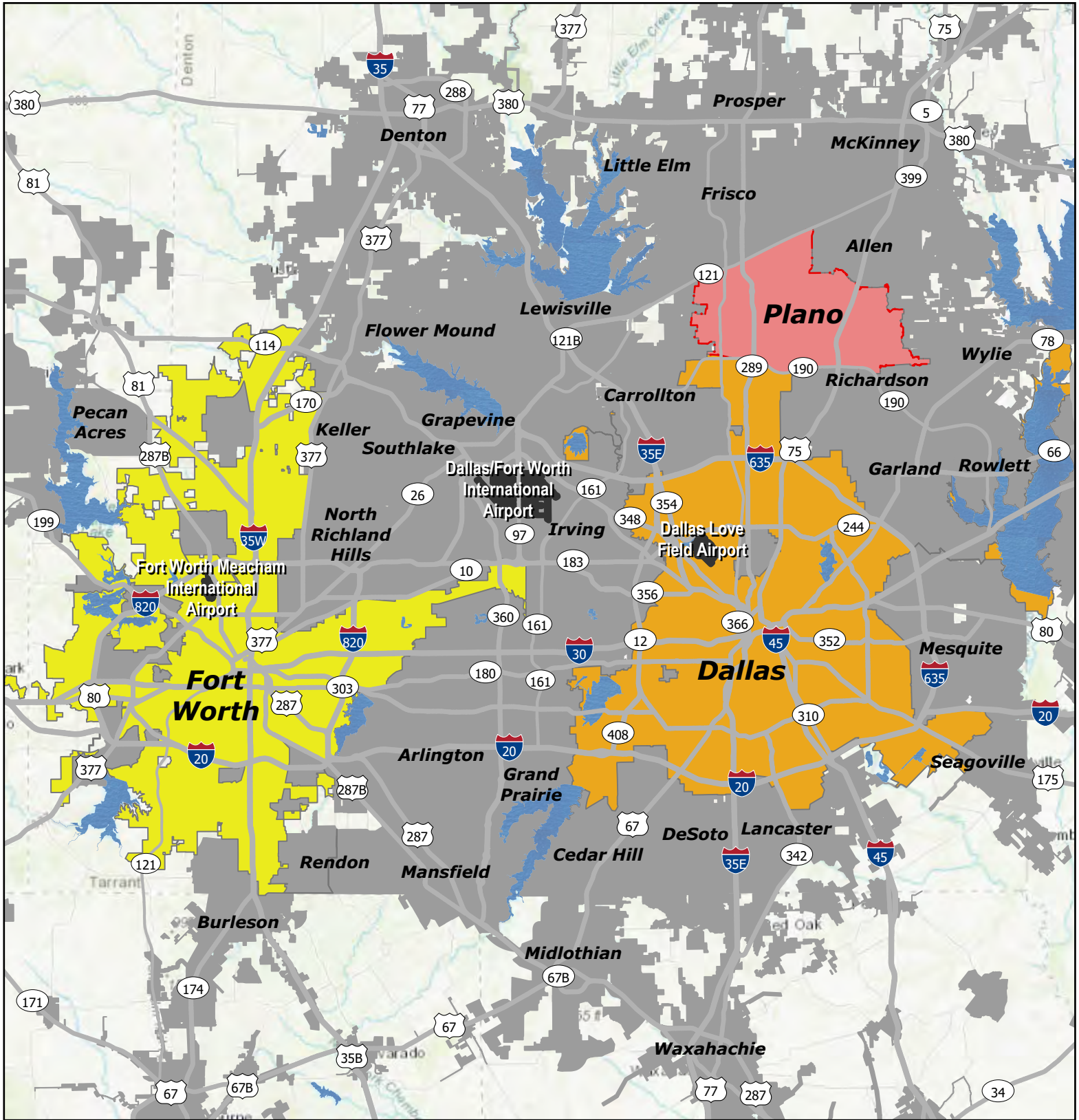
Elected Officials

<u>City Council</u>	<u>Term Expires</u>
Harry LaRosiliere Mayor Place 6	May 2021
Kayci Prince Mayor Pro Tem Place 4	May 2021
Anthony Ricciardelli Deputy Mayor Pro Tem Place 2	May 2021
Maria Tu Place 1	May 2023
Rick Grady Place 3	May 2023
Shelby Williams Place 5	May 2023
Lily Bao Place 7	May 2023
Rick Smith Place 8	May 2021

Administrative Officers

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

The City of Plano and Surrounding Areas



FINANCIAL SECTION

COMPREHENSIVE ANNUAL FINANCIAL REPORT | 2020

*For Fiscal Year Ended September 30, 2020
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 Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Plano, Texas (the City), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of September 30, 2020 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.

Weaver and Tidwell, L.L.P.
2300 North Field Street, Suite 1000 / Dallas, Texas 75201
Main: 972.490.1970

CPAs AND ADVISORS | WEAVER.COM

Other Matters

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, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 5, 2021 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 the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

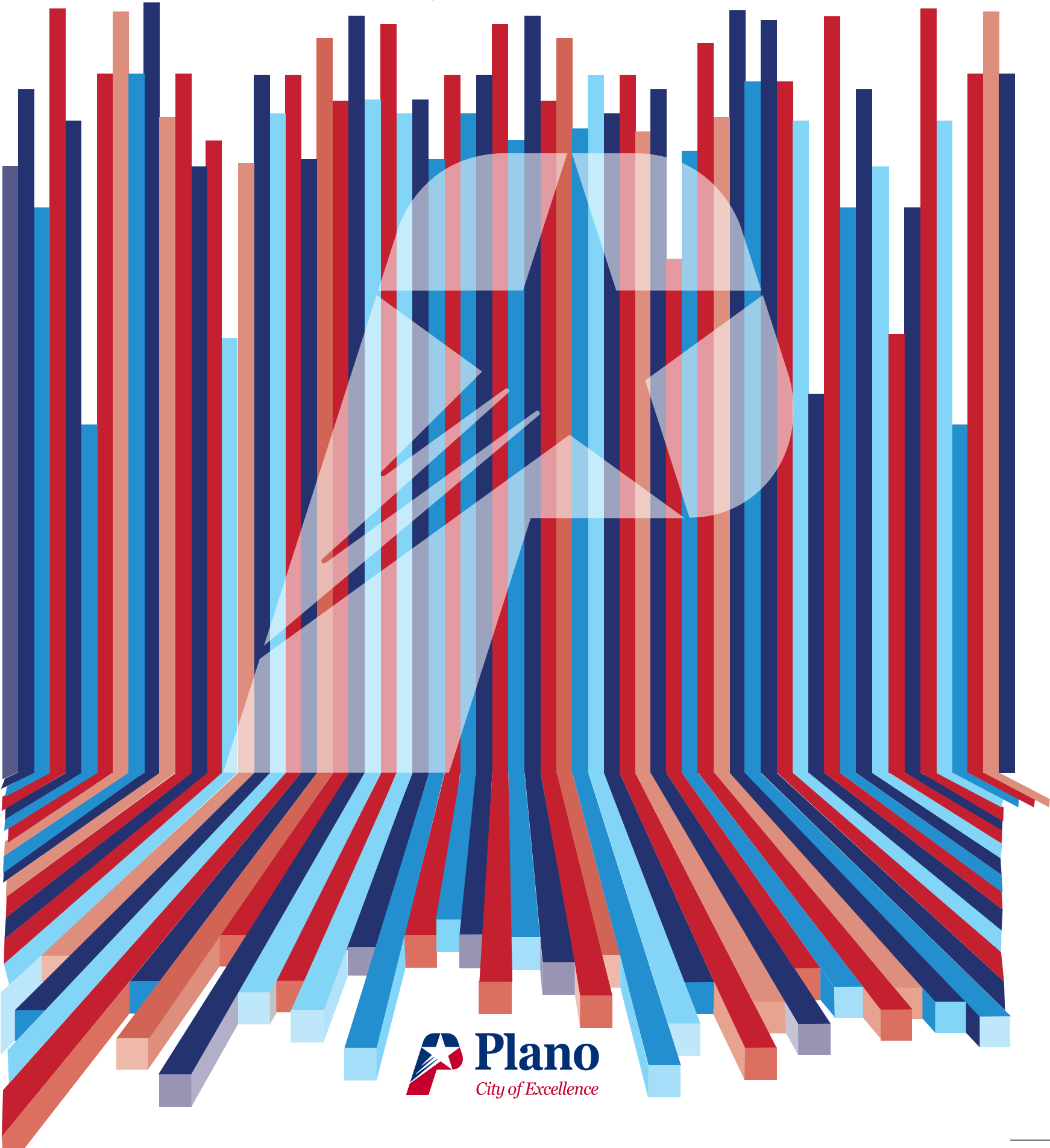
Dallas, Texas
January 5, 2021



MANAGEMENT'S DISCUSSION & ANALYSIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT | 2020

*For Fiscal Year Ended September 30, 2020
City of Plano, Texas*



CITY OF PLANO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

(unaudited)

Our 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, 2020. Please read it in conjunction with the accompanying transmittal letter and the accompanying basic financial statements.

As previously noted in the transmittal letter, in March 2020, the World Health Organization declared the novel coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. This contagious disease outbreak, which has continued to spread, and related adverse public health developments, has affected public education, workforces, economies and financial markets globally leading to an economic downturn. It has also disrupted the normal operations of many businesses and organizations, as discussed in explanations throughout this document.

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 \$1.6 billion (net position). Of this amount, \$1.3 billion (81.3 percent) is net investment in capital assets. The amount of net position restricted for a specific purpose is \$81.8 million (5.1 percent). The remaining \$217.6 million (13.6 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 \$50.4 million. In fiscal year 2020, the City recognized \$22.6 million in Coronavirus Aid, Relief and Economic Security (CARES) Act funding from Collin and Denton counties to assist in COVID-19 response efforts - \$15.9 million to assist with direct City expense as allowed by the U.S. Department of the Treasury's Coronavirus Relief Fund Guidance for State, Territorial, Local and Tribal Governments and \$6.7 million to aid with emergency housing and living assistance programs. The City used the direct expense funds primarily to cover payroll costs associated with public safety employees, as work performed was substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

Property tax revenues are reported at \$206.4 million, higher over prior year by \$4.1 million as a result of additional properties added in the current year, offset by a reduction in the tax rate. In fiscal year 2021, the total appraised value includes an increase in new property coming on-line of \$829.5 million while existing property values are expected to increase by \$750.8 million. Sales tax revenues decreased over prior year by \$1.2 million due to the economic impact of COVID-19 and reported at \$87.3 million. Hotel/Motel tax revenues are lower over prior year by \$4.7 million primarily due to lower occupancy rates as a result of the pandemic. Investment income decreased over prior year by \$3.5 million primarily as a result of fair value adjustments to investments as required by Governmental Accounting Standards Board (GASB) Statement No. 31.

- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$375.1 million, an increase of \$16.4 million in comparison with the prior year. Within this total, \$179.4 million (47.8 percent) is restricted by specific legal requirements and \$139.3 million (37.1 percent) has been committed and assigned to specific types of expenditures. Unassigned fund balance is \$55.7 million (14.9 percent) and can be used for any lawful purpose. The remaining \$752 thousand (0.2 percent) is nonspendable.
- The City's total bonded debt increased by \$37.6 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 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 three 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 two separate legal Tax Increment Financing (TIF) entities in its report; TIF No. 2 East Side and TIF No. 3 Silver Line (formally Cotton Belt) Regional Rail Project. Although legally separate, the City is financially accountable for the TIF No. 2 and No. 3.

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.

City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2020
(unaudited)

- **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.

The City maintains twenty-two 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 fourteen 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 a single aggregated presentation 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.

City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2020
(unaudited)

The basic fiduciary fund financial statements can be found on pages 38 and 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 41-81 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 83-90 of this report.

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 91-129 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 \$1.6 billion as of September 30, 2020. 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 (81.3 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	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 503,297	\$ 484,758	\$ 135,796	\$ 152,043	\$ 639,093	\$ 636,801
Capital assets	1,285,788	1,203,744	438,446	426,247	1,724,234	1,629,991
Total assets	1,789,085	1,688,502	574,242	578,290	2,363,327	2,266,792
Deferred outflows	44,789	93,135	5,863	10,900	50,652	104,035
Noncurrent liabilities	611,537	655,807	69,622	83,577	681,159	739,384
Other liabilities	47,359	41,164	19,175	18,565	66,534	59,729
Total liabilities	658,896	696,971	88,797	102,142	747,693	799,113
Deferred inflows	58,839	19,224	7,495	2,942	66,334	22,166
Net position:						
Net investment in capital assets	911,222	863,801	389,326	377,284	1,300,548	1,241,085
Restricted	76,624	57,577	5,226	5,055	81,850	62,632
Unrestricted	128,293	144,064	89,261	101,767	217,554	245,831
Total net position	<u>\$ 1,116,139</u>	<u>\$ 1,065,442</u>	<u>\$ 483,813</u>	<u>\$ 484,106</u>	<u>\$ 1,599,952</u>	<u>\$ 1,549,548</u>

City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2020
(unaudited)

An additional portion of the City's net position (5.1 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (13.6 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.

Table 2
Change in Net Position
(in Thousands)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 41,047	\$ 50,791	\$ 200,401	\$ 200,552	\$ 241,448	\$ 251,343
Operating grants and contributions	38,930	16,419	-	-	38,930	16,419
Capital grants and contributions	9,081	22,050	7,412	6,099	16,493	28,149
General revenues:						
Property taxes	206,430	202,328	-	-	206,430	202,328
Sales taxes	87,256	88,493	-	-	87,256	88,493
Other taxes	1,943	2,527	6,726	11,475	8,669	14,002
Franchise fees	21,635	24,031	8,465	9,035	30,100	33,066
Investment income	17,150	19,904	3,060	3,840	20,210	23,744
Total revenues	<u>423,472</u>	<u>426,543</u>	<u>226,064</u>	<u>231,001</u>	<u>649,536</u>	<u>657,544</u>
Expenses:						
General government	28,403	27,370	-	-	28,403	27,370
Administrative services	13,857	13,470	-	-	13,857	13,470
Police	90,732	96,849	-	-	90,732	96,849
Fire	69,357	69,589	-	-	69,357	69,589
Libraries	12,573	13,630	-	-	12,573	13,630
Development	47,639	43,648	-	-	47,639	43,648
Public services and operations	8,464	8,742	-	-	8,464	8,742
Parks and recreation	35,069	35,901	-	-	35,069	35,901
Public works	39,077	37,693	-	-	39,077	37,693
Technology services	26,541	18,420	-	-	26,541	18,420
Interest on long-term debt	13,138	15,661	-	-	13,138	15,661
Water and sewer	-	-	165,919	158,250	165,919	158,250
Sustainability and environmental services	-	-	30,770	30,404	30,770	30,404
Municipal drainage	-	-	5,661	5,737	5,661	5,737
Convention and tourism	-	-	8,729	9,998	8,729	9,998
Municipal golf course	-	-	1,021	938	1,021	938
Recreation revolving	-	-	2,170	3,892	2,170	3,892
Downtown center development	-	-	12	12	12	12
Total expenses	<u>384,850</u>	<u>380,973</u>	<u>214,282</u>	<u>209,231</u>	<u>599,132</u>	<u>590,204</u>
Increase in net position before transfers	38,622	45,570	11,782	21,770	50,404	67,340
Transfers	12,075	12,167	(12,075)	(12,167)	-	-
Increase (decrease) in net position	50,697	57,737	(293)	9,603	50,404	67,340
Net position – October 1	<u>1,065,442</u>	<u>1,007,705</u>	<u>484,106</u>	<u>474,503</u>	<u>1,549,548</u>	<u>1,482,208</u>
Net position – September 30	<u>\$ 1,116,139</u>	<u>\$ 1,065,442</u>	<u>\$ 483,813</u>	<u>\$ 484,106</u>	<u>\$ 1,599,952</u>	<u>\$ 1,549,548</u>

The City's net position increased by \$50.4 million during the current fiscal year. In fiscal year 2020, the City recognized \$22.6 million in CARES funding from Collin and Denton counties to assist in COVID-19 response efforts - \$15.9 million to assist with direct City expense as allowed by the U.S. Department of the Treasury's Coronavirus Relief Fund Guidance for State, Territorial, Local and Tribal Governments and \$6.7 million to aid with emergency housing and living assistance programs. The City used the direct expense funds primarily to recover payroll costs associated with public safety employees, as work performed was substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Additionally,

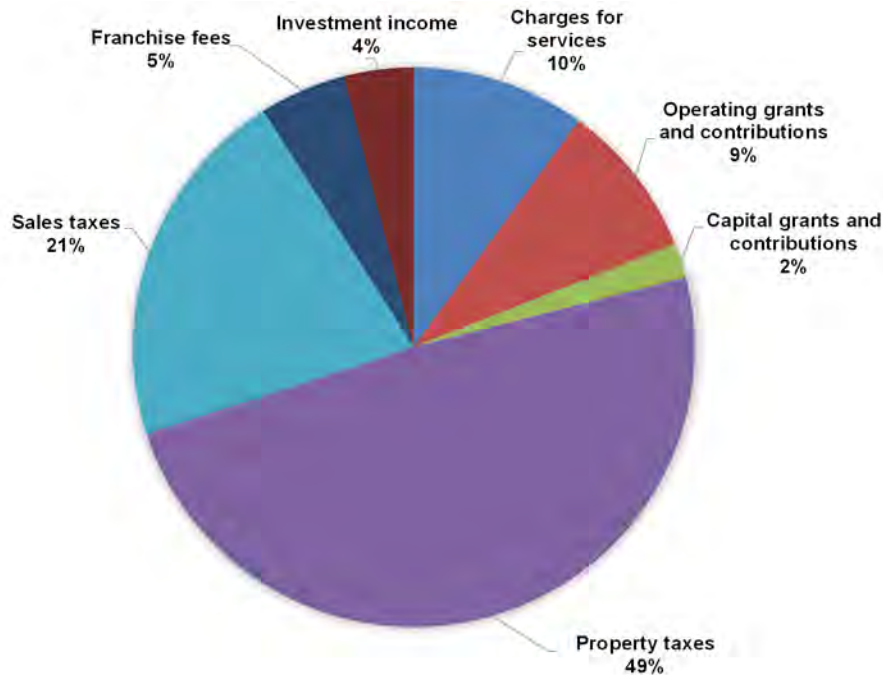
City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2020
(unaudited)

property tax revenues are reported at \$206.4 million, higher over prior year by \$4.1 million as a result of additional properties added in the current year, offset by a reduction in the tax rate. In fiscal year 2021, the total appraised value includes an increase in new property coming on-line of \$829.5 million while existing property values are expected to increase by \$750.8 million. Sales tax revenues are reported at \$87.3 million, a decrease from the prior year of \$1.2 million due to the economic impact of COVID-19. Hotel/Motel tax revenues are lower over prior year by \$4.7 million primarily due to lower occupancy rates as a result of the pandemic. Investment income decreased over prior year by \$3.5 million as a result of fair value adjustments to investments as required by Governmental Accounting Standards Board (GASB) Statement No. 31.

Governmental Activities

Governmental activities increased the City's net position by \$50.7 million. Key elements of this increase are shown in Table 2.

Revenues by Source – Governmental Activities



Program revenues were \$89.1 million, compared to \$89.3 million in fiscal year 2019. Charges for services and capital grants and contributions decreased \$22.7 million. The impact of COVID-19 reduced program revenues in the current year for City-wide operations. CARES funding of \$22.6 million is reflected in operating grants and contributions primarily for police, fire and development functions.

General revenues decreased from \$337.3 million in fiscal year 2019 to \$334.4 million in fiscal year 2020. Property tax revenues increased by \$4.1 million due to additional properties in the current year. Sales tax revenues are lower by \$1.2 million due to the slowing economy during the COVID-19 pandemic. Additionally, franchise revenues are lower by \$2.4 million compared to prior year. Due to increased smart phone usage, land line subscribers have declined resulting in less telephone franchise revenues of \$1.2 million. Gas franchise revenues decreased \$686 thousand due to lower consumption as a result of warmer weather in the current year. Cable television franchise revenues declined \$408 thousand as customers are utilizing alternative options to cable.

City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2020
(unaudited)

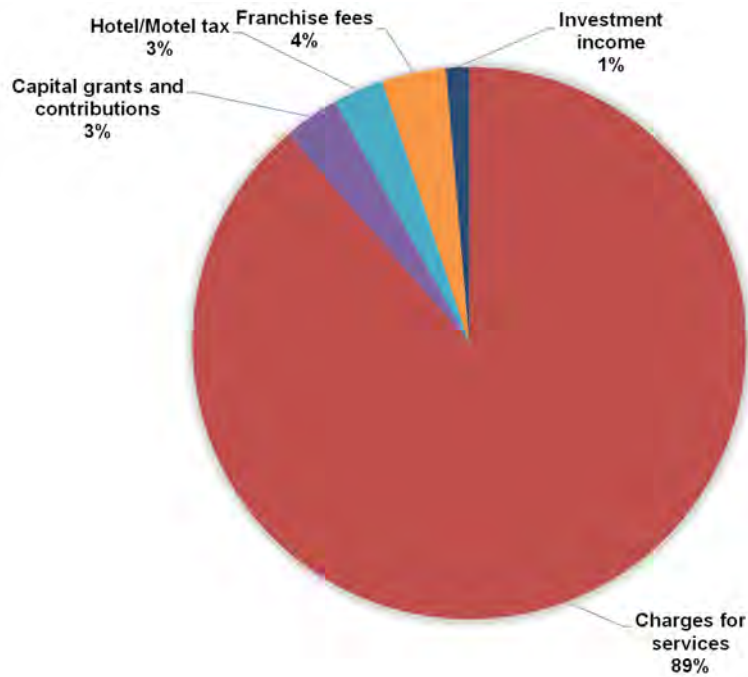
Overall, governmental activities expenses were \$384.9 million, an increase of \$3.9 million over the prior year, primarily the result of increased spending related to COVID-19 response in addition to increased costs related to technology services maintenance agreements.

Business-Type Activities

Revenues of the City's business-type activities were \$226.1 million for the fiscal year ended September 30, 2020. Revenues decreased approximately \$4.9 million, or 2.1%, as compared to the prior fiscal year. Expenses for the City's business-type activities increased \$5.1 million, or 2.4%. These changes are the result of several factors, including the following:

- The City's water and sewer system recorded charges for services of \$169.3 million, an increase of \$3.7 million, or 2.2%, from the prior year primarily attributable to a water rate increase effective November 1, 2019, as well as increased consumption in the current year. While water revenues increased, sewer revenues declined, which 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 \$6.0 million in the current year due to a rate increase effective October 1, 2019.
- The City's sustainability and environmental services activities operated with program expenses exceeding program and franchise fee revenues by \$3.1 million in fiscal year 2020. Commercial solid waste franchise revenues are lower due to decreased tonnage processed as many businesses temporarily closed or operated in limited capacity as a result of the COVID-19 pandemic. Operational expenses increased primarily attributed to higher cost allocations from the Fleet Services function for charges related to rolling stock or large equipment.
- The City's municipal drainage activity operated with charges for services exceeding expenses by \$2.0 million, compared to \$1.8 million in the prior year. The municipal drainage system recorded charges for services of \$7.7 million, which is comparable to the prior year although rates increased in July 2020.
- The City's convention and tourism activity operated with expenses exceeding charges for services and hotel/motel tax revenues by \$460 thousand as compared to net revenues of \$4.9 million in the prior fiscal year. Hotel/motel tax revenue decreased significantly due to lower occupancy rates in the current year in response to the impact of COVID-19. Operating revenues also declined due to event cancellations.
- The City's recreation revolving activity reported expenses exceeding charges for services by \$665 thousand. The City experienced lower recreation fees and ticket sales for City sponsored events and classes due to facility closures and cancellations in response to the pandemic.

Revenues by Source – Business-Type Activities

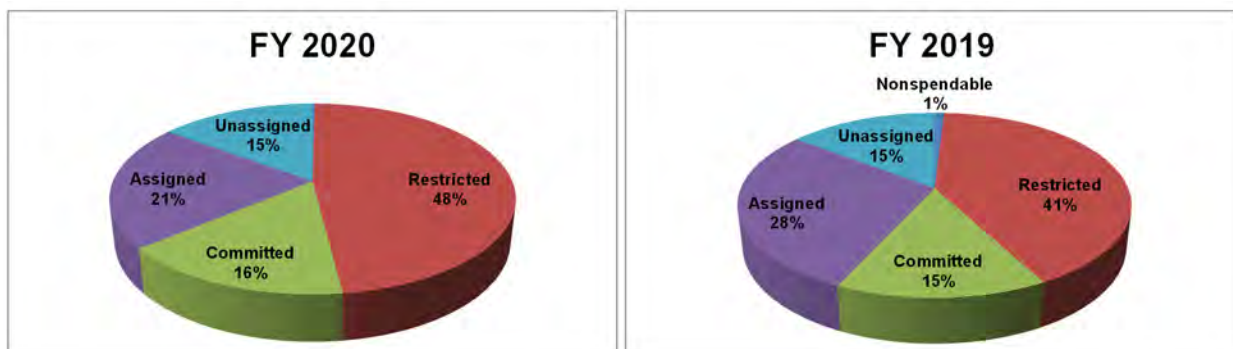


Financial Analysis of the City's Funds

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 \$375.1 million. Within this total, \$179.4 million is restricted by specific legal requirements, such as debt covenants, and \$139.3 million has been committed and assigned to specific types of expenditures. Unassigned fund balance is \$55.7 million and can be used for any lawful purpose. The remaining \$752 thousand is nonspendable.



City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2020
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The General Fund is the chief operating fund of the City. The fund balance of the City's General Fund increased by \$2.9 million during the current fiscal year. Key factors in this increase are as follows:

- Expenditures decreased \$10.4 million primarily due to application of CARES funds to cover payroll costs associated with public safety employees, as work performed was substantially dedicated to mitigating or responding to the COVID-19 public health emergency. As such, these payroll costs are recorded in the Grant Fund. The total amount applied toward response from the City's public safety employees was \$14.0 million.
- General fund revenues decreased \$11.1 million compared to prior year. The large decrease is primarily in charges for services due to temporary facility closures at recreation centers which operations were impacted by COVID-19. Most City operating revenues were impacted as a result of the pandemic.

