

Plano Independent School District

Plano, Texas

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2020

Prepared By

Angela Marks-Cosby
Director of Accounting

Courtney Reeves
Executive Director of Financial Services

Randy McDowell
Chief Financial Officer

Teamwork for Excellence



P L A N O
Independent School District

Plano Independent School District
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended June 30, 2020
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Certificate Of The Board

Plano Independent School District

Collin

043-910

Name of School District

County

County-District No.

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and 7 approved 0 disapproved for the year ended June 30, 2020 at a meeting of the Board of Trustees of such school district on the 12 day of January, 2021.



Signature of Board President



Signature of Board Vice President

If the Board of Trustees disapproved of the auditor's report, the reason(s) for disapproving it is (are):

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Introductory Section

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Board of Trustees

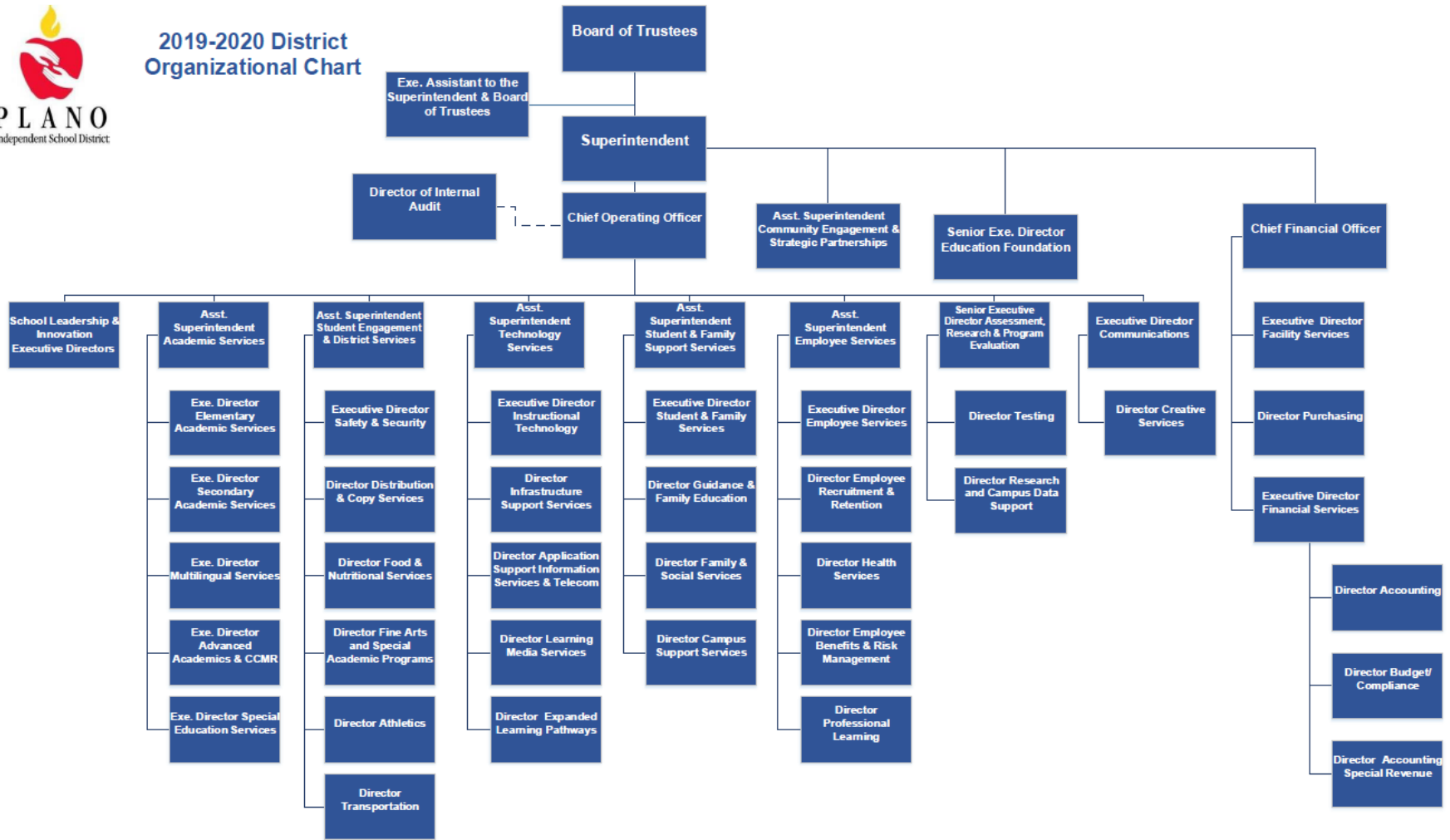
Name	Length of Service	Term Expires	Occupations
Tammy Richards President	10 Years	May 2021	Nonprofit Chief Executive Officer
Jeri Chambers Vice President	3 Years	May 2021	Nonprofit Development Officer
Dr. Heather Wang Secretary	2 Years	May 2023	Real Estate Broker and Community Volunteer
Angela Powell Trustee	3 Years	May 2021	Chief Executive Officer
Nancy Humphrey Trustee	10 Years	May 2021	Nonprofit Executive Director
David Stolle Trustee	9 years	May 2023	Attorney
Cody Weaver Trustee	2 years	May 2023	Real Estate Broker

Administrative Officials

Name	Position	Length of District Service
Sara Bonser	Superintendent *total school district experience 30 years	3 Years*
Dr. Theresa Williams	Chief Operating Officer *total school district experience 27 years	2 Year*
Randy McDowell	Chief Financial Officer *total school district experience 28 years	3 Years*
Dr. Katrina Hasley	Assistant Superintendent for Academic Services	3 Years
Dr. Kary Cooper	Assistant Superintendent for District Services	33 Years
Dr. Beth Brockman	Assistant Superintendent for Employee Services	3 Years
Dr. Courtney Gober	Assistant Superintendent for Student, Family, and Community Services	13 Years
Dan Armstrong	Assistant Superintendent for Technology Services	30 Years
Dr. Dash Weerasinghe	Senior Exec. Director, Assessment, Research & Program Evaluation	12 Years



2019-2020 District Organizational Chart





January 13, 2021

Board of School Trustees
Plano Independent School District
2700 W. 15th Street
Plano, Texas 75075

Members of the Board:

The Comprehensive Annual Financial Report (CAFR) of the Plano Independent School District (District) for the year ended June 30, 2020, is submitted herewith. This report was prepared by the District's Financial Services Department. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and the results of operations of the District as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. This report includes all funds of the District. The District discusses in greater detail its financial position in the narrative, introduction, overview and analysis sections of the Management's Discussion and Analysis (MD&A).

The CAFR for the year ended June 30, 2020 is presented in conformance with the reporting model adopted by the Governmental Accounting Standards Board ("GASB") in their Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, issued in June 1999.

GOVERNANCE

The governance of the District is overseen by a seven-member board of trustees (Board) that are elected by the citizens. Each member is elected to a four-year term with the elections being staggered in odd years so that not all positions are voted on during the same year. See page i for a listing of the present members of the Board along with the administrative officials who are appointed by the Board.

Regular action meetings are generally scheduled the first Tuesday of the month and regular work sessions the third Tuesday of the month. Both the action meetings and the work sessions are held in the District's Administration Building. Special meetings are scheduled as needed and announced in compliance with public notice requirements.

The Board has final control over local school matters limited only by the state legislature, by the courts and by the will of the people as expressed in School Board elections. Board decisions are based on a majority vote of a quorum of the Board.

In general, the Board adopts policies, sets direction for curriculum, employs the superintendent and oversees the operations of the District and its schools. Besides general Board business, trustees are charged with numerous statutory regulations, including appointing the tax assessor/collector, calling trustee and other school elections and canvassing the results, organizing the Board and electing its officers. The Board is also responsible for setting the tax rate, setting salary schedules, and acting as a board of appeals in personnel and student matters, confirming recommendations for textbook adoptions, and adopting and amending the annual budget.

The Board has responsibilities and control over all activities related to the public school education within its geographic boundaries. Even though there is considerable association between such other entities as the Collin County Tax Office and the Collin County Central Appraisal District, this report is restricted only to the actual activities of the District.

The Board solicits and evaluates community input and support concerning school policies.

MISSION

The District is a public school system whose adopted mission is:

“Our Plano ISD learning community will educate, inspire and empower every student to activate their unique potential in a dynamic world.”

To accomplish its mission, the District provides a full range of educational services appropriate to grade levels ranging from pre-kindergarten through grade 12. These include regular and enriched academic education, special education for handicapped children, career education and special programs for those with limited English proficiency. These programs are supplemented by a wide variety of co-curricular offerings, including those in fine arts and athletics. The District’s curriculum is well-defined for the purpose of preparing students early for college readiness. The participation rate of PISD students in Advanced Placement/International Baccalaureate ranks among the highest in the state and nation. PISD students’ performance on these exams gives them a competitive edge for college admission and college success.

As reflected in the District’s mission statement, activities of the District focus on learning opportunities for students. The District is providing educational services to approximately 50,222 students in state of the art facilities that include three early childhood schools for pre-kindergarten age students, 44 elementary schools with eleven offering pre-kindergarten classes, 23 secondary school programs and two special program centers. Included in the secondary schools are three academy programs – Health Science Academy as part of Williams High School and Plano East Senior High, International Baccalaureate World School as part of Plano East Senior High and the Academy High School an innovative 9th-12th grade learning community with an emphasis on science, technology, engineering, arts and mathematics (STEAM). The District has long maintained the philosophy of renovating and refurbishing its schools to ensure that all facilities continue to meet new building standards as well as curriculum and technology requirements.

ECONOMIC CONDITIONS AND OUTLOOK

Plano’s economic base consists of a wide range of services and products. Accelerated industrial and commercial development within the past 20 years in the City and immediate surrounding area has created a very sound, balanced economy. While a substantial economic base has been built on manufacturing and agriculture, retail and commercial development have made a steadily increasing contribution to the economic growth of the district. Situated in the heart of Texas and as an integral part of the Dallas/Fort Worth Metroplex, the City enjoys easy access to major transportation and shipping hubs in air, rail and trucking to any destination in the United States.

A significant factor in the growth of the district’s economic base is the addition, expansion and retention of numerous corporate and regional headquarters, including Toyota, Liberty Mutual Insurance, State Farm Insurance, JPMorgan Chase, Fed Ex, HP Systems, Frito-Lay, Dr. Pepper/Snapple, and Ericsson. The combined effects of population, income, employment and residential growth, along with increased industrial, commercial and retail development, have ensured the continuance of steady growth during the past several years. These factors have created a more productive and diversified economic base and provided Plano ISD with the foundation for a steady transition from a suburban to urban character.

The City and District have enjoyed carefully planned development and, as a result, the local economy is based on research, development and manufacturing in the fields of information technology and telecommunications. Research activities, publishing, printing, banking, government employment, insurance, real estate and diverse manufacturing facilities provide a wide variety of opportunities.

The District’s latest multi-year bond program was successfully approved by the voters in May 2016. The purpose of this \$481 million program is to provide funding for eight major project areas with no increase to the tax rate. All Plano ISD campuses will be impacted by district-wide security updates, renovation and facility upgrades, as well as technology improvements. The program also provides funding for the purchase of property and construction of new facilities that will increase classroom capacity and expand program offerings for students along with the purchase of school buses. \$300 million of bonds (inclusive of bond premiums) were sold during the fiscal year ended June 30, 2017. The second bond issue of \$120.05 million (inclusive of bond premiums) were sold during the fiscal year ended June 30, 2018. The third bond issue of \$13.65 million (inclusive of bond premiums) were sold during the fiscal year ended June 30, 2019. The fourth bond issue of \$13.045 million (inclusive of bond

premiums) were sold during the fiscal year ended June 30, 2020. A list of construction projects in progress is included in Note 5 to the financial statements.

The 86th Legislative Session

The Legislature approved House Bill 3 “HB3” that made significant changes to school finance for the 2019-20 school year and subsequent years. Funding formula changes included increasing the basic allotment from \$5,140 to \$6,160, eliminating the cost of education index adjustment, the move to current year values for calculation of the district’s property wealth, elimination of the gifted & talented allotment, expansion of the bilingual allotment, and the creation of the college & career military ready allotment, early education allotment, and dyslexia allotment. The Bill also compressed all school districts’ maintenance and operations tax rates. The Tier I rate was compressed from \$1.00 to \$.93, and the Tier II rate was compressed from a maximum rate of \$.17 to \$.13835; effectively, reducing the total maximum M&O rate from \$1.17 to \$1.06835. Further tax rate compression will continue in future years when either a school district or the state average growth rate increases more than 2.5%. The greater of the state average or the district’s property growth percentage will be used for tax compression and will compress the district’s Tier I rate by the percentage that exceeds 2.5% growth.

The tax compression resulting from HB3 increased the State’s contribution to district’s funding and consequently reduced the district’s share. For Plano ISD, the 2019-20 recapture payment to the State was projected at \$255 million and was reduced to approx. \$162 million before the adjustment due to ESSER funding under the CARES Act.

COVID-19 Impact

The District made the decision in March to move to full virtual learning, and this continued for the remainder of the 2019-20 school year to reduce the spread of COVID-19. This change in instructional delivery did cost the district a significant amount in technology cost, including additional devices, internet connectivity, and software programs. The District did however realize savings in other areas, such as, personnel costs, supplies & materials, fuel, and utilities. School districts were held harmless for the last two six week periods on state funding as the State used the first four six-week periods for attendance calculations.

The State of Texas did receive approx. \$1.2B of Elementary and Secondary School Emergency Relief Funds “ESSER” stimulus funds from the US Government for school districts under the Coronavirus Aid, Relief, and Economic Security “CARES” Act. Plano ISD was allotted \$4.03M of these ESSER funds and while these were additional funds to the District, the State reduced the District’s average daily attendance by 534 students to reduce the same \$4.03M out of state funding and increased recapture to negate the additional funding. The District did receive other stimulus funds through the Corona Relief Fund “CRF” in late 2020 fiscal year and early 2021 fiscal year. The District did incur significant additional costs in early fiscal year 2021 related to additional technology, software, and personal protective equipment “PPE”.

2020-21 Budget and Tax Rate

The Board of Trustees is required to adopt a final budget by no later than the close of the fiscal year, June 30. Annual budgets for the General Operating Fund, Debt Service Fund and Food Service Fund were adopted by the Board of Trustees on June 23, 2020. The budget is prepared by fund and function. Site based decisions are made throughout the year as campuses and departments manage their budgets. Budget transfers between functions, however, require approval from the Board of Trustees. The District operates a tightly controlled budget in all areas of operation while maintaining a high quality educational program.

On September 29, 2020 the District adopted a maintenance and operations tax rate of \$1.05475, the maximum rate approved by voters in the Tax Ratification Election in November 2013. The debt service tax rate of 26.9 cents remained constant and was also adopted.

For additional information about the financial status of the District, readers should refer to Management’s Discussion and Analysis section of this report.

OTHER INFORMATION

Controls

An internal control structure that has been designed, managed and maintained by the District is in place to ensure the District's assets are protected from loss, theft and misuse, and to ensure that accurate accounting data is compiled in the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The cost of a control should not exceed the benefits to be derived, therefore the internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met.

Independent Audit

State law and District policy require an annual audit of the accounts and financial records of the District by independent certified public accountants selected by the Board of Trustees. Weaver and Tidwell, L.L.P. has issued an unmodified opinion on the financial statements of Plano Independent School District for the year ended June 30, 2020. The independent auditors' report has been included in this report at the front of the financial section.

Awards

In 1999, the 76th Texas Legislature, approved legislation requiring the commissioner of education in consultation with the comptroller of public accounts to develop a rating system for school district financial accountability. The 77th Texas Legislature in 2001 subsequently adopted rules for the implementation and administration of the financial accountability rating system known as School FIRST, Financial Integrity Rating System of Texas. The financial accountability rating system benefits the public by having in place a system to ensure that school districts will be held accountable for the quality of their financial management practices and achieve improved performance in the management of their financial resources. Plano Independent School District has received a Superior rating every year since the implementation of the rating system in the 2001-02 year.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Plano Independent School District for its Comprehensive Annual Financial Report for the fiscal period ended June 30, 2019. The District received this prestigious award for the thirty seventh consecutive year in 2020.

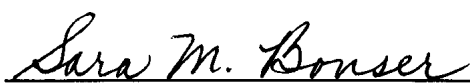
In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable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

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements. We are submitting the current report for the year ended June 30, 2020 to GFOA to determine its eligibility for another certificate.

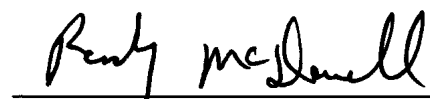
Acknowledgments

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of Financial Services. We would like to express our appreciation to all members of the department who assisted and contributed to its preparation.

We also wish to thank the members of the Board of Trustees for their continued consideration and support, and for planning and conducting the financial operations of the District in a responsible and progressive manner.



Sara Bonser
Superintendent



Randy McDowell
Chief Financial Officer

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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Plano Independent School District
Texas**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

Financial Section

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Independent Auditor's Report

To the Board of Trustees of
Plano Independent School District
Plano, Texas

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity 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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, General Fund budgetary comparison information, TRS pension and other postemployment benefits schedules, and the notes to the required supplementary information on pages 7 through 20, 76, 77 through 80, and 81 through 83, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CRF) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is also not a required part of the financial statements.

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

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

The Board of Trustees of
Plano Independent School District

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2021, on our consideration of the District'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 District'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 District's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
January 13, 2021

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**Plano Independent School District
Management's Discussion and Analysis
For The Year Ended June 30, 2020
(Unaudited)**

Our discussion and analysis of Plano Independent School District's (the "District") financial performance provides an overview of the District's financial activities for the year ended June 30, 2020. It should be read in conjunction with the District's financial statements.

Financial Highlights

The District's total assets and deferred outflows of resources as presented on the government-wide Statement of Net Position exceeded total liabilities and deferred inflows of resources by \$380.4 million. The net assets of the District increased by \$57.2 million during the year ended June 30, 2020.

The District's governmental funds financial statements reported a combined ending fund balance of \$473.7 million. Of this amount, the General Fund has a total of \$266.7 million, of which \$1.2 million is nonspendable, \$223.4 million is assigned, and \$42.1 million is unassigned and available for spending at the District's discretion. Fund balance of \$192.3 million is restricted for use by the Debt Service Fund and Capital Projects Fund. The Special Revenue Funds have a fund balance of \$14.1 million that is either restricted, committed or nonspendable.

During fiscal year 2020 Series 2010 Unlimited Tax Refunding Bond was refunded by issuing Series 2019 Unlimited Tax School Building & Refunding Bonds on November 12, 2019. The refunding resulted in total debt service savings of \$620,937 and a net present value savings of \$510,483. Restructuring matched the District's current debt service payments in years 2020 through 2029, and decreased debt estimated payments from 2021 through 2029.

This amount leaves the District with \$49.9 million of authorized, but unissued bonds as of June 30, 2020.

Overview of the Financial Statements

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

Government-Wide Financial Statements All of the District's services are reported in the government-wide financial statements, including instruction, student support services, student transportation, general administration, school leadership, facilities acquisition and construction and food services. Property taxes, state and federal aid, and investment earnings finance most of the activities. Additionally, all capital and debt financing activities are reported here.

The government-wide financial statements are designed to provide readers a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's assets plus deferred outflows of resources and liabilities plus with the deferred inflows of resources difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the District's financial position is improving or deteriorating.

The statement of activities details how the District'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 related cash flows. Therefore, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges.

Fund Financial Statements

The District uses fund accounting to monitor specific sources of funding and spending for particular purposes. The fund financial statements provide more detailed information about the District's most significant funds—not the District as a whole.

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

All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Most of the District's activities are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out, and (2) the balances left at year end that are available. However, unlike the government-wide financial statements, governmental fund financial statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the subsequent page that explains the relationship (or differences) between them. 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 and the Capital Projects Fund, which are considered to be major funds. Data from all other Special Revenue funds is in the Other Funds column and is presented as a non-major governmental fund on the same statements

Proprietary funds are used to account for operations that are financed similar to those found in the private sector. These funds provide both long-term and short-term financial information. The District maintains two 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 District uses enterprise funds to account for its concession service, after school care, employee childcare and photography. Internal service funds report activities that provide services for the District's other programs and activities, i.e., health insurance, workers' compensation, property insurance, unemployment benefits and print shop. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities within the government-wide financial statements

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations and/or other funds. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District’s fiduciary activities are reported in a separate statement of fiduciary net assets. We exclude these activities from the District’s government-wide financial statements because the District cannot use these assets to finance its operations.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. Immediately following the required supplementary information, combining statements are included for the nonmajor special revenue funds, the enterprise funds, the internal service funds and the agency funds.

The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements. Figure A-1 summarizes the major features of the District’s financial statements, including the portion of the District government they cover and the types of information they contain.