The Debt Service Fund has a total fund balance of \$8.1 million, all of which is restricted for the payment of debt service. The fund balance increased by \$2.6 million primarily due to property tax collections exceeding bond principal and interest payments in the current year.

The Capital Maintenance Fund balance of \$31.9 million is assigned for replacement and renewals of the City's facilities and infrastructure. The Capital Maintenance Fund balance decreased \$10.8 million from the prior year as the result of capital outlay exceeding revenues and transfers in.

The Street Improvements Fund has a total fund balance of \$75.7 million, with \$52.4 million in restricted and \$23.3 million in assigned. The Street Improvements Fund balance increased \$14.7 million primarily due to increased other financing sources related to debt issuance of \$40.3 million for streets projects.

The Municipal Facilities Fund has a total fund balance of \$28.8 million, with \$26.0 million in restricted and \$2.8 million in assigned. The Municipal Facilities Fund balance decreased \$5.2 million due to capital outlay expenditures of \$14.0 million using debt proceeds from prior years.

The Park Improvements Fund has a total fund balance of \$49.4 million, with \$38.9 million in restricted and \$10.5 million in assigned. The Park Improvements Fund balance increased over prior year by \$175 thousand due to \$26.5 million in other financing sources related to debt issuance exceeding net expenditures of \$26.3 million in the current year.

The Economic Development Incentive Fund balance of \$59.3 million increased over prior year by \$6.8 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. Payments related to agreements decreased compared to prior year by \$2.7 million. The portion of the fund balance obligated but unpaid for potential incentives on signed economic development agreements totals \$11.9 million.

The Grant Fund has a total fund balance of negative \$136,463 due to reimbursements not being received within 30 days and, therefore, not considered available to pay liabilities of the current period. The CARES funding is reported and reflected in the revenues and expenditures in this fund.

City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2020
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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 \$429.2 million increased by \$3.6 million over the prior year. In the current fiscal year, total operating revenues are \$169.3 million while operating expenses are \$165.5 million. Revenue is higher in the current year by \$3.8 million due to a water rate increase effective November 1, 2019, as well as increased consumption in the current year. Contractual payments to North Texas Municipal Water District (NTMWD) increased \$6.0 million in the current year due to a rate increase effective October 1, 2019. Contractual payments to NTMWD are \$112.8 million of the total operating expense.
- The City's Sustainability and Environmental Services Fund reported negative net position of \$2.3 million in the current year compared to negative net position of \$1.0 million in the prior year. Total operating expenses are \$29.0 million which exceed total operating revenues of \$27.6 million.
- The City's Municipal Drainage Fund net position increased over the prior year by \$1.2 million. Drainage rates increased in July 2020 with current year revenues reported at \$7.7 million and operating expenses and transfers out of \$6.2 million.

General Fund Budgetary Highlights

During the current year, the actual expenditures on a budgetary basis were \$275.1 million compared to the final budget amount of \$288.1 million. Actual expenditures on a budgetary basis were \$22.4 million lower than the original budget and \$13.1 million lower as compared to the final budget. Decreases were due to continued prudent spending by the various departments and utilization of CARES funds to offset public safety payroll costs in response to the COVID-19 pandemic.

For fiscal year 2020, the actual revenues on a budgetary basis were \$297.9 million as compared to the final budget amount and original budget amount of \$293.1 million and \$305.1 million, respectively.

The City has an actual budgetary basis General Fund balance of \$55.3 million as of September 30, 2020, compared to the final budget fund balance and original budget fund balance of \$37.4 million and \$39.2 million, respectively. The variance in fund balance is primarily due to the continued prudent spending by the departments and recovery of public safety payroll costs with CARES funds.

City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2020
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CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the fiscal year 2020, the City had \$1.7 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 \$94.2 million over the prior fiscal year.

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

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Land	\$ 155,440	\$ 153,656	\$ 6,782	\$ 6,771	\$ 162,222	\$ 160,427
Buildings and improvements	337,165	305,437	381,791	371,755	718,956	677,192
Equipment	56,234	51,213	903	993	57,137	52,206
Construction in progress	38,440	43,258	7,259	6,053	45,699	49,311
Public art	1,775	1,768	50	50	1,825	1,818
Infrastructure	696,734	648,411	-	-	696,734	648,411
Drainage improvements	-	-	41,661	40,626	41,661	40,626
Totals	\$ 1,285,788	\$ 1,203,743	\$ 438,446	\$ 426,248	\$ 1,724,234	\$ 1,629,991

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

Arterial concrete repairs	\$ 12.6
Reconstruction of street pavement and sidewalks	3.2
Reconstruction of screening walls	3.3
Facility construction and renovations	14.7
Traffic signalization improvements	1.4
Screening wall reconstruction	6.9
Park improvements	10.4
Design and construction of recreation trails	3.2
Residential street and alley repair	17.2
Sidewalk repairs	3.8
Repair of streets	7.2
	\$ 83.9

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

Capital Improvement Program for Fiscal Year 2021

The City's fiscal year 2021 General Obligation capital budget includes \$154.6 million for capital projects, principally for four major categories: street improvements and enhancements, parks and recreation, municipal facilities and public infrastructure improvements. An additional \$80.2 million in General Obligation bond proceeds will be required to support the fiscal year 2021 General Obligation capital investment program.

City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2020
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Street Improvements and Enhancements. The City plans to spend \$87.6 million on street improvements and enhancements including \$5.2 million for residential street and alley replacement, \$3.5 million for sidewalk improvements on Plano Parkway from Independence to Alma Roads, \$3.2 million for arterial concrete repair, \$2.9 million for Westgate Subdivision paving improvements, \$2.9 million for Commerce Drive reconstruction from 15th Street to Plano Parkway, \$2.6 million for Plano Parkway intersection improvements, \$2.5 million for screening walls on Independence Parkway from Lanarc to Loch Haven Roads, \$2.5 million for improvements on Jasmine Lane, \$2.2 million for 17th Street paving reconstruction from Avenue P to Jupiter Road, \$2.0 million for paving on Japonica Lane, Avenue R and Puma Road and \$2.0 million for Legacy Drive corridor improvements. The remaining funds for street improvements are for a variety of projects.

Parks and Recreation. Estimated expenditures for parks and recreation facilities are \$35.0 million including \$7.8 million for High Point Park Maintenance Facility, \$7.0 million for Oak Point Park and Nature Preserve, \$5.1 million for Oak Point Recreation Center pools, \$3.0 million for artificial turf fields, \$2.7 million for community parks, \$1.9 million for lighting replacements, \$1.5 million for park improvements, \$1.5 million for neighborhood parks, \$1.4 million for recreational trails and \$1.1 million for Los Rios Park Phase I. The remaining funds for park improvements are for a variety of projects.

Municipal Facilities. Estimated expenditures for municipal facilities are \$30.4 million including \$13.0 million for a Fire Training Center, \$5.5 million for Parkway Service Center and Fleet Service Center renovations, \$4.4 million for Harrington Library expansion, \$4.3 million for Davis Library expansion, \$2.0 million for Fleet Services Center and \$1.2 million for roof replacements at Harrington and Davis libraries.

Public Infrastructure Improvement. Estimated expenditures of \$1.6 million are to improve publicly owned infrastructure that serves commercial areas, such as streets, utilities and open spaces, in coordination with private development and reinvestment in commercial properties. Funds are intended to improve older areas of Plano by enhancing existing infrastructure so further economic development becomes attractive to private firms and investors.

Debt

At year-end, the City had \$538.0 million in bonds and tax anticipation notes outstanding as compared to \$500.4 million at the end of the prior fiscal year, an increase of 7.5%.

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

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
General obligation bonds and tax anticipation notes (backed by the City)	\$ 482,994	\$ 441,336	\$ -	\$ -	\$ 482,994	\$ 441,336
Revenue bonds (backed by fee revenues)	-	-	54,970	59,025	54,970	59,025
Totals	\$ 482,994	\$ 441,336	\$ 54,970	\$ 59,025	\$ 537,964	\$ 500,361

During the current fiscal year, the City issued \$74.6 million in General Obligation Refunding and Improvement 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, which

City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2020
(unaudited)

was a downgrade in the current year and noted in a press release dated August 17, 2020. 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.

The City maintains a self-insurance program for general liability, public officials' errors and omission, police professional liability, property loss and workers' compensation. The City has claims and judgments of \$8.0 million outstanding at year-end compared with \$7.2 million at the end of the prior fiscal year. Claims and judgements of \$5.4 million relate to property and liability losses while \$2.6 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 6 and 11 to the financial statements.

ECONOMIC FACTORS AND NEXT YEARS 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, while recognizing the challenges we have faced and will continue to face over the next few years. Since March 2020 our City, State and Country have faced a global pandemic, an economic downturn and social unrest. These unforeseen and uncontrollable factors have had historic impact on our community and the City, as well as our nation as a whole. Within our strategic goal to deliver outstanding operational analysis and effectiveness, the City is committed to providing exceptional city services at the greatest possible value. This is reinforced by consistently offering one of the lowest tax rates in the region, which includes keeping the tax rate at the same level as the previous year at 44.82 cents per \$100 of assessed property valuation. The fiscal year 2021 tax rate of 44.82 cents meets the City's No-New-Revenue Tax Rate (previously known as the Effective Tax Rate). The fiscal year 2021 Combined Budget was developed with a focus on Plano's five main values/priorities: quality infrastructure, service demand, financial policies, personnel and property tax.

The current global pandemic, the economic downturn and social unrest had a tremendous impact in the development of the 2021 budget. The annual budget is a critical City Council policy document that defines the service priorities and projects financial resources for the City. Given the current situation due to the factors just mentioned, all departments city-wide were required to submit budgets with a 5% expenditure decrease from the previous fiscal year. The budget provides for continued maintenance and improvements to the City's \$2.7 billion infrastructure. With an aging infrastructure, it is critical for the City to reinvest in maintaining these assets. Fortunately, increased property values and resulting revenues have helped offset the decreases in other revenue sources such as sales tax receipts, fines and forfeitures revenues, licenses and permits revenues and various other fee revenues. Although revenues decreased, the City will continue to provide sustained excellence at current levels. The City is positioned to maintain infrastructure, personnel, financial policies and bond ratings and also serve citizens through existing service offerings and public safety programs.

The largest single revenue source in the fiscal year 2021 General Fund budget is property taxes, which account for 48.3% of total revenues. Assessed property values in Plano increased 3.5% from the prior year, including \$829.5 million in new property entering the tax roll for the first time. In addition, the over-65 exemption equals \$5.1 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 2021 of \$46.7 billion is an increase of \$1.6, billion or 3.5%. Existing property values are expected to increase by \$750.8 million, or 1.7%. Sales tax revenue remains the City's second largest revenue source, making up 27.1% of General Fund revenues.

City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2020
(unaudited)

The NTMWD will not increase wholesale water rates in 2021, but will increase wastewater treatment rates including the Upper East Fork Interceptor for 2021 from \$3.65 per thousand gallons to \$3.78 per thousand gallons. Wholesale water purchased from the district is projected to remain constant per thousand gallons and is based on the full take-or-pay contract volume of 26.7 billion gallons. However, wastewater rates will increase 5.0% in 2021.

In recent years, the NTMWD has implemented significant increases to the wholesale water rate. 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 five years ago 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 drive up the water costs for everyone.

Sustainability and environmental services is budgeted to increase the solid waste residential rate from \$16.10 to \$17.10 for a 95-gallon cart in fiscal year 2021. This increase will generate approximately \$842 thousand in revenue.

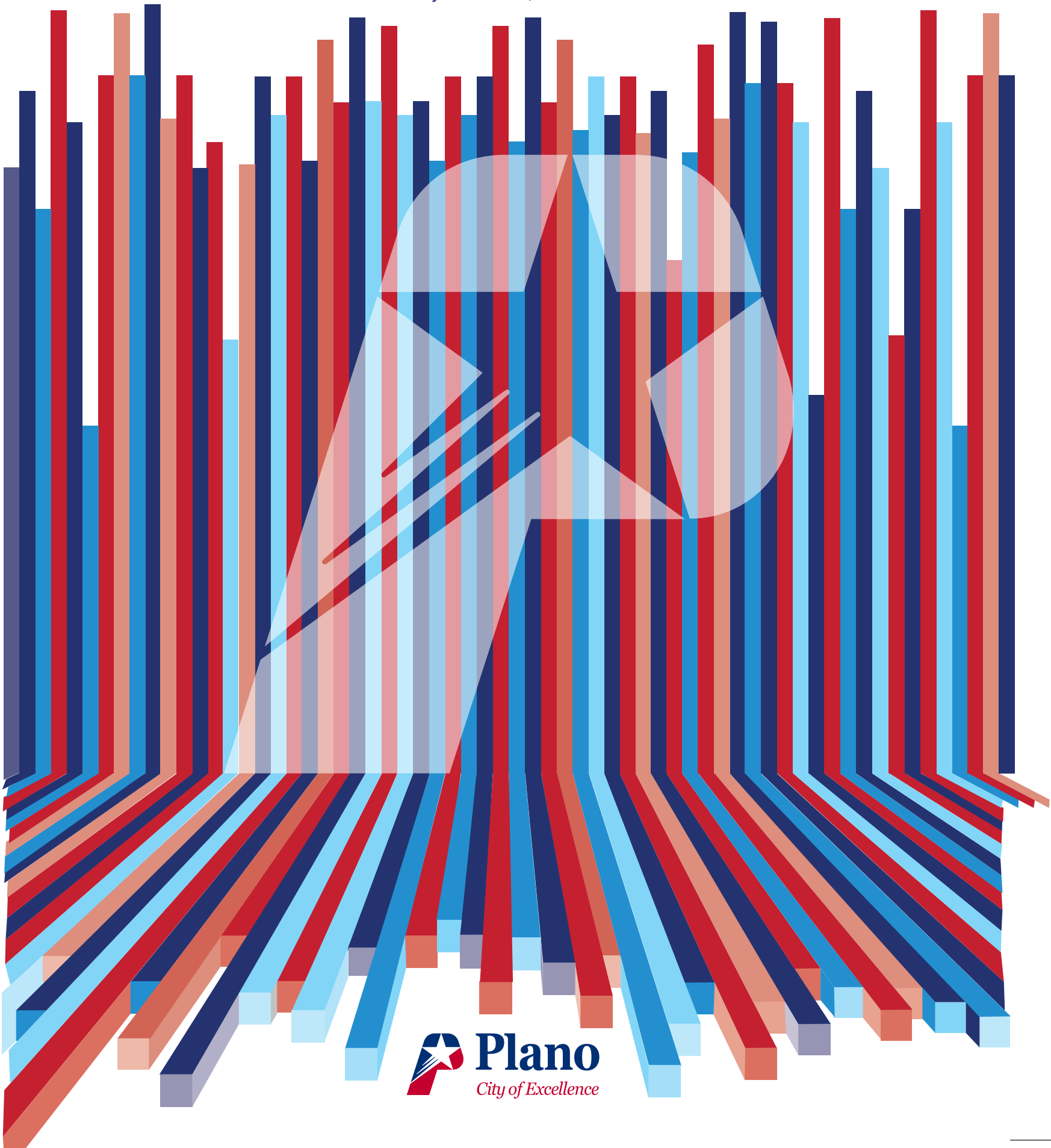
REQUESTS FOR INFORMATION

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT | 2020

*For Fiscal Year Ended September 30, 2020
City of Plano, Texas*



CITY OF PLANO, TEXAS
GOVERNMENT-WIDE STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2020

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 48,758,359	\$ 9,740,855	\$ 58,499,214	\$ 882,463
Investments	434,898,718	76,216,574	511,115,292	8,043,481
Receivables (net of allowance for uncollectibles)	23,726,996	24,664,780	48,391,776	-
Internal balances	(13,201,724)	13,201,724	-	-
Due from other governments	5,594,646	-	5,594,646	-
Inventories	2,090,578	157,543	2,248,121	-
Prepaid items and other assets	1,429,259	913,336	2,342,595	4,800
Restricted assets:				
Cash and cash equivalents	-	1,077,691	1,077,691	-
Investments	-	9,749,697	9,749,697	-
Receivables	-	73,252	73,252	-
Capital assets:				
Nondepreciable	195,654,872	14,090,887	209,745,759	2,642,229
Depreciable (net)	1,090,133,516	424,355,581	1,514,489,097	-
Total assets	1,789,085,220	574,241,920	2,363,327,140	11,572,973
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows from pensions	33,730,866	4,411,680	38,142,546	-
Deferred outflows from other postemployment benefits	8,049,441	1,276,116	9,325,557	-
Deferred charges on refundings	3,008,447	174,912	3,183,359	-
Total deferred outflows of resources	44,788,754	5,862,708	50,651,462	-
LIABILITIES				
Accounts payable	5,574,881	7,895,030	13,469,911	301,649
Accrued liabilities	11,968,194	3,131,089	15,099,283	-
Accrued interest payable	1,653,546	788,590	2,442,136	-
Contracts payable	10,722,189	2,038,060	12,760,249	-
Customer deposits	-	4,325,931	4,325,931	-
Escrow liability	-	231,320	231,320	-
Unearned revenue	13,463,548	283,550	13,747,098	-
Due to other governments	211,599	-	211,599	-
Retainage payable	3,515,448	481,622	3,997,070	-
Seized assets payable	249,132	-	249,132	-
Noncurrent liabilities:				
Due within one year:				
Compensated absences	4,299,777	596,431	4,896,208	-
Bonds and notes payable	38,282,374	4,187,831	42,470,205	-
Liability for insurance claims	8,049,912	-	8,049,912	-
Due in more than one year:				
Compensated absences	40,122,602	3,784,390	43,906,992	-
Bonds and notes payable	444,711,138	50,782,095	495,493,233	-
Net pension liability	65,440,918	8,573,981	74,014,899	-
Net other postemployment benefits liability	10,630,398	1,697,093	12,327,491	-
Total liabilities	658,895,656	88,797,013	747,692,669	301,649
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows from pensions	41,062,892	4,579,978	45,642,870	-
Deferred inflows from other postemployment benefits	17,776,054	2,914,784	20,690,838	-
Total deferred inflows of resources	58,838,946	7,494,762	66,333,708	-
NET POSITION				
Net investment in capital assets	911,222,409	389,326,342	1,300,548,751	2,642,229
Restricted for:				
Capital projects	25,101,632	-	25,101,632	-
Special revenue:				
Public safety	40,068,938	-	40,068,938	-
Public services and operations	2,612,511	-	2,612,511	-
Other	544,161	-	544,161	-
Component unit	180,138	-	180,138	8,629,095
Debt service	8,116,339	5,225,754	13,342,093	-
Unrestricted	128,293,244	89,260,757	217,554,001	-
Total net position	\$ 1,116,139,372	\$ 483,812,853	\$ 1,599,952,225	\$ 11,271,324

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, 2020

Function/Program Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 28,402,791	\$ 5,852,307	\$ 350,891	\$ 2,841,858
Administrative services	13,857,328	23,513	7,189	-
Police	90,732,275	9,107,057	8,749,165	134,574
Fire	69,356,690	7,139,689	8,177,359	-
Libraries	12,572,838	67,348	200,409	-
Development	47,639,113	7,906,705	19,517,220	-
Public services and operations	8,464,111	1,377,109	953,714	-
Parks and recreation	35,069,347	5,163,321	178,400	761,090
Public works	39,076,813	170,167	180,669	5,343,218
Technology services	26,540,857	4,239,203	615,182	-
Interest on long-term debt	13,137,948	-	-	-
Total governmental activities	384,850,111	41,046,419	38,930,198	9,080,740
Business-type Activities:				
Water and sewer	165,919,227	169,326,233	-	7,412,313
Sustainability and environmental services	30,769,325	19,189,375	-	-
Municipal drainage	5,661,224	7,709,626	-	-
Convention and tourism	8,728,965	1,542,996	-	-
Municipal golf course	1,020,315	1,054,720	-	-
Recreation revolving	2,170,082	1,505,331	-	-
Downtown center development	12,385	72,678	-	-
Total business-type activities	214,281,523	200,400,959	-	7,412,313
Total primary government	\$ 599,131,634	\$ 241,447,378	\$ 38,930,198	\$ 16,493,053
Component units	\$ 5,900,380	\$ -	\$ -	\$ -

General revenues:
Property taxes
Sales taxes
Mixed drink taxes
Hotel/Motel tax
Other taxes
Franchise fees based upon gross receipts
Investment income
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
\$ (19,357,735)		\$ (19,357,735)	
(13,826,626)		(13,826,626)	
(72,741,479)		(72,741,479)	
(54,039,642)		(54,039,642)	
(12,305,081)		(12,305,081)	
(20,215,188)		(20,215,188)	
(6,133,288)		(6,133,288)	
(28,966,536)		(28,966,536)	
(33,382,759)		(33,382,759)	
(21,686,472)		(21,686,472)	
(13,137,948)		(13,137,948)	
<u>(295,792,754)</u>		<u>(295,792,754)</u>	
	\$ 10,819,319	10,819,319	
	(11,579,950)	(11,579,950)	
	2,048,402	2,048,402	
	(7,185,969)	(7,185,969)	
	34,405	34,405	
	(664,751)	(664,751)	
	60,293	60,293	
	<u>(6,468,251)</u>	<u>(6,468,251)</u>	
<u>(295,792,754)</u>	<u>(6,468,251)</u>	<u>(302,261,005)</u>	
			<u>(5,900,380)</u>
206,429,516	-	206,429,516	2,515,100
87,256,319	-	87,256,319	-
1,748,846	-	1,748,846	-
-	6,725,576	6,725,576	-
194,110	-	194,110	-
21,635,342	8,464,909	30,100,251	-
17,150,138	3,059,983	20,210,121	-
12,075,463	(12,075,463)	-	-
<u>346,489,734</u>	<u>6,175,005</u>	<u>352,664,739</u>	<u>2,515,100</u>
50,696,980	(293,246)	50,403,734	(3,385,280)
1,065,442,392	484,106,099	1,549,548,491	14,656,604
<u>\$ 1,116,139,372</u>	<u>\$ 483,812,853</u>	<u>\$ 1,599,952,225</u>	<u>\$ 11,271,324</u>

**CITY OF PLANO, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2020**

	General	Debt Service	Capital Maintenance	Street Improvements
ASSETS				
Cash and cash equivalents	\$ 6,456,620	\$ 801,909	\$ 3,758,322	\$ 8,310,693
Investments	58,238,938	7,254,732	34,000,910	75,185,437
Receivables (net of allowance for uncollectibles):				
Taxes	15,837,554	262,041	-	-
Accounts	917,332	-	-	-
Accrued interest	437,566	54,507	255,459	564,890
Assessments	-	-	-	1,366,121
Other	-	-	-	-
Due from other funds	908,766	-	480,000	-
Due from other governments	1,798,734	-	-	1,513,303
Inventories	217,972	-	-	-
Prepaid items and other assets	529,069	-	-	-
Total assets	\$ 85,342,551	\$ 8,373,189	\$ 38,494,691	\$ 86,940,444
LIABILITIES				
Accounts payable	\$ 2,971,241	\$ -	\$ -	\$ -
Accrued liabilities	11,279,158	-	-	-
Contracts payable	-	-	5,037,301	2,285,267
Unearned revenue	145,712	-	-	5,957,738
Due to other funds	13,503	-	-	-
Due to other governments	211,599	-	-	-
Retainage payable	-	-	1,527,005	1,139,616
Seized assets payable	-	-	-	-
Total liabilities	14,621,213	-	6,564,306	9,382,621
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	9,116,094	256,850	-	1,836,157
FUND BALANCE				
Nonspendable:				
Prepaid items and inventories	747,041	-	-	-
Restricted for:				
Debt service	-	8,116,339	-	-
Street improvements	-	-	-	52,423,300
Municipal facilities	-	-	-	-
Park improvements	-	-	-	-
Grant	-	-	-	-
Special revenue	-	-	-	-
Blended component unit	-	-	-	-
Other capital projects	-	-	-	-
Committed to:				
Economic development incentive	-	-	-	-
Assigned to:				
General government	571,042	-	-	-
Administrative services	75,151	-	-	-
Police	670,835	-	-	-
Fire	1,016,654	-	-	-
Libraries	202,006	-	-	-
Development	1,665,191	-	-	-
Public services and operations	42,582	-	-	-
Parks and recreation	411,438	-	-	-
Public works	47,750	-	-	-
Capital maintenance	-	-	31,930,385	-
Street improvements	-	-	-	23,298,366
Municipal facilities	-	-	-	-
Park improvements	-	-	-	-
Other capital projects	-	-	-	-
Other purposes	252,615	-	-	-
Unassigned	55,902,939	-	-	-
Total fund balance	61,605,244	8,116,339	31,930,385	75,721,666
Total liabilities, deferred inflows and fund balance	\$ 85,342,551	\$ 8,373,189	\$ 38,494,691	\$ 86,940,444