Figure A-1. Major Features of the District’s Government-wide and Fund Financial Statements

<i>Type of Statements</i>	Fund Statements			
	Government-wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
<i>Scope</i>	All activities of the District (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary	Activities the district operates similar to private businesses.	Instances in which the district is the trustee or agent for someone else’s resources
<i>Required financial statements</i>	<ul style="list-style-type: none"> ◆ Statement of net assets ◆ Statement of activities 	<ul style="list-style-type: none"> ◆ Balance sheet ◆ Statement of revenues, expenditures & changes in fund balances 	<ul style="list-style-type: none"> ◆ Statement of net assets ◆ Statement of revenues, expenses and changes in fund net assets ◆ Statement of cash flows 	<ul style="list-style-type: none"> ◆ Statement of fiduciary net assets ◆ Statement of changes in fiduciary net assets
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the Agency’s funds do not currently contain capital assets, although they can
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

Financial Analysis of the District as A Whole

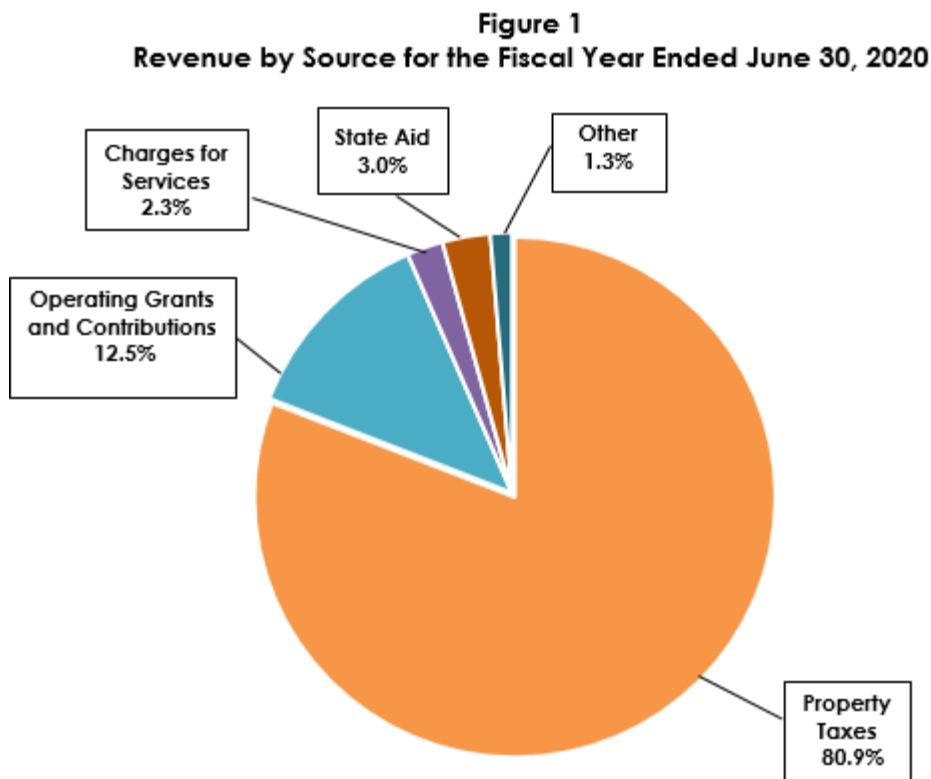
Net Position. As noted earlier, Net Position may serve over time as a useful indicator of the District's financial position. The District's Net Position was \$380.4 million at June 30, 2020. The largest portion of Net Position, \$452.3 million, reflects the District's investment in capital assets (e.g., land, buildings, furniture and equipment), less any related debt used to acquire these assets that is still outstanding. The District uses these capital assets to provide services to students, consequently, these assets are not available for future spending. An additional portion of the District's Net Position, \$29.1 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of Unrestricted Net Position may be used to meet the government's ongoing obligations.

The District's Net Position

	Governmental Activities As of June 30, 2020	Governmental Activities As of June 30, 2019	Business Type Activities As of June 30, 2020	Business Type Activities As of June 30, 2019
Current and other assets	\$ 742,468,856	\$ 707,249,602	\$ 438,915	\$ 656,323
Capital assets	1,108,512,003	1,077,254,291	6,603	7,924
Total assets	1,850,980,859	1,784,503,893	445,518	664,247
Deferred outflows of resources	120,402,470	139,275,957	-	-
Current liabilities	270,698,790	177,753,936	349,561	525,232
Long term liability	1,200,921,125	1,345,131,945	-	-
Total liabilities	1,471,619,915	1,522,885,881	349,561	525,232
Deferred inflows of resources	119,411,774	77,817,800	-	-
Net position:				
Net investment in capital assets	452,250,423	374,870,485	6,603	7,924
Restricted	29,051,308	40,257,564	-	-
Unrestricted	(100,950,091)	(92,051,880)	89,354	131,091
Total net position	\$ 380,351,640	\$ 323,076,169	\$ 95,957	\$ 139,015

Changes in net position. The District's total revenues were \$929.4 million. The most significant portion (80.9%) of the District's revenue comes from property taxes. (See Figure 1), operating grants and contributions equaled 12.5%, state aid comprised 3% and charges for service equaled 2.3%. All remaining sources combined for the remaining 1.3%. The total cost of all programs and services was \$865.1 million

Figure 1 graphically depicts the sources of revenue for the fiscal year ending June 30, 2020. Property taxes and state aid are two of the District's chief sources of operating revenues. Both of these revenue streams continue to change from year to year due to changes in property values and components in the funding formulas directed by the State of Texas to calculate state aid.



Government-Wide Activities

The total cost of all government-wide activities for the year ended June 30, 2020 was \$872.2 million. Funding for these government-wide activities (including business-type activities) is by specific program revenue or through general revenues such as property taxes and investment earnings. The following is a summary of the governmental funds activities:

- The cost of all *governmental activities* (excluding business-type activities) for the year was \$865.1 million.
- Some of the *governmental activities* cost was funded by program revenues directly attributable to specific activities. These program revenues amounted to \$130.2 million.
- The remaining cost of *governmental activities* not directly funded by program revenues was \$735 million which was funded from property taxes and other local sources.

The following table presents the cost of the District's largest governmental functions as well as their related *net cost* (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by local tax dollars, state revenues and other miscellaneous general revenues.

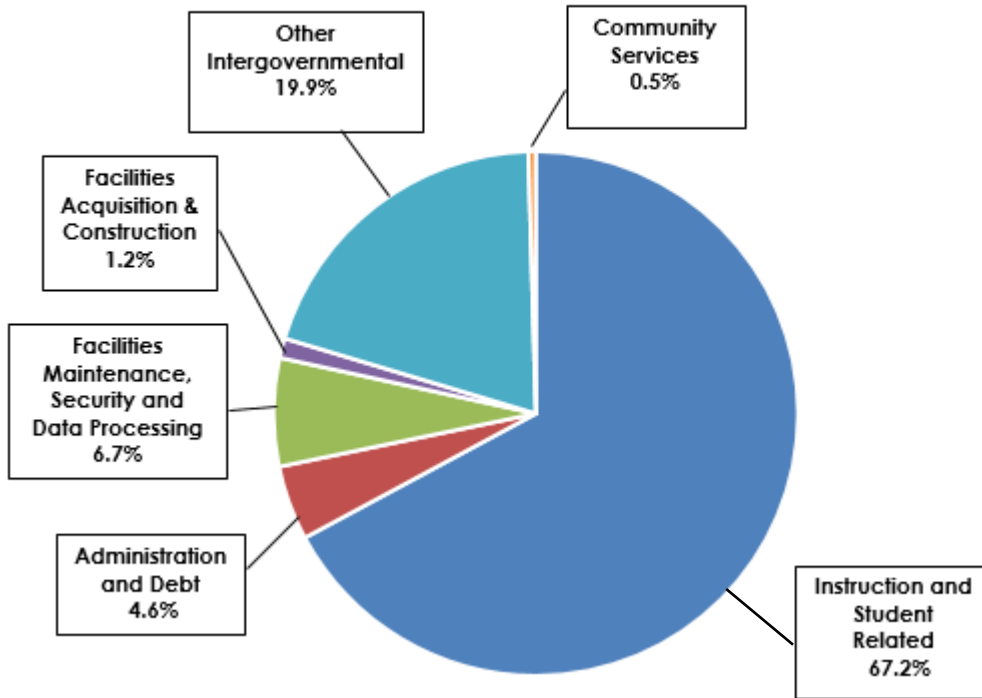
Net Cost of Selected District Functions
(in millions of dollars)

	Total Cost of Services	Net Cost of Services
Instruction	\$421.6	\$346.5
Contracted instructional services between schools	166.1	166.1
Facilities maintenance & operations	44.1	41.8
School leadership	34.3	29.4
Food services	27.1	6.1
Guidance, counseling and evaluation services	26.8	22.5

Change in Net Position

	Governmental Activities FY 6/30/20	Governmental Activities FY 6/30/19	Business-Type Activities FY 6/30/20	Business-Type Activities FY 6/30/19
Revenue				
Program revenues				
Charges for services	\$ 13,575,863	\$ 18,526,551	\$ 7,383,507	\$ 9,912,307
Operating grants and contributions	116,590,537	110,187,543	-	-
General revenues				
Property taxes	751,849,552	765,410,728	-	-
State aid - formula	27,621,178	53,157,077	-	-
Interest income	9,906,157	16,209,114	29,297	54,219
Other	2,444,334	14,037,082	-	-
Total revenues	921,987,621	977,528,095	7,412,804	9,966,526
Expenses				
Instruction and Instructional - related services	444,553,324	425,772,445	-	-
Instructional and school leadership	40,444,910	37,195,670	-	-
Support services - student	95,956,401	98,903,775	-	-
Administrative support services	12,406,886	11,720,645	-	-
Support services - nonstudent based	57,679,791	66,933,402	-	-
Ancillary services - community service	3,943,616	3,145,502	-	-
Debt service	27,405,954	27,899,732	-	-
Other facility costs	10,448,761	23,914,408	-	-
Intergovernmental charges	172,306,114	216,908,422	-	-
Concessions	-	-	243,401	218,613
Employee child care	-	-	1,718,890	1,828,605
After school care	-	-	5,059,964	5,568,044
Total expenses	865,145,757	912,394,001	7,022,255	7,615,262
Excess (Deficiency) before transfers	56,841,864	65,134,094	390,549	2,351,264
Transfers in (out)	433,607	2,392,071	(433,607)	(2,392,071)
Change in net position	57,275,471	67,526,165	(43,058)	(40,807)
Beginning net position	323,076,169	255,550,004	139,015	179,822
Ending net position	\$ 380,351,640	\$ 323,076,169	\$ 95,957	\$ 139,015

**Figure 2
Governmental Activities Expenses by Source for the Fiscal Year Ended
June 30, 2020**



The increase in the ending net position for Governmental Activities of \$57.5 million is due to a combination of several factors.

Revenue for Governmental Activities decreased by \$55.2 million during fiscal year 2020.

- Property taxes decreased \$13.6 million due to the tax compression of House Bill (HB) 3.
- State Aid decreased by \$25.5 million due in part to the reduction in both Available School Fund and Foundation School Fund programs under the House Bill (HB) 3 school funding formula, as well as a reduction of \$8.5 million in the Instructional Materials Allotment due to the textbook funding allocation being significantly higher in the previous fiscal year
- Investment earnings decreased \$6.3 million due to a -94.19% annual change in the Federal Funds Rate average yield from 2019 to 2020.

Expenses are summarized by functional categories that reflect the purpose of the transaction. Various operating expenses are recorded within each functional category. Total expenses reflect an overall reduction of \$47.2 million due to the impact of the COVID-19 pandemic, decreased Intergovernmental Changes (Recapture) under HB3, and other cost-saving practices.

- Instruction and Instructional Related Services increased \$18.8 million, Instructional and School Leadership increased \$3.2 million. Increases in these categories included a 2%-3% raise, as well as, increases in the District's health insurance contributions.
- Support Services-Non-student Base decreased \$9.3 million and Other Facility Costs decreased \$13.5 million. Decreases in these categories were primarily due to the COVID-19 pandemic shutdown during the fourth quarter of the fiscal year. Cost savings were seen in fuel, extracurricular activities, security, utility costs, and other facility contracted services.

- House Bill (HB) 3, passed in the recent legislative session, made substantial changes to the District's recapture payment due to the compression of the tax rate. Under HB 3, districts must reduce local revenue in excess of entitlement. This change in the school funding formula created a reduction in Contracted Instructional Services Between Schools (Recapture) of \$45.1 million.

Business-Type Activities The net position of the District's business-type activities decreased by \$43,058. This decrease is primarily due to the state and local government shutdown response to the COVID-19 pandemic.

- Employee Child Care Centers were shut down from March 2020 until the end of the school year. The Employee Child Care Center enterprise fund had expenditures that exceeded revenues by \$520,954 which resulted in an inter-fund transfer of \$520,956 from the General Fund.
- Concessions saw a decrease in net position of \$43,390 due to reduced revenues.
- PASAR AFTER School Care also saw a decrease in revenues due to COVID-19 pandemic shutdown from March through the remainder of the school year. PASAR enterprise revenues decrease \$2.4 million from prior year.

Financial Analysis of the District's Funds

Governmental Funds The District's accounting records for general governmental operations are maintained on a modified accrual basis as prescribed by the *Financial Accountability System Resource Guide*, Texas Education Agency, with the revenues being recorded when available and measurable to finance expenditures of the fiscal period. Expenditures are recorded when services or goods are received and the fund liabilities are incurred. The unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of a fiscal year. The general governmental operations include the following major funds: General, Debt Service and the Capital Projects Fund.

Revenues for general governmental functions totaled \$871.3 million for the year ended June 30, 2020. Property taxes were the largest source of revenue received by the District. Revenue from all sources decreased \$57.5 million from prior year.

Local revenue decreased by \$27.4 million.

- House Bill (HB) 3 compressed the District's M&O tax rate from \$1.17 to \$1.06835. The total property tax rate for the district was \$1.33735 including the I&S rate of \$.269, that remained the same as the prior year. For FY 2020 M&O tax revenue decreased \$21.7 million but Debt Service tax revenue increased \$8.1 million for a total net decrease in tax revenue of \$13.6 million.

State decreased by \$26.3 million.

- State Aid decreased due in part to the reduction in both Available School Fund and Foundation School Fund programs under the HB3 school funding formula for a total decrease of \$21.7 million. Additional decreases were seen in State revenue in Other Funds due to a decrease in funding for the Instructional Materials Allotment of \$8.5 million along with a \$3.9 million increase in other state program revenue.

Federal revenues decreased by \$3.8 million.

- A decrease in SHARS Medicaid revenue resulted in the majority of the overall decrease. Increases and decreases occurred in several federal grants

Expenditures for general governmental operations totaled \$949.3 million during fiscal year 2020 for a decrease of \$80.2 million.

- Contracted Instructional Services between Schools (Recapture) decreased by \$45.1 million as previously discussed.
- Facilities, Acquisition and Construction expenditures decreased by \$29.4 million due to decreased activity on construction projects.
- Debt Service principal and interest payments increased \$8.2 million due to recent bond issuances in 2016, 2017, 2018, and 2019.
- Most other areas realized increases due primarily to a 2-3% salary increase

The governmental funds reported a combined fund balance of \$473.7 million. Out of the combined fund balances, \$42.1 million constitutes unassigned fund balance available for the general operations of the District. The remainder of the fund balance is nonspendable, restricted, committed by board action or assigned. Fund balance classifications as of June 30, 2020 consist of:

	<u>As of 6/30/20</u>	<u>As of 6/30/19</u>
Nonspendable		
Inventories	\$ 1,558,967	\$ 1,171,158
Prepaid items	236,810	4,666
Restricted		
Debt service	36,215,491	38,981,369
Capital projects	156,070,290	222,894,881
Food service	3,179,228	7,769,149
State special revenue	607,769	7,150,268
Committed		
Local special revenue	10,308,659	8,582,306
Assigned		
Purchases on order	223,620	5,826,658
Cash flow requirements	167,000,000	-
Equipment acquisitions-technology	15,000,000	-
Capital outlay - buses	12,000,000	-
Insurance deductible	10,000,000	-
Compensated absences	3,760,000	-
2020-2021 Budget deficit	10,400,000	-
COVID - 19 Academic Recovery	5,000,000	-
Unassigned	<u>42,108,211</u>	<u>242,718,107</u>
Total Fund Balance	<u>\$ 473,669,045</u>	<u>\$ 535,098,562</u>

The General Fund is the primary operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$42.1 million. Assigned fund balance totaled \$223.4 million. Unassigned fund balance available for the general operations of the District represents 6.5% of the total general fund expenditures while total fund balance represents 41.2% of the same amount.

The Capital Project Fund has a total fund balance of \$156.1 million. This entire amount is restricted for future construction. The fund balance decreased by \$66.8 million as a result of the expenditures from decreased construction project activity.

The Debt Service fund balance decreased by \$2.8 million. As of June 30, 2020, the August 2020 payment is neither expended nor accrued.

The Special Revenue Funds have a total fund balance of \$14.7 million. Nonspendable fund balance of \$624,010 is invested in inventory. Fund balance is restricted for food service in the amount of \$3.1 million, for state special revenue in the amount of \$607,769 with the remaining balance of \$10.3 million committed for local special revenue funds. Approximately 70.3% of the total fund balance is from activity in several local special revenue funds. Of the remaining balance, 21.6% is restricted for use by food service with 4.13% restricted for state grants.

Proprietary Funds — The District maintains both enterprise funds and internal service funds. Information is presented separately in the proprietary fund statement of net position and in the proprietary fund statement of revenues, expenses and changes in fund Net Position for the Enterprise Funds and the Internal Service Funds.

Net position in the Enterprise Funds as of June 30, 2020 was \$95,957. Net position for the 2020 year decreased by \$43,057. The decrease is primarily due to decreases in Net Position for Concessions operations of \$43,390.

Net Position in the Internal Service Funds as of June 30, 2020 was approximately \$2.3 million. The majority of this amount is unrestricted to be used for future expenses in the Print Shop, Health Benefits, Unemployment and Sign Shop internal service funds. Net Position decreased by \$355,853 during fiscal year 2020. This decrease is attributable to the combination of decreases in net position for Health Benefits, Unemployment, Sign Shop and Insurance Claims that was offset by increases in the Print Shop and Workers' Compensation internal service funds

- The Worker's Compensation Fund was funded for the entire year, which resulted in the increase in net position of \$384,977.
- The Unemployment Internal Service Fund had not been funded since fiscal year 2012 but received a transfer of \$75,000 in fiscal year 2020 to cover the increase in Unemployment Claims due to the COVID-19 pandemic shutdown. The net position decreased \$293,362 for 2020.
- The Insurance Claims Internal Service Fund received a transfer in of \$75,000 during the fiscal year 2020 to fund repairs that were under the insurance deductible. The Insurance Claims Internal Service Fund Net Position decreased \$15,463 for fiscal year 2020.
- The Health Benefits Internal Service Fund Net Position decreased by \$480,134 due to no transfer in from the General Fund to cover overhead cost exceeding net operating loss.
- The Print Shop Internal Service Fund Net Position increased \$54,328 due to a decrease in operating expenses as a result of a decrease in supplies and materials during fiscal year.

General Fund Budgetary Highlights

The 86th Legislative Session The Legislature approved House Bill (HB) 3 that made significant changes to school finance for the 2019-20 school year and subsequent years. Funding formula changes included increasing the basic allotment from \$5,140 to \$6,160, eliminating the cost of education index adjustment, the move to current year values for calculation of the district's property wealth, elimination of the gifted & talented allotment, expansion of the bilingual allotment, and the creation of the college & career military ready allotment, early education allotment, and dyslexia allotment. The Bill also compressed all school districts' maintenance and operations tax rates.

The Tier I rate was compressed from \$1.00 to \$.93, and the Tier II rate was compressed from a maximum rate of \$.17 to \$.13835; effectively, reducing the total maximum M&O rate from \$1.17 to \$1.06835. Further tax rate compression will continue in future years when either a school district or the state average growth rate increases more than 2.5%. The greater of the state average or the district's property growth percentage will be used for tax compression and will compress the district's Tier I rate by the percentage that exceeds 2.5% growth. The tax compression resulting from HB3 increased the State's contribution to district's funding and consequently reduced the district's share.

For the District, the 2019-20 recapture payment to the State was projected at \$255 million and was reduced to approx. \$162 million before the adjustment due to Elementary and Secondary School Emergency Relief Funds "ESSER" funding under the Coronavirus Aid, Relief, and Economic Security "CARES" Act.

COVID-19 Impact The District made the decision in March to move to full virtual learning, and this continued for the remainder of the 2019-20 school year to reduce the spread of COVID-19. This change in instructional delivery did cost the district a significant amount in technology cost, including additional devices, internet connectivity, and software programs. The District did however realize savings in other areas, such as, personnel costs, supplies & materials, fuel, and utilities. School districts were held harmless for the last two six week periods on state funding as the State used the first four six-week periods for attendance calculations.

Original Budget Compared to Final Budget

Note: The 2019-20 Original Budget was adopted June 25, 2019 using old law of state funding formula and tax rate. The 2019-20 Budget was amended August 6, 2019 to reflect the changes recently passed in legislation with House Bill (HB) 3 which included tax rate compression and significant state funding formula changes.

Differences between the original budget and the final amended budget of the general fund can be briefly summarized as follows:

Total estimated Revenues decreased \$71.5 million.

- Net decrease in local revenue of \$60.9 million due to the tax compression under House Bill (HB) 3, as well as anticipated decreases in investment earnings due to the COVID-19 pandemic.
- Net decrease in state revenue of \$10.6 million due to changes in state aid funding under House Bill (HB)3, in addition to a decrease in Foundation School Fund program revenue in response to the state supplanting \$4.0 million of ESSER Funding under the CARES Act.

Total estimated Appropriations decreased \$94.8 million.

- Instructional leadership appropriations had a net increase of \$809,272 due to district structure reorganization and the addition of the INSPIRE Program.
- Food Service appropriations had a net increase of \$118,406 due to an increase in cost of catering for the Adult Transition Center.
- Contracted instructional services between schools (Recapture) appropriations had a net decrease of \$94.9 million due to the changes in school formula funding under House Bill (HB) 3.

Final Amended Budget Compared to Actual

As of June 30, 2020, actual revenues were higher than final budgetary estimates by \$14.7 million primarily due to higher property tax collections, adjustments made to state funding as result of ESSER Funding under the CARES Act and higher reimbursement received on Medicaid SHARS interim payments and cost report. The variances are summarized as follows:

- Local revenues were \$3.0 million higher than final budget.

- State revenues were \$10.4 million higher than final budget.
- Federal revenues were higher than final budget by \$1.3 million.