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

Municipal Facilities	Park Improvements	Economic Development Incentive	Grant	Other Governmental Funds	Total Governmental Funds
\$ 3,036,225	\$ 5,086,043	\$ 5,867,214	\$ 961,537	\$ 6,167,818	\$ 40,446,381
27,468,210	46,012,573	53,079,694	4,436,924	54,024,232	359,701,650
-	-	-	-	-	16,099,595
-	-	-	1,047,249	52,764	2,017,345
206,377	345,706	398,803	33,336	442,771	2,739,415
-	-	-	-	-	1,366,121
-	-	-	935,266	-	935,266
-	-	-	14,401	-	1,403,167
-	1,023,711	-	1,030,224	228,674	5,594,646
-	-	-	-	-	217,972
-	-	-	4,618	-	533,687
<u>\$ 30,710,812</u>	<u>\$ 52,468,033</u>	<u>\$ 59,345,711</u>	<u>\$ 8,463,555</u>	<u>\$ 60,916,259</u>	<u>\$ 431,055,245</u>
\$ -	\$ -	\$ -	\$ 156,864	\$ 113,602	\$ 3,241,707
-	-	-	22,543	252,337	11,554,038
1,512,388	1,887,233	-	-	-	10,722,189
-	-	-	7,360,098	-	13,463,548
-	-	-	731,320	3,344	748,167
-	-	-	-	-	211,599
371,607	477,220	-	-	-	3,515,448
-	-	-	-	249,132	249,132
<u>1,883,995</u>	<u>2,364,453</u>	<u>-</u>	<u>8,270,825</u>	<u>618,415</u>	<u>43,705,828</u>
-	680,016	-	329,193	5,747	12,224,057
-	-	-	4,618	-	751,659
-	-	-	-	-	8,116,339
-	-	-	-	-	52,423,300
26,003,445	-	-	-	-	26,003,445
-	38,949,309	-	-	-	38,949,309
-	-	-	88,760	-	88,760
-	-	-	-	43,027,133	43,027,133
-	-	-	-	180,138	180,138
-	-	-	-	10,628,491	10,628,491
-	-	59,345,711	-	-	59,345,711
-	-	-	-	-	571,042
-	-	-	-	-	75,151
-	-	-	-	-	670,835
-	-	-	-	-	1,016,654
-	-	-	-	-	202,006
-	-	-	-	-	1,665,191
-	-	-	-	-	42,582
-	-	-	-	-	411,438
-	-	-	-	-	47,750
-	-	-	-	-	31,930,385
-	-	-	-	-	23,298,366
2,823,372	-	-	-	-	2,823,372
-	10,474,255	-	-	-	10,474,255
-	-	-	-	6,456,335	6,456,335
-	-	-	-	-	252,615
-	-	-	(229,841)	-	55,673,098
<u>28,826,817</u>	<u>49,423,564</u>	<u>59,345,711</u>	<u>(136,463)</u>	<u>60,292,097</u>	<u>375,125,360</u>
<u>\$ 30,710,812</u>	<u>\$ 52,468,033</u>	<u>\$ 59,345,711</u>	<u>\$ 8,463,555</u>	<u>\$ 60,916,259</u>	<u>\$ 431,055,245</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, 2020**

Total fund balance per balance sheet	\$	375,125,360
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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.	1,237,217,423
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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.	3,008,447
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Deferred outflows related to pensions and other postemployment benefits	41,780,307
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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 assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	110,106,913
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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.	(528,412,873)
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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.	12,224,057
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Net pension and other postemployment benefits liability and deferred inflows related to pensions and other postemployment benefits.	(134,910,262)
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Net position of governmental activities	\$	<u>1,116,139,372</u>
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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, 2020

	General	Debt Service	Capital Maintenance	Street Improvements
REVENUES				
Taxes:				
Property taxes	\$ 145,852,722	\$ 47,995,385	\$ -	\$ -
Sales taxes	86,754,811	-	-	-
Other taxes	1,932,956	-	-	-
Franchise fees	20,948,685	-	-	-
Fines and forfeitures	4,710,210	-	-	-
Contributions	-	-	-	2,240
Rollback taxes	-	-	240,301	-
Licenses and permits	8,215,483	-	-	-
Intragovernmental	12,376,756	-	-	-
Intergovernmental	1,421,116	-	-	2,697,102
Charges for services	12,672,103	-	-	-
Assessed taxes	-	-	-	-
Loan repayments	-	-	-	-
Investment income	3,312,931	1,243,469	1,437,819	2,255,314
Miscellaneous	1,552,241	134,574	18,318	64,189
Total revenues	<u>299,750,014</u>	<u>49,373,428</u>	<u>1,696,438</u>	<u>5,018,845</u>
EXPENDITURES				
Current operating:				
General government	30,798,961	-	-	-
Administrative services	12,085,807	-	-	-
Police	80,843,757	-	-	-
Fire	58,591,180	-	-	-
Libraries	12,281,625	-	-	-
Development	32,800,299	-	-	-
Public services and operations	6,763,226	-	-	-
Parks and recreation	26,077,933	-	-	-
Public works	7,264,817	-	-	-
Technology services	2,000,000	-	-	-
Capital outlay	1,081,876	-	51,106,051	30,368,119
Interest and fiscal charges	-	-	-	262,331
Debt service:				
Principal retirement	-	29,375,000	-	-
Interest and fiscal charges	-	17,442,679	-	-
Total expenditures	<u>270,589,481</u>	<u>46,817,679</u>	<u>51,106,051</u>	<u>30,630,450</u>
Excess (deficiency) of revenues over (under) expenditures	<u>29,160,533</u>	<u>2,555,749</u>	<u>(49,409,613)</u>	<u>(25,611,605)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	36,783,920
Issuance of debt - refunding	-	4,180,000	-	-
Escrow payment - refunding	-	(4,590,261)	-	-
Premium on sale of bonds	-	422,794	-	3,478,411
Proceeds from sale of land	343,306	-	-	-
Transfers in	9,975,463	-	38,600,549	-
Transfers out	(36,554,111)	-	-	-
Total other financing sources (uses)	<u>(26,235,342)</u>	<u>12,533</u>	<u>38,600,549</u>	<u>40,262,331</u>
Net change in fund balances	2,925,191	2,568,282	(10,809,064)	14,650,726
Fund balances - beginning	<u>58,680,053</u>	<u>5,548,057</u>	<u>42,739,449</u>	<u>61,070,940</u>
Fund balances - ending	<u>\$ 61,605,244</u>	<u>\$ 8,116,339</u>	<u>\$ 31,930,385</u>	<u>\$ 75,721,666</u>

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

Municipal Facilities	Park Improvements	Economic Development Incentive	Grant	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 193,848,107
-	-	-	-	-	86,754,811
-	-	-	-	-	1,932,956
-	-	-	-	-	20,948,685
-	-	-	-	218,992	4,929,202
-	-	8,924,829	-	590,929	9,517,998
-	-	-	-	-	240,301
-	-	-	-	-	8,215,483
-	-	-	-	-	12,376,756
-	1,406,287	-	26,002,753	518,582	32,045,840
-	-	-	-	3,974,168	16,646,271
-	-	-	-	138,263	138,263
-	-	-	75,562	-	75,562
1,008,765	1,508,924	1,786,678	167,154	1,742,852	14,463,906
-	-	307,297	100	21,466	2,098,185
<u>1,008,765</u>	<u>2,915,211</u>	<u>11,018,804</u>	<u>26,245,569</u>	<u>7,205,252</u>	<u>404,232,326</u>
-	-	-	-	-	30,798,961
-	-	-	96,090	-	12,181,897
-	-	-	7,173,534	3,485,277	91,502,568
-	-	-	7,525,318	248,130	66,364,628
-	-	-	94,474	77,905	12,454,004
-	-	4,239,879	9,951,692	457,697	47,449,567
-	-	-	422,251	1,086,663	8,272,140
-	-	-	-	-	26,077,933
-	-	-	70	-	7,264,887
-	-	-	379,149	-	2,379,149
14,041,477	29,090,497	-	515,793	931,263	127,135,076
41,087	172,810	-	-	26,233	502,461
-	-	-	-	-	29,375,000
-	-	-	-	-	17,442,679
<u>14,082,564</u>	<u>29,263,307</u>	<u>4,239,879</u>	<u>26,158,371</u>	<u>6,313,168</u>	<u>479,200,950</u>
<u>(13,073,799)</u>	<u>(26,348,096)</u>	<u>6,778,925</u>	<u>87,198</u>	<u>892,084</u>	<u>(74,968,624)</u>
5,761,281	24,231,407	-	-	3,678,392	70,455,000
-	-	-	-	-	4,180,000
-	-	-	-	-	(4,590,261)
544,806	2,291,403	-	-	347,841	7,085,255
1,547,090	-	-	-	-	1,890,396
-	-	-	-	386,029	48,962,041
-	-	-	-	(86,029)	(36,640,140)
<u>7,853,177</u>	<u>26,522,810</u>	<u>-</u>	<u>-</u>	<u>4,326,233</u>	<u>91,342,291</u>
(5,220,622)	174,714	6,778,925	87,198	5,218,317	16,373,667
<u>34,047,439</u>	<u>49,248,850</u>	<u>52,566,786</u>	<u>(223,661)</u>	<u>55,073,780</u>	<u>358,751,693</u>
<u>\$ 28,826,817</u>	<u>\$ 49,423,564</u>	<u>\$ 59,345,711</u>	<u>\$ (136,463)</u>	<u>\$ 60,292,097</u>	<u>\$ 375,125,360</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, 2020

Net change in fund balances - total governmental funds	\$ 16,373,667
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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 in the current period.	73,541,587
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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.	2,243,612
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The issuance of long-term debt (bonds and tax anticipation notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net 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.	(47,654,499)
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Pension and other postemployment benefits net expense are not reported in governmental funds.	2,645,200
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Pension and other postemployment benefits net expense in internal service funds	153,988
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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.	1,820,312
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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.	1,573,113
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Change in net position of governmental activities	<u>\$ 50,696,980</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, 2020

	Business-type Activities Enterprise Funds					Governmental Activities- Service Funds
	Water and Sewer	Sustainability and Environmental Services	Municipal Drainage	Other Enterprise Funds	Total	
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 8,333,173	\$ 105,792	\$ 541,918	\$ 759,972	\$ 9,740,855	\$ 8,311,978
Investments	63,543,996	935,950	4,902,594	6,834,034	76,216,574	75,197,068
Receivables (net of allowance for uncollectibles):						
Accounts	19,854,859	1,289,124	891,395	394,101	22,429,479	-
Accrued interest	477,425	7,032	36,835	51,345	572,637	564,977
Other	20,259	1,630,049	-	12,356	1,662,664	4,277
Inventories	157,543	-	-	-	157,543	1,872,606
Prepaid items and other assets	131,696	702,166	-	79,474	913,336	895,572
Restricted assets:						
Revenue bond debt service-						
Cash and cash equivalents	87,762	-	428,882	-	516,644	-
Investments	793,969	-	2,596,831	-	3,390,800	-
Accrued interest receivable	5,965	-	29,152	-	35,117	-
Revenue bond reserve fund-						
Investments	-	-	1,283,193	-	1,283,193	-
Revenue bond construction fund-						
Cash and cash equivalents	535,096	-	25,951	-	561,047	-
Investments	4,840,930	-	234,774	-	5,075,704	-
Accrued interest receivable	36,371	-	1,764	-	38,135	-
Total current assets	98,819,044	4,670,113	10,973,289	8,131,282	122,593,728	86,846,478
Capital assets:						
Land	3,666,227	-	123,664	2,992,154	6,782,045	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
Improvements other than buildings	707,565,639	-	-	3,519,353	711,084,992	-
Equipment	-	470,301	15,048	1,995,894	2,481,243	46,214,190
Rolling equipment	-	-	-	-	-	65,609,843
Drainage improvements	-	-	53,864,756	-	53,864,756	-
Construction in progress	4,352,656	-	2,906,186	-	7,258,842	-
Less accumulated depreciation	(330,635,087)	(298,666)	(12,256,158)	(17,537,696)	(360,727,607)	(69,290,884)
Total capital assets (net of accumulated depreciation)	387,697,464	740,658	44,706,417	5,301,929	438,446,468	48,570,965
Total noncurrent assets	387,697,464	740,658	44,706,417	5,301,929	438,446,468	48,570,965
Total assets	486,516,508	5,410,771	55,679,706	13,433,211	561,040,196	135,417,443
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows from pensions	2,165,641	1,191,684	351,042	703,313	4,411,680	2,028,283
Deferred outflows from other postemployment benefits	579,016	384,754	98,873	213,473	1,276,116	434,610
Deferred charges on refundings	-	-	174,912	-	174,912	-
Total deferred outflows of resources	2,744,657	1,576,438	624,827	916,786	5,862,708	2,462,893

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, 2020
(continued)

	Business-type Activities Enterprise Funds					Governmental Activities- Service Funds
	Water and Sewer	Sustainability and Environmental Services	Municipal Drainage	Other Enterprise Funds	Total	
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 7,260,298	\$ 204,483	\$ 356,635	\$ 73,614	\$ 7,895,030	\$ 2,333,174
Accrued liabilities	389,788	2,493,202	62,496	185,603	3,131,089	414,156
Unearned revenue	140	-	-	283,410	283,550	-
Due to other funds	-	-	-	-	-	655,000
Customer deposits	4,128,756	-	-	197,175	4,325,931	-
Escrow liability	231,320	-	-	-	231,320	-
Liability for compensated absences	223,414	303,257	23,400	46,360	596,431	108,432
Liability for insurance claims	-	-	-	-	-	8,049,912
Total current liabilities	<u>12,233,716</u>	<u>3,000,942</u>	<u>442,531</u>	<u>786,162</u>	<u>16,463,351</u>	<u>11,560,674</u>
Current liabilities payable from restricted assets:						
Contracts payable	2,038,060	-	-	-	2,038,060	-
Current portion of long-term debt	2,280,249	-	1,907,582	-	4,187,831	-
Accrued interest payable	501,375	-	287,215	-	788,590	-
Retainage payable	463,360	-	18,262	-	481,622	-
Total current liabilities payable from restricted assets	<u>5,283,044</u>	<u>-</u>	<u>2,213,059</u>	<u>-</u>	<u>7,496,103</u>	<u>-</u>
Total current liabilities	<u>17,516,760</u>	<u>3,000,942</u>	<u>2,655,590</u>	<u>786,162</u>	<u>23,959,454</u>	<u>11,560,674</u>
Noncurrent liabilities:						
Bonds payable	32,525,967	-	18,256,128	-	50,782,095	-
Net pension liability	4,172,423	2,348,303	660,487	1,392,768	8,573,981	3,833,836
Net other postemployment benefits liability	788,637	497,361	124,881	286,214	1,697,093	545,357
Liability for compensated absences	<u>1,764,722</u>	<u>1,091,917</u>	<u>201,376</u>	<u>726,375</u>	<u>3,784,390</u>	<u>548,132</u>
Total noncurrent liabilities	<u>39,251,749</u>	<u>3,937,581</u>	<u>19,242,872</u>	<u>2,405,357</u>	<u>64,837,559</u>	<u>4,927,325</u>
Total liabilities	<u>56,768,509</u>	<u>6,938,523</u>	<u>21,898,462</u>	<u>3,191,519</u>	<u>88,797,013</u>	<u>16,487,999</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows from pensions	1,947,518	1,458,949	374,300	799,211	4,579,978	2,194,468
Deferred inflows from other postemployment benefits	<u>1,311,710</u>	<u>889,295</u>	<u>230,204</u>	<u>483,575</u>	<u>2,914,784</u>	<u>932,473</u>
Total deferred inflows of resources	<u>3,259,228</u>	<u>2,348,244</u>	<u>604,504</u>	<u>1,282,786</u>	<u>7,494,762</u>	<u>3,126,941</u>
NET POSITION						
Net investment in capital assets	358,303,647	740,658	24,980,108	5,301,929	389,326,342	48,570,965
Restricted for:						
Debt service	887,696	-	4,338,058	-	5,225,754	-
Unrestricted	<u>70,042,085</u>	<u>(3,040,216)</u>	<u>4,483,401</u>	<u>4,573,763</u>	<u>76,059,033</u>	<u>69,694,431</u>
Total net position	<u>\$ 429,233,428</u>	<u>\$ (2,299,558)</u>	<u>\$ 33,801,567</u>	<u>\$ 9,875,692</u>	<u>\$ 470,611,129</u>	<u>\$ 118,265,396</u>

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, 2020

Total net position of proprietary funds	\$ 470,611,129
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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.

13,201,724

Net position of business-type activities
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\$ 483,812,853

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, 2020

	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	\$ 168,670,449	\$ 14,274,703	\$ 7,689,695	\$ 4,060,546	\$ 194,695,393
Franchise fees	-	8,464,909	-	-	8,464,909
Sale of compost products	-	2,628,264	-	-	2,628,264
Subrogation receipts	-	-	-	-	-
Intergovernmental	-	59,815	-	-	59,815
Contributions	-	9,742	-	-	9,742
Miscellaneous charges	587,761	2,126,148	-	95,730	2,809,639
Total operating revenues	169,258,210	27,563,581	7,689,695	4,156,276	208,667,762
OPERATING EXPENSES					
Personnel services	11,891,005	8,068,133	2,949,659	4,672,901	27,581,698
Pension and other postemployment benefits expense (net)	(205,379)	(144,595)	(37,298)	(76,269)	(463,541)
Contractual services	10,567,123	9,729,753	771,295	6,906,035	27,974,206
Supplies	1,773,555	544,243	167,136	657,276	3,142,210
Claims expense	-	-	-	-	-
Depreciation	16,968,255	65,776	1,059,026	206,692	18,299,749
Solid waste disposal	-	8,338,024	-	-	8,338,024
Wastewater treatment	35,386,603	-	-	-	35,386,603
Charges in lieu of taxes	10,278,860	2,097,726	-	-	12,376,586
Water supply	77,364,433	-	-	-	77,364,433
Miscellaneous	1,518,226	276,199	39,735	96,243	1,930,403
Total operating expenses	165,542,681	28,975,259	4,949,553	12,462,878	211,930,371
Operating income (loss)	3,715,529	(1,411,678)	2,740,142	(8,306,602)	(3,262,609)
NONOPERATING REVENUES (EXPENSES)					
Investment income	2,332,830	34,948	396,915	295,290	3,059,983
Gain on property disposition	-	-	-	6,509	6,509
Interest and fiscal charges	(985,864)	-	(660,352)	-	(1,646,216)
Hotel/Motel tax	-	-	-	6,725,576	6,725,576
Miscellaneous	68,023	90,703	19,931	12,940	191,597
Total nonoperating revenues (expenses)	1,414,989	125,651	(243,506)	7,040,315	8,337,449
Income (loss) before contributions and transfers	5,130,518	(1,286,027)	2,496,636	(1,266,287)	5,074,840
Contributions from developers	7,412,313	-	-	-	7,412,313
Transfers in	-	-	-	-	-
Transfers out	(8,893,212)	-	(1,248,531)	(1,933,720)	(12,075,463)
Change in net position	3,649,619	(1,286,027)	1,248,105	(3,200,007)	411,690
Total net position - beginning	425,583,809	(1,013,531)	32,553,462	13,075,699	470,199,439
Total net position - ending	\$ 429,233,428	\$ (2,299,558)	\$ 33,801,567	\$ 9,875,692	\$ 470,611,129

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, 2020

Change in net position - total enterprise funds	\$ 411,690
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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.

(704,936)

Change in net position of business-type activities	\$ <u>(293,246)</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, 2020

	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	\$ 173,055,676	\$ 18,619,374	\$ 7,590,591	\$ 4,947,132	\$ 204,212,773
Cash received from other funds	-	-	-	-	-
Cash received from subrogation	-	-	-	-	-
Franchise fees	-	8,464,909	-	-	8,464,909
Charges in lieu of taxes	(10,278,860)	(2,097,726)	-	-	(12,376,586)
Cash payments to suppliers for goods and services	(122,916,636)	(18,635,196)	(1,233,590)	(7,211,622)	(149,997,044)
Cash paid to or on behalf of employees for services	(11,637,823)	(8,136,621)	(2,935,399)	(4,908,428)	(27,618,271)
Net cash provided (used) by operating activities	28,222,357	(1,785,260)	3,421,602	(7,172,918)	22,685,781
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Hotel/Motel tax	-	-	-	6,725,576	6,725,576
Transfers to other funds	(8,893,212)	-	(1,248,531)	(1,933,720)	(12,075,463)
Transfers from other funds	-	-	-	-	-
Net cash provided (used) by noncapital financing activities	(8,893,212)	-	(1,248,531)	4,791,856	(5,349,887)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(17,490,256)	-	(4,325,244)	(32,486)	(21,847,986)
Bond issuance costs paid	(5,000)	-	(3,000)	-	(8,000)
Proceeds from sale of equipment	-	-	-	2,051	2,051
Principal paid on long-term debt	(1,855,000)	-	(1,770,000)	-	(3,625,000)
Interest and fees paid on long-term debt	(1,411,200)	-	(727,531)	-	(2,138,731)
Proceeds from insurance damages	68,023	90,703	19,932	12,940	191,598
Net cash provided (used) by capital and related financing activities	(20,693,433)	90,703	(6,805,843)	(17,495)	(27,426,068)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of investment securities	(69,178,895)	(935,950)	(9,017,392)	(6,834,034)	(85,966,271)
Proceeds from sale and maturities of investment securities	69,927,385	2,503,889	13,248,044	9,016,054	94,695,372
Interest on investments	2,210,208	42,136	404,403	295,150	2,951,897
Net cash provided by investing activities	2,958,698	1,610,075	4,635,055	2,477,170	11,680,998
Net increase (decrease) in cash and cash equivalents	1,594,410	(84,482)	2,283	78,613	1,590,824
Cash and cash equivalents - beginning	7,361,621	190,274	994,468	681,359	9,227,722
Cash and cash equivalents - ending	\$ 8,956,031	\$ 105,792	\$ 996,751	\$ 759,972	\$ 10,818,546
Classified as:					
Current assets	\$ 8,333,173	\$ 105,792	\$ 541,918	\$ 759,972	\$ 9,740,855
Restricted assets	622,858	-	454,833	-	1,077,691
Total	\$ 8,956,031	\$ 105,792	\$ 996,751	\$ 759,972	\$ 10,818,546
Noncash disclosures:					
Developers' contributions	\$ 7,412,313	\$ -	\$ -	\$ -	\$ 7,412,313
Premium amortization	345,249	-	87,582	-	432,831
Amortization of deferred charge on refunding	-	-	(36,900)	-	(36,900)
Property disposition/adjustments	-	-	-	6,509	6,509
Increase in fair value of investments	2,433,219	66,271	99,963	86,786	2,686,239
Transfer in (out) of capital assets	(4,463)	(257,717)	(29,866)	-	(292,046)

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, 2020
(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)	\$ 3,715,529	\$ (1,411,678)	\$ 2,740,142	\$ (8,306,602)	\$ (3,262,609)	\$ (2,260,415)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	16,968,255	65,776	1,059,026	206,692	18,299,749	11,772,853
Pension and other postemployment benefits expense (net)	(205,379)	(144,595)	(37,298)	(76,269)	(463,541)	(153,988)
Change in assets and liabilities:						
(Increase) decrease in-						
Accounts receivable	3,677,096	(26,412)	(99,104)	718,249	4,269,829	591,012
Other receivable	(6,035)	(452,886)	-	10,784	(448,137)	(2,327)
Due from other funds	37,000	-	-	-	37,000	439,676
Prepaid items and other assets	3,487,481	102,114	350	458,026	4,047,971	641,737
Inventories	154,222	-	-	-	154,222	(674,563)
Increase (decrease) in-						
Accounts payable	51,601	150,909	(255,774)	(20,878)	(74,142)	(1,441,022)
Accrued liabilities	87,292	(57,098)	8,847	(192,531)	(153,490)	56,126
Due to other funds	-	-	-	-	-	(81,670)
Liability for compensated absences	165,890	(11,390)	5,413	(42,996)	116,917	36,678
Customer deposits	89,415	-	-	16,949	106,364	-
Unearned revenue	(10)	-	-	55,658	55,648	-
Liability for insurance claims	-	-	-	-	-	822,560
Total adjustments	24,506,828	(373,582)	681,460	1,133,684	25,948,390	12,007,072
Net cash provided (used) by operating activities	\$ 28,222,357	\$ (1,785,260)	\$ 3,421,602	\$ (7,172,918)	\$ 22,685,781	\$ 9,746,657

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, 2020

	Pension and Other Post-Employment Benefits Trust Funds
ASSETS	
Cash and cash equivalents	\$ 4,514,357
Mutual funds	
Domestic equity funds	128,521,779
International equity funds	51,278,171
Fixed income funds	34,500,433
Real estate investment trusts	20,440,105
Collective investment trusts	37,504,006
Accrued interest	74
Prepaid items	66,748
Total assets	<u>276,825,673</u>
LIABILITIES	
Accrued liabilities	288,336
Unearned revenue	65,361
Total liabilities	<u>353,697</u>
NET POSITION	
Net position restricted for pensions	173,365,687
Net position restricted for other postemployment benefits	103,106,289
Total net position	<u><u>\$ 276,471,976</u></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, 2020

	Pension and Other Post-Employment Benefits Trust Funds
ADDITIONS	
Contributions:	
From employers	\$ 10,266,922
From retirees	2,292,623
Total contributions	<u>12,559,545</u>
Investment return:	
Net increase in fair value of investment	18,689,698
Interest	(18,092)
Dividends	4,544,948
Miscellaneous	16,557
Total investment return	<u>23,233,111</u>
Less investment expenses:	
Trustee fees	91,437
Advisory fees	148,030
Total investment expenses	<u>239,467</u>
Net investment return	<u>22,993,644</u>
Total additions	<u>35,553,189</u>
DEDUCTIONS	
Benefits	9,885,558
Administrative expenses	2,323,405
Total deductions	<u>12,208,963</u>
Change in net position	23,344,226
Total net position - beginning	<u>253,127,750</u>
Total net position - ending	<u><u>\$ 276,471,976</u></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, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The City of Plano, Texas (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 government-wide statement of activities reflects depreciation expense on the City's capital assets, including infrastructure.

In addition to the government-wide financial statements, the City has prepared fund financial statements, which use the modified accrual basis of accounting and the current financial resources measurement focus for the governmental funds. The accrual basis of accounting is utilized by proprietary 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

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020

within the 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 (formally 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 in 2021 and, therefore, no activity is 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 consider establishing a tax increment reinvestment zone and two public improvement districts. In 2020, City Council established TIF No. 4 to support the redevelopment of the mall and its surrounding commercial areas. The City has pledged 75% and the County has pledged 50% of their tax increment for 36 years. In the current fiscal year, no activity was reported.

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, 2020

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.

As part of the redevelopment agreement discussed above related to the TIF No. 4 and the Collin Creek project, the City established the Collin Creek East PID in fiscal year 2020 and the Collin Creek West PID is expected to be approved in early 2021. PID costs will be for public infrastructure such as streets, storm water and sanitary sewer, and bonds will be sold mid-2021. The City recognizes the positive impact the Collin Creek East and West PIDs will bring to the City and promote state and local economic development.