Actual expenditures were lower than final budgetary estimates by \$13.5 million due to the overall reduction in spending in response to the COVID-19 pandemic shutdown during the 4th quarter of the 2019-20 fiscal year. The most significant variances are summarized below:

- Salary and benefit expenditures were lower than final budget by \$5.5 million.
- Contracted services were \$8.3 million lower than final budget. Savings included \$3.7 million in Misc. Contracted Services and \$1.2 million Contracted Maintenance and repair.
- General Supply expenditures were \$4.4 million lower than final budget.
- Contracted Instructional Services Between Schools (Recapture) was \$6.0 million higher than final budget.

Capital Assets and Debt Administration

Capital Assets As of June 30, 2020, the District had invested \$1,108,518,606 net of depreciation, in a broad range of capital assets, including land, equipment, buildings, and Construction in Progress. This amount represents a net increase (including additions, retirements and depreciation) of \$31.3 million over last year.

	<u>As of 6/30/20</u>	<u>As of 6/30/19</u>
Land and improvements	\$ 149,486,028	\$ 148,366,871
Buildings and improvements	1,517,627,787	1,436,922,601
Construction in progress	53,013,922	64,132,038
Furniture, equipment, & vehicles	<u>130,113,958</u>	<u>122,780,399</u>
Totals	1,850,241,695	1,772,201,909
Total accumulated depreciation	<u>(741,723,089)</u>	<u>(694,939,694)</u>
Net capital assets	<u>\$ 1,108,518,606</u>	<u>\$ 1,077,262,215</u>

This year's major capital asset additions include completion of renovations at Robinson Middle School, security access at the three Senior High Schools, and refurbishments at Bowman Middle School, Haun Elementary and Skaggs Elementary Schools. Additionally, Fine Arts additions at Rice, Renner and Armstrong Middle Schools were completed along with art classrooms renovations at Vines High School. Lastly, HVAC upgrades were completed at Hightower, Saigling, Stinson and Wyatt Elementary Schools and other minor capital project improvements were completed at several campuses. More detailed information about the District's capital assets is presented in Note 5 to the financial statements.

Debt Administration and Bond Ratings

Debt-management policies seek to provide the most favorable climate for District debt projects while upholding the highest rating possible for debt instruments.

Management policies include the following points:

- All debt service obligations will be met when due.
- Long-term financing will be restricted to capital projects and capital equipment acquisition.
- Long-term bonds will not be issued to finance current operations.
- The District will cooperate and communicate with bond-rating agencies and work towards obtaining the most favorable municipal bond rating possible.
- Outstanding obligations will be reviewed frequently to ensure the most favorable funding structure for the District.
- All necessary information and material regarding the District's financial status will be provided to the appropriate parties.

As of June 30, 2020, the District had total bonded debt outstanding of \$823.6 million. The ratio of net general bonded debt to assessed valuation and the amount of net bonded debt per capita are useful indicators of the District's debt position. Data presented in the statistical section indicate both of these indicators increased due to the issuance of \$23,370,000 of Series 2019 Unlimited Tax School Building & Refunding Bonds in November 2019. Net bonded debt per capita was \$2,223 and the ratio of net bonded debt to assessed value was 1.34 percent.

The District has authorized unissued bonds as of June 30, 2020 in the amount of \$49,875,000. During the year, the District issued \$23,370,000 of Series 2019 Unlimited Tax School Building & Refunding Bonds. The bonds were issued at with a \$630,255 premium. The District continues to enjoy excellent bond ratings. Rating agency reviews were conducted in the fall of 2019 in conjunction with the issuance of the Series 2019 Unlimited Tax School Building & Refunding Bonds issued on November 12, 2019. Moody's Investors Service, Inc. assigned an underlying rating of Aaa while Standard and Poor's Corporation assigned an underlying rating of AA+ with a stable outlook to the district's debt obligations.

Interest earnings on proceeds from debt are subject to arbitrage regulations contained in the Federal Tax Reform Act of 1986. As of June 30, 2020, there was a liability for arbitrage rebate in the amount of \$951,276.

Amounts included for compensated absences include accrued vacation according to the District's leave policy. Employees who terminate their employment may be paid accrued vacation not to exceed 40 days carryover plus the current-year vacation allocation. More detailed information about the District's general long-term debt is presented in Note 7 to the financial statements.

Economic Factors and Next Year's Budgets And Rates

The local economy continues to be very favorable. Certified taxable property values reported in the summer of 2020 grew by \$1.7 billion (2.91%) from 2019 and now totals \$60.4 billion. Of this growth, \$931.9 million was for new construction. The balance reflects increases in value of existing property. In the last three years, Plano has created a new central business district in North Texas with the \$3.2 billion, 255- acre Legacy West development. Several large companies have recently opened corporate headquarters in Plano. Those companies included Toyota, Liberty Mutual Insurance, JPMorgan Chase & Co, and FedEx. Overall, Legacy West is on track to match downtown Dallas in employment. According to the Plano Economic Development board, daytime workforce is up to around 100,000 currently.

In the South central section of the district, the \$1.5 billion, 186-acre CityLine mixed-use development is home to State Farm Insurance, the key corporate anchor of the development Raytheon now fully occupies its new regional office within the development. CityLine has 6 million square feet of office space, almost 4,000 apartments, two hotels and 300,000 square feet of retail space. Also, demolition and construction began in 2020 on the Collin Creek development, formerly known as Collin Creek Mall. The development will include a hotel, 400 single family homes, 200 multifamily units, and retail spaces designed to sustain the community.

The District adopted its 2020-21 budget on June 23, 2020. The 2020-21 General Fund budget was adopted with revenues and other sources of \$669.1 million, appropriations and other uses of \$679.5 million, thus resulting in a \$10.4 million deficit budget. The 2020-21 school year is the second year of operations under the school funding formulas put into effect by House Bill (HB) 3. The General fund revenue budget increased \$20 million compared to 2019-20 final amended budget. The majority of the increase is attributed to property tax revenue increase along with an increase in state aid from the Available School Fund, and an increase in Federal SHARS reimbursement revenue. Consequently, appropriations and other uses reflect an increase of \$19.2 million when compared to the 2019-20 final amended budget. The change in appropriations is primarily due to the following:

- Increase in salary and benefits of \$6.98 million due to a 2% pay raise for all staff.
- Recapture payments to TEA were increased from \$160.1 million for FY 2020 to \$178.8 million in FY 2021.

On September 29, 2020 the District adopted a maintenance and operations tax rate of \$1.05475 per \$100 of taxable assessed value and adopted a debt service tax rate of 26.9 cents. Due to the favorable interest rates and increase in property values, the District is able to maintain the same debt service tax rate adopted in 2019-20 even with the issuance of \$62,720,000 Series 2020 Unlimited Tax Refunding Bonds on November 16, 2020. The debt service fund has a balanced budget of \$153.9 million in revenue and appropriations for 2020-21.

Contacting The District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Executive Director for Financial Services or the Director of Accounting, at 2700 W. 15th Street, Plano, Texas 75075, or call (469) 752-8118 or 8115.

Basic Financial Statements

Teamwork for Excellence



P L A N O
Independent School District

Plano Independent School District
Statement of Net Position
June 30, 2020

Exhibit A-1

Data Control Codes		1	2	3
		Primary Government		
		Governmental Activities	Business Type Activities	Total
ASSETS				
1110	Cash and investments	\$ 708,358,960	\$ 421,821	\$ 708,780,781
1220	Property taxes receivable (delinquent)	13,437,697	-	13,437,697
1230	Allowance for uncollectible taxes	(4,214,093)	-	(4,214,093)
1240	Due from other governments	21,937,497	-	21,937,497
1250	Accrued interest	507,599	199	507,798
1290	Other receivables, net	329,759	16,895	346,654
1300	Inventories	1,558,967	-	1,558,967
1410	Deferred expenses	552,470	-	552,470
	Non-current assets:			
	Capital assets:			
1510	Land	90,487,078	-	90,487,078
1520	Buildings, net	908,508,342	-	908,508,342
1530	Furniture and equipment, net	27,952,669	6,603	27,959,272
1540	Other capital assets, net	28,549,992	-	28,549,992
1580	Construction in progress	53,013,922	-	53,013,922
1000	Total assets	1,850,980,859	445,518	1,851,426,377
DEFERRED OUTFLOWS OF RESOURCES				
1701	Deferred charge for refunding	11,246,870	-	11,246,870
1705	Related to the TRS pension	81,901,315	-	81,901,315
1706	Related to the TRS OPEB	27,254,285	-	27,254,285
1700	Total deferred outflows of resources	120,402,470	-	120,402,470
LIABILITIES				
2110	Accounts payable	20,433,427	232,356	20,665,783
2140	Interest payable	13,414,890	-	13,414,890
2150	Payroll deduction and withholdings	3,684,820	-	3,684,820
2160	Accrued wages payable	51,932,321	106,934	52,039,255
2180	Due to other governments	167,487,787	-	167,487,787
2200	Accrued expenses	3,158,981	-	3,158,981
2300	Unearned revenues	10,586,564	10,271	10,596,835
	Non-current liabilities:			
2501	Due within one year	110,055,191	-	110,055,191
2502	Due in more than one year	718,241,338	-	718,241,338
2540	Net pension liability (District's share)	174,271,009	-	174,271,009
2545	OPEB liability (District's share)	198,353,587	-	198,353,587
2000	Total liabilities	1,471,619,915	349,561	1,471,969,476
DEFERRED INFLOWS OF RESOURCES				
2605	Related to the TRS pension	30,278,953	-	30,278,953
2606	Related to the TRS OPEB	89,132,821	-	89,132,821
2600	Total deferred inflows of resources	119,411,774	-	119,411,774
NET POSITION				
3200	Net investment in capital assets	452,250,423	6,603	452,257,026
	Restricted for:			
3820	Restricted for state programs	607,769	-	607,769
3840	Restricted for food service	3,803,238	-	3,803,238
3850	Restricted for debt service	24,640,301	-	24,640,301
3900	Unrestricted net position	(100,950,091)	89,354	(100,860,737)
3000	TOTAL NET POSITION	\$ 380,351,640	\$ 95,957	\$ 380,447,597

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

Plano Independent School District
Statement of Activities
Year Ended June 30, 2020

Data Control Codes	Expenses	Program Revenues			
		3 Charges of Services	4 Operating Grant and Contributions	5 Capital Grants and Contributions	
Primary Government					
GOVERNMENTAL ACTIVITIES					
11	Instruction	\$ 421,601,140	\$ 2,519,877	\$ 72,626,264	\$ -
12	Instructional resources and media services	10,570,681	-	1,226,508	-
13	Curriculum and instructional staff development	12,381,503	8,276	3,852,305	-
21	Instructional leadership	6,176,099	-	1,150,522	-
23	School leadership	34,268,811	-	4,872,755	-
31	Guidance, counseling and evaluation services	26,789,235	-	4,271,179	-
32	Social work services	2,922,970	-	466,618	-
33	Health services	7,330,159	-	1,012,081	-
34	Student (pupil) transportation	18,964,225	-	2,163,548	-
35	Food services	27,051,218	9,008,085	11,927,245	-
36	Extracurricular activities	12,898,594	1,052,336	4,498,429	-
41	General administration	12,406,886	17,235	1,746,276	-
51	Facilities maintenance and operations	44,140,936	963,141	1,396,700	-
52	Security and monitoring services	5,222,843	-	456,908	-
53	Data processing services	8,316,012	-	756,510	-
61	Community services	3,943,616	6,913	2,209,550	-
72	Debt service - interest on long term debt	27,245,813	-	1,062,013	-
73	Debt service - bond issuance costs and fees	160,141	-	-	-
81	Other facility costs	10,448,761	-	-	-
91	Contracted instructional services between schools	166,111,660	-	-	-
93	Payment to fiscal agent/member districts of SSA	947,626	-	895,126	-
95	Payments to juvenile justice alternative ed. prg.	33,137	-	-	-
99	Other intergovernmental charges	5,213,691	-	-	-
TG	Total governmental activities	865,145,757	13,575,863	116,590,537	-
BUSINESS-TYPE ACTIVITIES					
01	Employee child care	1,718,890	1,197,936	-	-
02	After school care	5,059,964	5,985,560	-	-
03	Concessions	243,401	200,011	-	-
TB	Total business-type activities	7,022,255	7,383,507	-	-
TP	TOTAL PRIMARY GOVERNMENT	\$ 872,168,012	\$ 20,959,370	\$ 116,590,537	\$ -
General revenues:					
Taxes:					
MT	Property taxes, levied for general purposes				
DT	Property taxes, levied for debt service				
GC	Grants and contributions not restricted				
IE	Investment earnings				
MI	Miscellaneous local and intermediate revenue				
FR	Transfers in (out)				
TR	Total general revenues and transfers				
CN	Change in net position				
NB	Net position - beginning				
NE	NET POSITION - ENDING				

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

Net (Expense) Revenue and Changes in Net Assets		
6	7	8
Primary Government		
Governmental Activities	Business Type Activities	Total
\$ (346,454,999)	\$ -	\$ (346,454,999)
(9,344,173)	-	(9,344,173)
(8,520,922)	-	(8,520,922)
(5,025,577)	-	(5,025,577)
(29,396,056)	-	(29,396,056)
(22,518,056)	-	(22,518,056)
(2,456,352)	-	(2,456,352)
(6,318,078)	-	(6,318,078)
(16,800,677)	-	(16,800,677)
(6,115,888)	-	(6,115,888)
(7,347,829)	-	(7,347,829)
(10,643,375)	-	(10,643,375)
(41,781,095)	-	(41,781,095)
(4,765,935)	-	(4,765,935)
(7,559,502)	-	(7,559,502)
(1,727,153)	-	(1,727,153)
(26,183,800)	-	(26,183,800)
(160,141)	-	(160,141)
(10,448,761)	-	(10,448,761)
(166,111,660)	-	(166,111,660)
(52,500)	-	(52,500)
(33,137)	-	(33,137)
(5,213,691)	-	(5,213,691)
(734,979,357)	-	(734,979,357)
-	(520,954)	(520,954)
-	925,596	925,596
-	(43,390)	(43,390)
-	361,252	361,252
<u>\$ (734,979,357)</u>	<u>\$ 361,252</u>	<u>\$ (734,618,105)</u>
600,670,316	-	600,670,316
151,179,236	-	151,179,236
27,621,178	-	27,621,178
9,906,157	29,297	9,935,454
2,444,334	-	2,444,334
433,607	(433,607)	-
<u>792,254,828</u>	<u>(404,310)</u>	<u>791,850,518</u>
57,275,471	(43,058)	57,232,413
323,076,169	139,015	323,215,184
<u>\$ 380,351,640</u>	<u>\$ 95,957</u>	<u>\$ 380,447,597</u>

Plano Independent School District
Balance Sheet
Governmental Funds
June 30, 2020

<u>Data Control Codes</u>	<u>10 General Fund</u>	<u>50 Debt Service Fund</u>	<u>60 Capital Project</u>
ASSETS			
1110 Cash and investments	\$ 482,491,558	\$ 36,246,476	\$ 167,742,986
1220 Property taxes - delinquent	10,728,212	2,709,485	-
1230 Allowance for uncollectible taxes (credit)	(3,344,308)	(869,785)	-
1240 Due from other governments	7,675,930	-	53,960
1250 Accrued interest	367,264	27,039	104,546
1260 Due from other funds	2,702,361	-	-
1290 Other receivables	181,581	-	-
1300 Inventories	934,957	-	-
1410 Prepaid expenditures	236,810	-	-
1000 Total assets	<u>\$ 501,974,365</u>	<u>\$ 38,113,215</u>	<u>\$ 167,901,492</u>
LIABILITIES			
2110 Accounts payable	\$ 7,827,268	\$ -	\$ 11,829,428
2150 Payroll deductions and withholdings payable	3,684,820	-	-
2160 Accrued wages payable	48,943,744	-	1,774
2170 Due to other funds	-	-	-
2180 Due to other governments	167,428,123	58,024	-
2300 Unearned revenues	3,800	-	-
2000 Total liabilities	<u>227,887,755</u>	<u>58,024</u>	<u>11,831,202</u>
DEFERRED INFLOWS OF RESOURCES			
2601 Unavailable revenue - property taxes	<u>7,423,012</u>	<u>1,839,700</u>	<u>-</u>
2600 Total deferred inflows of resources	<u>7,423,012</u>	<u>1,839,700</u>	<u>-</u>
FUND BALANCES			
Nonspendable			
3410 Investments in inventory	934,957	-	-
3430 Prepaid expenditures	236,810	-	-
Restricted			
3480 Debt service	-	36,215,491	-
3470 Capital projects	-	-	156,070,290
3450 Food service	-	-	-
3450 State special revenue	-	-	-
Committed			
3545 Local special revenue	-	-	-
Assigned			
3590 Purchases on order	223,620	-	-
3590 Cash flow requirements	167,000,000	-	-
3590 Equipment acquisitions-technology	15,000,000	-	-
3590 Capital outlay - buses	12,000,000	-	-
3590 Insurance deductible	10,000,000	-	-
3590 Compensated absence	3,760,000	-	-
3590 2020-2021 Budget deficit	10,400,000	-	-
3590 COVID - 19 Academic Recovery	5,000,000	-	-
3600 Unassigned	42,108,211	-	-
Total fund balances	<u>266,663,598</u>	<u>36,215,491</u>	<u>156,070,290</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	<u>\$ 501,974,365</u>	<u>\$ 38,113,215</u>	<u>\$ 167,901,492</u>

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

Other Funds	Total Governmental Funds
\$ 16,758,156	\$ 703,239,176
-	13,437,697
-	(4,214,093)
14,207,607	21,937,497
5,004	503,853
250	2,702,611
146,142	327,723
624,010	1,558,967
-	236,810
<u>\$ 31,741,169</u>	<u>\$ 739,730,241</u>
\$ 753,835	\$ 20,410,531
-	3,684,820
2,981,531	51,927,049
2,702,611	2,702,611
1,640	167,487,787
10,581,886	10,585,686
17,021,503	256,798,484
-	9,262,712
-	9,262,712
624,010	1,558,967
-	236,810
-	36,215,491
-	156,070,290
3,179,228	3,179,228
607,769	607,769
10,308,659	10,308,659
-	223,620
-	167,000,000
-	15,000,000
-	12,000,000
-	10,000,000
-	3,760,000
-	10,400,000
-	5,000,000
-	42,108,211
<u>14,719,666</u>	<u>473,669,045</u>
<u>\$ 31,741,169</u>	<u>\$ 739,730,241</u>

Teamwork for Excellence



P L A N O
Independent School District

Plano Independent School District

Exhibit C-2

Reconciliation of the Governmental Funds Balance Sheet to the
Statement of Net Position
June 30, 2020

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$ 473,669,045
Capital assets used in governmental activities (excluding internal service) are not financial resources and therefore are not reported in governmental funds. The cost of the capital assets is \$1,850,195,631, and the accumulated depreciation associated with the capital assets is \$741,690,200.	1,108,505,431
Uncollected property taxes are reported as deferred inflow of resources in the governmental funds balance sheet but are recognized as a revenue in the statement of activities.	9,262,712
The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The assets and liabilities of the internal service funds (including net capital assets of 8,215) are included in governmental activities in the statement of net assets. The net effect of this consolidation is to increase net position.	2,259,771
Long-term liabilities of \$828,296,529 are not due and payable in the current period and therefore are not reported as liabilities in the funds. A deferred charge on an advanced refunding of bonds payable of \$11,246,870, is reflected as a deferred outflow of resources on the Statement of Net Position.	(817,049,659)
Interest payable is not due and payable in the current period and therefore is not reported as a liability in the governmental funds.	(13,414,890)
Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability in the amount of \$174,271,009, a deferred inflow of resources related to TRS in the amount of \$30,278,953 and a deferred outflow of resources related to TRS in the amount of \$81,901,315. This resulted in a decrease in net position.	(122,648,647)
Included in the items related to debt is the recognition of the District's proportionate share of the TRS OPEB liability in the amount of \$198,353,587, a deferred inflow of resources related to TRS in the amount of \$89,132,821, and a deferred outflow of resources related to TRS in the amount of \$27,254,285. This resulted in a decrease in net position.	(260,232,123)
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 380,351,640</u>

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

Plano Independent School District
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
Year Ended June 30, 2020

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Project
REVENUES			
5700	\$ 610,492,454	\$ 151,388,536	\$ 3,056,042
5800	45,994,820	1,062,013	-
5900	7,361,642	-	-
5020	<u>663,848,916</u>	<u>152,450,549</u>	<u>3,056,042</u>
EXPENDITURES			
Current:			
0011	309,793,314	-	-
0012	7,139,827	-	-
0013	8,379,376	-	-
0021	4,932,733	-	-
0023	28,047,726	-	-
0031	22,113,408	-	-
0032	2,442,765	-	-
0033	6,135,019	-	-
0034	15,357,226	-	-
0035	222,166	-	-
0036	6,269,748	-	-
0041	10,504,547	-	-
0051	41,170,690	-	-
0052	4,468,221	-	-
0053	6,778,567	-	-
0061	1,532,061	-	-
Debt service:			
0071	-	114,955,000	-
0072	-	40,217,011	-
0073	-	160,141	-
Capital outlay:			
0081	-	-	85,929,318
Intergovernmental:			
0091	166,111,660	-	-
0093	52,500	-	-
0095	33,137	-	-
0099	5,213,691	-	-
6030	<u>646,698,382</u>	<u>155,332,152</u>	<u>85,929,318</u>
1100	17,150,534	(2,881,603)	(82,873,276)
OTHER FINANCING SOURCES (USES)			
7911	-	10,325,000	-
7911	-	-	13,045,000
7915	1,066,207	-	-
7916	-	630,255	-
7919	99,961	-	3,003,685
8911	(1,112,859)	-	-
8949	-	(10,839,530)	-
7080	<u>53,309</u>	<u>115,725</u>	<u>16,048,685</u>
1200	17,203,843	(2,765,878)	(66,824,591)
0100	<u>249,459,755</u>	<u>38,981,369</u>	<u>222,894,881</u>
3000	<u>\$ 266,663,598</u>	<u>\$ 36,215,491</u>	<u>\$ 156,070,290</u>