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. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, extends the effective dates of certain accounting and financial reporting provisions in Statements and Implementation Guides that were first effective for reporting periods beginning after June 15, 2018. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic.

GASB Statement No. 87, *Leases*, will increase 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 are effective for reporting periods beginning after June 15, 2021. The City is currently evaluating the impact of this Statement.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020

GASB Statement No. 91, *Conduit Debt Obligations*, will provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. 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 government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (police, fire, public works, etc.) or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with 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.

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, etc.) and cannot be used to address activities or obligations of the government, these funds

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020

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.

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 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 and claims and judgments, are recorded only when the obligation has matured and is due and payable shortly after year-end.

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

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

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020

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.
- 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.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020

- 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 and postemployment health benefits for employees of the City.

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.

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.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020

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.

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

Property, plant and equipment of the primary government and business-type activities are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	15 - 40
Improvements other than buildings	20 - 50
Equipment	2 - 10
Furniture and fixtures	5 - 10
Drainage improvements	50
Meters	10
Storm/sanitary sewer	50
System infrastructure	30 - 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 Funds. 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.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020

M. Retirement Plans

The City has two separate retirement plans, Texas Municipal Retirement System (TMRS) and Retirement Security Plan (RSP), covering substantially all employees. In addition, the City has a 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 position 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 plans – This difference is deferred and amortized over the estimated average remaining service lives of all members determined as of the measurement date.
- 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 position 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 TMRS 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.
- 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.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020

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.

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 \$2,299,558 at September 30, 2020. Total operating expenses increased in a variety of categories that exceeded program and franchise fee revenues. The Sustainability and Environmental Services Fund has positive cash and cash equivalents as of September 30, 2020.

The Grant Fund also reported negative fund balance of \$136,463 at September 30, 2020, due to reimbursements not being received within 30 days and, therefore, not considered available to pay liabilities of the current period.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020

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	\$ (446,085,000)
Bond premium	(36,908,512)
Accrued interest payable	(1,653,546)
Compensated absences	(43,765,815)
	<u>\$ (528,412,873)</u>

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 expense." The details of this difference are as follows:

Capital outlay	\$ 127,135,076
Depreciation expense	(55,726,236)
Other capital-related transactions	2,132,747
	<u>\$ 73,541,587</u>

Another element of the reconciliation states, "The issuance of long-term debt (bonds and tax anticipation notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net 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	\$ (70,455,000)
Refunded bonds	(4,180,000)
Premium	(7,085,255)
Payment to escrow agent	4,590,261
Bond issuance costs	100,495
Principal payments	29,375,000
	<u>\$ (47,654,499)</u>

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020

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	\$ (2,383,924)
Accrued interest	(202,180)
Amortization of deferred charge on refunding	(1,631,624)
Amortization of bond premium	6,038,040
	<hr/>
	\$ 1,820,312
	<hr/>

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 the 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 \$1,000,000 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.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020

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 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.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020

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	\$ 4,702,649
Capital maintenance	28,391,402
Street improvements	23,298,366
Municipal facilities	2,823,372
Park improvements	10,474,255
	<u>\$ 69,690,044</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.

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 market value basis) of the City's deposit of public funds and any accrued interest.

At September 30, 2020, the carrying amount of the City's demand deposits was \$34,064,812, which includes component units' deposits of \$571,252. The bank balance was \$34,758,671. Cash on hand totaled \$1,335,309. The carrying value and the bank balance of the City's non-negotiable certificates of deposit (CD) were \$91,958,685, which includes component units' deposits of \$1,388,207. The carrying

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020

value of cash held in trust by a bank trust department for the Pension and Other Post-Employment Benefits Trust Funds were \$3,097,102 and \$1,947,419, respectively.

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, 2020, 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, 2020:

- U.S. agencies of \$204.8 million are valued using matrix pricing (Level 2 inputs)
- Municipal bonds of \$232.1 million are valued using quoted market prices in markets that are not active (Level 2 inputs)

The Pension Trust Fund has the following recurring fair value measurements as of September 30, 2020:

- Fixed income investments of \$19.6 million are valued using quoted market prices (Level 1 inputs)
- Equities of \$116.6 million are valued using quoted market prices (Level 1 inputs)

The Other Post-Employment Benefits Trust Fund has the following recurring fair value measurements as of September 30, 2020:

- Fixed income investments of \$14.9 million are valued using quoted market prices (Level 1 inputs)
- Equities of \$63.2 million are valued using quoted market prices (Level 1 inputs)

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020

At September 30, 2020, the City's investment balances measured at fair value levels were as follows:

	9/30/2020	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	\$ 204,786,509	\$ -	\$ 198,191,218	\$ 6,595,291	1.0539
Municipal bonds	232,103,207	-	232,103,207	-	0.7159
Total Government-wide	436,889,716	-	430,294,425	6,595,291	1.7698
Trust Funds					
Pension:					
Fixed income funds	19,588,862	19,588,862	-	-	NA
Domestic equity funds	90,166,967	90,166,967	-	-	NA
International equity funds	26,438,599	26,438,599	-	-	NA
Other Post-Employment Benefits:					
Fixed income funds	14,911,571	14,911,571	-	-	NA
Domestic equity funds	38,354,812	38,354,812	-	-	NA
International equity funds	24,839,572	24,839,572	-	-	NA
Total Investment Trust Funds	214,300,383	214,300,383	-	-	
Total Investments Measured at Fair Value	651,190,099	\$ 214,300,383	\$ 430,294,425	\$ 6,595,291	

At September 30, 2020, the City's investment balances measured at the net asset value (NAV) per share (or its equivalent) were as follows:

	9/30/2020	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Trust Funds				
Pension:				
Real estate collective trusts	\$ 15,463,362	\$ -	Quarterly	45 days
Collective investment trusts	18,610,737	-	Not limited	None
Other Post-Employment Benefits:				
Real estate collective trusts	4,976,743	-	Quarterly	45 days
Collective investment trusts	18,893,269	-	Not limited	None
Total Investments Measured at the NAV	57,944,111	\$ -		
Total Investments	\$ 709,134,210			

In addition, the City had investments in government pools at September 30, 2020 totaling \$24,589,152, which are recorded at amortized cost. These investments in government pools includes component units' deposits of \$371,194. 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 both 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

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020

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 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 and Texas Daily) carried a credit rating of AAAM by Standard & Poor's as of September 30, 2020.

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, the City's investment policy limits the amount that may be invested in any one issuer to 50% of the total investment portfolio. As of September 30, 2020, five percent (5%) or more of the City's total investments are in municipal bonds (39.5%), Federal Agricultural Mortgage Corporation (10.0%), Federal Home Loan Bank (8.4%), Federal Farm Credit Bank (5.4%), Federal Home Loan Mortgage Corporation (6.1%), certificates of deposits (15.6%) and bank accounts (5.9%), 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, 2019 was \$45,074,890,034. Subsequent adjustments decreased this value to \$43,791,855,718.

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, 2020, were 99.8% of the tax levy.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020

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, 2020, was \$0.4482 (\$0.3372 for general government and \$0.1110 for debt service) per \$100 of assessed valuation. Thus, the City has a tax margin of \$2.0518 per \$100 and could have levied up to \$898,521,296 in additional taxes from the present assessed valuation.

In Texas, countywide central appraisal districts are required to assess all property within the appraisal district on the basis of 100% of its appraised value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every five years; however, the City, at its own expense, requires annual reviews of appraised values. The City may challenge appraised values established by the appraisal district through various appeals, and, if necessary, legal action. Under this system, the City sets tax rates on City property. However, if the effective tax rate, excluding tax rates for bonds and other contractual obligations, adjusted for new improvements, exceeds the rate for the previous year by more than 8%, qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than 8% above the tax rate of the previous year. Effective for fiscal year 2021, this limit will be reduced to 3.5% and exceeding the limit will require an automatic election.

3. RECEIVABLES:

Receivables at September 30, 2020 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	Accrued Interest	Assessments	Other	Gross Receivables	Less: Allowance for Uncollectibles	Net Total Receivables
General	\$ 2,089,367	\$ 15,099,145	\$ 1,186,467	\$ 437,566	\$ -	\$ -	\$ 18,812,545	\$ (1,620,093)	\$ 17,192,452
Debt Service	763,663	-	-	54,507	-	-	818,170	(501,622)	316,548
Capital Maintenance	-	-	-	255,459	-	-	255,459	-	255,459
Street Improvements	-	-	-	564,890	1,366,121	-	1,931,011	-	1,931,011
Municipal Facilities	-	-	-	206,377	-	-	206,377	-	206,377
Park Improvements	-	-	-	345,706	-	-	345,706	-	345,706
Economic Development Incentive	-	-	-	398,803	-	-	398,803	-	398,803
Grant	-	-	1,047,249	33,336	-	935,266	2,015,851	-	2,015,851
Water and Sewer	-	-	19,859,671	519,761	-	20,259	20,399,691	(4,812)	20,394,879
Sustainability and Environmental Services	-	-	1,853,765	7,032	-	1,068,386	2,929,183	(2,978)	2,926,205
Municipal Drainage	-	-	891,395	67,751	-	-	959,146	-	959,146
Nonmajor and Other Funds	-	-	448,611	1,059,093	-	16,633	1,524,337	(1,746)	1,522,591
	<u>\$ 2,853,030</u>	<u>\$ 15,099,145</u>	<u>\$ 25,287,158</u>	<u>\$ 3,950,281</u>	<u>\$ 1,366,121</u>	<u>\$ 2,040,544</u>	<u>\$ 50,596,279</u>	<u>\$ (2,131,251)</u>	<u>\$ 48,465,028</u>

The enterprise fund accounts receivable includes unbilled charges for services of \$8,044,302 rendered at September 30, 2020.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020

4. CAPITAL ASSETS:

Capital asset activity for the year ended September 30, 2020 was as follows:

Primary Government

	Balance at Beginning of Year	Additions and Transfers	Retirements and Transfers	Balance at End of Year
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 153,656,121	\$ 1,900,032	\$ (116,452)	\$ 155,439,701
Construction in progress	43,257,802	124,606,144	(129,423,452)	38,440,494
Public art	1,767,575	7,102	-	1,774,677
Total capital assets, not being depreciated	198,681,498	126,513,278	(129,539,904)	195,654,872
Capital assets, being depreciated:				
Buildings	284,353,092	22,280,420	-	306,633,512
Improvements other than buildings	291,285,277	29,618,258	-	320,903,535
Equipment	232,542,951	21,903,822	(9,605,437)	244,841,336
Infrastructure	1,305,378,794	79,491,803	-	1,384,870,597
Total capital assets, being depreciated	2,113,560,114	153,294,303	(9,605,437)	2,257,248,980
Less accumulated depreciation for:				
Buildings	(154,132,807)	(11,619,957)	-	(165,752,764)
Improvements other than buildings	(116,067,683)	(8,551,448)	-	(124,619,131)
Equipment	(181,329,811)	(16,159,113)	8,881,680	(188,607,244)
Infrastructure	(656,967,754)	(31,168,571)	-	(688,136,325)
Total accumulated depreciation	(1,108,498,055)	(67,499,089)	8,881,680	(1,167,115,464)
Total capital assets, being depreciated, net	1,005,062,059	85,795,214	(723,757)	1,090,133,516
Governmental Activities capital assets, net	\$ 1,203,743,557	\$ 212,308,492	\$ (130,263,661)	\$ 1,285,788,388
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 6,770,997	\$ 11,048	\$ -	\$ 6,782,045
Construction in progress	6,053,354	23,049,252	(21,843,764)	7,258,842
Public art	50,000	-	-	50,000
Total capital assets, not being depreciated	12,874,351	23,060,300	(21,843,764)	14,090,887
Capital assets, being depreciated:				
Buildings	17,652,197	-	-	17,652,197
Improvements other than buildings	683,931,430	27,153,562	-	711,084,992
Drainage improvements	51,773,289	2,091,467	-	53,864,756
Equipment	2,779,806	286,820	(585,383)	2,481,243
Total capital assets, being depreciated	756,136,722	29,531,849	(585,383)	785,083,188
Less accumulated depreciation for:				
Buildings	(15,851,617)	(132,226)	-	(15,983,843)
Improvements other than buildings	(313,977,322)	(16,999,517)	14,877	(330,961,962)
Drainage improvements	(11,147,471)	(1,056,380)	-	(12,203,851)
Equipment	(1,786,955)	(111,626)	320,630	(1,577,951)
Total accumulated depreciation	(342,763,365)	(18,299,749)	335,507	(360,727,607)
Total capital assets, being depreciated, net	413,373,357	11,232,100	(249,876)	424,355,581
Business-type Activities capital assets, net	\$ 426,247,708	\$ 34,292,400	\$ (22,093,640)	\$ 438,446,468

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020

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

Governmental activities:	
General government	\$ 13,611,240
Administrative services	22,834
Police	728,921
Fire	324,779
Libraries	489,592
Development	190,921
Public services and operations	85,882
Parks and recreation	8,735,733
Public works	31,536,334
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	11,772,853
Total depreciation expense - governmental activities	<u>\$ 67,499,089</u>
Business-type activities:	
Water and sewer	\$ 16,968,255
Sustainability and environmental services	65,776
Municipal drainage	1,059,026
Convention and tourism	90,125
Recreation revolving	116,567
Total depreciation expense - business-type activities	<u>\$ 18,299,749</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>\$ 3,180,296</u>	<u>\$ -</u>	<u>\$ (538,067)</u>	<u>\$ 2,642,229</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 2013, \$98,313,000 of various purpose General Obligation bonds were authorized and \$96,313,000 have been issued. In May 2017, \$220,620,000 of various purpose General Obligation bonds were authorized and \$184,849,500 have been issued. In May 2019, \$44,665,000 of various purpose General Obligation bonds were authorized, of which \$2,265,000 have been issued.

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.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020

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		OPEB	
	TMRS	RSP	115 Trust	Total
Net liability	\$ 73,575,817	\$ 439,082	\$ 12,327,491	\$ 86,342,390
Deferred outflow	23,811,960	14,330,586	9,325,557	47,468,103
Deferred inflow	35,853,923	9,788,947	20,690,838	66,333,708
Expense (current year)	29,677,706	6,952,502	866,647	37,496,855

A. Texas Municipal Retirement System Plan

Plan Description

The City participates as one of 888 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by TMRS. TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) where further information can be obtained at www.tmr.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 benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits, with interest, were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a partial lump sum distribution in an amount equal to 12, 24 or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

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

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020

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, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	1,358
Inactive employees entitled to but not yet receiving benefits	1,110
Active employees	<u>2,428</u>
	<u>4,896</u>

Contributions and Funding Policy

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

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The City's contribution rate requirement set by TMRS was 16.67% for the months October through December 2019 and 16.71% for the months in calendar year 2020. The City's actual contributions to TMRS were at 17.71% for October through December 2019 and 17.21% for the months in calendar year 2020, which provided for additional voluntary contributions. The City's contributions to TMRS for fiscal year 2020 were \$30,463,893.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2019, 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, 2019 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

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 is used with a four-year set-forward for males and a three-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020

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. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, the actuary focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Global equity	30.00 %	5.30 %
Core fixed income	10.00	1.25
Non-core fixed income	20.00	4.14
Real return	10.00	3.85
Real estate	10.00	4.00
Absolute return	10.00	3.48
Private equity	10.00	7.75
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, 2020

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at December 31, 2018	\$ 1,066,286,176	\$ 913,351,441	\$ 152,934,735
Changes for the year:			
Service cost	31,626,466	-	31,626,466
Interest (on the total pension liability)	71,666,069	-	71,666,069
Difference between expected and actual experience	(1,524,064)	-	(1,524,064)
Changes of assumptions	1,969,335	-	1,969,335
Benefit payments, including refunds of employee contributions	(40,759,727)	(40,759,727)	-
Contributions - employer	-	30,578,118	(30,578,118)
Contributions - employee	-	12,087,312	(12,087,312)
Net investment income	-	141,253,119	(141,253,119)
Administrative expense	-	(797,858)	797,858
Other	-	(23,967)	23,967
Net changes	62,978,079	142,336,997	(79,358,918)
Balance at December 31, 2019	\$ 1,129,264,255	\$ 1,055,688,438	\$ 73,575,817

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%
\$ 231,819,982	\$ 73,575,817	\$ (56,742,734)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a separately-issued TMRS financial report which may be obtained at www.tmr.com.

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

For the year ended September 30, 2020, the City recognized pension expense of \$29,677,706.

At September 30, 2020, 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	\$ 378,159	\$ (3,723,808)
Difference in assumption changes	1,588,419	(56,575)
Difference in projected and actual investment earnings	-	(32,073,540)
Employer contributions subsequent to the measurement date	21,845,382	-
	<u>\$ 23,811,960</u>	<u>\$ (35,853,923)</u>

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020

Deferred outflows of resources of \$21,845,382 related to employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for fiscal year 2021. Other amounts reported as deferred outflows and inflows of resources will be recognized in pension expense in the following fiscal years:

2021	\$ (10,413,599)
2022	(9,925,393)
2023	2,261,012
2024	(15,824,006)
2025	14,641
Total	<u>\$ (33,887,345)</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, 2019 biennial actuarial valuation, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	933
Inactive employees entitled to but not yet receiving benefits	81
Active employees	<u>2,256</u>
	<u>3,270</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, 2020

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 \$5,758,065 for the year ended September 30, 2020.

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, 2019 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, 2020

Actuarial Assumptions

The TPL was determined by an actuarial valuation as of December 31, 2019 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:	7.00%
Retirement age:	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality:	RP-2000 mortality for combined healthy annuitants with blue-collar adjustment. Male rates are multiplied by 1.09 and female rates are multiplied by 1.03. Generational mortality improvements applied using Scale BB.

Rate of Return

<u>Asset Classification</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	6.80%
International equity	8.90%
Fixed income	3.75%
Real estate	6.00%
Cash	0.00%

Discount Rate

A single discount rate of 6.75% was used to measure the TPL for the measurement period ending December 31, 2019. 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, 2020

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 15 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)/Liability (a) - (b)
Balance at December 31, 2018	\$ 152,120,133	\$ 139,932,167	\$ 12,187,966
Changes for the year:			
Service cost	4,725,748	-	4,725,748
Interest (on the total pension liability)	10,611,657	-	10,611,657
Difference between expected and actual experience	325,133	-	325,133
Assumption changes	6,187,338	-	6,187,338
Benefit payments	(5,775,825)	(5,775,825)	-
Contributions - employer	-	5,664,638	(5,664,638)
Net investment income	-	27,982,706	(27,982,706)
Administrative expense	-	(48,584)	48,584
Net changes	16,074,051	27,822,935	(11,748,884)
Balance at December 31, 2019	\$ 168,194,184	\$ 167,755,102	\$ 439,082

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%
\$ 25,372,190	\$ 439,082	\$ (19,991,928)

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

For the year ended September 30, 2020, the City recognized pension expense of \$6,952,502.

At September 30, 2020, 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	\$ 276,250	\$ (2,296,578)
Difference in assumption changes	9,859,739	-
Difference in projected and actual investment earnings	-	(7,492,369)
Employer contributions subsequent to the measurement date	4,194,597	-
	\$ 14,330,586	\$ (9,788,947)

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020

Deferred outflows of resources of \$4,194,597 related to employer contributions subsequent to the measurement date will be recognized as a reduction of the NPL for fiscal year 2021. Other amounts reported as deferred outflows and inflows of resources will be recognized in pension expense in the following fiscal years:

2021	\$	(12,597)
2022		(567,312)
2023		1,888,294
2024		(2,575,943)
2025		977,062
Thereafter		<u>637,538</u>
Total	\$	<u><u>347,042</u></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, 2020

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 2019 was 595 of which 259 were on the same plan as the active employees and 336 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 2020 were \$3,767,165.

As of the October 1, 2019 biennial actuarial valuation, the following were covered by the benefit terms:

Retirees and dependents currently receiving benefits	345
Terminated members entitled to benefits, but not yet receiving them	128
Active members	<u>2,264</u>
	<u><u>2,737</u></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	\$ 35.16	\$ 8.54
Retiree and spouse	1,392.00	69.60	13.66
Retiree and children	994.00	87.32	13.97
Retiree and family	2,006.00	132.80	22.48
Spouse only	854.00	35.16	8.54
Children only	456.00	52.16	8.54
Spouse and children only	1,468.00	97.64	13.94

Net OPEB Liability

The City's net OPEB liability was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of October 1, 2019.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of October 1, 2019.

As of December 31, 2019:

Actuarial cost method:	Entry Age Normal
Amortization method:	Level percent, Closed
Remaining amortization period:	17 years, as of the valuation date
Amortization growth rate:	2.75%
Asset valuation method:	Market Value
Inflation:	2.50%
Salary increases:	2.75%
Discount rate:	6.75%
Healthcare cost trend rates:	4.00% for 2019, rising and then eventually 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.
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, 2019.

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	Barclays Aggregate	30.00%	3.97%	3.90%
US equity market	Russell 3000	40.00%	7.15%	6.02%
Non-US equity	MSCI ACWI xUS NR	25.00%	8.75%	7.29%
Private real estate property	NCREIF Property	5.00%	6.12%	5.46%
Assumed Inflation - Mean			2.50%	2.50%
Assumed Inflation - Standard Deviation			2.00%	2.00%
Portfolio Real Mean Return			4.03%	3.45%
Portfolio Nominal Mean Return			6.54%	6.04%
Portfolio Standard Deviation			10.54%	
Long-Term Expected Rate of Return			6.75%	

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020

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 Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at December 31, 2018	\$ 102,138,125	\$ 81,731,679	\$ 20,406,446
Changes for the year:			
Service cost	2,929,725	-	2,929,725
Interest on total OPEB liability	6,961,454	-	6,961,454
Effect of economic/demographic gains or losses	6,923,828	-	6,923,828
Effect of assumptions changes or inputs	(495,595)	-	(495,595)
Benefit payments, net of retiree contributions	(4,052,790)	(4,052,790)	-
Employer contributions	-	4,792,867	(4,792,867)
Net investment income	-	19,624,624	(19,624,624)
Administrative expenses	-	(19,124)	19,124
Net changes	12,266,622	20,345,577	(8,078,955)
Balance at December 31, 2019	\$ 114,404,747	\$ 102,077,256	\$ 12,327,491

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

The following presents the net OPEB liability of the City, as well as what the City's net OPEB 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%
\$ 23,398,063	\$ 12,327,491	\$ 2,646,094

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability of the City, as well as what the City's net OPEB 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
\$ 6,068,324	\$ 12,327,491	\$ 19,555,346

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020

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

For the year ended September 30, 2020, the City recognized OPEB expense of \$866,647. At September 30, 2020, 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	\$ 6,012,798	\$ (1,221,874)
Difference in assumption changes	-	(11,644,608)
Difference in projected and actual investment earnings	-	(7,824,356)
Employer contributions subsequent to the measurement date	3,312,759	-
	<u>\$ 9,325,557</u>	<u>\$ (20,690,838)</u>

Deferred outflows of resources of \$3,312,759 related to employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for fiscal year 2021. Other amounts reported as deferred outflows and inflows of resources will be recognized in OPEB expense in the following fiscal years:

2021	\$ (3,502,833)
2022	(3,502,833)
2023	(2,257,672)
2024	(4,235,342)
2025	(1,418,581)
Thereafter	239,221
Total	<u>\$ (14,678,040)</u>

6. LONG-TERM DEBT:

A summary of long-term debt transactions, including current portion, for the year ended September 30, 2020, 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 and certificates of obligation	\$ 394,410	\$ 74,635	\$ (30,960)	\$ 438,085	\$ 28,330
Tax anticipation notes	11,065	-	(3,065)	8,000	3,200
Deferred amounts:					
Premium	35,861	7,085	(6,037)	36,909	6,752
Total bonds and notes payable	441,336	81,720	(40,062)	482,994	38,282
Compensated absences	42,002	19,124	(16,704)	44,422	4,300
Liability for insurance claims	7,227	34,402	(33,579)	8,050	8,050
Net pension liability	147,640	-	(82,199)	65,441	-
Net other postemployment benefits liability	17,602	-	(6,972)	10,630	-
Governmental Activities Long-term debt	<u>\$ 655,807</u>	<u>\$ 135,246</u>	<u>\$ (179,516)</u>	<u>\$ 611,537</u>	<u>\$ 50,632</u>

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020

	Balance, Beginning of Year	Increase	Decrease	Balance, End of Year	Due Within One Year
Business-Type Activities:					
Water and Sewer revenue bonds	\$ 32,515	\$ -	\$ (1,855)	\$ 30,660	\$ 1,935
Municipal Drainage revenue bonds	20,810	-	(1,770)	19,040	1,820
Deferred amounts:					
Premium	5,700	-	(430)	5,270	433
Total bonds payable	59,025	-	(4,055)	54,970	4,188
Compensated absences	4,264	1,732	(1,615)	4,381	596
Net pension liability	17,483	-	(8,909)	8,574	-
Net other postemployment benefits liability	2,805	-	(1,108)	1,697	-
Business-type Activities Long-term debt	\$ 83,577	\$ 1,732	\$ (15,687)	\$ 69,622	\$ 4,784

The compensated absences liability attributable to the governmental activities will be liquidated by several of the City's governmental and internal service funds. Approximately 97.2% has been paid by the General Fund, 0.6% by special revenue funds and 2.2% 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 82.3% of the claims and judgments liability. The enterprise funds bear approximately 14.0% of the claims and judgment liability, while the internal service and special revenue funds bear approximately 3.2% and 0.5%, respectively.

Long-term debt at September 30, 2020 includes the following individual issues (not including the unamortized premium of \$36,908,512 and the unamortized deferred charge on refunding of \$3,008,447 of the General Obligation bonds, the unamortized premium of \$1,123,710 and unamortized deferred charges of \$174,912 of the Municipal Drainage Revenue bonds and the unamortized premium of \$4,146,216 of the Water and Sewer Revenue bonds).

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020

	Interest Rate (%)	Issue Date	Maturity Date	Original Issue	Net Retirement	Outstanding
General Obligation Bonds:						
2011 Refunding and Improvements	2.00 - 5.00	10/15/2011	9/1/2032	\$ 46,400,000	\$ 29,790,000	\$ 16,610,000
2013 Refunding and Improvements	2.00 - 5.00	2/15/2013	9/1/2033	61,925,000	17,660,000	44,265,000
2014 Refunding and Improvements	2.00 - 4.00	4/15/2014	9/1/2034	29,325,000	13,650,000	15,675,000
2015 Refunding and Improvements	2.00 - 5.00	5/1/2015	9/1/2035	75,685,000	41,755,000	33,930,000
2016 Refunding and Improvements	1.00 - 5.00	4/15/2016	9/1/2036	67,195,000	12,050,000	55,145,000
2017 Improvements	2.00 - 5.00	2/1/2017	9/1/2036	41,290,000	4,620,000	36,670,000
2017 Refunding	4.00 - 5.00	8/1/2017	9/1/2031	27,805,000	1,300,000	26,505,000
2018 Improvements	3.00 - 5.00	4/15/2018	9/1/2038	77,915,000	4,440,000	73,475,000
2019 Refunding and Improvements	3.00 - 5.00	4/1/2019	9/1/2039	63,420,000	2,245,000	61,175,000
2020 Refunding and Improvements	3.00 - 4.00	4/1/2020	9/1/2040	74,635,000	-	74,635,000
				<u>\$ 565,595,000</u>	<u>\$ 127,510,000</u>	<u>\$ 438,085,000</u>
Tax Anticipation Notes:						
2015 Tax anticipation notes	2.00 - 3.00	5/1/2015	9/1/2021	\$ 5,745,000	\$ 4,775,000	\$ 970,000
2017 Tax anticipation notes	4.50 - 5.00	2/1/2017	9/1/2023	13,450,000	6,420,000	7,030,000
				<u>\$ 19,195,000</u>	<u>\$ 11,195,000</u>	<u>\$ 8,000,000</u>
Water & Sewer Revenue Bonds:						
2016 Improvements	1.00 - 5.00	4/15/2016	5/1/2036	\$ 24,775,000	\$ 3,570,000	\$ 21,205,000
2018 Improvements	3.00 - 5.00	4/15/2018	5/1/2028	11,350,000	1,895,000	9,455,000
				<u>\$ 36,125,000</u>	<u>\$ 5,465,000</u>	<u>\$ 30,660,000</u>
Municipal Drainage Revenue Bonds:						
2010 Refunding and Improvements	2.00 - 4.25	1/15/2010	5/15/2030	\$ 6,790,000	\$ 3,805,000	\$ 2,985,000
2015 Refunding	2.00 - 4.00	5/1/2015	5/15/2027	7,105,000	4,460,000	2,645,000
2017 Refunding and Improvements	2.00 - 5.00	2/1/2017	5/15/2036	8,035,000	1,270,000	6,765,000
2019 Refunding and Improvements	2.00 - 4.00	8/1/2019	5/15/2039	6,925,000	280,000	6,645,000
				<u>\$ 28,855,000</u>	<u>\$ 9,815,000</u>	<u>\$ 19,040,000</u>

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020

The annual requirements to amortize debt outstanding as of September 30, 2020, including interest payments of \$163,147,427 follow (noted in thousands).

Year Ended September 30	General Obligation, Tax Anticipation Notes and Certificates of Obligation		Water and Sewer		Municipal Drainage	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 31,530	\$ 19,089	\$ 1,935	\$ 1,337	\$ 1,820	\$ 673
2022	31,400	16,871	2,020	1,250	1,570	618
2023	31,705	15,389	2,110	1,158	1,620	569
2024	29,245	13,914	2,215	1,053	1,380	517
2025	29,740	12,559	2,330	942	1,425	469
2026-2030	126,155	44,553	10,430	3,052	5,445	1,609
2031-2035	107,165	20,709	7,855	1,320	3,715	742
2036-2040	59,145	4,540	1,765	71	2,065	143
Total	\$ 446,085	\$ 147,624	\$ 30,660	\$ 10,183	\$ 19,040	\$ 5,340

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 and Certificates

The City is required by ordinance to create from ad valorem tax revenues a sinking fund sufficient to pay the current interest and principal installments as they become due. The Debt Service Fund has \$8,116,339 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 and certificate indentures. Management of the City believes it is in compliance with the significant limitations and restrictions at September 30, 2020.

In May 2020, the City issued \$74,635,000 in General Obligation Refunding and Improvements bonds, with interest rates ranging from 3.0% to 4.0%. The portion of the debt that represents refunded bonds was Series 2010 General Obligation bonds totaling \$3,370,000 and carried interest rates ranging from 3.7% to 5.0% with maturity dates of 2021 through 2030, as well as Series 2010 Tax and Certificates of Obligation bonds totaling \$1,280,000 and carried interest rates ranging from 3.5% to 5.0% with maturity dates of 2021 through 2024. As a result of the refunding, the City obtained an economic gain (difference between present value of the debt service payments on the old and new debt) of \$624,940.

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, 2020, \$887,696 is in restricted net position of the Water and Sewer Fund for debt service requirements.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020

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.

Restricted assets of the Water and Sewer Fund at September 30, 2020 are as follows:

Cash and cash equivalents	\$	622,858
Investments		5,634,899
Accrued interest receivable		42,336
	\$	<u>6,300,093</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, 2020, \$3,054,865 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, 2020, the reserve required and in restricted net position of the Municipal Drainage Fund is \$1,283,193.

Restricted assets of the Municipal Drainage Fund at September 30, 2020 are as follows:

Cash and cash equivalents	\$	454,833
Investments		4,114,798
Accrued interest receivable		30,916
	\$	<u>4,600,547</u>

7. INTERFUND TRANSACTIONS:

A summary of interfund receivables and payables at September 30, 2020 is as follows:

	<u>Due To Other Funds</u>		<u>Due From Other Funds</u>			
			Capital			
	General		Maintenance	Grant	Total	
General	\$	-	\$	-	\$	13,503
Grant		731,320		-		731,320
Internal Service		175,000		480,000		655,000
Nonmajor Governmental		2,446		-		3,344
Total	\$	<u>908,766</u>	\$	<u>480,000</u>	\$	<u>1,403,167</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.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020

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 2020, charges in lieu of taxes were \$12,376,756.

Transfers between funds during the year were as follows:

Transfers Out	Transfers In					
	General	Capital Maintenance	Internal Service	Blended Component Units	Nonmajor Governmental	Total
General	\$ -	\$ 35,250,549	\$ 1,253,562	\$ -	\$ 50,000	\$ 36,554,111
Internal Service	1,250,000	-	-	-	250,000	1,500,000
Water and Sewer	6,893,212	2,000,000	-	-	-	8,893,212
Municipal Drainage	748,531	500,000	-	-	-	1,248,531
Blended Component Units	-	-	-	50,000	-	50,000
Nonmajor Governmental	-	-	-	-	36,029	36,029
Nonmajor Enterprise	1,083,720	850,000	-	-	-	1,933,720
Total	\$ 9,975,463	\$ 38,600,549	\$ 1,253,562	\$ 50,000	\$ 336,029	\$ 50,215,603

The City performs a cost allocation to determine the portion of indirect expenses that will be reimbursed by the respective business-type activities to the General Fund. The City funds the Capital 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.

8. 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 and sales 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

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020

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 2020 are \$5,039,490.

- **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 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 2020, the City paid incentives of \$3,239,930.
- **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 \$3,057,509 in TIF obligations in fiscal year 2020.

9. 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, 2020 was \$77,364,433.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020

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 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, 2020 was \$35,386,603, 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, 2020 was \$8,338,024.

10. COMMITMENTS AND CONTINGENCIES:

The City has contractual commitments of \$64,987,395 in the capital projects funds, \$22,815,305 in the Water and Sewer Fund and \$2,173,765 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.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020

11. 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.

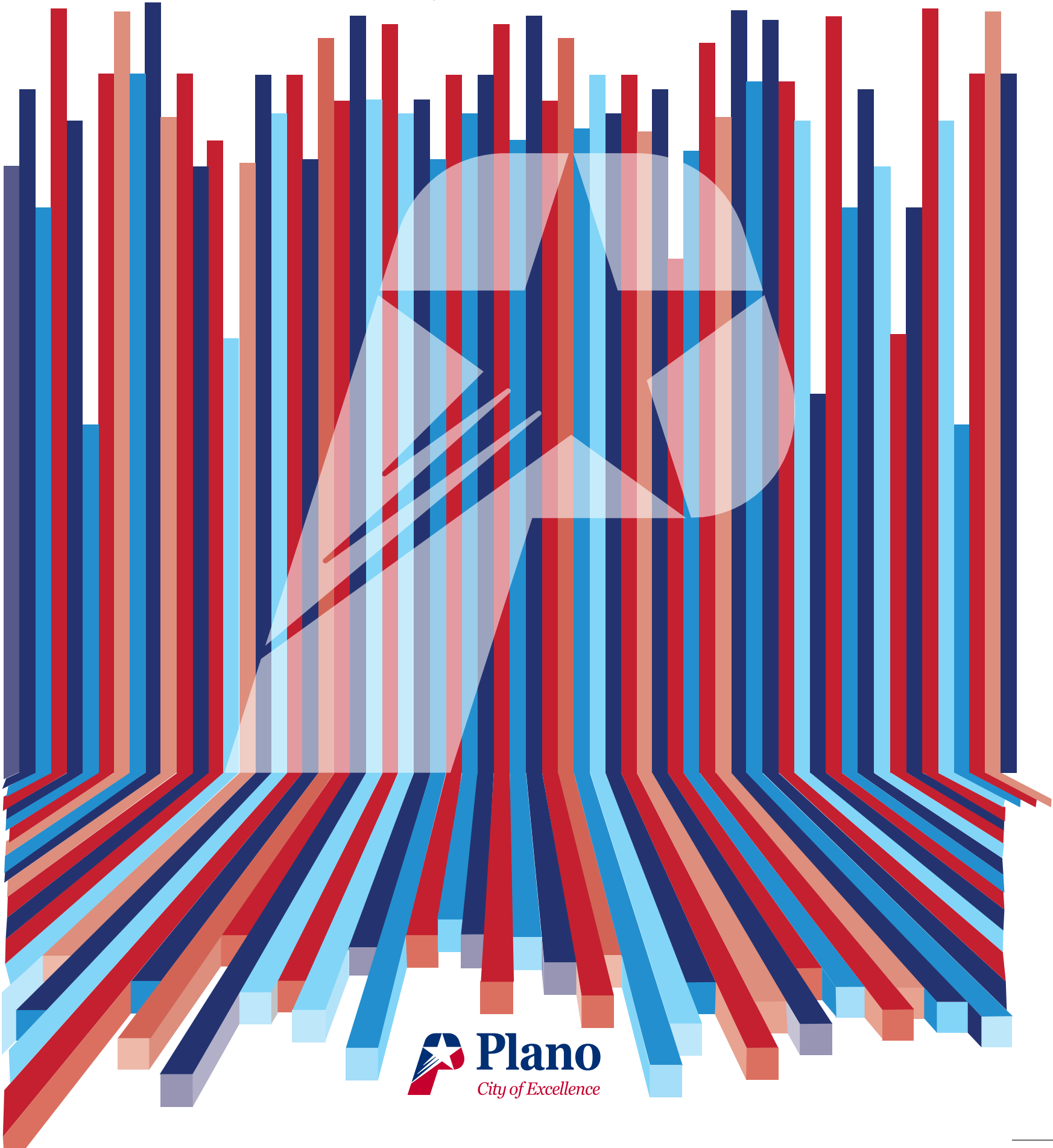
The liabilities for insurance claims reported in each of the funds are based on GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of 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 2020 and 2019 was as follows:

Fund	Liability, Beginning of year	Current year Claims and Changes in Estimates	Claim Payments	Liability, End of year
2020				
Property/Liability Loss	\$ 4,473,728	\$ 6,514,410	\$ (5,565,967)	\$ 5,422,171
Health Claims	2,753,624	27,887,806	(28,013,689)	2,627,741
Total	<u>\$ 7,227,352</u>	<u>\$ 34,402,216</u>	<u>\$ (33,579,656)</u>	<u>\$ 8,049,912</u>
2019				
Property/Liability Loss	\$ 4,790,999	\$ 4,522,976	\$ (4,840,247)	\$ 4,473,728
Health Claims	2,528,555	28,253,971	(28,028,902)	2,753,624
Total	<u>\$ 7,319,554</u>	<u>\$ 32,776,947</u>	<u>\$ (32,869,149)</u>	<u>\$ 7,227,352</u>



COMPREHENSIVE ANNUAL FINANCIAL REPORT | 2020

*For Fiscal Year Ended September 30, 2020
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, 2020
(UNAUDITED)

	Budgeted Amounts		Actual	Adjustments- Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUES:						
Taxes:						
Property taxes	\$ 147,323,344	\$ 146,172,212	\$ 145,852,722	\$ (240,301)	\$ 145,612,421	\$ (559,791)
Sales taxes	86,072,232	82,892,605	86,754,811	-	86,754,811	3,862,206
Other taxes	2,473,722	1,893,008	1,932,956	-	1,932,956	39,948
Franchise fees	21,197,461	21,021,330	20,948,685	-	20,948,685	(72,645)
Fines and forfeitures	6,120,395	4,422,069	4,710,210	-	4,710,210	288,141
Licenses and permits	9,378,993	7,752,744	8,215,483	-	8,215,483	462,739
Intragovernmental	12,376,756	12,376,756	12,376,756	-	12,376,756	-
Intergovernmental	2,032,830	1,532,616	1,421,116	-	1,421,116	(111,500)
Fees for services	14,808,376	11,188,697	12,672,103	-	12,672,103	1,483,406
Investment income	1,400,000	2,000,000	3,312,931	(1,571,875)	1,741,056	(258,944)
Miscellaneous	1,939,851	1,830,311	1,552,241	-	1,552,241	(278,070)
Total revenues	305,123,960	293,082,348	299,750,014	(1,812,176)	297,937,838	4,855,490
EXPENDITURES:						
General government	32,662,274	25,686,817	30,798,961	330,741	31,129,702	(5,442,885)
Administrative services	12,624,328	12,367,894	12,085,807	25,151	12,110,958	256,936
Police	89,858,775	88,731,143	80,843,757	617,281	81,461,038	7,270,105
Fire	65,646,264	65,614,351	58,591,180	257,560	58,848,740	6,765,611
Libraries	12,896,301	12,672,657	12,281,625	202,006	12,483,631	189,026
Development	35,441,916	36,043,051	32,800,299	1,660,691	34,460,990	1,582,061
Public services and operations	7,360,575	7,095,344	6,763,226	42,582	6,805,808	289,536
Parks and recreation	30,086,911	27,900,625	26,077,933	411,438	26,489,371	1,411,254
Public works	8,028,029	7,465,878	7,264,817	47,750	7,312,567	153,311
Technology services	2,000,000	2,000,000	2,000,000	-	2,000,000	-
Capital outlay	867,600	2,542,631	1,081,876	867,148	1,949,024	593,607
Total expenditures	297,472,973	288,120,391	270,589,481	4,462,348	275,051,829	13,068,562
Excess (deficiency) of revenues over (under) expenditures	7,650,987	4,961,957	29,160,533	(6,274,524)	22,886,009	17,924,052
OTHER FINANCING SOURCES (USES):						
Proceeds from sale of land	-	-	343,306	-	343,306	343,306
Transfers in	9,388,267	9,975,463	9,975,463	-	9,975,463	-
Transfers out	(36,500,549)	(36,250,549)	(36,554,111)	-	(36,554,111)	(303,562)
Total other financing sources (uses)	(27,112,282)	(26,275,086)	(26,235,342)	-	(26,235,342)	39,744
Net change in fund balance	(19,461,295)	(21,313,129)	2,925,191	(6,274,524)	(3,349,333)	17,963,796
FUND BALANCE, October 1	58,680,053	58,680,053	58,680,053	-	58,680,053	-
FUND BALANCE, September 30	\$ 39,218,758	\$ 37,366,924	\$ 61,605,244	\$ (6,274,524)	\$ 55,330,720	\$ 17,963,796

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, 2020
(UNAUDITED)

	Net Change in Fund Balance
GAAP basis	\$ 2,925,191
Revenues:	
Decrease due to rolled back taxes	(240,301)
Decrease due to GASB Statement No.31 market adjustment	(1,571,875)
Expenditures:	
Increase due to encumbrances	(4,462,348)
Budgetary basis	<u>\$ (3,349,333)</u>

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

Fiscal year ending December 31,	2019	2018	2017	2016	2015	2014
Total pension liability						
Service cost	\$ 31,626,466	\$ 30,262,774	\$ 28,866,767	\$ 27,113,143	\$ 25,341,004	\$ 22,556,087
Interest (on the total pension liability)	71,666,069	67,704,728	64,180,007	60,407,716	59,290,515	55,667,118
Difference between expected and actual experience	(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	(40,759,727)	(39,552,473)	(34,399,087)	(32,526,510)	(29,059,878)	(26,400,655)
Net change in total pension liability	62,978,079	58,608,318	54,096,776	55,945,279	48,769,011	51,699,959
Total pension liability - beginning	1,066,286,176	1,007,677,858	953,581,082	897,635,803	848,866,792	797,166,833
Total pension liability - ending (a)	1,129,264,255	1,066,286,176	1,007,677,858	953,581,082	897,635,803	848,866,792
Plan fiduciary net position						
Contributions - employer	30,578,118	29,233,234	28,535,854	26,761,281	25,429,543	28,690,370
Contributions - employee	12,087,312	11,556,306	11,029,878	10,345,977	9,831,426	9,684,277
Net investment income (loss)	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	(40,759,727)	(39,552,473)	(34,399,087)	(32,526,510)	(29,059,878)	(26,400,655)
Administrative expense	(797,858)	(544,700)	(590,653)	(585,071)	(683,011)	(422,815)
Other	(23,967)	(28,458)	(29,932)	(31,522)	(33,734)	(34,762)
Net change in plan fiduciary net position	142,336,997	(27,528,783)	118,549,461	55,780,570	6,605,774	52,016,615
Plan fiduciary net position - beginning	913,351,441	940,880,224	822,330,763	766,550,193	759,944,419	707,927,804
Plan fiduciary net position - ending (b)	1,055,688,438	913,351,441	940,880,224	822,330,763	766,550,193	759,944,419
Net pension liability (a) - (b)	\$ 73,575,817	\$ 152,934,735	\$ 66,797,634	\$131,250,319	\$131,085,610	\$ 88,922,373
Plan fiduciary net position as a percentage of the total pension liability	93.48%	85.66%	93.37%	86.24%	85.40%	89.52%
Covered payroll	\$ 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	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 SIX YEARS
(UNAUDITED)**

Fiscal year ending September 30,	2020	2019	2018	2017	2016	2015
Actuarially determined contributions	\$ 29,310,064	\$ 28,822,800	\$ 28,117,546	\$ 26,897,936	\$ 25,652,983	\$ 25,302,110
Contributions in relation to the actuarially determined contribution	30,463,893	30,304,772	28,953,620	28,071,915	26,360,550	28,302,110
Contribution excess	<u>\$ (1,153,829)</u>	<u>\$ (1,481,972)</u>	<u>\$ (836,074)</u>	<u>\$ (1,173,979)</u>	<u>\$ (707,567)</u>	<u>\$ (3,000,000)</u>
Covered payroll	\$ 175,520,827	\$ 171,116,724	\$ 162,477,475	\$ 155,007,834	\$ 145,557,931	\$ 138,720,040
Contributions as a percentage of covered payroll	17.36%	17.71%	17.82%	18.11%	18.11%	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: 26 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 SIX YEARS
(UNAUDITED)**

Fiscal year ending December 31,	2019	2018	2017	2016	2015	2014
Total pension liability						
Service cost	\$ 4,725,748	\$ 4,510,192	\$ 5,073,946	\$ 4,716,387	\$ 3,803,153	\$ 3,674,544
Interest (on the total pension liability)	10,611,657	9,976,825	9,960,603	9,240,119	8,412,933	7,802,936
Difference between expected and actual experience	325,133	-	(3,005,892)	-	(1,059,691)	-
Assumption changes	6,187,338	-	2,989,199	-	7,094,524	-
Benefit payments	(5,775,825)	(5,275,730)	(4,760,146)	(4,297,533)	(3,822,305)	(3,518,902)
Net change in total pension liability	16,074,051	9,211,287	10,257,710	9,658,973	14,428,614	7,958,578
Total pension liability - beginning	152,120,133	142,908,846	132,651,136	122,992,163	108,563,549	100,604,971
Total pension liability - ending (a)	168,194,184	152,120,133	142,908,846	132,651,136	122,992,163	108,563,549
Plan fiduciary net position						
Employer contributions	5,664,638	5,406,257	5,159,461	4,133,463	3,959,196	4,037,995
Pension plan investment income (loss)	27,982,706	(8,633,093)	21,781,774	6,276,782	2,076,698	8,012,049
Benefit payments	(5,775,825)	(5,275,730)	(4,760,146)	(4,297,533)	(3,822,305)	(3,518,902)
Pension plan administrative expenses	(48,584)	(81,574)	(363,144)	(336,043)	(327,528)	(278,376)
Other	-	-	-	-	-	(22,051)
Net change in plan fiduciary net position	27,822,935	(8,584,140)	21,817,945	5,776,669	1,886,061	8,230,715
Plan fiduciary net position - beginning	139,932,167	148,516,307	126,698,362	120,921,693	119,035,632	110,804,917
Plan fiduciary net position - ending (b)	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)	\$ 439,082	\$ 12,187,966	\$ (5,607,461)	\$ 5,952,774	\$ 2,070,470	\$ (10,472,083)
Plan fiduciary net position as a percentage of total pension liability	99.74%	91.99%	103.92%	95.51%	98.32%	109.65%
Covered payroll	\$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	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 SIX YEARS
(UNAUDITED)**

Fiscal year ending September 30,	2020	2019	2018	2017	2016	2015
Actuarially determined contributions	\$ 5,758,065	\$ 5,601,861	\$ 5,339,710	\$ 4,880,321	\$ 4,081,765	\$ 3,908,790
Contributions in relation to the actuarially determined contribution	5,758,065	5,601,861	5,339,710	4,880,321	4,081,765	3,908,790
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 159,062,559	\$ 154,747,546	\$ 147,505,817	\$ 139,928,684	\$ 130,825,766	\$ 125,281,726
Contributions as a percentage of covered payroll	3.62%	3.62%	3.62%	3.49%	3.12%	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:	7.00%
Retirement age:	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality:	RP-2000 mortality for combined healthy annuitants with blue-collar adjustment. Male rates are multiplied by 1.09 and female rates are multiplied by 1.03. Generational mortality improvements applied using Scale BB.

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

Fiscal year ending December 31,	2019	2018	2017
Total OPEB liability			
Service cost	\$ 2,929,725	\$ 2,631,776	\$ 2,631,472
Interest on total OPEB liability	6,961,454	6,401,106	7,587,712
Effect of economic/demographic gains or losses	6,923,828	-	(1,889,319)
Effect of assumptions changes or inputs	(495,595)	-	(17,339,980)
Benefit payments, net of retiree contributions	(4,052,790)	(3,396,639)	(2,505,768)
Net change in total OPEB liability	12,266,622	5,636,243	(11,515,883)
Total OPEB liability - beginning	102,138,125	96,501,882	108,017,765
Total OPEB liability - ending (a)	114,404,747	102,138,125	96,501,882
Plan fiduciary net position			
Employer contributions	4,792,867	4,834,363	5,585,470
Net investment income (loss)	19,624,624	(4,140,078)	11,242,528
Benefit payments, net of retiree contributions	(4,052,790)	(3,396,639)	(2,505,768)
Administrative expenses	(19,124)	(36,227)	(10,951)
Net change in plan fiduciary net position	20,345,577	(2,738,581)	14,311,279
Plan fiduciary net position - beginning	81,731,679	84,470,260	70,158,981
Plan fiduciary net position - ending (b)	102,077,256	81,731,679	84,470,260
Net OPEB liability - ending (a) - (b)	\$ 12,327,491	\$ 20,406,446	\$ 12,031,622
Plan fiduciary net position as a percentage of the total OPEB liability	89.22%	80.02%	87.53%
Covered payroll	\$ 156,985,248	\$ 152,783,696	\$ 148,694,595
Net OPEB liability as a percentage of covered payroll	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 THREE YEARS
(UNAUDITED)**

Fiscal year ending September 30,	2020	2019	2018
Actuarially determined contributions	\$ 4,510,751	\$ 4,451,343	\$ 3,774,139
Contributions in relation to the actuarially determined contribution	4,515,739	4,769,684	5,044,806
Contribution excess	<u>\$ (4,988)</u>	<u>\$ (318,341)</u>	<u>\$ (1,270,667)</u>
Covered payroll	\$ 159,062,559	\$ 154,747,546	\$ 147,505,817
Contributions as a percentage of covered payroll	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 17-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:	17 years
Asset valuation method:	Market 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

COMPREHENSIVE ANNUAL FINANCIAL REPORT | 2020

*For Fiscal Year Ended September 30, 2020
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; and intergovernmental radio fund fees collected under an interlocal agreement for a joint communication system between the cities of Plano, Allen and Frisco, the fees are used to pay maintenance expenses of the system; and wireline fees and reporting for 9-1-1 expenditures.

MUNICIPAL COURT 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.

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

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.

COLLIN CREEK PUBLIC IMPROVEMENT DISTRICT – organized to provide improvements to the Collin Creek area.