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

Other Funds	Total Governmental Funds
\$ 15,906,147	\$ 780,843,179
7,674,011	54,730,844
28,399,235	35,760,877
<hr/>	<hr/>
51,979,393	871,334,900
27,822,842	337,616,156
106,732	7,246,559
2,331,445	10,710,821
365,407	5,298,140
286,695	28,334,421
780,823	22,894,231
69,748	2,512,513
101,562	6,236,581
54,640	15,411,866
24,098,221	24,320,387
3,010,869	9,280,617
179,539	10,684,086
90,021	41,260,711
169,047	4,637,268
105,000	6,883,567
884,826	2,416,887
-	114,955,000
-	40,217,011
-	160,141
-	85,929,318
-	166,111,660
895,126	947,626
-	33,137
-	5,213,691
<hr/>	<hr/>
61,352,543	949,312,395
(9,373,150)	(77,977,495)
-	10,325,000
-	13,045,000
441,903	1,508,110
-	630,255
-	3,103,646
(111,644)	(1,224,503)
-	(10,839,530)
<hr/>	<hr/>
330,259	16,547,978
(9,042,891)	(61,429,517)
23,762,557	535,098,562
<hr/>	<hr/>
\$ 14,719,666	\$ 473,669,045

Plano Independent School District
 Reconciliation of the Governmental Funds Statement of Revenues,
 Expenditures, and Changes in Fund Balances to the Statement of Activities
 Year Ended June 30, 2020

Exhibit C-4

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ (61,429,517)

Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which capital outlays of \$77,962,628 plus adjustments and donated assets of \$77,158 exceeded depreciation of \$46,780,431 in the current period (Certain expenditures are reported in the Facilities Acquisition and Construction category which are under the capitalization threshold of \$5,000 and therefore are not considered capital outlay.) 31,259,355

Repayment of principal and other long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not expensed in the current period. This amount represents the following: current year

Principal payment	\$	114,955,000	
Advanced Bond Refunding		10,630,000	
Deferred Refunding Amount		(391,496)	
Amortization of premium		15,655,621	
Amortization of loss on bond refunding		(3,902,053)	
Addition of Arbitrage		(383,723)	136,563,349

Some property taxes will not be collected for several months after the fiscal year ends, therefore they are not considered available revenues and are deferred in the governmental funds. Unearned tax revenues, net of bad debt, increased (decreased) by this amount. 2,239,471

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires the use of current financial resources. In the statement of activities, interest expense is recognized as the interest accrued, regardless of when it is due. 1,818,656

In the statement of activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, expenditures for these items are measured by the amount of financial resources used. This year, compensated absences used exceeded the amounts earned. 265,331

The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The net income of internal service funds is reported with governmental activities. The net effect of this consolidation is to decrease net position. (355,853)

Proceeds of bonds (including premium) issued during the year are recognized as Other Financing Sources in the governmental funds but increase non-current liabilities in the Statement of Net Position. (24,000,255)

The net change in net pension liability, deferred outflows and deferred inflows is reported in the statement of activities but does not require the use of current financials resources and, therefore is not reported as expenditures in the governmental funds. The net change consists of a decrease in the deferred outflow of resources related to TRS of \$18,039,392, an increase in the deferred inflow of resources related to TRS of \$19,633,684, and an decrease in the net pension liability of \$13,021,768. (24,651,308)

The net change in OPEB liability, deferred outflows and deferred inflows is reported in the statement of activities but does not require the use of current financials resources and, therefore is not reported as expenditures in the governmental funds. The net change consists of an increase in the deferred outflow of resources related to TRS-OPEB of \$3,459,454, an increase in the deferred inflow of resources related to TRS-OPEB of \$21,960,290, and a decrease in the OPEB liability of \$14,067,078. (4,433,758)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 57,275,471

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

Plano Independent School District
Statement of Net Position
Proprietary Funds
June 30, 2020

Exhibit D-1

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	<u>Total Enterprise Funds</u>	<u>Total Internal Service Funds</u>
ASSETS		
Current assets		
Cash and investments	\$ 421,821	\$ 5,119,784
Accrued interest	199	3,746
Other receivables	16,895	2,036
Prepaid expenses	-	315,660
	<hr/>	<hr/>
Total current assets	438,915	5,441,226
Noncurrent assets		
Capital assets		
Furniture and equipment	14,690	31,374
Depreciation on furniture and equipment	(8,087)	(24,802)
	<hr/>	<hr/>
Total noncurrent assets	6,603	6,572
	<hr/>	<hr/>
TOTAL ASSETS	445,518	5,447,798
LIABILITIES		
Current liabilities		
Accounts payable	232,356	22,896
Accrued wages payable	106,934	5,272
Accrued expenses	-	3,158,981
Unearned revenues	10,271	878
	<hr/>	<hr/>
TOTAL LIABILITIES	349,561	3,188,027
NET POSITION		
Investments in capital assets	6,603	6,572
Unrestricted net position	89,354	2,253,199
	<hr/>	<hr/>
TOTAL NET POSITION	<u>\$ 95,957</u>	<u>\$ 2,259,771</u>

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

Plano Independent School District

Statement of Revenues, Expenses, and Changes in Fund Net Position

Proprietary Funds

Year Ended June 30, 2020

Exhibit D-2

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	<u>Total Enterprise Funds</u>	<u>Total Internal Service Funds</u>
OPERATING REVENUES		
Local and intermediate sources	\$ 7,383,507	\$ 40,012,423
Total operating revenues	7,383,507	40,012,423
OPERATING EXPENSES		
Payroll costs	5,676,520	1,267,823
Professional and contracted services	125,128	2,148,769
Supplies and materials	234,141	328,939
Depreciation	-	1,643
Other operating costs	986,466	36,931,628
Total operating expenses	7,022,255	40,678,802
Operating income (loss)	361,252	(666,379)
NON OPERATING REVENUES (EXPENSES)		
Earnings from temporary deposits and investments	29,297	62,963
Insurance recovery	-	97,563
Total non operating revenue	29,297	160,526
Income (loss) before transfers	390,549	(505,853)
Transfers in	520,956	150,000
Transfers out	(954,563)	-
Change in net position	(43,058)	(355,853)
Net position - July 1 (beginning)	139,015	2,615,624
TOTAL NET POSITION - JUNE 30 (ENDING)	<u>\$ 95,957</u>	<u>\$ 2,259,771</u>

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

Plano Independent School District
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2020

Exhibit D-3

	Business-Type Activities	Governmental Activities
	Total Enterprise Funds	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from user charges	\$ 7,284,920	\$ 40,131,352
Cash payments to employees for services	(5,717,408)	(1,272,984)
Cash payments for insurance claims	-	(26,863)
Cash payments for suppliers	(357,502)	(2,498,135)
Cash payments for other operating expenses	(985,145)	(36,679,349)
Net cash provided by (used for) operating activities	224,865	(345,979)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers in	520,956	150,000
Transfers out	(954,563)	-
Insurance proceeds	-	97,563
Net cash provided by (used for) non-capital financing activities	(433,607)	247,563
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of securities	6,144	-
Purchase of investment securities	(7,278)	(883,742)
Interest and dividends on investments	29,103	59,879
Net cash provided by (used for) investing activities	27,969	(823,863)
Net increase (decrease) in cash and cash equivalents	(180,773)	(922,279)
Cash and cash equivalents at beginning of year	559,056	5,158,983
Cash and cash equivalents at end of year	378,283	4,236,704
Temporary investment not in cash equivalents	43,538	883,080
CASH ON BALANCE SHEET	\$ 421,821	\$ 5,119,784
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Operating income (loss)	\$ 361,252	\$ (666,379)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	-	1,643
Effect of increases and decreases in current assets and liabilities:		
Decrease (increase) in receivables	37,963	4,385
Decrease (increase) in prepaid expenses	1,321	(127,765)
Increase (decrease) in accounts payable	1,767	8,557
Increase (decrease) in accrued wages payable	(40,888)	(3,988)
Increase (decrease) in due to other funds	-	878
Increase (decrease) in unearned revenues	(136,550)	-
Increase (decrease) in accrued expenses	-	436,690
Net cash provided by (used for) operating activities	\$ 224,865	\$ (345,979)

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

Plano Independent School District
 Statement of Assets and Liabilities
 Agency Fund
 June 30, 2020

Exhibit E-1

	Agency Fund
	<u> </u>
ASSETS	
Cash and investments	\$ 347,531
Accrued interest	131
Other receivables	<u> 32,702</u>
TOTAL ASSETS	<u><u> \$ 380,364</u></u>
LIABILITIES	
Accounts payable	\$ 385
Due to other groups	27,936
Due to student groups	<u> 352,043</u>
TOTAL LIABILITIES	<u><u> \$ 380,364</u></u>

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

Plano Independent School District

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies

Reporting Entity

The Plano Independent School District (District) is an independent school district governed by the Board of Trustees (Board), composed of seven Board Members, all of whom are elected officials. The Board is the basic level of government which has responsibility and control over all activities related to the public school education in the city of Plano and portions of the cities of Richardson, Dallas, Murphy, Parker, Carrollton and Allen which lie within the District's boundaries. The Board receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the Board is not included in any other governmental "reporting entity," as defined in pronouncements by the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Reporting Entity* as amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34*.

Government-Wide and Fund Financial Statements

The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the District. 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.

Transactions among governmental funds and between governmental funds and proprietary funds appear as due to/due from other funds on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Position and as other financing sources and uses on the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance and on the Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net Position. Interfund services provided and used are not eliminated in the consolidation of funds for the Statement of Activities. All interfund transactions that do not represent services provided and used between governmental funds and between governmental funds and internal service funds are eliminated on the government-wide statements. Interfund activities between governmental funds and enterprise funds remain on the government-wide statements and appear on the government-wide Statement of Net Position as internal balances and on the Statement of Activities as interfund transfers. Interfund activities between governmental funds and fiduciary funds remain as receivables and payables on the government-wide Statement of Net Position.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Program revenues included in the Statement of Activities reduce the cost of the function to be financed from General Revenues. Taxes and other items not properly identified as program revenues are reported instead as general revenues.

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those clearly identifiable with a function. Depreciation expense is specifically identified by function and is included in the direct expense to each function.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. In accordance with the provisions of GASB Statement No. 34, the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Plano Independent School District

Notes to the Basic Financial Statements

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-wide Financial Statements

The government-wide financial statements, as well as the agency and proprietary fund statements, are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor have been met. All interfund transactions between governmental funds are eliminated on the government-wide statements.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within 60 days of the fiscal year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded when payments are due. Proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred.

All other revenue items are considered measurable and available only when cash is received by the District.

Funds

The District reports its financial activities through the use of "fund accounting." The activities of the District are organized on the basis of funds. The operations of each fund are accounted for within a separate set of self-balancing accounts to reflect results of activities. Fund accounting segregates funds according to their intended purpose and is used to assist management in demonstrating compliance with finance-related legal and contractual provisions.

As required by the Texas Education Agency, the following fund types are included in the financial statements:

Governmental Funds

Governmental Funds are those through which most governmental functions of the District are financed. The acquisition, use and balances of the District's expendable financial resources and the related liabilities are accounted for through the Governmental Fund Types.

The following are the District's major governmental funds:

General Fund. The General Fund is the general operating fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenses and the capital improvement costs that are not paid through other funds are paid from the General Fund.

Debt Service Fund. The Debt Service Fund is used to account for the accumulation of resources for, and the retirement of, long-term debt and related costs.

Capital Projects Fund. The Capital Projects Fund is used to account for financial resources to be used for the acquisition, renovation or construction of capital facilities. Proceeds are received through long-term debt financing and other authorized sources.

Plano Independent School District

Notes to the Basic Financial Statements

Other governmental funds include:

Special Revenue Funds. The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than private-purpose trust funds or capital projects) such as federal, state or locally financed programs. Funds are legally restricted or committed to expenditures for specified purposes.

Proprietary Funds

Proprietary Funds are used to account for operations that are financed in a manner similar to those found in the private sector, where the determination of net income is appropriate for sound financial administration.

Enterprise Funds. The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to a private enterprise where the District's intent is to provide services financed primarily through user charges. The District accounts for Employee Child Care, After School Care, Concessions and Photography as enterprise funds.

Internal Service Funds. The Internal Service Funds are used to account for the financing of services provided by one department to other departments of the District on a cost reimbursement basis. The print shop, health benefits, workers' compensation self-funded, unemployment benefits, sign shop and insurance claims self-funded programs of the District are accounted for in these funds. Accrued liabilities include provisions for claims reported and claims incurred but not reported. The provision for reported claims is determined by estimating the amount which will ultimately be paid to each claimant. The provision for claims incurred but not yet reported is estimated based on District experience since the inception of the programs and data provided by actuarial consultants.

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 District's proprietary funds are charges to customers for sales and services. Operating expenses for proprietary 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.

Fiduciary Funds

Fiduciary Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations and/or other funds.

Agency Funds

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency Funds account for the receipt and disbursement of monies from student activity organizations and other types of activities requiring clearing accounts. The student activity organizations exist with the explicit approval of, and are subject to revocation by, the District's Board. This accounting reflects the District's agency relationship with the student activity organizations.

Assets, Liabilities and Net Position or Equity

Cash and Cash Equivalents. The District's cash and cash equivalents are considered to be cash on hand, demand deposits, money market bank sweep accounts, money markets, and short-term investments with original maturities of three months or less from the date of acquisition.

Plano Independent School District

Notes to the Basic Financial Statements

Investments. Investments with maturities exceeding twelve months at the date of purchase are stated at fair value, which is the amount at which the investment can be exchanged in a current transaction between willing parties. Investments with maturities of twelve months or less at the date of purchase are held at amortized cost and net asset value (NAV). Management of the District believes that in the areas of investment practice, management reports and the establishment of appropriate policies, the District adhered to the requirements of the State of Texas Public Funds Investment Act. Additionally, management of the District believes that investment practices of the District were in accordance with local policies.

Receivables and Payables. Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide statements as "internal balances."

All trade and property tax receivables are shown net of allowance for uncollectible. The property tax receivable allowance is 31.4% of outstanding property taxes at June 30, 2020.

Inventories and Prepaid Items. Inventories of supplies on the balance sheet are stated at weighted average cost. Inventory items are recorded as expenditures when they are consumed. Supplies are used for almost all functions of activity.

Prepaid balances are for payments made by the District for which benefits extend beyond June 30, 2020. The cost of governmental fund type prepaid balances are recorded as an expenditure when consumed rather than when purchased.

Grant Fund Accounting. The Special Revenue Funds include programs that are financed on a project grant basis. These projects have grant periods that range from less than twelve months to in excess of two years. Grants are recorded as revenues when earned. Cost reimbursement grants are considered to be earned to the extent of expenditures made under the provisions of the grants. Funds received, but not earned, are recorded as deferred revenue until earned.

Indirect costs earned from grant programs are recorded as revenues of the General Fund. These indirect costs are determined by applying approved indirect cost rates to actual expenditures of the programs.

Encumbrances. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in the accounting system in order to reserve the portion of the applicable appropriation, is employed in the governmental fund financial statements. Encumbrances, which have not been liquidated, are reported as assignments of fund balance since they do not constitute expenditures or liabilities. District policy requires that such amounts be re-appropriated in the following fiscal year.

Capital Assets. Capital assets, which include land, land improvements, building, building improvements and equipment, are reported in the applicable governmental activities column in the government-wide financial statements and the proprietary fund financial statements. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. The capitalization threshold is a unit cost of \$5,000. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Plano Independent School District
Notes to the Basic Financial Statements

Buildings and building improvements of the District are depreciated using the straight-line method beginning in the year after they are placed in service. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset Classification	Useful Life
Buildings and building improvements	50 years
Land improvements	20 years
Furniture/equipment & vehicles	
Vehicles and buses	10 years
Furniture	20 years
Equipment	
Computers	5 years
Kitchen equipment	10 years
Custodial equipment	15 years
Telephone equipment	10 years
Instruction and misc. equipment	10 years

Deferred Outflows/Inflows of Resources. Deferred outflows of resources represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditures) until then.

Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension and OPEB activities are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and OPEB, except for projected and actual earnings differences on investments which are amortized on a closed basis over a 5-year period.
- District contributions after the measurement date are recognized in the subsequent year.
- Deferred charge/gain on refunding is amortized over the shorter of the life of the refunded or refunding debt.
- Property taxes are recognized in the period the amount becomes available.

Compensated Absences. Employees of the District are granted vacation and sick leave annually. Teachers do not receive paid vacations but are paid only for the number of days they are required to work each year. Full-time employees in positions that require 12 months of service are eligible for two weeks of vacation on July 1 following the first full year of employment. Full-time employees who have not been employed one full year as of July 1 are eligible to take accrued days after July 1 of that year but shall not be eligible for the full two weeks until July 1 of the following year. Full-time employees who have completed five years of service in the District are granted three weeks of vacation per year. Employees in positions that require 12 months of service may extend accrued vacation time to September 30 each year. Vacation days not used by September 30 may be carried over, with a maximum accrual of 40 days. As of June 30, 2020, the District recorded \$3,766,513 in the government-wide financial statements for accrued vacation liabilities. Employees are allowed to accrue five days of state personal leave and seven days of local sick leave each year without limit.

Plano Independent School District

Notes to the Basic Financial Statements

State personal leave and local sick leave do not vest under the District's policy and accordingly, employees can only utilize state personal and sick leave when sick, or state personal leave for personal reasons when approved by their supervisor. Since the employees' accumulating rights to receive compensation for future absences are contingent upon the absences being caused by future illnesses and such amounts cannot be reasonably estimated, a liability for unused sick leave is not recorded in the financial statements.

Long-term Liabilities. In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported inclusive of applicable bond premium or discount. Bond issuance costs are expensed when incurred. Losses on refunding are capitalized and amortized over the shorter of the life of the new issuance or the life on existing debt using the effective interest method and are reported as deferred outflows of resources in the government-wide Statement of Net Position. Premiums and discounts are amortized over the life of the related debt using the effective interest method.

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

Fund Balances and Net Position

Government-wide Financial Statements

Net position on the Statement of Net Position includes the following:

Net Investment in Capital Assets. The component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt net of premiums and discounts, excluding unspent proceeds, that is directly attributable to the acquisition, construction or improvement of these capital assets.

Restricted for Debt Service. The component of net position that reports the difference between assets and liabilities with constraints placed on their use by law.

Restricted for Food Service. The component of net position that reports the difference between assets and liabilities with constraints placed on their use by the U.S. Department of Agriculture.

Restricted for State Programs. The component of net position that reports the difference between assets and liabilities with constraints placed on their use by the State of Texas.

Unrestricted. The difference between the assets and liabilities that is not reported in Net Position Invested in Capital Assets, Net of Related Debt and restricted net position.

Governmental Fund Financial Statements

Governmental fund balances are classified as Nonspendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of constraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

Plano Independent School District

Notes to the Basic Financial Statements

The District classifies governmental fund balances as follows:

Nonspendable. Includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes inventories, prepaid items and long term receivables.

Restricted. Includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts restricted due to constitutional provisions or enabling legislation. This classification includes the child nutrition program, retirement of long term debt, construction programs and other federal and state grants.

Committed. Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the District through formal action of the highest level of decision making authority. Committed fund balance is reported pursuant to resolution passed by the District's Board of Trustees. This classification includes campus activity funds, local special revenue funds and potential litigation, claims and judgments.

Assigned. Includes fund balance amounts that are self-imposed by the District to be used for a particular purpose. As defined by the Fiscal Management Goals and Objectives Policy, fund balance can be assigned by the District's Board, the Superintendent, or the Associate Superintendent of Business Services. This classification includes insurance deductibles, encumbrances, program start-up costs, projected budget deficit for subsequent years and other legal uses.

Unassigned. Includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

When both restricted and unrestricted fund balances are available for use, it is the District's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts and the unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

Minimum Fund Balance Policy. It is the policy of the Board to maintain a fund balance in the general operating fund that is 20 percent of general operating expenditures, excluding any nonspendable fund balance; and fund balance in the interest and sinking fund that is 20 percent of the current annual debt services requirement.

Management's Use of Estimates. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

The amount of state foundation revenue a school district earns for a year can and does vary until the time when final values for each of the factors in the formula become available. Availability can be as late as midway into the next fiscal year. It is possible that the foundation revenue estimate as of June 30, 2020 will change.

Plano Independent School District

Notes to the Basic Financial Statements

Pensions. The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The General Fund and the National Breakfast and Lunch Program Fund have been used to liquidate pension liabilities.

Other Post-Employment Benefits. The fiduciary net position of the Teacher Retirement System of Texas (TRS) TRS Care Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from TRS Care's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go plan and all cash is held in a cash account. The General Fund and the National Breakfast and Lunch Program Fund have been used to liquidate other postemployment benefits liabilities.

Note 2. Cash and Investments

Statutes of the State of Texas and policies mandated by the District's Board of Trustees authorize the District to invest in obligations of the U.S. Government or its agencies, repurchase agreements, commercial paper, public fund investment pools, mutual funds and money market accounts. All cash balances and investments are held separately in each of its funds.

As of June 30, 2020, the carrying amount of the District's cash deposits were \$205,487 and the bank balance was \$9,591.

Depository information, required to be reported to the Texas Education Agency, is as follows:

- a) Name of depository bank: Wells Fargo, N.A.
- b) Amount of bond or security pledged as of the date of the highest combined balance on deposit was \$3,100,098.
- c) Highest cash, savings and time deposits combined account balances amount was \$2,122,857 and occurred on February 13, 2020.
- d) Total amount of Federal Deposit Insurance Corporation (FDIC) coverage at the time of highest combined balance was \$250,000.

The District also holds bank deposits as part of the District's investment portfolio. As of June 30, 2020, the carrying amount and bank balance of these deposits were \$11,753,283. The District's cash deposits at June 30, 2020 were entirely covered by FDIC insurance or by pledged collateral held by the District's bank in the District's name.