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, 2020**

	Special Revenue		
	Criminal Investigation	Plano Television	Public Safety Communications
ASSETS			
Cash and cash equivalents	\$ 388,660	\$ 216,168	\$ 2,057,335
Investments	3,516,139	1,955,630	18,612,363
Receivables (net of allowance for uncollectibles):			
Accounts	31,204	-	21,308
Accrued interest	26,417	41,405	149,999
Due from other governments	13,455	-	101,626
Total assets	\$ 3,975,875	\$ 2,213,203	\$ 20,942,631
LIABILITIES			
Accounts payable	\$ -	\$ 10,319	\$ 72,089
Accrued liabilities	216,722	20,530	-
Due to other funds	-	-	-
Seized assets payable	-	-	-
Total liabilities	216,722	30,849	72,089
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	5,747	-	-
FUND BALANCES			
Restricted for:			
Capital projects	-	-	-
Special revenue	3,753,406	2,182,354	20,870,542
Blended component unit	-	-	-
Assigned to:			
Capital projects	-	-	-
Total fund balances	3,753,406	2,182,354	20,870,542
Total liabilities, deferred inflows and fund balance	\$ 3,975,875	\$ 2,213,203	\$ 20,942,631

Special Revenue

Municipal Court	Memorial Library	Seized Assets	Libraries	Donations	Community Paramedic Program
\$ 1,487,998	\$ 49,558	\$ 24,631	\$ -	\$ 42,518	\$ 15,662
13,461,665	448,346	222,827	-	384,647	141,690
-	-	-	-	252	-
101,141	3,369	1,674	-	2,890	1,065
113,593	-	-	-	-	-
<u>\$ 15,164,397</u>	<u>\$ 501,273</u>	<u>\$ 249,132</u>	<u>\$ -</u>	<u>\$ 430,307</u>	<u>\$ 158,417</u>
\$ 14,734	\$ 250	\$ -	\$ -	\$ 150	\$ -
13,909	-	-	-	-	1,176
3,344	-	-	-	-	-
-	-	249,132	-	-	-
<u>31,987</u>	<u>250</u>	<u>249,132</u>	<u>-</u>	<u>150</u>	<u>1,176</u>
-	-	-	-	-	-
-	-	-	-	-	-
15,132,410	501,023	-	-	430,157	157,241
-	-	-	-	-	-
-	-	-	-	-	-
<u>15,132,410</u>	<u>501,023</u>	<u>-</u>	<u>-</u>	<u>430,157</u>	<u>157,241</u>
<u>\$ 15,164,397</u>	<u>\$ 501,273</u>	<u>\$ 249,132</u>	<u>\$ -</u>	<u>\$ 430,307</u>	<u>\$ 158,417</u>

(continued)

CITY OF PLANO, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AS OF SEPTEMBER 30, 2020
 (continued)

	Blended Component Units		
	Downtown Plano Public Improvement District	Plano Improvement Corporation	Collin Creek Public Improvement District
ASSETS			
Cash and cash equivalents	\$ 29,326	\$ 125,927	\$ 40,945
Investments	-	-	-
Receivables (net of allowance for uncollectibles):			
Accounts	-	-	-
Accrued interest	-	-	-
Due from other governments	-	-	-
Total assets	<u>\$ 29,326</u>	<u>\$ 125,927</u>	<u>\$ 40,945</u>
LIABILITIES			
Accounts payable	\$ 4,075	\$ 7,274	\$ 4,711
Accrued liabilities	-	-	-
Due to other funds	-	-	-
Seized assets payable	-	-	-
Total liabilities	<u>4,075</u>	<u>7,274</u>	<u>4,711</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	-	-
FUND BALANCES			
Restricted for:			
Capital projects	-	-	-
Special revenue	-	-	-
Blended component unit	25,251	118,653	36,234
Assigned to:			
Capital projects	-	-	-
Total fund balances	<u>25,251</u>	<u>118,653</u>	<u>36,234</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 29,326</u>	<u>\$ 125,927</u>	<u>\$ 40,945</u>

Capital Projects		
Public Infrastructure	Park Services	Total Nonmajor Governmental Funds
\$ 1,050,785	\$ 638,305	\$ 6,167,818
9,506,282	5,774,643	54,024,232
-	-	52,764
71,424	43,387	442,771
-	-	228,674
<u>\$ 10,628,491</u>	<u>\$ 6,456,335</u>	<u>\$ 60,916,259</u>
\$ -	\$ -	\$ 113,602
-	-	252,337
-	-	3,344
-	-	249,132
-	-	618,415
-	-	5,747
10,628,491	-	10,628,491
-	-	43,027,133
-	-	180,138
-	6,456,335	6,456,335
<u>10,628,491</u>	<u>6,456,335</u>	<u>60,292,097</u>
<u>\$ 10,628,491</u>	<u>\$ 6,456,335</u>	<u>\$ 60,916,259</u>

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue		
	Criminal Investigation	Plano Television	Public Safety Communications
REVENUES			
Fines and forfeitures	\$ 215,748	\$ -	\$ -
Contributions	-	-	-
Intergovernmental	35,253	-	483,329
Fees for services	-	686,657	1,591,399
Assessed taxes	-	-	-
Investment income	-	75,270	670,669
Miscellaneous	21,466	-	-
Total revenues	272,467	761,927	2,745,397
EXPENDITURES			
Police	863,607	-	823,584
Fire	-	-	168,686
Libraries	-	-	-
Development	-	-	-
Public services and operations	-	992,745	62,110
Capital outlay	172,836	-	383,068
Interest and fiscal charges	-	-	-
Total expenditures	1,036,443	992,745	1,437,448
Excess (deficiency) of revenues over (under) expenditures	(763,976)	(230,818)	1,307,949
OTHER FINANCING SOURCES (USES)			
Issuance of debt	-	-	-
Premium on sale of bonds	-	-	-
Transfers in	-	250,000	-
Transfers out	-	-	-
Total other financing sources (uses)	-	250,000	-
Net change in fund balances	(763,976)	19,182	1,307,949
Fund balances - beginning	4,517,382	2,163,172	19,562,593
Fund balances - ending	\$ 3,753,406	\$ 2,182,354	\$ 20,870,542

Special Revenue

Municipal Court	Memorial Library	Libraries	Donations	Community Paramedic Program
\$ 3,244	\$ -	\$ -	\$ -	\$ -
-	128,362	-	72,013	107,344
-	-	-	-	-
836,319	-	-	-	-
-	-	-	-	-
513,254	15,478	156	11,978	3,125
-	-	-	-	-
<u>1,352,817</u>	<u>143,840</u>	<u>156</u>	<u>83,991</u>	<u>110,469</u>
1,798,086	-	-	-	-
-	-	-	-	79,444
-	77,905	-	-	-
-	-	-	-	-
-	-	-	31,808	-
375,359	-	-	-	-
-	-	-	-	-
<u>2,173,445</u>	<u>77,905</u>	<u>-</u>	<u>31,808</u>	<u>79,444</u>
(820,628)	65,935	156	52,183	31,025
-	-	-	-	-
-	-	-	-	-
-	36,029	-	50,000	-
-	-	(36,029)	-	-
-	<u>36,029</u>	<u>(36,029)</u>	<u>50,000</u>	<u>-</u>
(820,628)	101,964	(35,873)	102,183	31,025
<u>15,953,038</u>	<u>399,059</u>	<u>35,873</u>	<u>327,974</u>	<u>126,216</u>
<u>\$ 15,132,410</u>	<u>\$ 501,023</u>	<u>\$ -</u>	<u>\$ 430,157</u>	<u>\$ 157,241</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, 2020
(continued)

	Blended Component Units		
	Downtown Plano Public Improvement District	Plano Improvement Corporation	Collin Creek Public Improvement District
REVENUES			
Fines and forfeitures	\$ -	\$ -	\$ -
Contributions	-	283,210	-
Intergovernmental	-	-	-
Fees for services	-	-	-
Assessed taxes	138,263	-	-
Investment income	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>138,263</u>	<u>283,210</u>	<u>-</u>
EXPENDITURES			
Police	-	-	-
Fire	-	-	-
Libraries	-	-	-
Development	177,734	220,101	32,563
Public services and operations	-	-	-
Capital outlay	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>177,734</u>	<u>220,101</u>	<u>32,563</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(39,471)</u>	<u>63,109</u>	<u>(32,563)</u>
OTHER FINANCING SOURCES (USES)			
Issuance of debt	-	-	-
Premium on sale of bonds	-	-	-
Transfers in	50,000	-	-
Transfers out	-	(50,000)	-
Total other financing sources (uses)	<u>50,000</u>	<u>(50,000)</u>	<u>-</u>
Net change in fund balances	10,529	13,109	(32,563)
Fund balances - beginning	<u>14,722</u>	<u>105,544</u>	<u>68,797</u>
Fund balances - ending	<u>\$ 25,251</u>	<u>\$ 118,653</u>	<u>\$ 36,234</u>

Capital Projects			
Public Infrastructure	Park Services	Total Nonmajor Governmental Funds	
\$ -	\$ -	\$ 218,992	
-	-	590,929	
-	-	518,582	
-	859,793	3,974,168	
-	-	138,263	
262,933	189,989	1,742,852	
-	-	21,466	
<u>262,933</u>	<u>1,049,782</u>	<u>7,205,252</u>	
-	-	3,485,277	
-	-	248,130	
-	-	77,905	
27,299	-	457,697	
-	-	1,086,663	
-	-	931,263	
<u>26,233</u>	<u>-</u>	<u>26,233</u>	
<u>53,532</u>	<u>-</u>	<u>6,313,168</u>	
 209,401	 1,049,782	 892,084	
3,678,392	-	3,678,392	
347,841	-	347,841	
-	-	386,029	
-	-	(86,029)	
<u>4,026,233</u>	<u>-</u>	<u>4,326,233</u>	
4,235,634	1,049,782	5,218,317	
<u>6,392,857</u>	<u>5,406,553</u>	<u>55,073,780</u>	
<u>\$ 10,628,491</u>	<u>\$ 6,456,335</u>	<u>\$ 60,292,097</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, 2020
(UNAUDITED)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Property taxes	\$ 48,423,544	\$ 47,878,713	\$ 47,995,385	\$ 116,672
Investment income	868,361	500,000	1,243,469	743,469
Miscellaneous	134,572	9,261	134,574	125,313
Total revenues	<u>49,426,477</u>	<u>48,387,974</u>	<u>49,373,428</u>	<u>985,454</u>
EXPENDITURES				
Principal retirement	29,375,000	29,375,000	29,375,000	-
Interest and fiscal charges	<u>19,239,972</u>	<u>17,400,259</u>	<u>17,442,679</u>	<u>(42,420)</u>
Total expenditures	<u>48,614,972</u>	<u>46,775,259</u>	<u>46,817,679</u>	<u>(42,420)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt-refunding	-	-	4,180,000	4,180,000
Escrow payment-refunding	-	-	(4,590,261)	(4,590,261)
Premium from sale of bonds	<u>-</u>	<u>-</u>	<u>422,794</u>	<u>422,794</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>12,533</u>	<u>12,533</u>
Net change in fund balance	811,505	1,612,715	2,568,282	955,567
Fund balance - beginning	<u>5,548,057</u>	<u>5,548,057</u>	<u>5,548,057</u>	<u>-</u>
Fund balance - ending	<u>\$ 6,359,562</u>	<u>\$ 7,160,772</u>	<u>\$ 8,116,339</u>	<u>\$ 955,567</u>



NONMAJOR ENTERPRISE FUNDS

Following are the 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, 2020

	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	\$ 617,773	\$ 15,305	\$ 80,516	\$ 46,378	\$ 759,972
Investments	5,547,568	138,464	728,422	419,580	6,834,034
Receivables:					
Accounts	377,181	-	16,920	-	394,101
Accrued interest	41,680	1,040	5,473	3,152	51,345
Other	12,356	-	-	-	12,356
Prepaid items and other assets	79,224	250	-	-	79,474
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
Improvements other than buildings	790,021	1,247,352	-	1,481,980	3,519,353
Equipment	1,650,803	17,479	-	327,612	1,995,894
Less accumulated depreciation	(13,383,308)	(3,692,214)	-	(462,174)	(17,537,696)
Total capital assets (net of accumulated depreciation)	2,772,216	595,296	86,999	1,847,418	5,301,929
Total assets	9,447,998	750,355	918,330	2,316,528	13,433,211
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows from pensions	503,006	106,693	-	93,614	703,313
Deferred outflows from other postemployment benefits	145,845	30,481	-	37,147	213,473
Total deferred outflows of resources	648,851	137,174	-	130,761	916,786
LIABILITIES					
Current liabilities:					
Accounts payable	62,241	5,428	-	5,945	73,614
Accrued liabilities	141,556	21,154	-	22,893	185,603
Unearned revenue	281,902	-	-	1,508	283,410
Customer deposits	-	-	-	197,175	197,175
Liability for compensated absences	32,782	11,931	-	1,647	46,360
Total current liabilities	518,481	38,513	-	229,168	786,162
Noncurrent liabilities:					
Net pension liability	1,009,639	207,299	-	175,830	1,392,768
Net other postemployment benefits liability	193,512	42,585	-	50,117	286,214
Liability for compensated absences	478,267	114,424	-	133,684	726,375
Total noncurrent liabilities	1,681,418	364,308	-	359,631	2,405,357
Total liabilities	2,199,899	402,821	-	588,799	3,191,519
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows from pensions	556,192	119,544	-	123,475	799,211
Deferred inflows from other postemployment benefits	324,972	76,438	-	82,165	483,575
Total deferred inflows of resources	881,164	195,982	-	205,640	1,282,786
NET POSITION					
Net investment in capital assets	2,772,216	595,296	86,999	1,847,418	5,301,929
Unrestricted	4,243,570	(306,570)	831,331	(194,568)	4,573,763
Total net position	\$ 7,015,786	\$ 288,726	\$ 918,330	\$ 1,652,850	\$ 9,875,692

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	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	\$ 1,496,735	\$ 1,051,532	\$ 72,678	\$ 1,439,601	\$ 4,060,546
Miscellaneous charges	30,000	-	-	65,730	95,730
Total operating revenues	<u>1,526,735</u>	<u>1,051,532</u>	<u>72,678</u>	<u>1,505,331</u>	<u>4,156,276</u>
OPERATING EXPENSES					
Personnel services	3,091,086	620,190	-	961,625	4,672,901
Pension and other postemployment benefits expense (net)	(52,533)	(10,667)	-	(13,069)	(76,269)
Contractual services	5,665,065	240,620	12,385	987,965	6,906,035
Supplies	441,956	107,468	-	107,852	657,276
Depreciation	90,125	-	-	116,567	206,692
Miscellaneous	76,636	7,435	-	12,172	96,243
Total operating expenses	<u>9,312,335</u>	<u>965,046</u>	<u>12,385</u>	<u>2,173,112</u>	<u>12,462,878</u>
Operating income (loss)	<u>(7,785,600)</u>	<u>86,486</u>	<u>60,293</u>	<u>(667,781)</u>	<u>(8,306,602)</u>
NONOPERATING REVENUES					
Investment income	245,964	1,036	25,071	23,219	295,290
Gain on property disposition	6,509	-	-	-	6,509
Hotel/motel tax	6,725,576	-	-	-	6,725,576
Miscellaneous	9,752	3,188	-	-	12,940
Total nonoperating revenues	<u>6,987,801</u>	<u>4,224</u>	<u>25,071</u>	<u>23,219</u>	<u>7,040,315</u>
Income (loss) before transfers	<u>(797,799)</u>	<u>90,710</u>	<u>85,364</u>	<u>(644,562)</u>	<u>(1,266,287)</u>
Transfers out	<u>(1,783,720)</u>	<u>-</u>	<u>-</u>	<u>(150,000)</u>	<u>(1,933,720)</u>
Change in net position	<u>(2,581,519)</u>	<u>90,710</u>	<u>85,364</u>	<u>(794,562)</u>	<u>(3,200,007)</u>
Total net position - beginning	<u>9,597,305</u>	<u>198,016</u>	<u>832,966</u>	<u>2,447,412</u>	<u>13,075,699</u>
Total net position - ending	<u>\$ 7,015,786</u>	<u>\$ 288,726</u>	<u>\$ 918,330</u>	<u>\$ 1,652,850</u>	<u>\$ 9,875,692</u>

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	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	\$ 2,120,699	\$ 1,051,532	\$ 72,678	\$ 1,702,223	\$ 4,947,132
Cash payments to suppliers for goods and services	(5,749,547)	(356,849)	(12,385)	(1,092,841)	(7,211,622)
Cash paid to or on behalf of employees for services	(3,285,925)	(606,948)	-	(1,015,555)	(4,908,428)
Net cash provided (used) by operating activities	(6,914,773)	87,735	60,293	(406,173)	(7,172,918)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Hotel/Motel tax	6,725,576	-	-	-	6,725,576
Transfers to other funds	(1,783,720)	-	-	(150,000)	(1,933,720)
Net cash provided (used) by noncapital financing activities	4,941,856	-	-	(150,000)	4,791,856
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(17,099)	-	-	(15,387)	(32,486)
Proceeds from sale of equipment	2,051	-	-	-	2,051
Proceeds from insurance damages	9,752	3,188	-	-	12,940
Net cash provided (used) by capital and related financing activities	(5,296)	3,188	-	(15,387)	(17,495)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of investment securities	(5,547,568)	(138,464)	(728,422)	(419,580)	(6,834,034)
Proceeds from sale and maturities of investment securities	7,341,885	58,155	674,579	941,435	9,016,054
Interest on investments	245,981	326	23,429	25,414	295,150
Net cash provided (used) by investing activities	2,040,298	(79,983)	(30,414)	547,269	2,477,170
Net increase (decrease) in cash and cash equivalents	62,085	10,940	29,879	(24,291)	78,613
Cash and cash equivalents - beginning	555,688	4,365	50,637	70,669	681,359
Cash and cash equivalents - ending	<u>\$ 617,773</u>	<u>\$ 15,305</u>	<u>\$ 80,516</u>	<u>\$ 46,378</u>	<u>\$ 759,972</u>
Noncash disclosures:					
Loss on property disposition	\$ 6,509	\$ -	\$ -	\$ -	\$ 6,509
Increase in fair value of investments	69,350	2,946	12,995	1,495	86,786

(continued)

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(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)	\$ (7,785,600)	\$ 86,486	\$ 60,293	\$ (667,781)	\$ (8,306,602)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	90,125	-	-	116,567	206,692
Pension and other postemployment benefits expense (net)	(52,533)	(10,667)	-	(13,069)	(76,269)
Change in assets and liabilities:					
(Increase) decrease in-					
Accounts receivable	718,249	-	-	-	718,249
Other receivable	8,868	-	-	1,916	10,784
Prepaid items and other assets	448,518	-	-	9,508	458,026
Increase (decrease) in-					
Accounts payable	(23,276)	(1,326)	-	3,724	(20,878)
Accrued liabilities	(145,193)	6,489	-	(53,827)	(192,531)
Liability for compensated absences	(49,646)	6,753	-	(103)	(42,996)
Customer deposits	-	-	-	16,949	16,949
Unearned revenue	(124,285)	-	-	179,943	55,658
Total adjustments	870,827	1,249	-	261,608	1,133,684
Net cash provided (used) by operating activities	\$ (6,914,773)	\$ 87,735	\$ 60,293	\$ (406,173)	\$ (7,172,918)



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 worker's compensation.

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

**CITY OF PLANO, TEXAS
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
AS OF SEPTEMBER 30, 2020**

	Equipment Maintenance	Municipal Warehouse	Technology Services
ASSETS			
Cash and cash equivalents	\$ 3,607,529	\$ 11,770	\$ 1,774,919
Investments	32,636,711	106,482	16,057,397
Receivables:			
Accrued interest	245,209	800	120,644
Other	-	-	4,277
Inventories	24,820	1,847,786	-
Prepaid items and other assets	-	-	265,115
Capital assets:			
Land	51,515	-	11,007
Buildings	5,264,915	-	710,379
Equipment	23,885,783	-	22,328,407
Rolling equipment	65,609,843	-	-
Less accumulated depreciation	(56,035,447)	-	(13,255,437)
Total capital assets (net of accumulated depreciation)	38,776,609	-	9,794,356
Total assets	75,290,878	1,966,838	28,016,708
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows from pensions	500,752	111,640	1,300,417
Deferred outflows from other postemployment benefits	135,908	33,937	244,295
Total deferred outflows of resources	636,660	145,577	1,544,712
LIABILITIES			
Current liabilities:			
Accounts payable	1,067,620	221,251	915,402
Accrued liabilities	92,076	19,620	285,474
Due to other funds	-	655,000	-
Compensated absences	19,225	5,947	82,805
Liability for insurance claims	-	-	-
Total current liabilities	1,178,921	901,818	1,283,681
Noncurrent liabilities:			
Net pension liability	948,167	208,194	2,456,489
Net other postemployment benefits liability	171,312	45,583	300,976
Compensated absences	99,605	54,008	349,462
Total noncurrent liabilities	1,219,084	307,785	3,106,927
Total liabilities	2,398,005	1,209,603	4,390,608
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows from pensions	494,208	105,403	1,481,944
Deferred inflows from other postemployment benefits	283,304	76,683	524,047
Total deferred inflows of resources	777,512	182,086	2,005,991
NET POSITION			
Net investment in capital assets	38,776,609	-	9,794,356
Unrestricted	33,975,412	720,726	13,370,465
Total net position	\$ 72,752,021	\$ 720,726	\$ 23,164,821

Risk Management	Health Claims	Total
\$ 598,651	\$ 2,319,109	\$ 8,311,978
5,415,893	20,980,585	75,197,068
40,691	157,633	564,977
-	-	4,277
-	-	1,872,606
250	630,207	895,572
-	-	62,522
-	-	5,975,294
-	-	46,214,190
-	-	65,609,843
-	-	(69,290,884)
-	-	48,570,965
6,055,485	24,087,534	135,417,443
115,474	-	2,028,283
20,470	-	434,610
135,944	-	2,462,893
39,014	89,887	2,333,174
16,986	-	414,156
-	-	655,000
455	-	108,432
5,422,171	2,627,741	8,049,912
5,478,626	2,717,628	11,560,674
220,986	-	3,833,836
27,486	-	545,357
45,057	-	548,132
293,529	-	4,927,325
5,772,155	2,717,628	16,487,999
112,913	-	2,194,468
48,439	-	932,473
161,352	-	3,126,941
-	-	48,570,965
257,922	21,369,906	69,694,431
\$ 257,922	\$ 21,369,906	\$ 118,265,396

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Equipment Maintenance	Municipal Warehouse	Technology Services
OPERATING REVENUES			
Charges for services	\$ 21,228,045	\$ 4,842,350	\$ 21,230,948
Subrogation receipts	-	-	-
Miscellaneous charges	10,000	12,435	-
Total operating revenues	21,238,045	4,854,785	21,230,948
OPERATING EXPENSES			
Personnel services	2,821,061	655,784	8,156,385
Pension and other postemployment benefits expense (net)	(49,730)	(12,125)	(84,995)
Contractual services	2,381,180	55,570	12,901,333
Supplies	4,168,395	3,760,356	1,707,118
Claims expense	-	-	-
Depreciation	10,395,103	-	1,377,750
Miscellaneous charges	25,889	54,173	5,671
Total operating expenses	19,741,898	4,513,758	24,063,262
Operating income (loss)	1,496,147	341,027	(2,832,314)
NONOPERATING REVENUES			
Investment income	1,184,539	-	587,654
Gain on capital asset disposal	809,802	14,854	-
Miscellaneous	-	-	18,130
Total nonoperating revenues	1,994,341	14,854	605,784
Income (loss) before transfers	3,490,488	355,881	(2,226,530)
Transfers in	253,562	-	1,000,000
Transfers out	-	-	(1,500,000)
Change in net position	3,744,050	355,881	(2,726,530)
Total net position - beginning	69,007,971	364,845	25,891,351
Total net position - ending	\$ 72,752,021	\$ 720,726	\$ 23,164,821

Risk Management	Health Claims	Total
\$ 6,315,182	\$ 32,402,565	\$ 86,019,090
429,595	-	429,595
-	-	22,435
<u>6,744,777</u>	<u>32,402,565</u>	<u>86,471,120</u>
474,900	-	12,108,130
(7,138)	-	(153,988)
1,814,632	3,680,733	20,833,448
17,335	-	9,653,204
6,514,410	27,887,806	34,402,216
-	-	11,772,853
29,939	-	115,672
<u>8,844,078</u>	<u>31,568,539</u>	<u>88,731,535</u>
<u>(2,099,301)</u>	<u>834,026</u>	<u>(2,260,415)</u>
193,791	720,248	2,686,232
-	-	824,656
-	-	18,130
<u>193,791</u>	<u>720,248</u>	<u>3,529,018</u>
(1,905,510)	1,554,274	1,268,603
-	-	1,253,562
-	-	(1,500,000)
<u>(1,905,510)</u>	<u>1,554,274</u>	<u>1,022,165</u>
<u>2,163,432</u>	<u>19,815,632</u>	<u>117,243,231</u>
<u>\$ 257,922</u>	<u>\$ 21,369,906</u>	<u>\$ 118,265,396</u>

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Equipment Maintenance</u>	<u>Municipal Warehouse</u>	<u>Technology Services</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from other funds	\$ 20,798,119	\$ 5,200,606	\$ 21,228,621
Cash received from subrogation	-	-	-
Cash payments to suppliers for goods and services	(7,229,891)	(4,495,613)	(14,532,931)
Cash paid to or on behalf of employees for services	<u>(2,813,238)</u>	<u>(647,225)</u>	<u>(8,096,289)</u>
Net cash provided (used) by operating activities	<u>10,754,990</u>	<u>57,768</u>	<u>(1,400,599)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers to other funds	-	-	(1,500,000)
Transfers from other funds	<u>253,562</u>	<u>-</u>	<u>1,000,000</u>
Net cash provided (used) by noncapital financing activities	<u>253,562</u>	<u>-</u>	<u>(500,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(14,944,619)	-	(1,486,871)
Proceeds on sale of equipment	906,902	14,854	-
Proceeds from insurance damages	<u>33,997</u>	<u>-</u>	<u>18,130</u>
Net cash provided (used) by capital and related financing activities	<u>(14,003,720)</u>	<u>14,854</u>	<u>(1,468,741)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investment securities	(32,636,711)	(106,482)	(16,057,397)
Proceeds from sales and maturities of investment securities	35,438,601	42,961	19,185,519
Interest on investments	<u>1,140,599</u>	<u>(556)</u>	<u>575,971</u>
Net cash provided (used) by investing activities	<u>3,942,489</u>	<u>(64,077)</u>	<u>3,704,093</u>
Net increase in cash and cash equivalents	947,321	8,545	334,753
Cash and cash equivalents - beginning	<u>2,660,208</u>	<u>3,225</u>	<u>1,440,166</u>
Cash and cash equivalents - ending	<u>\$ 3,607,529</u>	<u>\$ 11,770</u>	<u>\$ 1,774,919</u>
Noncash disclosure:			
Property disposition/adjustments	\$ (131,099)	\$ -	\$ -
Increase in fair value of investments	483,305	2,283	220,795
Transfer in (out) of capital assets	884,706	-	-

Risk Management	Health Claims	Total
\$ 7,345,870	\$ 32,402,565	\$ 86,975,781
429,595	-	429,595
(7,424,334)	(31,960,624)	(65,643,393)
<u>(458,574)</u>	<u>-</u>	<u>(12,015,326)</u>
<u>(107,443)</u>	<u>441,941</u>	<u>9,746,657</u>
-	-	(1,500,000)
<u>-</u>	<u>-</u>	<u>1,253,562</u>
<u>-</u>	<u>-</u>	<u>(246,438)</u>
-	-	(16,431,490)
-	-	921,756
<u>-</u>	<u>-</u>	<u>52,127</u>
<u>-</u>	<u>-</u>	<u>(15,457,607)</u>
(5,415,893)	(20,980,585)	(75,197,068)
5,522,939	20,629,423	80,819,443
<u>184,467</u>	<u>679,777</u>	<u>2,580,258</u>
<u>291,513</u>	<u>328,615</u>	<u>8,202,633</u>
184,070	770,556	2,245,245
<u>414,581</u>	<u>1,548,553</u>	<u>6,066,733</u>
<u>\$ 598,651</u>	<u>\$ 2,319,109</u>	<u>\$ 8,311,978</u>
\$ -	\$ -	\$ (131,099)
83,678	331,599	1,121,660
-	-	884,706

(continued)

**CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(continued)**

	<u>Equipment Maintenance</u>	<u>Municipal Warehouse</u>	<u>Technology Services</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	<u>\$ 1,496,147</u>	<u>\$ 341,027</u>	<u>\$ (2,832,314)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	10,395,103	-	1,377,750
Pension and other postemployment benefits expense (net)	(49,730)	(12,125)	(84,995)
Changes in assets and liabilities:			
(Increase) decrease in-			
Accounts receivable	-	-	-
Other receivable	-	-	(2,327)
Due from other funds	-	-	-
Prepaid items and other assets	-	-	933,201
Inventories	17,141	(691,704)	-
Increase (decrease) in-			
Accounts payable	(671,568)	53,755	(852,010)
Accrued liabilities	13,834	3,130	34,573
Due to other funds	(439,926)	358,256	-
Liability for compensated absences	(6,011)	5,429	25,523
Liability for insurance claims	-	-	-
Total adjustments	<u>9,258,843</u>	<u>(283,259)</u>	<u>1,431,715</u>
Net cash provided (used) by operating activities	<u><u>\$ 10,754,990</u></u>	<u><u>\$ 57,768</u></u>	<u><u>\$ (1,400,599)</u></u>

Risk Management	Health Claims	Total
<u>\$ (2,099,301)</u>	<u>\$ 834,026</u>	<u>\$ (2,260,415)</u>
-	-	11,772,853
(7,138)	-	(153,988)
591,012	-	591,012
-	-	(2,327)
439,676	-	439,676
2,243	(293,707)	641,737
-	-	(674,563)
1,296	27,505	(1,441,022)
4,589	-	56,126
-	-	(81,670)
11,737	-	36,678
948,443	(125,883)	822,560
<u>1,991,858</u>	<u>(392,085)</u>	<u>12,007,072</u>
<u><u>\$ (107,443)</u></u>	<u><u>\$ 441,941</u></u>	<u><u>\$ 9,746,657</u></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.