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

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

Plano Independent School District
Notes to the Basic Financial Statements

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

The District has recurring fair value measurements as presented in the table below. The District's investment balances and weighted average maturity of such investments are as follows:

	Fair Value Measurements Using				Percent of Total Investments	Weighted Average Maturity (Years)
	June 30, 2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
Cash and cash equivalents						
Bank deposits	\$ 11,958,770	\$ -	\$ -	\$ -		
Total cash and cash equivalents	11,958,770	-	-	-		
Investments measured at amortized cost:						
Investment pools:						
Texpool	24,532,829	-	-	-	3.52%	0.0030
Investments measured at Net asset value (NAV), fair value:						
Investment pools:						
Lone Star	28,417,433	-	-	-	4.08%	0.0030
TexasCLASS	327,323,341				46.94%	0.0030
TexStar	155,130,456	-	-	-	22.25%	0.0030
Investments by fair value level:						
U.S. government agency securities:						
Federal Home Loan Bank	10,386,270	-	10,386,270	-	1.49%	0.5240
U.S. treasury bonds	80,777,961	80,777,961	-	-	11.58%	0.2720
Commercial Paper	70,776,804	-	70,776,804	-	10.15%	0.2857
Total investments	697,345,094	80,777,961	81,163,074	-		
Total cash and investments	\$ 709,303,864	\$ 80,777,961	\$ 81,163,074	\$ -		
Portfolio Weighted Average Maturity						0.0537

The *Texpool* investment pool is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, the investment pool must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity and diversification requirements within the investment pool.

Plano Independent School District

Notes to the Basic Financial Statements

The investment pool transacts at a net asset value of \$1.00 per share, has weighted average maturities of 60 days or less and weighted average lives of 120 days or less, investments held are highly rated by nationally recognized statistical rating organizations, have no more than 5% of portfolio with one issuer (excluding U.S. government securities), and can meet reasonably foreseeable redemptions. Texpool has a redemption notice period of one day and may redeem daily. The investment pool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects the pool's liquidity. Texpool is subject to regulatory oversight by the State Treasurer, although it is not registered with the Securities and Exchange Commission.

The *TexasCLASS*, *Lone Star* and *TexStar* investment pools are external investment pools measured at net asset value. TexasCLASS, Lone Star and TexStar's strategy is to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. The District has no unfunded commitments related to the investment pools. TexasCLASS, Lone Star and TexStar have a redemption notice period of one day and may redeem daily. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pool's liquidity. TexasCLASS, LoneStar and TexStar are subject to regulatory oversight by the State Treasurer, although the pools are not registered with the Securities and Exchange Commission.

U.S. Government Agency Securities and *Municipal Bonds* classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

U.S. Treasury Bonds and *Commercial Paper* classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

The fair value of investments is \$867,437 more than the book value reported by the District. As required by GASB Statement No. 31, the District recognizes the net unrealized gain/loss on investments with a maturity date greater than one year from the acquisition date and investments that are callable.

Interest Rate Risk

In accordance with the District's investment policy, investments are made in a manner that ensures the preservation of capital in the overall portfolio, and offsets during a 12-month period any market price losses resulting from interest-rate fluctuations by income received from the balance of the portfolio. The District's policy states that no individual investment transaction shall be undertaken that jeopardizes the total capital position of the overall portfolio.

Credit Risk

The District's policy relating to the credit risk of investments reflects adherence to the Public Funds Investment Act, which limits investments in commercial paper to not less than A-1 or P-1 or equivalent rating by at least two nationally recognized credit rating agencies. The District's investments in public funds investment pools and money market mutual funds include those with TexPool, TexStar, TexasCLASS and LoneStar. TexPool, TexStar, TexasCLASS and LoneStar are public funds investment pools operating in full compliance with the Public Funds Investment Act. Texpool, TexStar, TexasCLASS and LoneStar are rated as AAAM by Standard & Poor's. The District's investments in U.S. agencies were rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service. Municipal obligations were not rated.

Concentration of Credit Risk

The investment policy of the District places no limitations on the amount that can be invested in any one issuer; however, the investment portfolio is diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from over-concentration of assets in a specific class of investments, specific maturity, or specific issuer.

Plano Independent School District
 Notes to the Basic Financial Statements

Eighteen percent of the District’s investment portfolio is held in commercial paper. Commercial paper is concentrated in the following instruments:

Commercial Paper Investment Description	Percentage of Investments	S&P Rating	Moody Rating	Fitch Rating
Toyota Motor Corp.	3.08%	A-1+	P-1	F1
University of California	1.72%	A-1+	P-1	F1+
Los Angeles Airport	2.15%	A-1+	P-1	F1
City of Philadelphia	1.43%	A-1+	P-1	N/A

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. Under the Dodd Frank Act, deposits held in noninterest-bearing transaction accounts are now aggregated with any interest-bearing deposits the owner may hold in the same ownership category, and the combined total is insured up to \$250,000.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments held by third parties were fully collateralized and held in the District’s name.

Note 3. Property Taxes and State Aid Revenue

Property Taxes

The appraisal of property within the District is the responsibility of the Collin County Appraisal District (Appraisal District). The District’s property taxes are levied annually in October on the basis of the Appraisal District’s assessed values of property as of January 1 of that calendar year and are due and payable when assessed. Such taxes are applicable to the fiscal year in which they are levied and become delinquent with an enforceable lien on property after January 31 of the subsequent calendar year.

Delinquent taxes receivable and the related allowance for uncollectible taxes are shown on the government-wide Statement of Net Position and the fund financial Balance Sheet.

The District is permitted to levy taxes up to \$1.07 per \$100 of assessed valuation for general governmental maintenance and operations. The tax rate for the payment of principal and interest on general obligation long-term debt is determined by the debt service requirements of the outstanding bonds as approved by the voters prior to issuance. For the current fiscal year, the Board of Trustees set a tax rate of \$1.3374 per \$100 of assessed valuation. The maintenance and debt service portions of such rate are \$1.0684 and \$0.269, respectively. The 2020 assessed valuation was \$ 58,604,964,303 resulting in a tax levy of \$ 754,903,434 for the current fiscal year. The 2020 tax levy reflects an adjustment of \$28,667,352 frozen homestead exemptions for taxpayers 65 years and older as mandated by state property tax laws.

Plano Independent School District
Notes to the Basic Financial Statements

Delinquent taxes receivable and the related allowance for uncollectible taxes in the governmental fund financial statements as of June 30, 2020 are as follows:

	Delinquent Taxes Receivable, Gross	Allowance for Uncollectible Taxes	Delinquent Taxes Receivable, net
General fund	\$ 10,728,212	\$ 3,344,308	\$ 7,383,904
Debt service fund	2,709,485	869,785	1,839,700
Total	\$ 13,437,697	\$ 4,214,093	\$ 9,223,604

State Aid Revenue

The Texas Education Agency, through its application of state law, allocates state revenues to school districts by formula allocation. The District receives two allocations, a per capita allocation and a foundation program allocation. The District also recognizes revenues for the state’s share of the contributions to the Teacher Retirement System of Texas. See Note 10 for additional information on the employee’s retirement plan. Other state revenues are received through other state miscellaneous programs on an allocated basis.

State Program Revenues

The components of state program revenues as shown in the governmental fund financial statements are as follows:

Revenues	Amounts
Per capita revenues	\$ 15,936,759
Foundation fund revenues	3,765,424
Instructional materials allotment	2,305,943
State aid for homestead exemption	1,062,013
TRS on behalf	26,049,172
Other state revenues	5,611,533
Total state program revenues	\$ 54,730,844

Note 4. Receivables

Receivables due from other governments, as of June 30, 2020 for the District’s individual major funds and non-major, internal service and fiduciary funds in the aggregate are as follows:

	General Fund	Capital Projects Fund	Non-Major Other Funds	Total
Due from the State of Texas	\$ 7,675,930	\$ -	\$ 13,816,292	\$ 21,492,222
Due from the federal government	-	-	379,255	379,255
Due from other local governments	-	53,960	12,060	66,020
Total receivables	\$ 7,675,930	\$ 53,960	\$ 14,207,607	\$ 21,937,497

Plano Independent School District
Notes to the Basic Financial Statements

Note 5. Capital Assets

A summary of capital asset activity during the year ended June 30, 2020 follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 90,486,698	\$ 380	\$ -	\$ 90,487,078
Construction in progress	64,132,038	70,706,227	81,824,343	53,013,922
Total capital assets not being depreciated	<u>154,618,736</u>	<u>70,706,607</u>	<u>81,824,343</u>	<u>143,501,000</u>
Capital assets being depreciated:				
Land improvements	57,880,173	1,118,777	-	58,998,950
Buildings and improvements	1,436,922,601	80,705,186	-	1,517,627,787
Furniture, equipment and vehicles	122,734,335	7,333,559	-	130,067,894
Total capital assets being depreciated	<u>1,617,537,109</u>	<u>89,157,522</u>	<u>-</u>	<u>1,706,694,631</u>
Total capital assets	<u>1,772,155,845</u>	<u>159,864,129</u>	<u>81,824,343</u>	<u>1,850,195,631</u>
Less accumulated depreciation for:				
Land improvements	27,362,974	3,085,984	-	30,448,958
Buildings and improvements	571,016,532	38,102,913	-	609,119,445
Furniture, equipment and vehicles	96,530,263	5,591,534	-	102,121,797
Total accumulated depreciation	<u>694,909,769</u>	<u>46,780,431</u>	<u>-</u>	<u>741,690,200</u>
Governmental funds capital assets, net	<u>1,077,246,076</u>	<u>113,083,698</u>	<u>81,824,343</u>	<u>1,108,505,431</u>
Internal service funds:				
Furniture, equipment and vehicles	31,374	-	-	31,374
Less accumulated depreciation	23,159	1,643	-	24,802
Internal service funds capital assets, net	<u>8,215</u>	<u>(1,643)</u>	<u>-</u>	<u>6,572</u>
Governmental activities capital assets, net	<u>\$ 1,077,254,291</u>	<u>\$ 113,082,055</u>	<u>\$ 81,824,343</u>	<u>\$ 1,108,512,003</u>
Business activities:				
Furniture, equipment and vehicles	\$ 14,690	\$ -	\$ -	\$ 14,690
Less accumulated depreciation	6,766	1,321	-	8,087
Business activities capital assets, net	<u>7,924</u>	<u>(1,321)</u>	<u>-</u>	<u>6,603</u>
Total capital assets, net	<u>\$ 1,077,262,215</u>	<u>\$ 113,080,734</u>	<u>\$ 81,824,343</u>	<u>\$ 1,108,518,606</u>

Plano Independent School District
Notes to the Basic Financial Statements

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

Governmental activities:	
Instruction	\$ 31,494,718
Instructional resources and media services	2,203,015
Curriculum development and instructional staff development	210,546
Instructional leadership	26,665
School leadership	1,263,938
Guidance, counseling, and evaluation services	329,099
Health services	125,678
Student transportation	1,617,220
Food services	2,666,645
Co-curricular/extracurricular activities	2,970,572
General administration	221,231
Plant maintenance and operations	2,023,294
Security and monitoring services	574,642
Data processing services	835,075
Community services	205,825
Facilities acquisition and construction	13,911
	\$ 46,782,074

Construction Commitments

The District had several active construction projects as of June 30, 2020. Projects included additions to buildings and renovation of existing facilities. Fiscal year 2020 expenses and estimated future expenditures for capital projects are funded from operating capital project funds, unexpended bond proceeds and additional general obligation bonds. The following summarizes the various types of projects:

Building Purchases/New Construction. During fiscal year 2020 no new buildings were purchased. In 2017 the district purchased property for a new Fine Arts facility and construction continued for this project during 2020. The building was named Robbie and Lynore Robinson Fine Arts Center.

Building Renovation/Upgrades. The district continued work on the refurbishment at Williams High School, Fine Arts addition at Frankford Middle School, and cafeteria serving line upgrades at several campuses. Building additions at Gulledege Elementary and kitchen upgrades at Hughston Elementary started during the year. Roof upgrades began at Andrews Elementary, Holifield Learning Center, Spring Creek Center, and Murphy Distribution. Additionally, HVAC upgrades at Plano Senior High School, Williams High School, Jackson Elementary, Centennial Elementary, and the Bird Center began this year. Lastly, the district continued to work on minor capital project improvements at several campuses.

Completed Projects. During fiscal year 2020 the district completed the renovations at Robinson Middle School, security access at all three Senior High Schools, and refurbishments at Bowman Middle School, Haun Elementary and Skaggs Elementary. Additionally, Fine Arts additions at Rice, Renner, and Armstrong Middle Schools were completed along with art classroom renovations at Vines High School. Lastly, HVAC upgrades were completed at Hightower, Saigling, Stinson, and Wyatt Elementary Schools and other minor capital project improvements were completed at several campuses.

Plano Independent School District
Notes to the Basic Financial Statements

Current projects include the following:

Project	Estimated Total Cost	Expenditures Incurred to June 30, 2020	Estimated Future Expenditures
Building improvement projects:			
Plano Senior High School HVAC	\$ 2,242,191	\$ 1,201,989	\$ 1,040,202
Williams High School Refurbishment/HVAC	5,982,156	1,996,976	3,985,180
Vines High School Bathroom	305,027	125,670	179,357
Plano East Senior High School Locker Room	150,000	42,683	107,317
Schimpelfinig Middle School Cafeteria Serving Line/Other	561,384	344,188	217,196
Frankford Middle School Fine Arts	5,804,432	3,661,213	2,143,219
Jackson Elementary HVAC	199,362	43,042	156,320
Shepard Elementary Cafeteria Serving Line	262,370	199,876	62,494
Hughston Elementary Kitchen	1,386,375	989,803	396,572
Saigling Elementary Cafeteria Serving Line	347,513	286,835	60,678
Thomas Elementary Cafeteria Serving Line	364,244	277,732	86,512
Mathews Elementary Building Upgrades-Doors	12,795	6,368	6,427
Gulledge Elementary Addition	3,939,000	1,609,850	2,329,150
Stinson Elementary Special Education Classroom Additions	17,525	4,877	12,648
Andrews Elementary Cafeteria Serving Line/Roof/Other	1,513,097	1,294,300	218,797
Centennial Elementary HVAC	770,030	675,325	94,705
Hickey Elementary Cafeteria Serving Line	70,134	39,768	30,366
Isaacs Elementary Cafeteria Serving Line	50,000	107	49,893
Holifield Learning Center Roof	296,519	201,175	95,344
Sping Creek Center Roof	22,996	9,017	13,979
Bird Center HVAC	111,000	29,260	81,740
Robinson Fine Arts Center	58,481,358	39,055,473	19,425,885
Murphy Distribution Center Roof	100,375	56,368	44,007
Land improvement projects:			
Plano Senior High School Baseball/Softball Bleachers	353,117	318,966	34,151
Plano East Senior High School Baseball/Softball Bleachers	393,108	306,520	86,588
Plano West Senior High School Baseball/Softball Bleachers	199,125	176,616	22,509
Frankford Middle School Fine Arts Addition	20,000	5,725	14,275
Weatherford Elementary Irrigation Upgrades	70,100	4,420	65,680
Gulledge Elementary Addition	15,000	6,385	8,615
Fine Carts Center	47,790	43,395	4,395
	\$ 84,088,123	\$ 53,013,922	\$ 31,074,201

Plano Independent School District
Notes to the Basic Financial Statements

Note 6. Interfund Receivables, Payables and Transfers

The composition of interfund balances in the fund financial statements as of June 30, 2020, is as follows:

	Receivable	Payable
General fund	\$ 2,702,361	\$ -
Other governmental funds	250	2,702,611
Totals	\$ 2,702,611	\$ 2,702,611

The primary interfund transactions at year-end included amounts due to the General Fund from Other Governmental Funds for expenditures made by the funds prior to receiving reimbursement from the federal or state sources.

The following is a summary of the District’s transfers for the year ended June 30, 2020:

Transfers Out	Transfers In				Total
	General Fund	Other Governmental Funds	Enterprise Funds	Internal Service Funds	
General fund	\$ -	\$ 441,903	\$ 520,956	\$ 150,000	\$ 1,112,859
Other Governmental funds	111,644				111,644
Enterprise funds	954,563	-	-	-	954,563
	\$ 1,066,207	\$ 441,903	\$ 520,956	\$ 150,000	\$ 2,179,066

The transfers made during the period consisted of the following:

From	To	Amount	Description
General fund	Other governmental funds	\$ 441,903	To finance costs in excess of federal allotments for Headstart; to finance costs in excess of donations, grants and user charges in the Special Events Fund.
Other governmental funds	General fund	111,644	To finance costs of the Health Sciences Academy.
General fund	Internal service fund	150,000	To finance claims in excess of user fees in the Unemployment and Insurance Claims Funds.
General Fund	Enterprise Fund	520,956	To finance cost in excess of user fees to the Employee Child Care.
Enterprise fund	General fund	954,563	To transfer revenues in excess of costs from the After School Care Program.
Total transfers		\$ 2,179,066	

Plano Independent School District
Notes to the Basic Financial Statements

Note 7. Long-Term Debt

The following is a summary of the District's long-term debt for the year ended June 30, 2020:

	Obligations Outstanding July 1, 2019	New Obligations Incurred	Obligations Retired or Refunded and Accretion	Obligations Outstanding June 30, 2020	Obligations Due Within One Year
General obligation bonds payable	\$ 855,305,000	\$ 23,370,000	\$ (125,585,000)	\$ 753,090,000	\$ 109,740,000
Loss (gain) on advanced refunding	(15,540,419)	391,496	3,902,053	(11,246,870)	-
Premium on bond issuance	85,514,106	630,255	(15,655,621)	70,488,740	-
Compensated absences	4,031,844	72,064	(337,395)	3,766,513	315,191
Arbitrage liability	567,553	383,723	-	951,276	-
Total	\$ 929,878,084	\$ 24,847,538	\$ (137,675,963)	\$ 817,049,659	\$ 110,055,191

Debt Payable-Governmental Activities

Bonds payable at June 30, 2020, are composed of the following individual issues:

Description	Interest Rate Payable	Amounts Original Issue	Bonds Outstanding at July 1, 2019	Issued (Retired)	Bonds Outstanding at June 30, 2020
School Building Unlimited Tax Bonds Series 2009B	4.04% to 6.27%	87,390,000	82,200,000	(2,435,000)	79,765,000
School Building Unlimited Tax Bonds Series 2009C	1.00%	31,900,000	13,680,000	(2,280,000)	11,400,000
Unlimited Tax Refunding Bonds Series 2010	3.00% to 5.00%	108,815,000	17,935,000	(17,935,000)	-
School Building Unlimited Tax Bonds Series 2012	2.50% to 5.00%	92,840,000	70,170,000	(2,755,000)	67,415,000
Unlimited Tax Refunding Bonds Series 2012	4.00% to 5.00%	46,115,000	34,035,000	(2,725,000)	31,310,000
Unlimited Tax Refunding Bonds Series 2012A	2.00% to 4.00%	27,805,000	11,730,000	(980,000)	10,750,000
School Building Unlimited Tax Bonds Series 2013	3.38% to 5.50%	53,740,000	37,960,000	(1,440,000)	36,520,000

(continued)

Plano Independent School District
Notes to the Basic Financial Statements

Description	Interest Rate Payable	Amounts Original Issue	Bonds Outstanding at July 1, 2019	Issued (Retired)	Bonds Outstanding at June 30, 2020
School Building Refunding Bonds Series 2015	2.00% to 5.00%	43,250,000	36,390,000	(2,260,000)	34,130,000
School Building Refunding Bonds Series 2016A	2.00% to 5.00%	199,950,000	183,470,000	(12,020,000)	171,450,000
School Building Refunding Bonds Series 2016B	2.00% to 5.00%	103,410,000	55,555,000	(26,080,000)	29,475,000
School Building Unlimited Tax Bonds Series 2016	4.15% to 5.15%	257,210,000	228,580,000	(20,980,000)	207,600,000
School Building Unlimited Tax Bonds Series 2017	3.00% to 5.00%	108,020,000	77,325,000	(18,230,000)	59,095,000
School Building Unlimited Tax Bonds Series 2018	5.00%	13,655,000	6,275,000	(1,460,000)	4,815,000
School Building Refunding Bonds Series 2019	4.00% to 5.00%	10,325,000	-	9,365,000	9,365,000
School Building Unlimited Tax Bonds Series 2019	4.00%	13,045,000	-	-	-
Totals			<u>\$ 855,305,000</u>	<u>\$ (102,215,000)</u>	<u>\$ 753,090,000</u>

The following table summarizes the annual debt service requirements of the outstanding debt issues at June 30, 2020, to maturity:

	Bond Principal	Bond Interest	Totals
2021	\$ 109,740,000	\$ 35,306,462	\$ 145,046,462
2022	69,965,000	30,044,922	100,009,922
2023	63,160,000	26,658,313	89,818,313
2024	58,790,000	23,628,099	82,418,099
2025	57,390,000	20,857,678	78,247,678
2026-2030	231,180,000	67,691,569	298,871,569
2031-2035	130,980,000	23,282,305	154,262,305
2036-2039	31,885,000	1,629,725	33,514,725
	<u>\$ 753,090,000</u>	<u>\$ 229,099,074</u>	<u>\$ 982,189,074</u>

Plano Independent School District

Notes to the Basic Financial Statements

During the year, the District issued \$23,370,000 Series 2019 Unlimited Tax Refunding and Improvement Bonds used to refund \$10,325,000 of outstanding Series 2010 Unlimited Tax Refunding Bonds. An amount of \$10,839,530 was placed in an irrevocable trust to provide for future debt service payments relating to the defeased bonds and the remaining proceeds were used to fund various capital projects. Accordingly, the trust assets and liabilities for the defeased bonds are not included in the District's financial statements. The aggregate difference in debt service between the refunding debt and the refunded debt is a savings of \$620,937 which is a net present value economic gain of \$510,483. The old debt exceeds the net carrying amount of the reacquisition price by \$86,496.

As of June 30, 2020, the District had zero defeased bonds outstanding. Original losses on refunding were \$22.4 million of which \$11.2 million is unamortized and reported in the Statement of Net Position as a deferred outflow of resources. Unamortized bond premiums of \$70.5 million are reported in the Statement of Net Position as an increase in the long-term debt.

As of June 30, 2020, \$49,875,000 of bonds from the May 2016 election were authorized by bond election and not issued.

Other Long-term Debt

Arbitrage. The Federal Tax Reform Act of 1986 requires issuers of tax-exempt debt to make payments to the United States Treasury of investment income received at yields that exceed the issuer's tax-exempt borrowing rates. The U.S. Treasury requires payment for each issue every five years. Arbitrage liability for tax-exempt debt subject to the Tax Reform Act issued through June 30, 2020, amounted to \$951,276.

The estimated liability is updated annually for any tax-exempt issuances or changes in yields until such time payment of the calculated liability is due.

Compensated Absences. Certain employees are entitled to receive accrued vacation pay in a lump-sum cash payment upon termination of employment with the District. The net decrease of \$265,331 over the prior fiscal year represents the recorded decrease in the liability due to employees' using accumulated vacation pay and not allowing days to accumulate. The general fund and special revenue funds are used to liquidate compensated absences.

Plano Independent School District
Notes to the Basic Financial Statements

Note 8. Encumbrances

At June 30, 2020, the District had encumbrances which are classified as restricted, committed or assigned in accordance with purpose constraints. Encumbrances reported in the Governmental Funds were as follows:

Function	General Fund	Capital Projects	Food Service	Federal Special Revenue	State Special Revenue	Local Special Revenue	Total
Instruction	\$ -	\$ -	\$ -	\$ 79,957	\$ 71,886	\$ 14,157	\$ 166,000
Instructional resources	-	-	-	-	-	6,030	6,030
Curriculum and instructional staff development	-	-	-	126,253	931	250	127,434
Instructional leadership	-	-	-	13,233	-	330	13,563
School leadership	-	-	-	16,000	-	3,624	19,624
Guidance, counseling and evaluation services	-	-	-	3,393	-	-	3,393
Health services	-	-	-	703	-	-	703
Food services	-	-	659,617	126,000	-	-	785,617
Co-curricular/ extracurricular activities	-	-	-	-	-	138,474	138,474
General administration	-	-	-	750	-	2,116	2,866
Plant maintenance and operations	-	-	-	-	-	10,858	10,858
Security and monitoring services	223,620	-	-	-	-	-	223,620
Data processing services	-	-	-	-	-	21,500	21,500
Community services	-	-	-	105,443	-	-	105,443
Facilities acquisition and construction	-	54,695,557	4,590,210	-	-	-	59,285,767
Total encumbrances by fund type	\$ 223,620	\$ 54,695,557	\$ 5,249,827	\$ 471,732	\$ 72,817	\$ 197,339	\$ 60,910,892

Note 9. Risk Management

The District is exposed to various risks related to the theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The District’s risk management program encompasses various means of protecting the District against losses through policies with commercial insurance carriers or through self-insurance. Settled claims have not exceeded insurance coverage in any of the previous five fiscal years.

Workers’ Compensation

The District maintains a self-insurance program for workers’ compensation. Contributions are paid from all governmental and proprietary funds to the Workers’ Compensation Internal Service Fund from which all claims and administrative expenses are paid. The District maintains a catastrophic loss insurance policy for catastrophic losses exceeding \$400,000 per occurrence up to statutory limit of liability.

An accrual for incurred but not reported claims in the amount of \$2,374,000 has been recorded in the fund as of June 30, 2020. Claims payable, including an estimate of claims incurred but not reported, was actuarially determined based on the District’s historical claims experience and an estimate of the remaining liability on known claims.

Plano Independent School District
Notes to the Basic Financial Statements

Workers' Compensation Fund changes in claims payable for the years ended 2020 and 2019:

	June 30, 2020	June 30, 2019
Account balance, beginning of fiscal year	\$ 2,300,000	\$ 1,972,000
Incurring claims and claim adjustment expenses	1,835,733	2,246,815
Claim payments during the year	<u>(1,761,733)</u>	<u>(1,918,815)</u>
Account balance, end of fiscal year	<u>\$ 2,374,000</u>	<u>\$ 2,300,000</u>

Health Benefits

The District employees are eligible to purchase health insurance through TRS-Active Care which is the statewide health plan for public education employees established by the 77th Texas Legislature and is a fully insured plan administered by Blue Cross and Blue Shield of Texas.

During the year ended June 30, 2020, the District funded benefit credits of \$300 per month per participating employee to the health insurance internal service fund.

The District contribution, along with the employee contribution made through payroll deduction was used to pay the premiums for the insurance plans chosen by the employee. The District also offers a flexible spending option that is administered by Flexible Benefit Administrators.

Property, Casualty, General Liability and Professional Liability

The District purchases commercial policies which include general liability, property and auto insurance. However, the District has established a self-funded internal service fund to pay the cost of deductibles associated with these insurance policies. There have been no significant reductions in insurance coverage from coverage in the prior year for any category of risk.

The deductible for property insurance is \$100,000 with no deductible on auto insurance. In addition, the District purchases professional legal liability insurance and must pay the first \$250,000 on each liability claim. The amount of claims settlements did not exceed the insurance coverage in each of the past three years.

An accrual for incurred but not reported claims in the amount of \$15,034 has been recorded as of June 30, 2020. Property and Liability changes in claims payable for the years ended June 30, 2020 and 2019:

	June 30, 2020	June 30, 2019
Account balance, beginning of fiscal year	\$ 53,176	\$ 53,176
Incurring claims and claim adjustment expenses	202,665	163,152
Claim payments during the year	<u>(240,807)</u>	<u>(163,152)</u>
Account balance, end of fiscal year	<u>\$ 15,034</u>	<u>\$ 53,176</u>

Unemployment

The District utilizes a separate internal service fund to account for unemployment benefits. TASB Risk Management Fund bills the District quarterly for the unemployment benefits paid out by the Texas Workforce Commission.

The District maintains the self-insurance program for unemployment benefits which is funded by premiums charged to the general and special revenue funds. An accrual for incurred but not reported claims in the amount of \$650,000 has been recorded as of June 30, 2020.

Plano Independent School District
Notes to the Basic Financial Statements

Changes in unemployment claims payable for the years ended June 30, 2020 and 2019:

	June 30, 2020	June 30, 2019
Account balance, beginning of fiscal year	\$ 288,834	\$ 288,834
Incurred claims and claim adjustment expenses	388,029	50,837
Claim payments during the year	(26,863)	(50,837)
Account balance, end of fiscal year	\$ 650,000	\$ 288,834

The liabilities for each type of claims payable described above are expected to be liquidated within the next twelve months, and are, therefore, recorded as current liabilities.

Medicare Part D

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the years ended June 30, 2020 and 2019, these on-behalf payments were \$1,606,912 and \$1,162,999, respectively, and were recorded as equal revenues and expenditures in the General Fund.

Note 10. Employees' Retirement Plan and Retiree Health Plan

Plan Description

The District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). It is a defined benefit pension plan established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

Pension Plan Fiduciary Net Position

Detail information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <https://trs.texas.gov/TRS%20Documents/cafr2019.pdf>, selecting *About TRS* then *Publications* then *Financial Reports* or by writing to TRS at 1000 Red River Street, Austin, TX 78701-2698

Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years.

Plano Independent School District
Notes to the Basic Financial Statements

Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member’s age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above.

Texas Government Code section 821.006 prohibits benefit improvements, if, as a result of the particular action, the time required to amortize TRS’ unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

In May 2019, the 86th Texas Legislature approved the TRS Pension Reform Bill (Senate Bill 12) that provides for gradual contribution increase from the state, participating employers and active employees to make the pension fund actuarially sound. This action causing the pension fund to be actuarially sound, allowed the legislature to approve funding for a 13th check in September 2019. All eligible members retired as of December 31, 2018 received an extra annuity check in either the matching amount of their monthly annuity or \$2,000, whichever was less.

Contributions

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member’s annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year.

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 thru 2025.

	Contribution Rates	
	2019	2020
Member	7.7%	7.7%
Non-employer Contributing Entity (State)	7.5%	6.8%
Employers	7.5%	6.8%
2020 Employer Contributions		\$ 15,726,300
2020 Member Contributions		28,966,644
2020 NECE On-behalf Contributions		17,031,044

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State is the employer for senior colleges, medical schools and state agencies including TRS. In each respective role, the State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

Plano Independent School District

Notes to the Basic Financial Statements

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. Employers (public school, junior college, other entities or the State of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.
- When the employing district is a public or charter school, the employer shall contribute 1.5% of covered payroll to the pension fund beginning in fiscal year 2020. This contribution rate called the Public Education Employer Contribution will replace the Non(OASDI) surcharge that was in effect in fiscal year 2019.

In addition to the employer contributions listed above, there are two additional surcharges an employer is subject to.

- When employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- When a school district or charter school does not contribute to the Federal Old-Age, Survivors and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees. This surcharge was in effect through fiscal year 2019 and was replaced with the Public Education Employer Contribution explained above.

Plano Independent School District
Notes to the Basic Financial Statements

Actuarial Assumptions

The total pension liability in the August 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Valuation date	August 31, 2018 rolled forward to August 31, 2019
Actuarial method normal	Individual Entry Age Normal
Asset valuation method	Market Value
Single discount rate	7.25%
Long-term expected investment rate of return	7.25%
Municipal Bond Rate as of August 2019	2.63%. Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."
Last year ending August 31 in Projection Period (100 years)	2116
Inflation	2.30%
Salary increases including inflation	3.05% to 9.05% including inflation
Payroll growth rate	2.50%
Ad hoc post-employment benefit changes	None

The actuarial methods and assumptions are used in the determination of the total pension liability are the same assumptions used in the actuarial valuation assumptions used in the Actuarial valuation as of August 31, 2019. For a full description of these assumptions please see the actuarial valuation report dated November 9, 2018.

Discount Rate

The single discount rate used to measure the total pension liability was 7.25%. The single discount rate was based on the expected rate of return on pension plan investments of 7.25 percent. The projection of cash flows used to determine the single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 8.50 percent of payroll in fiscal year 2020 gradually increasing to 9.55 percent of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Plano Independent School District
Notes to the Basic Financial Statements

The long-term rate of return on pension plan investments is 7.25%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates 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.

Best estimates of arithmetic real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2019 are summarized below:

Asset Class	Target Allocation	Arithmetic Real Rate of Return
Global equity:		
U.S.	18.00%	5.70%
Non-U.S. developed	13.00%	6.90%
Emerging markets	9.00%	8.85%
Directional hedge funds	4.00%	3.53%
Private equity	13.00%	10.18%
Stable value:		
U.S. treasuries	11.00%	1.11%
Stable value hedge funds	4.00%	3.09%
Absolute return	-	-
Real return:		
Global inflation linked bonds	3.00%	0.70%
Real assets	14.00%	5.21%
Energy, natural resources, and infrastructure	5.00%	7.48%
Commodities	-	-
Risk parity:		
Risk parity	5.00%	3.70%
Asset Allocation Leverage	1.00%	-0.30%
Totals	100.00%	

* FY 2019 target allocation based on the strategic asset allocation dated 10/1/2018

Plano Independent School District
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Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.25%) in measuring the Net Pension Liability:

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
Proportionate share of the net pension liability:	\$ 267,879,857	\$ 174,271,009	\$ 98,429,744

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

At June 30, 2020, the District reported a liability of \$174,271,009 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 174,271,009
State's proportionate share that is associated with the District	252,952,531
Total	\$ 427,223,540

The net pension liability was measured as of August 31, 2018 and rolled forward to August 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2018 rolled forward to August 31, 2019. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2018 thru August 31, 2019.

At August 31, 2019 the District's proportion of the collective net pension liability was 0.3352453%, which was a decrease of (0.0050245%) from its proportion measured as of August 31, 2018.

Changes since the Prior Actuarial Valuation

The following were changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period.

- The single discount rate as of August 31, 2018 was a blended rate of 6.907 percent and that has changed to the long-term rate of return of 7.25 percent as of August 31, 2019.
- With the enactment of SB 3 by the 2019 Texas Legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected based on the actuarial assumptions.
- The Texas legislature approved funding for a 13th check. All eligible members retired as of December 31, 2018 will receive an extra annuity check in September 2019 in either the matching amount of their monthly annuity payment or \$2,700, whichever is less.

For the year ended June 30, 2020, the District recognized pension expense of \$69,169,015 and revenue of \$39,735,279 for support provided by the State.

Plano Independent School District
Notes to the Basic Financial Statements

At June 30, 2020, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experiences	\$ 732,094	\$ 6,050,966
Changes in actuarial assumptions	54,067,426	22,343,218
Differences between projected and actual investment earnings	1,749,882	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	15,212,213	1,884,769
Contributions paid to TRS subsequent to the measurement date	10,139,700	-
Total	\$ 81,901,315	\$ 30,278,953

\$10,139,700 reported as deferred outflows of resources resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	Pension Expense (Income)
Year ended August 31:	
2021	\$ 10,945,838
2022	8,873,006
2023	10,396,364
2024	9,913,584
2025	3,067,256
Thereafter	(1,713,386)
Total	\$ 41,482,662

Note 11. Defined Other Post-Employment Benefit Plan

Plan Description

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. The plan is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees. It is established and administered in accordance with the Texas Insurance Code, Chapter 1575.

OPEB Plan Fiduciary Net Position

Detail information about the TRS-Care's fiduciary net position is available in the separately-issued TRS Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

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Notes to the Basic Financial Statements

Benefits Provided

TRS-Care provides a basic health insurance coverage (TRS-Care 1), at no cost to all retirees from public schools, charter schools, regional education service centers and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medical Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. There are no automatic post employments benefit changes; including automatic COLAs.

The premium rates for retirees are reflected in the following table:

TRS-Care Monthly Premium Rates
Effective January 1, 2019-December 31, 2019

	Medicare	Non-Medicare
Retiree*	\$ 135	\$ 200
Retiree and spouse	529	689
Retiree* and children	468	408
Retiree and family	1,020	999
*or surviving spouse		

Contributions

Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and school districts based upon public school district payroll. The TRS Board of trustees does not have the authority to set or amend contribution rates.

Texas Insurance Code, section 1575.202 establishes the state’s contribution rate which is 1.25 percent of the employee’s salary. Section 1575.203 establishes the active employee’s rate which is .75 percent of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

	2019	2020
Active employee	0.65%	0.65%
Non-employer contribution entity (state)	1.25%	1.25%
Employers/District	0.75%	0.75%
Federal/private funding remitted by Employers	1.25%	1.25%

Plano Independent School District
Notes to the Basic Financial Statements

The contribution amounts for the District’s fiscal year 2019 are as follows:

District contributions	\$	2,976,792
Member contributions		2,445,236
NECE on-behalf contributions (state)		3,955,252

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to (*regardless of whether or not they participate in the TRS Care OPEB program*). When employers hire a TRS retiree, they are required to pay to TRS Care, a monthly surcharge of \$535 per retiree.

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$73.6 million in fiscal year 2019.

Actuarial Assumptions

The total OPEB liability in the August 31, 2018 actuarial valuation was rolled forward to August 31, 2019. The actuarial valuation was determined using the following actuarial assumptions:

The following assumptions and other inputs used for members of TRS-CARE are identical to the assumptions used in the August 31, 2018 TRS pension actuarial valuation that was rolled forward to August 31, 2019.

Rates of mortality	General inflation
Rates of retirement	Wage inflation
Rates of termination	Expected payroll growth
Rates of disability incidence	
Additional Actuarial Methods and Assumptions:	
Valuation date	August 31, 2018, rolled forward to August 31, 2019
Actuarial cost method	Individual entry age normal
Inflation	2.50%
Single discount rate	2.63%. Sourced from fixed Income municipal bonds with 20 years to maturity that include only federal tax-exempt municipal bonds as reported in Fidelity Index’s “20-Year Municipal GO AA Index” as of August 31, 2019.
Aging factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Payroll growth rate	2.50%
Projected salary increases	3.50% to 9.50% including inflation
Election rates	Normal retirement 65% participation prior to age 65, 50% participation after age 65 and 25% of pre-65 retirees are assumed to discontinue coverage at age 65
Ad hoc post-employment benefit changes	None

Plano Independent School District
Notes to the Basic Financial Statements

Discount Rate

A single discount rate of 2.63% was used to measure the total OPEB liability. There was a decrease of 1.06 percent in the discount rate since the previous year. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to *not be able to* make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

Discount Rate Sensitivity Analysis The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used 2.63% in measuring the Net OPEB Liability:

	1% Decrease (1.63%)	Current Discount Rate (2.63%)	1% Increase (3.63%)
District's proportionate share of the net OPEB liability	\$ 239,476,424	\$ 198,353,587	\$ 166,183,152

Healthcare Cost Trend Rates Sensitivity Analysis. The following presents the Net OPEB Liability of the plan using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is one-percentage point lower or one-percentage point higher than the assumed healthcare cost trend rate.:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 161,809,897	\$ 198,353,587	\$ 247,305,348

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At June 30, 2020, the District reported a liability of \$198,353,587 for its proportionate share of the TRS’s Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the net OPEB liability	\$ 198,353,587
State's proportionate share of the net OPEB liability associated with the District	263,567,548
Total	\$ 461,921,135

The Net OPEB Liability was measured as of August 31, 2018 and rolled forward to August 31, 2019 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The employer’s proportion of the Net OPEB Liability was based on the employer’s contributions to OPEB relative to the contributions of all employers to the plan for the period September 1, 2018 thru August 31, 2019.

At August 31, 2019 the employer’s proportion of the collective Net OPEB Liability was 0.41943% which was a decrease of 0.00006% from the same proportion measured as of August 31, 2018.

Plano Independent School District
Notes to the Basic Financial Statements

Changes Since the Prior Actuarial Valuation – The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB liability since the prior measurement period:

1. The discount rate changed from 3.69 as of August 31, 2018 to 2.63 percent, as of August 31, 2019. This change increased the total OPEB liability (TOL).
2. The health care trend rates were reset to better reflect the plan’s anticipated experience. This change increased the TOL.
3. The participation rate for pre-65 retirees was lowered from 70 percent to 65 percent. The participation rate for post-65 retirees was lowered from 75 percent to 50 percent. 25 percent of pre-65 retirees are assumed to discontinue their coverage at age 65. There was no lapse assumption in the prior valuation these changes decreased the TOL.
4. The percentage of retirees who are assumed to have two-person coverage was lowered from 20 percent to 15 percent. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20 percent to 10 percent. These changes decrease the TOL.
5. Change of Benefit Terms Since the Prior Measurement Date-There were no changes in benefit terms since the prior measurement date.

For the year ended August 31, 2019, the District recognized OPEB expense of \$10,772,284 and revenue of \$6,946,559 for support provided by the State.

At June 30, 2020, the District reported the District’s contribution after the measurement date and its proportionate share of the TRS’s deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 9,730,929	\$ 32,458,461
Changes of assumptions	11,016,995	53,352,246
Net difference between projected and actual earnings on OPEB investments	21,400	-
Changes in proportion and differences between district contributions and proportionate share of contributions (cost-sharing plan)	3,974,475	3,322,114
District contributions after measurement date	<u>2,510,486</u>	<u>-</u>
Totals	<u>\$ 27,254,285</u>	<u>\$ 89,132,821</u>

Plano Independent School District
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\$2,510,486 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. The net amounts of the employer’s balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	
2020	\$ (10,793,139)
2021	(10,793,139)
2022	(10,800,065)
2023	(10,804,027)
2024	(10,802,942)
Thereafter	(10,395,710)
	\$ (64,389,022)

Note 12. Recapture Payment

Intergovernmental Charges include an amount of \$166,111,660 representing recapture payments made in accordance with the state school finance law.

House Bill (HB) 3, passed in the recent legislative session, made substantial changes to the District’s recapture payment. Under HB 3, districts must reduce local revenue in excess of entitlement. Texas Education Code, Chapter 49. The Chapter 49 provision recaptures local tax dollars from property-rich districts and redistributes the funds to property-poor districts.

	Tax Effort	2019-20 Wealth per WADA
1st Equalized wealth level	\$ 0.93	\$ 616,000
2nd Equalized wealth level	0.08	Unlimited
3rd Equalized wealth level	0.06	\$ 492,800
	\$ 1.07	

In fiscal year 2020, 27.8 percent of all local revenue collected from property taxes will be subject to recapture. The District’s recapture payment for 2019-2020 of \$166 million decreased \$45.1 million due to the changes made under HB 3.

Note 13. Commitments and Contingencies

The District received financial resources from numerous federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements, subject to audit by the grantor agencies and the Texas Education Agency. Any disallowed claims resulting from such audits could become a liability of the General Fund. However, in the opinion of management, any such disallowed claims, if any, will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District at June 30, 2020.

Plano Independent School District
Notes to the Basic Financial Statements

The District is the defendant in a number of lawsuits arising principally in the normal course of operations. In the opinion of the administration, the outcome of these lawsuits will not have a material adverse effect on the accompanying combined financial statements. A provision for losses has been recorded in the self-funded internal service fund to pay the cost of deductibles associated with the District's professional legal liability insurance.

The District is party to several operating leases for the rental of copier machines and portable buildings. These leases are for various terms with expiration dates through 2022. Payments under the leases for the year ended June 30, 2020 totaled \$937,815. Future obligations under the leases are as follows:

2021	\$	846,955
2022		737,652
2023		731,269
2024		2,790
		<hr/>
	\$	<u>2,318,666</u>

Note 14. Shared Service Arrangements

The District is the fiscal agent for a Shared Service Arrangement (SSA) which provides deaf education services to member districts whose students are enrolled in the Regional Day School Program for the Deaf (RDSPD). In addition to the District, other member districts include Allen ISD, Anna ISD, Blue Ridge ISD, Celina ISD, Community ISD, Coppell ISD, Farmersville ISD, Frisco ISD, Imagine International, Lovejoy ISD, McKinney ISD, Melissa ISD, Princeton ISD, Prosper ISD, Richardson ISD and Wylie ISD.