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF NET POSITION
PENSION AND OTHER POST-EMPLOYMENT BENEFITS TRUST FUNDS
AS OF SEPTEMBER 30, 2020

	Pension Trust Fund	Other Post-Employment Fund	Total
ASSETS			
Cash and cash equivalents	\$ 3,097,102	\$ 1,417,255	\$ 4,514,357
Investments:			
Mutual funds:			
Domestic equity funds	90,166,967	38,354,812	128,521,779
International equity funds	26,438,599	24,839,572	51,278,171
Fixed income funds	19,588,862	14,911,571	34,500,433
Real estate investment trusts	15,463,362	4,976,743	20,440,105
Collective investment trusts	18,610,737	18,893,269	37,504,006
Accrued interest	58	16	74
Prepaid items and other assets	-	66,748	66,748
Total assets	173,365,687	103,459,986	276,825,673
LIABILITIES			
Accrued liabilities	-	288,336	288,336
Unearned revenue	-	65,361	65,361
Total liabilities	-	353,697	353,697
NET POSITION			
Net position restricted for pensions	173,365,687	-	173,365,687
Net position restricted for other postemployment benefits	-	103,106,289	103,106,289
Total net position	\$ 173,365,687	\$ 103,106,289	\$ 276,471,976

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CHANGES IN NET POSITION
PENSION AND OTHER POST-EMPLOYMENT BENEFITS TRUST FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Pension Trust Fund	Other Post-Employment Fund	Total
ADDITIONS			
Contributions:			
From employers	\$ 5,758,065	\$ 4,508,857	\$ 10,266,922
From retirees	-	2,292,623	2,292,623
Total contributions	5,758,065	6,801,480	12,559,545
Investment return:			
Net increase in fair value of investments	13,776,623	4,913,075	18,689,698
Interest	(26,255)	8,163	(18,092)
Dividends	2,399,103	2,145,845	4,544,948
Miscellaneous	9,071	7,486	16,557
Total investment return	16,158,542	7,074,569	23,233,111
Less investment expenses:			
Trustee fees	57,918	33,519	91,437
Advisory fees	62,059	85,971	148,030
Total investment expenses	119,977	119,490	239,467
Net investment return	16,038,565	6,955,079	22,993,644
Total additions	21,796,630	13,756,559	35,553,189
DEDUCTIONS			
Benefits	6,118,393	3,767,165	9,885,558
Administrative expenses	82,004	2,241,401	2,323,405
Total deductions	6,200,397	6,008,566	12,208,963
Change in net position	15,596,233	7,747,993	23,344,226
Total net position - beginning	157,769,454	95,358,296	253,127,750
Total net position - ending	\$ 173,365,687	\$ 103,106,289	\$ 276,471,976



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
STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
AS OF SEPTEMBER 30, 2020

	TIF No. 2	TIF No. 3	Total
ASSETS			
Current:			
Cash and cash equivalents	\$ 881,133	\$ 1,330	\$ 882,463
Investments	8,031,356	12,125	8,043,481
Prepaid items and other assets	4,800	-	4,800
Noncurrent:			
Capital assets, nondepreciable	2,642,229	-	2,642,229
Total assets	11,559,518	13,455	11,572,973
LIABILITIES			
Current:			
Accounts payable	301,649	-	301,649
Total liabilities	301,649	-	301,649
NET POSITION			
Net investment in capital assets	2,642,229	-	2,642,229
Restricted	8,615,640	13,455	8,629,095
Total net position	\$ 11,257,869	\$ 13,455	\$ 11,271,324

CITY OF PLANO, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	TIF No. 2	TIF No. 3	Total
EXPENSES			
Contractual services	\$ 5,900,380	\$ -	5,900,380
Total operating expenses	<u>5,900,380</u>	<u>-</u>	<u>5,900,380</u>
Operating loss	(5,900,380)	-	(5,900,380)
NONOPERATING REVENUES			
Property taxes	2,501,645	13,455	2,515,100
Total nonoperating revenues	<u>2,501,645</u>	<u>13,455</u>	<u>2,515,100</u>
Change in net position	(3,398,735)	13,455	(3,385,280)
Total net position - beginning	<u>14,656,604</u>	<u>-</u>	<u>14,656,604</u>
Total net position - ending	<u>\$ 11,257,869</u>	<u>\$ 13,455</u>	<u>\$ 11,271,324</u>

CITY OF PLANO, TEXAS
STATEMENT OF CASH FLOWS
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	TIF No. 2	TIF No. 3	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash payments to suppliers for goods and services	\$ (5,202,155)	\$ -	\$ (5,202,155)
Net cash used by operating activities	(5,202,155)	-	(5,202,155)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Property taxes	2,501,645	13,455	2,515,100
Note repayment	25,000	-	25,000
Net cash provided by noncapital financing activities	2,526,645	13,455	2,540,100
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investment securities	(8,031,356)	(12,125)	(8,043,481)
Proceeds from sales and maturities of investment securities	10,783,131	-	10,783,131
Net cash provided (used) by investing activities	2,751,775	(12,125)	2,739,650
Net increase in cash and cash equivalents	76,265	1,330	77,595
Cash and cash equivalents - beginning	804,868	-	804,868
Cash and cash equivalents - ending	<u>\$ 881,133</u>	<u>\$ 1,330</u>	<u>\$ 882,463</u>

CITY OF PLANO, TEXAS
STATEMENT OF CASH FLOWS
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(continued)

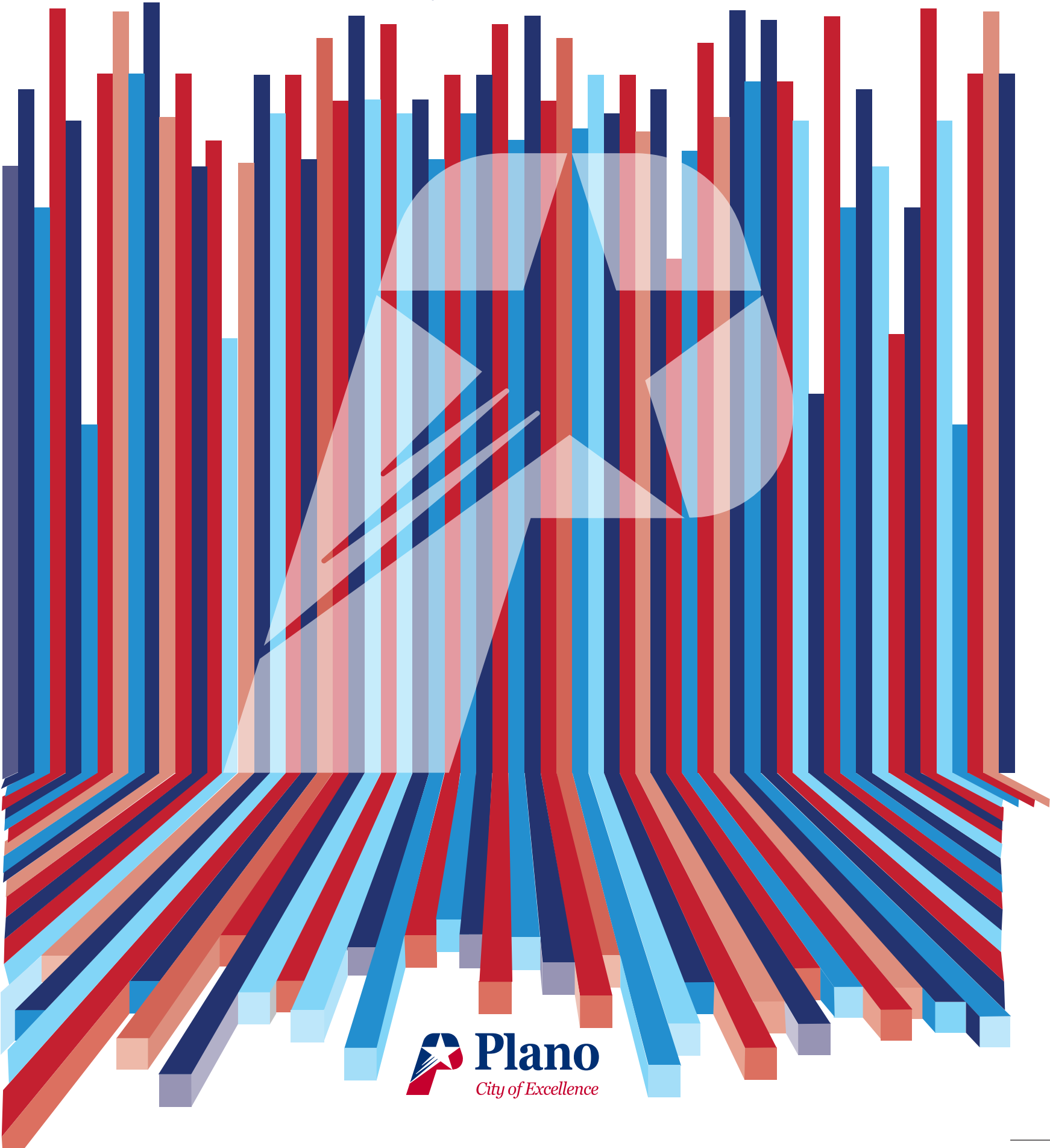
	TIF No. 2	TIF No. 3	Total
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:			
Operating loss	<u>\$ (5,900,380)</u>	<u>\$ -</u>	<u>\$ (5,900,380)</u>
Adjustments to reconcile operating loss to net cash used by operating activities:			
Non-cash contribution to primary government	538,067	-	538,067
Changes in assets and liabilities:			
Decrease in prepaid items	(4,800)	-	(4,800)
Increase in accounts payable	<u>164,958</u>	<u>-</u>	<u>164,958</u>
Total adjustments	<u>160,158</u>	<u>-</u>	<u>160,158</u>
Net cash used by operating activities	<u><u>\$ (5,202,155)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (5,202,155)</u></u>



STATISTICAL SECTION

COMPREHENSIVE ANNUAL FINANCIAL REPORT | 2020

*For Fiscal Year Ended September 30, 2020
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.	132-137
<u>Revenue Capacity</u> - These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	138-141
<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.	142-147
<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.	148-149
<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.	150-154

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

Table 1

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental activities:										
Net investment in capital assets	\$ 911,222,409	\$ 863,800,846	\$ 831,253,007	\$ 790,687,802	\$ 749,829,714	\$ 716,648,113	\$ 695,615,093	\$ 672,747,769	\$ 663,420,473	\$ 665,695,098
Restricted	76,623,719	57,577,590	53,020,956	59,809,891	68,249,570	47,465,237	32,097,048	51,536,304	50,707,627	46,410,136
Unrestricted	128,293,244	144,063,956	123,431,005	163,907,113	167,247,133	179,758,472	215,051,526	194,617,363	185,546,080	162,537,262
Total governmental activities net position	\$ 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	\$ 899,674,180	\$ 874,642,496
Business-type activities:										
Net investment in capital assets	\$ 389,326,342	\$ 377,284,205	\$ 378,270,126	\$ 377,622,087	\$ 374,462,834	\$ 370,220,021	\$ 360,960,813	\$ 362,997,446	\$ 363,340,513	\$ 362,757,006
Restricted	5,225,754	5,054,830	4,591,766	6,106,990	3,298,965	2,377,534	2,242,278	2,375,886	2,671,383	2,514,172
Unrestricted	89,260,757	101,767,064	91,641,587	81,186,158	88,495,857	88,328,906	89,364,337	88,538,490	78,609,397	81,237,936
Total business-type activities net position	\$ 483,812,853	\$ 484,106,099	\$ 474,503,479	\$ 464,915,235	\$ 466,257,656	\$ 460,926,461	\$ 452,567,428	\$ 453,911,822	\$ 444,621,293	\$ 446,509,114
Primary government:										
Net investment in capital assets	\$ 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	\$ 1,026,760,986	\$ 1,028,452,104
Restricted	81,849,473	62,632,420	57,612,722	65,916,881	71,548,535	49,842,771	34,339,326	53,912,190	53,379,010	48,924,308
Unrestricted	217,554,001	245,831,020	215,072,592	245,093,271	255,742,990	268,087,378	304,415,863	283,155,853	264,155,477	243,775,198
Total primary government net position	\$ 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	\$ 1,344,295,473	\$ 1,321,151,610

Source: Comprehensive Annual Financial Report

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

Table 2

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses										
Governmental activities:										
General government	\$ 28,402,791	\$ 27,370,123	\$ 26,304,530	\$ 27,352,742	\$ 27,017,457	\$ 27,636,869	\$ 22,837,719	\$ 22,902,283	\$ 23,945,434	\$ 17,854,055
Administrative services	13,857,328	13,469,841	11,464,812	11,729,785	10,635,244	9,555,715	9,004,302	8,715,712	7,925,435	7,595,755
Police	90,732,275	96,849,338	90,322,013	88,408,381	80,837,474	74,607,299	73,546,241	70,839,690	68,056,743	66,433,966
Fire	69,356,690	69,588,566	61,042,750	63,104,587	56,724,482	51,268,423	50,822,815	48,085,904	45,660,603	44,652,064
Libraries	12,572,838	13,630,329	11,436,405	12,381,069	12,107,913	10,646,832	11,152,367	10,268,273	9,765,576	10,136,834
Development	47,639,113	43,648,189	47,861,153	38,018,301	36,859,600	33,116,211	35,304,179	28,041,761	24,286,697	24,693,554
Public services and operations	8,464,111	8,742,013	7,972,290	8,350,096	7,638,382	6,575,756	7,350,378	6,372,030	5,469,346	5,602,338
Parks and recreation	35,069,347	35,901,150	33,854,714	36,069,542	32,462,901	30,933,825	32,444,929	28,605,874	26,999,247	25,773,639
Public works	39,076,813	37,692,509	35,968,999	33,751,984	32,287,926	30,531,725	29,653,914	31,256,009	32,261,282	30,868,916
Technology services	26,540,857	18,420,184	19,215,958	18,193,246	18,524,241	18,193,965	17,035,972	15,485,073	14,144,322	14,738,189
Interest on long-term debt	13,137,948	15,660,793	12,725,258	10,897,222	10,309,486	8,887,609	11,454,975	16,606,292	13,546,098	13,821,383
Total governmental activities expenses	384,850,111	380,973,035	358,168,882	348,256,955	325,405,106	301,954,229	300,607,791	287,178,901	272,060,783	262,170,693
Business-type activities:										
Water and sewer	165,919,227	158,249,938	153,117,762	144,379,544	133,481,605	117,747,963	113,527,471	108,229,423	108,565,144	101,645,618
Sustainability and environmental services	30,769,325	30,404,600	26,932,415	26,767,335	25,354,273	22,043,523	22,664,437	22,343,541	23,342,162	23,431,488
Municipal drainage	5,661,224	5,737,101	5,308,525	4,977,428	4,933,219	4,613,572	4,576,230	4,475,248	4,223,993	3,952,974
Convention and tourism	8,728,965	9,997,772	8,937,082	8,661,450	7,402,651	9,093,255	6,547,215	6,287,787	6,098,248	5,889,739
Municipal golf course	1,020,315	938,059	1,173,724	1,220,462	1,198,346	1,789,341	1,017,816	1,021,602	965,133	231,640
Recreation revolving	2,170,082	3,891,884	3,432,942	3,574,034	3,295,974	3,349,987	3,215,117	3,326,229	3,226,272	3,176,716
Downtown center development	12,385	11,788	26,836	17,406	14,273	11,726	28,931	9,893	9,327	55,683
Total business-type activities expenses	214,281,523	209,231,142	198,929,286	189,597,659	175,680,341	158,649,367	151,577,217	145,693,723	146,430,279	138,383,858
Total primary government expenses	599,131,634	590,204,177	557,098,168	537,854,614	501,085,447	460,603,596	452,185,008	432,872,624	418,491,062	400,554,551
Program Revenues										
Governmental activities:										
Charges for services:										
General government	5,852,307	7,158,219	6,906,381	10,088,711	6,691,140	6,551,280	6,152,383	5,913,645	5,561,420	4,739,503
Administrative services	23,513	24,847	49,074	5,855	3,928	21,428	5,296	11,515	8,200	-
Police	9,107,057	14,290,643	17,637,778	18,608,424	17,981,734	17,361,393	16,615,952	16,518,724	16,242,970	15,458,080
Fire	7,139,689	6,771,721	6,138,787	5,941,980	5,798,677	5,496,159	4,898,085	4,549,906	4,461,129	3,630,026
Libraries	67,348	137,389	323,969	251,187	245,954	339,198	432,864	467,501	449,743	473,956
Development	7,906,705	7,034,801	7,588,183	9,335,464	12,573,047	10,206,808	6,492,386	6,129,225	5,274,987	4,833,730
Public services and operations	1,377,109	1,580,198	1,578,599	1,550,664	1,534,663	1,494,484	1,448,584	1,473,792	1,431,446	1,319,479
Parks and recreation	5,163,321	9,551,063	6,200,769	4,858,934	5,049,382	4,668,090	4,423,381	4,534,559	4,528,827	4,179,352
Public works	170,167	154,379	89,655	34,783	18,829	39,452	48,710	112,267	175,256	194,348
Technology services	4,239,203	4,087,167	3,789,685	3,673,689	3,862,930	3,297,065	3,044,377	2,930,541	2,796,312	2,626,768
Operating grants and contributions	38,930,198	16,419,176	15,900,571	12,735,876	13,846,703	18,586,476	15,264,041	14,058,293	10,244,037	5,624,013
Capital grants and contributions	9,080,740	22,049,949	13,149,824	12,042,196	16,642,121	19,043,456	11,542,543	8,576,392	5,158,140	13,736,398
Total governmental activities program revenues	89,057,357	89,259,552	79,353,275	79,127,763	84,249,108	87,105,289	70,368,602	65,276,360	56,332,467	56,815,653

(continued)

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

Table 2
(continued)

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Business-type activities:										
Charges for services:	\$ 169,326,233	\$ 165,610,500	\$ 169,851,498	\$ 143,957,017	\$ 140,654,894	\$ 132,067,317	\$ 114,554,767	\$ 121,115,371	\$ 114,415,670	\$ 128,109,639
Water and sewer	19,189,375	18,892,173	17,707,463	17,819,166	16,288,331	16,168,862	16,147,526	16,403,721	16,096,610	16,368,530
Sustainability and environmental services	7,709,626	7,547,254	7,618,351	7,541,895	7,318,823	7,163,876	7,400,810	6,292,462	5,208,675	5,228,986
Municipal drainage	1,542,996	3,409,953	2,720,286	1,861,402	2,420,541	2,214,354	1,727,103	1,759,911	1,812,576	1,822,231
Convention and tourism	1,054,720	919,608	977,664	1,020,019	887,717	954,645	965,465	994,125	933,533	65,906
Municipal golf course	-	-	-	-	-	-	-	-	-	9,967
Property management	1,505,331	4,099,481	3,728,889	3,889,169	3,733,821	3,635,336	3,773,493	3,820,358	3,870,482	3,347,434
Recreation revolving	72,678	73,278	94,393	68,678	73,206	147,789	93,896	67,928	67,828	68,128
Downtown center development	-	-	-	-	1,041	60,980	-	358,588	1,070,468	1,568,388
Operating grants and contributions	7,412,313	6,099,345	4,443,912	7,778,571	4,451,393	5,548,273	3,463,123	4,254,902	2,078,980	1,377,582
Capital grants and contributions										
Total business-type activities program revenues	207,813,272	206,651,592	207,142,456	183,935,917	175,829,767	167,961,432	148,126,183	155,067,366	145,554,822	157,966,791
Total primary government program revenues	296,870,629	295,911,144	286,495,731	263,063,680	260,078,875	255,066,721	218,494,785	220,343,726	201,887,289	214,782,444
Net (expense) revenue										
Governmental activities	(295,792,754)	(291,713,483)	(278,815,607)	(269,129,192)	(241,155,998)	(214,848,940)	(230,239,189)	(221,902,541)	(215,728,316)	(205,355,040)
Business-type activities	(6,468,251)	(2,579,550)	8,213,170	(5,661,742)	149,426	9,312,065	(3,451,034)	9,373,643	(875,457)	19,582,933
Total primary government net (expense)	(302,261,005)	(294,293,033)	(270,602,437)	(274,790,934)	(241,006,572)	(205,536,875)	(233,690,223)	(212,528,898)	(216,603,773)	(185,772,107)
General revenues and transfers										
Governmental activities:										
Property taxes	206,429,516	202,327,784	191,237,106	173,005,300	163,619,692	150,960,855	140,180,751	133,922,409	130,761,336	128,274,660
Sales taxes	87,256,319	88,493,108	85,790,057	81,795,481	76,948,348	76,326,156	74,468,963	68,831,243	70,355,058	62,441,697
Mixed drink taxes	1,748,846	2,402,680	2,322,487	2,048,388	1,930,054	1,761,817	1,659,703	1,277,913	1,061,390	1,140,818
Other taxes	194,110	124,661	644,540	213,020	145,579	131,642	164,195	398,357	167,773	206,389
Franchise fees	21,635,342	24,031,070	25,088,152	24,553,341	24,665,352	25,341,454	24,332,547	23,283,089	22,668,521	23,220,388
Investment income	17,150,138	19,904,018	4,548,178	3,018,751	3,180,298	3,096,190	1,396,949	973,519	2,926,435	4,756,044
Transfers	12,075,463	12,167,586	12,559,897	13,573,300	12,121,270	10,491,502	11,898,312	12,443,267	12,819,487	29,825,475
Total governmental activities	346,489,734	349,450,907	322,190,417	298,207,581	282,610,593	268,109,616	254,101,420	241,129,797	240,760,000	249,865,471
Business-type activities:										
Hotel/Motel tax	6,725,576	11,474,715	9,209,353	8,685,384	8,263,231	7,342,639	5,984,727	5,095,504	4,669,257	4,722,431
Franchise fees	8,464,909	9,035,082	8,631,271	8,753,718	8,499,964	7,957,587	7,570,258	7,068,059	6,498,108	6,761,347
Investment income	3,059,983	3,839,959	797,183	453,519	539,844	544,194	449,967	196,590	639,758	795,789
Transfers	(12,075,463)	(12,167,586)	(12,559,897)	(13,573,300)	(12,121,270)	(10,491,502)	(11,898,312)	(12,443,267)	(12,819,487)	(12,602,560)
Total business-type activities	6,175,005	12,182,170	6,077,910	4,319,321	5,181,769	5,352,918	2,106,640	(83,114)	(1,012,364)	(322,993)
Total primary government	352,664,739	361,633,077	328,268,327	302,526,902	287,792,362	273,462,534	256,208,060	241,046,683	239,747,636	249,542,478
Change in net position										
Governmental activities	50,696,980	57,737,424	43,374,810	29,078,389	41,454,595	53,260,676	23,862,231	19,227,256	25,031,684	44,510,431
Business-type activities	(293,246)	9,602,620	14,291,080	(1,342,421)	5,331,195	14,664,983	(1,344,394)	9,290,529	(1,887,821)	19,259,940
Total primary government	\$ 50,403,734	\$ 67,340,044	\$ 57,665,890	\$ 27,735,968	\$ 46,785,790	\$ 67,925,659	\$ 22,517,837	\$ 28,517,785	\$ 23,143,863	\$ 63,770,371