The District, acting as the fiscal agent, receives monies from the granting agencies and administers the program. The fiscal agent is responsible for employment of personnel, budgeting, accounting, reporting and ensuring funds are used in accordance with the grant provisions. The District reports the activities of the SSA in the appropriate special revenue funds provided in the TEA Financial Accounting Resource Guide, Version 16.0.

According to the SSA agreement, costs incurred by the RDSPD over and above the amount of state and federal funds received shall be divided among the member districts using a weighted formula based on student services, time and distance to a school.

Plano Independent School District
Notes to the Basic Financial Statements

Expenditures billed to the SSA members as of June 30, 2020 are summarized below:

Allen ISD	\$ 108,544
Anna ISD	61,217
Blue Ridge ISD	-
Celina ISD	-
Community ISD	17,354
Coppell ISD	21,860
Farmersville ISD	50,086
Frisco ISD	415,846
Imagine International	252
Lovejoy ISD	9,234
McKinney ISD	195,487
Melissa ISD	14,084
Plano ISD	895,126
Princeton ISD	67,311
Prosper ISD	106,176
Richardson ISD	554,041
Wylie ISD	128,632
	<hr/>
Total	\$ 2,645,250

Note 15. Evaluation of Subsequent Events

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 any related adverse public health developments, has adversely affected public education, workforces, economies, and financial markets globally. Potentially leading to an economic downturn. It has also disrupted the normal operations of many businesses and organizations. It is not possible for management to predict the duration or magnitude of the adverse results of the outbreak and its disruptive effects on the District’s operations and financial results going forward at this time.

On October 6, 2020, the Board of Trustees approved issuance of the “Plano Independent School District Unlimited Tax Refunding Bonds, Series 2020”, current interest bonds in the amount of \$62,720,000. Proceeds of this issuance were used to refund \$64,585,000 of Series 2012 Unlimited Tax School Building Bonds.

The District’s management has reviewed its financial statements and evaluated subsequent events for the period of time from its year ended June 30, 2020 through January 13, 2021, the date the financial statements were issued. Management is not aware of any subsequent events, other than those described above, that would require recognition or disclosure in the accompanying financial statements.

Plano Independent School District

Notes to the Basic Financial Statements

Note 16. New Accounting Pronouncements

The GASB pronouncements effective in fiscal years 2021 are listed as follows:

The GASB issued Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance, in May 2020. This statement provided temporary relief to governments in light of the COVID-19 pandemic. The effect of this statement delayed the effective dates of the statements below.

The GASB issued Statement No. 84, Fiduciary Activities, in January 2017. This Statement establishes standards of accounting and financial reporting for fiduciary activities. This standard becomes effective for the District in fiscal year 2020. The District has not yet determined the impact of this statement.

The GASB issued Statement No. 87, Leases, in June 2017. This Statement establishes standards of accounting and financial reporting for lease by lessees and lessors. This standard becomes effective for the District in fiscal year 2021. The District has not yet determined the impact of this statement.

The GASB issued Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period, in June 2018. This Statement enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurred before the end of a construction period. This standard becomes effective for the District in fiscal year 2021. The District has not yet determined the impact of this statement.

The GASB issued Statement No. 90, Majority Equity Interests- an amendment of GASB Statements No. 14 and 61, in August 2018. This Statement's objective is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component unit. This standard becomes effective for the District in fiscal year 2021. The District has not yet determined the impact of this statement.

The GASB issued Statement No. 91, Conduit Debt Obligations, in May 2019. This Statement's objective is to 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. This standard becomes effective for the District in fiscal year 2022. The District has not yet determined the impact of this statement.

Required Supplementary Information

Plano Independent School District
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget And Actual – General Fund
 Year Ended June 30, 2020

Exhibit G-1

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)	
	Original	Final			
REVENUES					
5700	Total local and intermediate sources	\$ 668,268,431	\$ 607,399,629	\$ 610,492,454	\$ 3,092,825
5800	State program revenues	46,254,201	35,643,587	45,994,820	10,351,233
5900	Federal program revenues	6,056,929	6,059,535	7,361,642	1,302,107
5020	Total revenues	720,579,561	649,102,751	663,848,916	14,746,165
EXPENDITURES					
Current:					
0011	Instruction	319,369,140	318,433,706	309,793,314	8,640,392
0012	Instructional resources and media services	7,339,925	7,362,063	7,139,827	222,236
0013	Curriculum and instructional staff development	9,495,021	8,549,298	8,379,376	169,922
0021	Instructional leadership	4,212,127	5,021,399	4,932,733	88,666
0023	School leadership	29,286,246	29,234,567	28,047,726	1,186,841
0031	Guidance, counseling and evaluation services	22,382,382	22,549,919	22,113,408	436,511
0032	Social work services	2,375,699	2,575,699	2,442,765	132,934
0033	Health services	6,067,831	6,146,097	6,135,019	11,078
0034	Student (pupil) transportation	15,322,996	15,693,338	15,357,226	336,112
0035	Food services	158,941	277,347	222,166	55,181
0036	Extracurricular activities	8,254,908	7,929,748	6,269,748	1,660,000
0041	General administration	11,752,767	11,697,366	10,504,547	1,192,819
0051	Facilities maintenance and operations	43,777,630	44,085,364	41,170,690	2,914,674
0052	Security and monitoring services	5,694,828	5,742,678	4,468,221	1,274,457
0053	Data processing services	7,332,036	7,408,999	6,778,567	630,432
0061	Community services	1,579,777	1,655,748	1,532,061	123,687
Intergovernmental:					
0091	Contracted instructional services between schools	255,078,805	160,127,463	166,111,660	(5,984,197)
0092	Incremental costs associated with Chapter 41	35,000	35,000	-	35,000
0093	Payments to fiscal agent/member district of SSA	55,000	55,000	52,500	2,500
0095	Payments to juvenile justice alternative ed. prg.	160,000	160,000	33,137	126,863
0099	Other intergovernmental charges	5,229,526	5,426,242	5,213,691	212,551
6030	Total expenditures	754,960,585	660,167,041	646,698,382	13,468,659
1100	Excess (deficiency) of revenues over (under) expenditures	(34,381,024)	(11,064,290)	17,150,534	28,214,824
OTHER FINANCING SOURCES (USES)					
7915	Transfers in	2,273,817	2,273,817	1,066,207	(1,207,610)
7919	Insurance recoveries	-	99,961	99,961	-
8911	Transfers out (use)	(1,459,563)	(1,467,059)	(1,112,859)	354,200
7080	Total other financing sources (uses)	814,254	906,719	53,309	(853,410)
1200	Net change in fund balances	(33,566,770)	(10,157,571)	17,203,843	27,361,414
0100	Fund balance - July 1 (beginning)	249,459,755	249,459,755	249,459,755	-
3000	FUND BALANCE - JUNE 30 (ENDING)	\$ 215,892,985	\$ 239,302,184	\$ 266,663,598	\$ 27,361,414

The Notes to the Required Supplementary Information are an integral part of this statement.

Plano Independent School District

Exhibit G-2

Schedule of the District's Proportionate Share of the Net Pension Liability Teacher Retirement System Last Six Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability (asset)	0.3352453%	0.3402698%	0.3256120%	0.3105818%	0.3282305%	0.2089994%
District's proportionate share of net pension liability (asset)	\$ 174,271,009	\$ 187,292,777	\$ 104,113,028	\$ 117,364,255	\$ 116,025,113	\$ 55,826,630
States proportionate share of the net pension liability (asset) associated with the District	<u>252,952,531</u>	<u>277,739,751</u>	<u>169,779,642</u>	<u>209,131,676</u>	<u>198,641,457</u>	<u>173,123,406</u>
TOTAL	<u>\$ 427,223,540</u>	<u>\$ 465,032,528</u>	<u>\$ 273,892,670</u>	<u>\$ 326,495,931</u>	<u>\$ 314,666,570</u>	<u>\$ 228,950,036</u>
District's covered payroll	\$ 369,522,881	\$ 362,360,271	\$ 352,238,059	\$ 341,031,000	\$ 329,056,036	\$ 316,362,498
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	47.16%	51.69%	29.56%	34.41%	35.26%	17.65%
Plan fiduciary net position as a percentage of the total pension liability	75.24%	73.74%	82.17%	83.25%	83.25%	83.25%

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

Plano Independent School District
 Schedule of the District Contributions
 Teacher Retirement System
 Last Six Fiscal Years

Exhibit G-3

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 8,030,901	\$ 7,737,725	\$ 7,234,141	\$ 6,762,839	\$ 5,992,793	\$ 5,822,171
Contribution in relation to the contractually required contribution	(8,030,901)	(7,737,725)	(7,234,141)	(6,762,839)	(5,992,793)	(5,822,171)
CONTRIBUTION DEFICIENCY (EXCESS)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 376,190,182	\$ 368,266,313	\$ 360,911,191	\$ 350,278,666	\$ 339,263,215	\$ 327,053,718
Contributions as a percentage of covered payroll	2.13%	2.10%	2.00%	1.93%	1.77%	1.78%

Note: GASB 68, Paragraph 81.2.b requires that the data in this schedule be presented as of the District's current fiscal year as opposed to the time period covered by the measurement date of September 1 - August 31.

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

Plano Independent School District**Exhibit G-4**Schedule of the District's Proportionate Share of the Net OPEB
Liability of a Cost-Sharing Multiple-Employer OPEB Plan
Teacher Retirement System
Last Three Fiscal Years*

	<u>2020</u>		<u>2019</u>		<u>2018</u>
District's proportion of the net OPEB liability	0.4194300%		0.4254291%		0.4171418%
District's proportionate share of the net OPEB liability	\$ 263,567,548	\$	212,420,665	\$	181,399,331
District's covered payroll	\$ 369,522,881	\$	362,360,271	\$	352,238,059
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	71.33%		58.62%		51.50%
Plan fiduciary net position as a percentage of the total OPEB liability	2.66%		1.57%		0.91%

*The amounts presented for the fiscal years were determined as of the Plan's fiscal year end, August 31 of the prior year.

Ten years of data is not available.

Plano Independent School District
 Schedule of the District's Contributions to the
 Teacher Retirement System OPEB Plan
 Last Three Fiscal Years*

Exhibit G-5

	<u>2020</u>	<u>2019</u>	<u>2018</u>
TRS			
Contractually required contributions	\$ 2,976,792	\$ 2,934,853	\$ 2,522,542
Contributions in relation to the contractually required contributions	<u>(2,976,792)</u>	<u>(2,934,853)</u>	<u>(2,522,542)</u>
CONTRIBUTION DEFICIENCY (EXCESS)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 376,190,182	\$ 368,266,313	\$ 360,911,191
Contributions as a percentage of covered payroll	0.79%	0.80%	0.70%

*The amounts presented for the fiscal years were determined as of the District's fiscal year end June 30.

Ten years of data is not available

Plano Independent School District

Notes to the Required Supplementary Information
Year Ended June 30, 2020

Note 1. Budgets

The District is required by state law to adopt an annual budget for the General Fund, presented on the modified accrual basis of accounting, which is consistent with GAAP. Annual budgets are also adopted for the Child Nutrition Program and the Debt Service Fund.

The following procedures are used in establishing the budgetary data reflected in the financial statements:

- A. Prior to June 30 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
- B. A meeting of the Board of Trustees is then called for the purpose of adopting the proposed budget after giving at least ten days and up to 30 days public notice of the meeting.
- C. Prior to July 1, the budget is legally enacted through passage of a resolution by the Board of Trustees.
- D. Budget data is filed with the Texas Education Agency as a part of the District's annual fall submission to the TEA Public Education Information Management System (PEIMS).

Once a budget is approved, it can be amended at the function and fund level only by approval of a majority of the members of the Board of Trustees. The function level is the legal level of budgetary control and the object level is the administrative level of control. Amendments are presented to the Board at its regular meetings. Each amendment crossing the function level must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board and are not made after fiscal year-end, as dictated by law.

Each budget is controlled by the budget director at the revenue and expenditure function/object level. Board approval is not required for amendments by department heads that move monies within a function. Budgeted amounts are as amended by the Board of Trustees. All budget appropriations lapse at year-end.

Note 2. Significant Items

Budget Amendments

During the year, numerous budget amendments are approved by the Board in order to redistribute the budget to align specific amounts to meet projected actual expenditures.

The Board also approves appropriations of fund balance to meet budgetary needs that may arise after the original budget is approved.

Plano Independent School District
 Notes to the Required Supplementary Information
 Year Ended June 30, 2020

Significant changes between the original and final budgets in the General Fund include the following:

Type of Revenue/Expenditure	Original Budget	Final Budget	Budget Amendments
Local revenues	\$ 668,268,431	\$ 607,399,629	\$ (60,868,802)
State program revenues	46,254,201	35,643,587	(10,610,614)
Contracted instructional services between schools	255,078,805	160,127,463	(94,951,342)

Local revenues and State program revenues budgets decreased by \$75 million due to the adoption of HB3. One of the financial components of HB3 was the compression of the school districts tax rate. This impact created a \$60.9 million reduction in Local revenues. Other HB3 changes and CARES Act Funding created an additional \$10.6 million reduction in State program revenues.

Contracted Instructional Services between Schools budget (recapture) was decreased by \$94.9 million due to funding formula changes related to the adoption of HB3.

Excess Expenditures

The Budgetary Comparison Schedule for the General Fund indicated no areas with an excess of expenditures over appropriations for the year ended June 30, 2020.

Total expenditures did not exceed the budget.

Pension Liability

Pension Changes of Benefit Terms

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

Pension Changes of Assumptions

There were no changes to the actuarial assumptions used in the determination of the Total Pension Liability during the measurement period. The single discount rate was a blended rate of 6.907% as of August 31, 2019, and that has changed to the long-term rate of return of 7.25% as of August 31, 2019. With the enactment of SB 3 by the 2019 Texas Legislature, an assumption has been made about how this would impact future salaries.

Plano Independent School District

Notes to the Required Supplementary Information
Year Ended June 30, 2020

Other Post Employment Benefits

OPEB Changes of Benefit Terms

There were no changes of benefit terms during the measurement period that affected measurement of the Total OPEB Liability.

OPEB Changes In Assumptions

The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB Liability (TOL) since the prior measurement period:

- The discount rate changed from 3.69 percent as of August 31, 2018, to 2.63 percent as of August 31, 2019. This change increased the Total OPEB Liability.
- The trend rates were reset to better reflect the plan's anticipated experience. This change increased the Total OPEB Liability.
- The participation rate for pre-65 retirees was lowered from 75 percent to 65 percent. The participation rate for post-65 retirees was lowered from 75 percent to 50 percent. Twenty-five percent of pre-65 retirees are assumed to discontinue their coverage at age 65. There was no lapse assumption in the prior valuation. These changes decreased the total OPEB Liability.
- The percentage of retirees who are assumed to have two-person coverage was lowered from 20 percent to 15 percent. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20 percent to 10 percent. These changes decreased the Total OPEB Liability.

Teamwork for Excellence



P L A N O
Independent School District

Combining and Individual Fund Statements and Schedules

Teamwork for Excellence



P L A N O
Independent School District

Plano Independent School District
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual – Debt Service Fund
 Year Ended June 30, 2020

Exhibit H-1

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)	
	Original	Final			
REVENUES					
5700	Total local and intermediate sources	\$ 151,449,442	\$ 151,449,442	\$ 151,388,536	\$ (60,906)
5800	Total state revenues	894,883	894,883	1,062,013	167,130
5020	Total revenues	152,344,325	152,344,325	152,450,549	106,224
EXPENDITURES					
Debt service:					
0071	Debt service - principal on long term debt	112,033,303	114,955,000	114,955,000	-
0072	Debt service - interest on long term debt	40,286,022	40,217,012	40,217,011	1
0073	Debt service - bond issuance cost and fees	25,000	165,000	160,141	4,859
6030	Total expenditures	152,344,325	155,337,012	155,332,152	4,860
1100	Deficiency of revenues under expenditures	-	(2,992,687)	(2,881,603)	111,084
OTHER FINANCING SOURCES (USES)					
7911	Refunding Bonds Issued	-	-	10,325,000	10,325,000
7916	Premium or Discount on Issuance of Bonds	-	-	630,255	630,255
8949	Payment to Bond Escrow Agent	-	-	(10,839,530)	(10,839,530)
7080	Total other financing sources (uses)	-	-	115,725	115,725
1200	Net change in fund balances	-	(2,992,687)	(2,765,878)	226,809
0100	Fund balance - July 1 (beginning)	38,981,369	38,981,369	38,981,369	-
3000	FUND BALANCE - JUNE 30 (ENDING)	\$ 38,981,369	\$ 35,988,682	\$ 36,215,491	\$ 226,809

Plano Independent School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

<u>Data Control Codes</u>	240 National Breakfast and Lunch Program	289 Other Federal Special Revenue Funds	379 Other Federal SSA Special Revenue Funds	
ASSETS				
1110	Cash and investments	\$ 4,634,653	\$ 37,383	\$ -
1240	Due from other governments	6	4,758,997	50,095
1250	Accrued interest	3,493	-	-
1260	Due from other funds	-	-	-
1290	Other receivables	20,406	-	-
1300	Inventories	624,010	-	-
1000	TOTAL ASSETS	\$ 5,282,568	\$ 4,796,380	\$ 50,095
LIABILITIES AND FUND BALANCES				
Liabilities:				
2110	Accounts payable	\$ 328,170	\$ 39,288	\$ -
2160	Accrued wages payable	262,480	1,994,860	31,274
2170	Due to other funds	-	2,683,540	18,821.00
2180	Due to other governments	-	-	-
2300	Unearned revenues	888,680	78,692	-
2000	Total liabilities	1,479,330	4,796,380	50,095
Fund balances:				
Non spendable				
3410	Investments in inventory	624,010	-	-
Restricted				
3450	Food services	3,179,228	-	-
3450	State special revenue	-	-	-
Committed				
3545	Local special revenue	-	-	-
3000	Total fund balances	3,803,238	-	-
4000	TOTAL LIABILITIES AND FUND BALANCES	\$ 5,282,568	\$ 4,796,380	\$ 50,095

410 Instructional Materials Allotment	429 Other State Special Revenue Funds	459 Other SSA Special Revenue Funds	499 Other Local Special Revenue Funds	Total Nonmajor Governmental Funds
\$ 595,065	\$ 690,055	\$ 320,843	\$ 10,480,157	\$ 16,758,156
8,874,187	23,903	500,419	-	14,207,607
-	-	-	1,511	5,004
-	-	-	250	250
-	-	-	125,736	146,142
-	-	-	-	624,010
<u>\$ 9,469,252</u>	<u>\$ 713,958</u>	<u>\$ 821,262</u>	<u>\$ 10,607,654</u>	<u>\$ 31,741,169</u>
\$ 218,986	\$ 16,328	\$ 621	\$ 150,442	\$ 753,835
-	15,080	670,067	7,770	2,981,531
-	-	-	250	2,702,611
-	-	-	1,640	1,640
8,874,187	450,860	150,574	138,893	10,581,886
9,093,173	482,268	821,262	298,995	17,021,503
-	-	-	-	624,010
-	-	-	-	3,179,228
376,079	231,690	-	-	607,769
-	-	-	10,308,659	10,308,659
376,079	231,690	-	10,308,659	14,719,666
<u>\$ 9,469,252</u>	<u>\$ 713,958</u>	<u>\$ 821,262</u>	<u>\$ 10,607,654</u>	<u>\$ 31,741,169</u>

Plano Independent School District

Combining Statement of Revenues, Expenditures And Changes In Fund Balances – Nonmajor Governmental Funds Year Ended June 30, 2020

<u>Data Control Codes</u>	240 National Breakfast and Lunch Program	289 Other Federal Special Revenue Funds	379 Other Federal SSA Special Revenue Funds	
REVENUES				
5700	Total local and intermediate sources	\$ 9,105,439	\$ 2,338	\$ -
5800	State program revenues	677,498	-	-
5900	Federal program revenues	8,980,081	19,103,669	315,485
5020	Total revenues	18,763,018	19,106,007	315,485
EXPENDITURES				
Current:				
0011	Instruction	-	13,473,021	292,148
0012	Instructional resources and media services	-	17,677	-
0013	Curriculum and instructional staff development	-	2,147,977	-
0021	Instructional leadership	-	353,667	-
0023	School leadership	-	103,915	-
0031	Guidance, counseling and evaluation services	-	535,465	12,757
0032	Social work services	-	69,748	-
0033	Health services	-	100,718	-
0034	Student (pupil) transportation	-	54,640	-
0035	Food services	22,987,726	1,110,362	-
0036	Extracurricular activities	-	28,211	-
0041	General administration	2,037	3,057	-
0051	Facilities maintenance and operations	-	-	-
0052	Security and monitoring services	-	483	-
0053	Data processing services	-	-	-
0061	Community services	-	611,370	10,580
Intergovernmental:				
0093	Payments to fiscal agent/member districts of SSA	-	895,126	-
6030	Total expenditures	22,989,763	19,505,437	315,485
1100	Excess (deficiency) of revenues over (under) expenditures	(4,226,745)	(399,430)	-
OTHER FINANCING SOURCES				
7915	Transfers in	-	399,430	-
8911	Transfers Out	-	-	-
7080	Total other financing sources	-	399,430	-
1200	Net change in fund balance	(4,226,745)	-	-
0100	Fund balance - July 1 (beginning)	8,029,983	-	-
3000	FUND BALANCE - JUNE 30 (ENDING)	\$ 3,803,238	\$ -	\$ -