Source: Comprehensive Annual Financial Report

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

Table 3

	Fiscal year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund										
Nondisposable	\$ 747,041	\$ 443,626	\$ 452,138	\$ 426,935	\$ 455,431	\$ 506,576	\$ 793,454	\$ 152,616	\$ 189,920	\$ 176,588
Assigned	4,955,264	5,516,549	5,398,044	8,648,847	7,482,574	5,308,518	4,617,229	3,467,826	2,579,810	3,110,127
Unassigned	55,902,939	52,719,878	46,363,342	42,559,341	46,251,968	45,788,922	45,914,135	52,689,982	50,197,033	41,547,010
Total general fund	\$ 61,605,244	\$ 58,680,053	\$ 52,213,524	\$ 51,635,123	\$ 54,189,973	\$ 51,604,016	\$ 51,324,818	\$ 56,310,424	\$ 52,966,763	\$ 44,833,725
All Other Governmental Funds										
Nondisposable	\$ 4,618	\$ 2,907,075	\$ 2,914,126	\$ 203,063	\$ 350,071	\$ 200,110	\$ 64,510	\$ 22,830	\$ 905	\$ 4,405
Restricted	179,416,915	148,005,503	139,233,489	118,218,632	110,520,152	83,521,364	87,225,859	94,919,165	93,888,376	80,004,218
Committed	59,345,711	52,566,786	48,179,905	52,076,874	45,745,697	41,176,158	34,066,858	26,320,350	20,280,369	16,052,538
Assigned	74,982,713	96,815,937	85,460,149	82,418,884	79,391,186	96,276,903	86,964,225	69,940,931	63,918,355	59,782,814
Unassigned	(229,841)	(223,661)	(356,136)	-	-	(441,228)	-	-	-	-
Total all other governmental funds	\$ 313,520,116	\$ 300,071,640	\$ 275,431,533	\$ 252,917,453	\$ 236,007,106	\$ 220,733,307	\$ 208,321,452	\$ 191,203,276	\$ 178,088,005	\$ 155,843,975

Source: Comprehensive Annual 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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues:										
Taxes:										
Property taxes	\$ 193,848,107	\$ 189,817,662	\$ 178,046,219	\$ 161,637,414	\$ 152,476,517	\$ 139,784,392	\$ 130,387,583	\$ 124,453,986	\$ 121,496,666	\$ 117,691,853
Other taxes	88,687,767	90,755,222	88,014,346	83,724,225	78,390,614	78,708,945	75,793,144	70,185,140	71,089,176	63,851,345
Franchise fees	20,948,685	23,330,387	24,354,134	23,778,918	23,795,403	24,452,648	23,469,220	22,455,605	21,895,025	22,770,634
Fines and forfeitures	4,929,202	9,942,676	13,469,216	13,865,452	13,228,933	17,004,610	12,381,098	11,584,047	12,111,722	10,949,125
Contributions	9,517,998	9,172,962	11,864,743	8,275,401	16,065,928	14,451,847	14,386,075	7,912,545	7,195,450	7,161,721
Rollback taxes	240,301	194,215	775,587	1,083,768	2,080,324	1,705,253	593,756	704,467	896,012	172,594
Licenses and permits	8,215,483	8,794,102	9,521,069	11,096,275	13,864,396	11,521,327	8,464,559	8,514,993	6,976,693	6,619,204
Intragovernmental	12,376,756	12,264,483	12,366,054	10,272,023	9,845,021	9,073,068	8,839,577	9,246,857	8,354,150	8,879,036
Intergovernmental	32,045,840	24,118,568	7,226,129	3,294,983	8,600,986	8,762,083	6,861,157	8,378,604	5,695,397	12,269,550
Charges for services	16,646,271	21,068,480	17,232,194	17,591,060	17,476,570	17,235,709	16,093,966	15,626,146	15,654,770	13,535,139
Assessments	-	-	-	-	-	4,555	-	13,512	56,776	157,805
Assessed taxes	138,263	86,540	79,560	97,091	96,327	-	-	-	-	-
Loan repayments	75,562	161,782	26,190	44,326	52,553	-	-	-	-	-
Investment income	14,463,906	16,523,779	3,812,784	2,610,264	2,708,822	2,566,239	539,548	803,395	2,323,962	3,932,542
Insurance receipts	-	-	-	2,524,669	-	-	-	-	-	-
Miscellaneous	2,098,185	3,139,882	2,757,734	2,941,582	2,088,223	2,688,796	2,409,120	2,715,685	1,574,428	1,292,782
Total revenues	404,232,326	409,370,740	369,545,959	342,837,451	340,770,617	327,959,472	300,218,803	282,594,982	275,320,227	269,283,330
Expenditures:										
Current:										
General government	30,798,961	28,330,854	29,285,243	27,946,543	28,719,550	28,745,531	23,153,000	22,100,556	23,684,196	21,355,266
Administrative services	12,181,897	12,293,671	11,242,058	11,009,172	10,137,693	9,671,352	9,075,852	8,429,725	7,998,091	7,978,998
Police	91,502,568	92,232,377	91,071,389	85,173,812	77,750,758	76,345,150	72,624,201	69,419,105	66,547,202	65,618,061
Fire	66,364,628	65,226,911	61,459,845	59,067,134	53,993,731	51,601,545	48,671,045	45,723,609	44,454,375	43,239,799
Libraries	12,454,004	12,651,794	11,346,986	10,933,170	10,910,966	9,894,090	9,807,337	9,163,013	9,146,500	9,392,127
Development	47,449,567	42,292,492	48,359,267	35,587,723	35,279,126	33,168,506	35,721,485	27,163,001	24,417,148	24,830,560
Public services and operations	8,272,140	8,116,706	7,937,937	7,659,746	7,323,817	6,603,174	7,293,539	6,204,948	5,515,414	5,653,648
Parks and recreation	26,077,933	26,737,356	25,293,952	24,471,388	23,043,731	21,730,109	20,362,792	19,376,076	18,729,207	18,792,674
Sustainability and environmental services	-	-	-	-	877	51,856	-	664,613	875,569	1,284,956
Public works	7,264,887	7,480,001	7,427,734	6,488,697	6,328,770	5,945,885	5,817,124	5,931,011	5,327,481	5,538,454
Technology services	2,379,149	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Capital outlay	127,135,076	108,889,776	102,403,953	90,609,900	79,143,347	79,259,135	44,164,938	45,403,651	33,542,010	47,374,962
Interest and fiscal charges	502,461	656,331	579,586	204,212	267,002	273,480	100,335	175,051	105,385	-
Debt service:										
Principal retirement	29,375,000	30,205,000	28,765,000	27,145,000	28,540,000	29,430,000	28,135,000	30,335,000	28,990,000	28,405,000
Interest and fiscal charges	17,442,679	18,023,790	14,650,303	14,652,723	12,982,753	12,398,406	13,015,703	13,902,230	14,219,545	14,128,251
Total expenditures	479,200,950	454,137,059	440,823,253	401,949,220	375,422,121	366,118,219	318,942,351	304,991,589	284,552,123	294,592,756
Deficiency of revenues under expenditures	(74,968,624)	(44,766,319)	(71,277,294)	(59,111,769)	(34,651,504)	(38,158,747)	(18,723,548)	(22,396,607)	(9,231,896)	(25,309,426)

(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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Other financing										
sources (uses):										
Issuance of debt	\$ 70,455,000	\$ 59,145,000	\$ 77,915,000	\$ 54,740,000	\$ 33,610,000	\$ 30,130,000	\$ 20,680,000	\$ 22,175,000	\$ 25,860,000	\$ 21,400,000
Issuance of debt-refunding	4,180,000	4,275,000	-	27,805,000	33,585,000	51,300,000	8,645,000	39,750,000	20,540,000	-
Premium on sale of bonds	7,085,255	6,127,422	4,443,627	10,517,669	12,243,821	10,503,390	952,750	11,439,780	3,820,972	114,918
Discount on sale of bonds	-	-	-	-	-	-	-	-	(253,786)	-
Escrow payment-refunding	(4,590,261)	(4,869,493)	-	(32,589,261)	(39,339,873)	(57,298,532)	(11,373,354)	(48,059,266)	(22,783,832)	-
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	-	-
Disbursements from component unit	-	-	-	-	-	-	-	-	-	1,793,418
Transfer of assets from Plano	-	-	-	-	-	-	-	-	-	16,052,538
Economic Development Board	48,962,041	43,039,104	40,819,060	38,680,903	36,271,298	38,735,713	33,629,949	26,993,051	23,893,031	24,366,126
Transfers in	(36,640,140)	(31,844,078)	(28,807,912)	(25,687,045)	(24,688,986)	(22,976,771)	(21,678,227)	(13,587,046)	(11,467,421)	(11,762,012)
Transfers out										
Total other financing sources	91,342,291	75,872,955	94,369,775	73,467,266	52,511,260	50,849,800	30,856,118	38,855,539	39,608,964	51,964,988
Net change in fund balances	\$ 16,373,667	\$ 31,106,636	\$ 23,092,481	\$ 14,355,497	\$ 17,859,756	\$ 12,691,053	\$ 12,132,570	\$ 16,458,932	\$ 30,377,068	\$ 26,655,562
Debt service as a percentage of noncapital expenditures	13.3%	14.0%	12.8%	13.4%	14.0%	14.6%	15.0%	17.0%	17.2%	17.2%

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:		Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property Residential	Real Property Non-Residential	Non-Real Property Personal	Tax-Exempt Property			
2011	\$ 20,081,379,973	\$ 7,798,953,065	\$ 2,648,600,517	\$ 5,848,034,850	\$	24,680,898,705	\$ 0.4886
2012	20,038,395,317	8,054,393,555	2,740,588,934	5,819,334,127		25,014,043,679	0.4886
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

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
2011	\$ 0.3135	\$ 0.1751	\$ 0.4886	\$ 1.3534	\$ 1.54	\$ 0.240	\$ 1.39	\$ 1.4267	\$ 0.2739	\$ 0.0863
2012	0.3149	0.1737	0.4886	1.3734	1.67	0.240	1.42	1.4260	0.2774	0.0863
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

(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	2020			2011		
	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	\$ 483,881,306	1	1.10%	\$ -		
Silos Harvesting Partners LP	397,480,240	2	0.91%			
Legacy West Investors LP	392,564,484	3	0.90%			
JP Morgan Chase Bank NA	249,159,727	4	0.57%			
Oncor Electric Delivery Company	232,457,590	5	0.53%	182,122,685	1	0.75%
Liberty Mutual Plano LLC	205,294,075	6	0.47%			
Capital One National Association	176,628,089	7	0.40%			
Texas Heart Hospital of the Southwest LLP	169,745,271	8	0.39%			
KBSIII Legacy Town Center LLC	165,382,954	9	0.38%			
UDR Legacy Village LLC	163,000,000	10	0.37%			
J C Penney Co Inc				159,971,610	2	0.65%
Legacy Campus LP				148,990,000	3	0.61%
Willow Bend Shopping Center LP				101,200,000	4	0.41%
Electronic Data Systems Corporation				95,498,438	5	0.39%
HSP Of Texas Inc				95,171,004	6	0.39%
Bank of America NA				86,895,108	7	0.36%
United Dominion Realty LP				86,263,585	8	0.35%
Shops at Legacy (Inland) LP				83,616,991	9	0.34%
Tollway/121 Partners LTD				83,487,355	10	0.34%
	<u>\$ 2,635,593,736</u>		<u>6.02%</u>	<u>\$ 1,123,216,776</u>		<u>4.59%</u>

Sources: Collin and Denton County Appraisal Districts

Note: Percentages calculated based on adjusted tax levy of \$43,791,855,718 for fiscal year 2020 and

\$24,425,113,518 for fiscal year 2011.

**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
2011	*	\$ 119,311,553	\$ 567,271	\$ 119,878,824	\$ 117,076,366	\$ 1,740,962	\$ 118,817,328	99.59%	\$ 959,776	\$ 119,777,104	99.92%
2012		121,179,947	416,476	121,596,423	120,112,398	682,096	120,794,494	99.68	693,149	121,487,644	99.91
2013		124,539,135	468,710	125,007,845	123,439,222	765,800	124,205,022	99.73	714,486	124,919,509	99.93
2014		130,892,241	485,158	131,377,398	129,630,739	765,689	130,396,428	99.62	890,403	131,286,831	99.93
2015		139,575,321	223,605	139,798,927	137,978,707	866,051	138,844,758	99.48	851,099	139,695,856	99.93
2016		151,033,590	(61,395)	150,972,194	149,629,519	1,032,587	150,662,106	99.75	199,175	150,861,282	99.93
2017		161,973,421	(297,313)	161,676,108	160,220,041	1,467,896	161,687,937	99.82	(176,745)	161,511,192	99.90
2018		179,305,578	(570,184)	178,735,394	177,244,572	1,663,605	178,908,177	99.78	(383,007)	178,525,170	99.88
2019		191,830,572	(763,807)	191,066,764	189,455,568	1,960,247	191,415,815	99.78	(628,892)	190,786,923	99.85
2020		196,275,097		196,275,097	193,818,037	2,074,137	195,892,174	99.80	N/A	195,892,174	99.80

* 2011 Total Levy has been reduced by \$29,552 refund for tax abatement.

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, Certificates of Obligation, Tax Anticipation Notes	Water and Sewer Revenue Bonds	Municipal Drainage Revenue Bonds			
2011	\$ 334,358,571	\$ 695,000	\$ 24,200,916	\$ 359,254,487	3.53 %	\$ 1,370
2012	332,298,643	365,000	22,210,947	354,874,590	3.49	1,345
2013	330,423,813	-	20,150,978	350,574,791	3.19	1,318
2014	319,362,266	-	18,016,010	337,378,276	3.06	1,249
2015	322,852,271	-	16,367,610	339,219,881	2.92	1,240
2016	332,366,608	28,210,692	14,279,894	374,857,194	3.19	1,355
2017	363,534,046	27,276,451	18,940,154	409,750,651	3.39	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	3.76	1,754
2020	482,993,512	34,806,216	20,163,710	537,963,438	3.82	1,871

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, Certificates of Obligation, Tax Anticipation Notes	Less: Amounts Available in Debt Service Fund	Net General Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita
2011	\$ 334,358,571	\$ 2,035,641	\$ 332,322,930	1.35 %	\$ 1,267
2012	332,298,643	2,224,744	330,073,899	1.32	1,251
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

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, 2020
(unaudited)

Table 11

Taxing Body	Debt Outstanding	Percentage of Debt Applicable to Area	City of Plano Share of Debt
City of Plano	<u>\$ 482,993,512</u>	100.00%	<u>\$ 482,993,512</u>
Total direct debt	<u>482,993,512</u>		<u>482,993,512</u>
Plano Independent School District	735,090,000	69.81%	513,166,329
Collin County	487,405,000	33.38%	162,695,789
Denton County	625,310,000	1.58%	9,879,898
Frisco Independent School District	2,252,532,141	12.99%	292,603,925
Allen Independent School District	577,825,395	0.65%	3,755,865
Lewisville Independent School District	1,478,136,037	4.08%	60,307,950
Collin College	<u>588,933,176</u>	33.38%	<u>196,585,894</u>
Total overlapping debt	<u>6,745,231,749</u>		<u>1,238,995,650</u>
Total direct and overlapping bonded debt	<u>\$ 7,228,225,261</u>		<u>\$ 1,721,989,162</u>
Ratio of overlapping bonded debt to taxable assessed valuation (valued at 100% of market value)			4.10%
Per capita overlapping bonded debt			\$ 5,990

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, 2020
(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, 2019 is \$0.4482 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	
2011	\$ 127,990,851	\$ 80,214,600	\$ 47,776,251	\$ 362,609	\$ 22,122	\$ 384,731	124.18
2012	114,265,966	87,746,758	26,519,208	398,182	15,927	414,109	64.04
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%

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	
2011	\$ 5,432,677	\$ 2,411,295	\$ 3,021,382	\$ 1,253,421	\$ 387,407	\$ 1,640,828	1.84
2012	5,334,131	2,615,205	2,718,926	1,213,889	356,451	1,570,340	1.73
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

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 (%)
2011	262,200	\$ 10,739,712	\$ 40,960	55,570	7.4
2012	263,750	10,779,199	40,869	55,659	5.6
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	14,075,138	48,957	50,116	6.3

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

2020			2011		
Employer	Employees	Percentage of Total City Employment	Employer	Employees	Percentage of Total City Employment
JP Morgan Chase	4,934	3.16 %	Bank of America Home Loans	5,400	3.87 %
Capital One Finance	4,537	2.91	J.C. Penney Company, Inc.	5,000	3.58
Bank of America	4,500	2.89	HP Enterprise Services	4,800	3.44
Toyota Motor North America, Inc.	3,815	2.45	Capital One Finance	3,500	2.51
NTT Data, Inc.	3,134	2.01	Dell	3,000	2.15
Liberty Mutual Insurance Company	2,854	1.83	Frito-Lay	2,400	1.72
Ericsson	2,703	1.73	Ericsson	2,200	1.58
J.C. Penney Company, Inc.	2,420	1.55	Alcatel - Lucent	1,830	1.31
USAA	2,092	1.34	Medical Center of Plano	1,500	1.07
Fannie Mae	2,000	1.28	Dr. Pepper Snapple Group	1,250	0.90
Total	32,989	21.15	Total	30,880	22.13

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General government	90.5	95.0	96.0	92.5	90.0	93.0	91.0	96.5	95.0	93.5
Administrative services	101.0	104.5	96.0	92.5	91.5	87.5	83.5	81.5	79.5	79.0
Police	691.0	711.5	692.5	669.5	628.0	611.0	625.5	616.0	606.0	604.5
Fire	406.0	399.0	400.0	397.0	362.5	365.0	359.0	349.0	335.0	334.0
Libraries	145.5	155.5	156.5	152.0	155.0	149.0	148.5	148.5	149.0	159.0
Development	180.5	185.0	184.5	184.5	180.0	167.0	155.5	147.5	148.0	148.0
Public services and operations	77.5	78.0	76.0	75.0	73.0	71.5	69.0	66.5	66.5	67.5
Parks and recreation	439.5	438.5	421.5	415.5	360.5	358.0	347.5	386.0	357.0	342.0
Public works	62.0	69.0	70.0	69.0	66.0	61.0	61.0	61.0	55.0	56.5
Technology services	62.0	64.0	59.0	54.0	58.0	55.0	57.0	50.0	46.0	47.0
Water and sewer	132.5	136.5	141.5	141.5	145.5	147.0	150.0	147.0	146.0	144.5
Sustainability and environmental services	95.5	100.0	97.0	100.0	94.5	95.5	97.5	94.0	95.5	95.5
Municipal drainage	25.0	24.0	22.0	26.0	28.0	28.0	25.0	22.0	22.0	20.0
Convention and tourism	40.0	43.5	40.0	41.0	39.5	40.0	42.0	40.0	40.5	43.0
Municipal golf course	8.0	6.0	7.0	8.0	8.0	8.0	9.5	8.0	8.5	7.0
Recreation revolving	127.5	127.0	128.5	143.5	149.5	126.5	138.5	139.0	160.5	159.0
Total	2,684.0	2,737.0	2,688.0	2,661.5	2,529.5	2,463.0	2,460.0	2,452.5	2,410.0	2,400.0

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

Table 18

Function/Program	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Administrative Services										
Legal Ordinance/resolution review/preparation	147	147	129	141	226	194	226	237	240	258
Human Resources										
Full-time civilian employees	1,451	1,498	1,454	1,434	1,410	1,378	1,363	1,330	1,308	1,320
Accounting										
Payment requests processed	59,068	65,587	61,800	65,025	66,170	64,268	64,765	66,076	63,183	65,723
Police										
Employees (uniformed)	395	405	406	394	361	346	352	345	340	335
Citations	41,809	59,653	59,137	53,111	63,559	65,269	68,258	72,507	75,009	60,378
Public Safety Communications										
911 calls*	153,548	159,522	156,865	161,310	159,795	166,304	164,299	160,196	150,508	150,614
911 dispatches*	234,869	256,602	226,222	204,016	215,733	218,773	226,704	235,572	239,491	232,981
Fire										
Employees (uniformed)	385	379	380	377	343	347	341	333	316	315
Fire runs	25,723	27,496	27,890	26,570	25,005	24,618	22,615	21,801	20,342	21,040
EMS runs	17,288	18,148	17,667	15,760	15,689	15,462	14,521	14,155	13,293	12,902
Libraries										
Volumes in collection	745,562	740,968	691,466	795,654	770,701	786,982	803,074	811,941	807,343	798,347
Registered borrowers	190,504	195,986	188,470	188,787	181,131	200,369	203,478	205,512	206,550	204,234
Development										
Building Inspections										
Inspections (all construction)	48,155	55,252	64,632	71,069	65,230	59,384	56,014	62,479	58,217	53,890
New construction permits issued	551	817	755	765	825	1,070	810	818	854	1,885
Engineering										
New streets/alleys paved (miles)	2	3	1	5	4	4	5	5	2	4
New water lines installed (miles)	23	19	17	24	18	24	16	21	14	10
Public Services and Operations										
Environmental Health										
Inspections	6,652	6,355	6,242	7,417	6,482	5,929	6,087	5,898	5,478	4,489
Animal Control										
Animals impounded	8,075	6,386	6,383	6,891	6,947	7,687	8,302	9,152	9,388	7,591

(continued)

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

Table 18
(continued)

Function/Program	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Parks and Recreation										
Recreation attendance	1,000,229	2,496,307	2,332,667	2,295,266	2,561,438	2,420,165	2,356,309	2,393,394	2,447,363	2,169,763
Recreation center members	43,547	67,847	63,550	54,482	51,254	49,857	52,664	50,476	35,222	21,690
Public Works										
Streets										
Streets, alleys and sidewalks										
Excavate/Replace (Sq Ft)	4,690,871	2,632,027	2,562,992	2,461,590	2,109,483	1,661,006	1,607,939	1,490,877	975,140	1,639,893
Water and Sewer										
Water customers	82,206	81,772	81,346	80,827	80,621	80,371	79,139	78,534	78,144	77,720
Average daily water consumption (gal)	57,153,954	51,548,075	59,734,375	48,909,020	56,517,827	49,676,000	73,200,000	80,928,294	80,284,182	61,740,731
Maximum storage capacity (gal)+	126,000,000	126,000,000	85,500,000	85,500,000	85,500,000	85,500,000	88,000,000	88,000,000	88,000,000	88,000,000
Sustainability and Environmental Services (residential)										
Refuse collected (tons)	63,682	67,636	61,227	58,319	60,287	58,703	57,154	57,191	57,810	62,078
Bulky waste pickups (tons)	7,553	7,390	6,157	6,470	6,535	5,095	4,925	4,600	4,194	5,544
Recyclables collected (tons)	17,616	17,175	17,698	17,489	18,406	18,627	18,623	18,816	18,882	19,216
Yard trimmings collected (tons)	21,261	18,422	18,540	19,540	21,199	20,840	24,299	21,108	19,614	21,139
Municipal Drainage										
Environmental assessment requests	36	59	100	132	171	207	133	92	74	70
Storm sewer inlets maintained	9,364	9,847	10,023	9,870	9,268	8,462	8,983	9,527	9,673	10,483
Convention and Tourism										
Event days booked and serviced	168	300	300	150	246	275	247	249	693	883
Municipal Golf Course										
Rounds of golf played	44,702	46,834	48,155	52,746	48,982	45,223	50,447	53,324	50,759	4,902
Recreation Revolving										
Courses completed	2,993	6,464	6,999	6,512	6,971	7,137	6,966	7,172	6,810	6,924

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Police										
Number of stations	3	3	3	3	3	3	3	3	3	3
Number of patrol units	161	159	154	147	130	127	124	128	126	121
Number of motorcycle units	2	5	5	5	5	5	6	6	7	7
Fire										
Number of stations	13	13	13	13	13	13	13	13	13	13
Number of fire engines/trucks	24	24	23	22	22	22	22	22	22	22
Number of EMS trucks	13	13	11	11	11	10	10	10	10	10
Libraries										
Number of libraries	5	5	5	5	5	5	5	5	5	5
Development										
Planning										
Streets- paved (miles)	1,050	1,048	1,045	1,044	1,039	1,035	1,031	1,026	1,021	1,019
Alleys- paved (miles)	520	520	519	519	519	519	519	519	519	519
Public Services and Operations										
Animal Services										
	8	8	8	8	8	8	8	8	8	8
Parks and Recreation										
Animal control trucks	4,382	4,382	4,375	4,322	4,268	4,244	4,241	4,002	3,995	3,994
Parks* (acres)	151	157	163	161	171	179	179	179	179	179
Athletic fields	70	71	70	71	69	70	69	69	69	71
Playgrounds										
Recreation centers	5	5	5	5	5	4	4	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 facilities	9	9	9	9	8	7	8	9	9	9
Public Works										
Traffic signals	238	232	230	227	225	221	220	219	219	216

(continued)

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

**Table 19
(continued)**

Function/Program	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Water and Sewer										
Water mains (miles)	1,463	1,448	1,435	1,427	1,414	1,405	1,391	1,384	1,373	1,367
sewers (miles)	1,049	1,045	1,042	1,037	1,032	1,029	1,024	1,019	1,014	1,009
Sanitary hydrants	15,945	15,794	15,583	15,452	15,256	15,111	14,918	14,817	14,677	14,604
Sustainability and Environmental Services										
Collection trucks	54	50	51	51	50	50	50	50	50	48
Municipal Drainage										
Storm sewers (miles)	704	700	697	694	688	682	677	673	668	665
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.