410 Instructional Materials Allotment	429 Other State Special Revenue Funds	459 Other SSA Special Revenue Funds	499 Other Local Special Revenue Funds	Total Nonmajor Governmental Funds
\$ 32,648	\$ -	\$ 52,663	\$ 6,713,059	\$ 15,906,147
2,305,943	171,048	4,519,522	-	7,674,011
-	-	-	-	28,399,235
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
2,338,591	171,048	4,572,185	6,713,059	51,979,393
8,882,320	36,597	4,299,496	839,260	27,822,842
-	177	-	88,878	106,732
-	47,917	3,164	132,387	2,331,445
-	3,090	5,502	3,148	365,407
-	339	-	182,441	286,695
-	49,935	5,499	177,167	780,823
-	-	-	-	69,748
-	-	-	844	101,562
-	-	-	-	54,640
-	-	-	133	24,098,221
-	-	26,386	2,956,272	3,010,869
-	-	-	174,445	179,539
-	16,328	-	73,693	90,021
-	-	-	168,564	169,047
-	-	-	105,000	105,000
-	15,435	232,138	15,303	884,826
-	-	-	-	895,126
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8,882,320	169,818	4,572,185	4,917,535	61,352,543
(6,543,729)	1,230	-	1,795,524	(9,373,150)
-	-	-	42,473	441,903
-	-	-	(111,644)	(111,644)
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
-	-	-	(69,171)	330,259
(6,543,729)	1,230	-	1,726,353	(9,042,891)
6,919,808	230,460	-	8,582,306	23,762,557
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\$ 376,079	\$ 231,690	\$ -	\$ 10,308,659	\$ 14,719,666

Plano Independent School District

Exhibit H-4

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – National Breakfast and Lunch Program
Year Ended June 30, 2020

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)	
	Original	Final			
REVENUES					
5700	Total local and intermediate sources	\$ 13,398,669	\$ 13,398,669	\$ 9,105,439	\$ (4,293,230)
5800	State program revenues	622,000	622,000	677,498	55,498
5900	Federal program revenues	11,838,711	11,838,711	8,980,081	(2,858,630)
5020	Total revenues	25,859,380	25,859,380	18,763,018	(7,096,362)
EXPENDITURES					
0035	Food services	25,685,152	27,551,934	22,987,726	4,564,208
0041	General administration	16,133	16,133	2,037	14,096
0051	Facilities maintenance and operations	480,000	480,000	-	480,000
6030	Total expenditures	26,181,285	28,048,067	22,989,763	5,058,304
1100	Excess (deficiency) of revenues over expenditures	(321,905)	(2,188,687)	(4,226,745)	(2,038,058)
0100	Fund balance - July 1 (beginning)	8,029,983	8,029,983	8,029,983	-
3000	FUND BALANCE - JUNE 30 (ENDING)	<u>\$ 7,708,078</u>	<u>\$ 5,841,296</u>	<u>\$ 3,803,238</u>	<u>\$ (2,038,058)</u>

Plano Independent School District
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2020

Exhibit H-5

	<u>Employee Child Care</u>	<u>After School Care</u>	<u>Concessions</u>	<u>Photography</u>	<u>Total Nonmajor Enterprise Funds</u>
ASSETS					
Current assets:					
Cash and investments	\$ 164,543	\$ 231,260	\$ 6,164	\$ 19,854	\$ 421,821
Accrued interest	-	179	5	15	199
Other receivables	-	16,895	-	-	16,895
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total current assets	164,543	248,334	6,169	19,869	438,915
Noncurrent assets:					
Capital assets:					
Furniture and equipment	9,245	-	5,445	-	14,690
Depreciation on furniture and equipment	(2,642)	-	(5,445)	-	(8,087)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total noncurrent assets	6,603	-	-	-	6,603
Total assets	171,146	248,334	6,169	19,869	445,518
LIABILITIES					
Current liabilities:					
Accounts payable	3,605	228,398	353	-	232,356
Accrued wages payable	93,374	9,666	3,894	-	106,934
Unearned revenues	-	10,271	-	-	10,271
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	96,979	248,335	4,247	-	349,561
NET POSITION					
Investments in capital assets	6,603	-	-	-	6,603
Unrestricted net position	67,564	(1)	1,922	19,869	89,354
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL NET POSITION	<u>\$ 74,167</u>	<u>\$ (1)</u>	<u>\$ 1,922</u>	<u>\$ 19,869</u>	<u>\$ 95,957</u>

Plano Independent School District

Exhibit H-6

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
 Nonmajor Enterprise Funds
 Year Ended June 30, 2020

	<u>Employee Child Care</u>	<u>After School Care</u>	<u>Concessions</u>	<u>Photography</u>	<u>Total Nonmajor Enterprise Funds</u>
OPERATING REVENUES					
Local and intermediate sources	\$ 1,197,936	\$ 5,985,560	\$ 200,011	\$ -	\$ 7,383,507
Total operating revenues	1,197,936	5,985,560	200,011	-	7,383,507
OPERATING EXPENSES					
Payroll costs	1,454,705	4,119,170	102,645	-	5,676,520
Professional and contracted services	96,604	27,434	1,090	-	125,128
Supplies and materials	26,612	101,908	105,621	-	234,141
Other operating costs	140,969	811,452	34,045	-	986,466
Total operating expenses	1,718,890	5,059,964	243,401	-	7,022,255
Operating income (loss)	(520,954)	925,596	(43,390)	-	361,252
NON OPERATING REVENUES (EXPENSES)					
Earnings from temporary deposits and investments	-	28,966	-	331	29,297
Total non operating revenues (expenses)	-	28,966	-	331	29,297
Income (loss) before transfers	(520,954)	954,562	(43,390)	331	390,549
Transfers in	520,956	-	-	-	520,956
Transfers out	-	(954,563)	-	-	(954,563)
Change in net position	2	(1)	(43,390)	331	(43,058)
Total net position - July 1 (beginning)	74,165	-	45,312	19,538	139,015
TOTAL NET POSITION - JUNE 30 (ENDING)	\$ 74,167	\$ (1)	\$ 1,922	\$ 19,869	\$ 95,957

Plano Independent School District
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended June 30, 2020

Exhibit H-7

	Employee Child Care	After School Care	Concessions	Photography	Total Nonmajor Enterprise Funds
CASH FLOW FROM OPERATING ACTIVITIES					
Cash received from user charges	\$ 1,197,936	\$ 5,886,973	\$ 200,011	\$ -	\$ 7,284,920
Cash payments to employees for services	(1,454,957)	(4,159,984)	(102,467)	-	(5,717,408)
Cash payments for suppliers	(123,870)	(126,924)	(106,708)	-	(357,502)
Cash payments for other operating expenses	(139,648)	(811,452)	(34,045)	-	(985,145)
Net cash provided by (used for) operating activities	(520,539)	788,613	(43,209)	-	224,865
CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES					
Transfers in	520,956	-	-	-	520,956
Transfers out	-	(954,563)	-	-	(954,563)
Net cash provided by (used for) non-capital financing activities	520,956	(954,563)	-	-	(433,607)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sales and maturities of investments	-	6,144	-	-	6,144
Purchase of Investment Securities	-	-	(3,553)	(3,725)	(7,278)
Interest and dividends on investments	-	28,787	-	316	29,103
Net cash provided by (used for) investing activities	-	34,931	(3,553)	(3,409)	27,969
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	417	(131,019)	(46,762)	(3,409)	(180,773)
Cash and cash equivalents at beginning of the year	164,126	326,553	49,378	18,999	559,056
Cash and cash equivalents at the end of the year	164,543	195,534	2,616	15,590	378,283
Temporary investment not in cash equivalents	-	35,726	3,548	4,264	43,538
Cash on statement of net position	\$ 164,543	\$ 231,260	\$ 6,164	\$ 19,854	\$ 421,821
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES					
Operating income (loss)	\$ (520,954)	\$ 925,596	\$ (43,390)	\$ -	\$ 361,252
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities					
Effect of increases and decreases in current Assets and liabilities					
Decrease (increase) in receivables	-	37,963	-	-	37,963
Decrease (increase) in prepaid expenses	1,321	-	-	-	1,321
Increase (decrease) in accounts payable	(654)	2,418	3	-	1,767
Increase (decrease) in accrued wages payable	(252)	(40,814)	178	-	(40,888)
Increase (decrease) in unearned revenues	-	(136,550)	-	-	(136,550)
Net cash provided by (used for) operating activities	\$ (520,539)	\$ 788,613	\$ (43,209)	\$ -	\$ 224,865

Plano Independent School District
Combining Statement of Net Position
Internal Service Funds
June 30, 2020

	752	753
	<u>Print Shop</u>	<u>Health Benefits</u>
ASSETS		
Current assets:		
Cash and investments	\$ 492,910	840,574
Accrued interest	368	628
Other receivables	-	1,158
Unearned expenses	-	315,660
	<hr/>	<hr/>
Total current assets	493,278	1,158,020
Noncurrent assets:		
Capital assets:		
Furniture and equipment	14,944	-
Depreciation on furniture and equipment	(14,944)	-
	<hr/>	<hr/>
Total noncurrent assets	-	-
Total assets	493,278	1,158,020
LIABILITIES		
Current liabilities		
Accounts payable	160	20,595
Accrued wages payable	5,272	-
Accrued expenses	-	119,947
Unearned Revenue	-	-
	<hr/>	<hr/>
Total liabilities	5,432	140,542
NET POSITION		
Investments in capital assets	-	-
Unrestricted net position	487,846	1,017,478
	<hr/>	<hr/>
TOTAL NET POSITION	<u>\$ 487,846</u>	<u>\$ 1,017,478</u>

772 Workers' Compensation Self-Funded	773 Unemployment Self-Funded	775 Sign Shop	786 Insurance Claims Self-Funded	Total Internal Service Funds
\$ 2,810,188	\$ 693,405	\$ 253,453	\$ 29,254	\$ 5,119,784
2,099	462	189	-	3,746
-	-	-	878	2,036
-	-	-	-	315,660
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
2,812,287	693,867	253,642	30,132	5,441,226
-	-	16,430	-	31,374
-	-	(9,858)	-	(24,802)
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
-	-	6,572	-	6,572
2,812,287	693,867	260,214	30,132	5,447,798
-	-	-	2,141	22,896
-	-	-	-	5,272
2,374,000	650,000	-	15,034	3,158,981
-	-	-	878	878
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
2,374,000	650,000	-	18,053	3,188,027
-	-	6,572	-	6,572
438,287	43,867	253,642	12,079	2,253,199
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 438,287	\$ 43,867	\$ 260,214	\$ 12,079	\$ 2,259,771

Plano Independent School District

Combining Statement of Revenues, Expenses And Changes In Fund Net Position

Internal Service Funds

Year Ended June 30, 2020

	752	753
	<u>Print Shop</u>	<u>Health Benefits</u>
OPERATING REVENUES		
Local and intermediate services	\$ 1,015,786	\$ 36,071,278
Total operating revenues	<u>1,015,786</u>	<u>36,071,278</u>
OPERATING EXPENSES		
Payroll costs	347,649	438,376
Professional and contracted services	359,300	156,768
Supplies and materials	264,518	8,513
Depreciation	-	-
Other operating costs	-	35,947,755
Total operating expenses	<u>971,467</u>	<u>36,551,412</u>
Operating income (loss)	<u>44,319</u>	<u>(480,134)</u>
NON OPERATING REVENUES (EXPENSES)		
Earnings from temporary deposits and investments	10,009	-
Insurance recovery	-	-
Total non operating revenues (expenses)	<u>10,009</u>	<u>-</u>
Income (loss) before transfers	54,328	(480,134)
Transfers in	-	-
Total transfers	-	-
Change in net position	54,328	(480,134)
Total net position - July 1 (beginning)	<u>433,518</u>	<u>1,497,612</u>
TOTAL NET POSITION - JUNE 30 (ENDING)	<u>\$ 487,846</u>	<u>\$ 1,017,478</u>

772 Workers' Compensation Self-Funded	773 Unemployment Self-Funded	775 Sign Shop	786 Insurance Claims Self-Funded	Total Internal Service Funds
\$ 2,904,575	\$ -	\$ 3,838	\$ 16,946	\$ 40,012,423
<u>2,904,575</u>	<u>-</u>	<u>3,838</u>	<u>16,946</u>	<u>40,012,423</u>
481,356	-	442	-	1,267,823
1,437,127	-	-	195,574	2,148,769
33,859	-	12,253	9,796	328,939
-	-	1,643	-	1,643
<u>605,002</u>	<u>378,871</u>	<u>-</u>	<u>-</u>	<u>36,931,628</u>
<u>2,557,344</u>	<u>378,871</u>	<u>14,338</u>	<u>205,370</u>	<u>40,678,802</u>
<u>347,231</u>	<u>(378,871)</u>	<u>(10,500)</u>	<u>(188,424)</u>	<u>(666,379)</u>
37,746	10,509	4,301	398	62,963
-	-	-	97,563	97,563
<u>37,746</u>	<u>10,509</u>	<u>4,301</u>	<u>97,961</u>	<u>160,526</u>
384,977	(368,362)	(6,199)	(90,463)	(505,853)
<u>-</u>	<u>75,000</u>	<u>-</u>	<u>75,000</u>	<u>150,000</u>
-	75,000	-	75,000	150,000
384,977	(293,362)	(6,199)	(15,463)	(355,853)
<u>53,310</u>	<u>337,229</u>	<u>266,413</u>	<u>27,542</u>	<u>2,615,624</u>
<u>\$ 438,287</u>	<u>\$ 43,867</u>	<u>\$ 260,214</u>	<u>\$ 12,079</u>	<u>\$ 2,259,771</u>

Plano Independent School District
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2020

	752	753
	<u>Print Shop</u>	<u>Health Benefits Self-Funded</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Cash received from user charges	\$ 1,021,840	\$ 36,110,153
Cash payments to employees for services	(351,477)	(439,549)
Cash payments for insurance claims	-	-
Cash payments for suppliers	(624,716)	(148,506)
Cash payments for other operating expenses	-	(36,074,347)
	<u>45,647</u>	<u>(552,249)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Transfers in	-	-
Insurance proceeds	-	-
	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment securities	(95,570)	(192,038)
Interest and dividends on investments	9,641	-
	<u>(85,929)</u>	<u>(192,038)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS:	(40,282)	(744,287)
Cash and cash equivalents at beginning of the year	437,622	1,393,451
Cash and cash equivalents at the end of the year	397,340	649,164
Temporary investment not in cash equivalents	95,570	191,410
CASH ON STATEMENT OF NET POSITION	<u>\$ 492,910</u>	<u>\$ 840,574</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:		
Operating income (loss)	\$ 44,319	\$ (480,134)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities		
Depreciation	-	-
Effect of increases and decreases in current assets and liabilities		
Decrease (increase) in receivables	6,054	(791)
Decrease (increase) in prepaid expenses	-	(127,765)
Increase (decrease) in accounts payable	(898)	16,775
Increase (decrease) in accrued wages payable	(3,828)	-
Increase (decrease) in unearned revenue	-	-
Increase (decrease) in accrued expenses	-	39,666
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$ 45,647</u>	<u>\$ (552,249)</u>

772	773	775	786	
Workers' Compensation Self - Funded	Unemployment Self-Funded	Sign Shop	Insurance Claims Self-Funded	Total Internal Service Funds
\$ 2,978,575	\$ -	\$ 3,838	\$ 16,946	\$ 40,131,352
(481,516)	-	(442)	-	(1,272,984)
-	(26,863)	-	-	(26,863)
(1,471,008)	-	(12,253)	(241,652)	(2,498,135)
(605,002)	-	-	-	(36,679,349)
<u>421,049</u>	<u>(26,863)</u>	<u>(8,857)</u>	<u>(224,706)</u>	<u>(345,979)</u>
-	75,000	-	75,000	150,000
-	-	-	97,563	97,563
-	75,000	-	172,563	247,563
(402,029)	(135,326)	(50,607)	(8,172)	(883,742)
35,647	10,047	4,112	432	59,879
<u>(366,382)</u>	<u>(125,279)</u>	<u>(46,495)</u>	<u>(7,740)</u>	<u>(823,863)</u>
54,667	(77,142)	(55,352)	(59,883)	(922,279)
<u>2,353,492</u>	<u>635,221</u>	<u>258,198</u>	<u>80,999</u>	<u>5,158,983</u>
2,408,159	558,079	202,846	21,116	4,236,704
402,029	135,326	50,607	8,138	883,080
<u>\$ 2,810,188</u>	<u>\$ 693,405</u>	<u>\$ 253,453</u>	<u>\$ 29,254</u>	<u>\$ 5,119,784</u>
\$ 347,231	\$ (378,871)	\$ (10,500)	\$ (188,424)	\$ (666,379)
-	-	1,643	-	1,643
-	-	-	(878)	4,385
-	-	-	-	(127,765)
(22)	(9,158)	-	1,860	8,557
(160)	-	-	-	(3,988)
-	-	-	878	878
74,000	361,166	-	(38,142)	436,690
<u>\$ 421,049</u>	<u>\$ (26,863)</u>	<u>\$ (8,857)</u>	<u>\$ (224,706)</u>	<u>\$ (345,979)</u>

Plano Independent School District
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
Year Ended June 30, 2020

Exhibit H-11

	<u>Balance July 1 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30 2020</u>
STUDENT ACTIVITY FUNDS				
Assets:				
Cash and temporary investments	\$ 337,004	\$ 95,128	\$ 92,097	\$ 340,035
Accrued interest	-	131	-	131
Other receivables	3,264	2,983	-	6,247
TOTAL ASSETS	<u>\$ 340,268</u>	<u>\$ 98,242</u>	<u>\$ 92,097</u>	<u>\$ 346,413</u>
Liabilities:				
Accounts payable	\$ -	\$ 91,594	\$ 91,209	\$ 385
Accrued wages	-	-	-	-
Due to student groups	340,268	27,073	15,298	352,043
TOTAL LIABILITIES	<u>\$ 340,268</u>	<u>\$ 118,667</u>	<u>\$ 106,507</u>	<u>\$ 352,428</u>
OTHER AGENCY FUNDS				
Assets:				
Cash and temporary investments	\$ 136,722	\$ 695,286	\$ 824,512	\$ 7,496
Other receivables	912,274	-	885,819	26,455
TOTAL ASSETS	<u>\$ 1,048,996</u>	<u>\$ 695,286</u>	<u>\$ 1,710,331</u>	<u>\$ 33,951</u>
Liabilities:				
Accounts payable	\$ 31,071	\$ 792,871	\$ 823,942	\$ -
Due to other groups	1,017,925	24,995	1,014,984	27,936
TOTAL LIABILITIES	<u>\$ 1,048,996</u>	<u>\$ 817,866</u>	<u>\$ 1,838,926</u>	<u>\$ 27,936</u>
TOTAL AGENCY FUNDS				
Assets:				
Cash and temporary investments	\$ 473,726	\$ 790,414	\$ 916,609	\$ 347,531
Accrued interest	-	131	-	131
Other receivables	915,538	2,983	885,819	32,702
TOTAL ASSETS	<u>\$ 1,389,264</u>	<u>\$ 793,528</u>	<u>\$ 1,802,428</u>	<u>\$ 380,364</u>
Liabilities:				
Accounts payable	\$ 31,071	\$ 884,465	\$ 915,151	\$ 385
Due to other groups	1,017,925	24,995	1,014,984	27,936
Due to student groups	340,268	27,073	15,298	352,043
TOTAL LIABILITIES	<u>\$ 1,389,264</u>	<u>\$ 936,533</u>	<u>\$ 1,945,433</u>	<u>\$ 380,364</u>

**Required
Texas Education Agency
Report Section**

Plano Independent School District
 Schedule of Delinquent Taxes Receivable
 Year Ended June 30, 2020

Last 10 Years Ended June 30	Tax Rates		Assessed/Appraised Value for School Tax Purposes	Beginning Balance July 1, 2019
	Maintenance	Debt Service		
2011 and prior years	1.0400	0.2884	\$ 34,765,694,294	\$ 1,379,514
2012	1.0400	0.3334	34,342,959,439	377,230
2013	1.0400	0.3334	34,842,341,548	378,978
2014	1.1700	0.2830	36,441,999,880	454,984
2015	1.1700	0.2780	38,873,800,924	505,111
2016	1.1700	0.2690	41,496,244,736	505,574
2017	1.1700	0.2690	45,916,580,666	699,074
2018	1.1700	0.2690	51,009,463,132	943,768
2019	1.1700	0.2690	55,276,539,669	5,511,665
2020	1.0684	0.2690	58,604,964,303	-
TOTALS				\$ 10,755,898

Exhibit J-1

Current Year's Total Levy	Maintenance Collections	Debt Service Collections	Entire Year's Adjustments	Ending Balance June 30, 2020
\$ -	\$ 28,983	\$ 7,088	\$ (519,077)	\$ 824,366
-	9,087	2,913	(1)	365,229
-	14,361	4,604	1	360,014
-	25,906	6,266	(44,572)	378,240
-	122,378	29,078	103,890	457,545
-	125,805	28,924	93,982	444,827
-	84,275	19,376	14,385	609,808
-	(777,064)	(178,658)	(1,140,746)	758,744
-	20,354	4,680	(4,344,656)	1,141,975
754,903,434	597,330,220	150,401,857	925,128	8,096,485
\$ 754,903,434	\$ 596,984,305	\$ 150,326,128	\$ (4,911,666)	\$ 13,437,233
Ending balance 6/30/2020				\$ 13,437,233
Add - county education district taxes receivable				464
Total delinquent taxes receivable 6/30/2020				13,437,697
Less reserve for uncollectible taxes:				
General fund				(3,344,308)
Debt service fund				(869,785)
NET DELINQUENT BALANCE 6/30/2020				\$ 9,223,604

Teamwork for Excellence



P L A N O
Independent School District

Statistical Section

(Unaudited)

This section of the Plano Independent School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, notes, and required supplementary information says about the District's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well - being have changed over time.	107
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, property taxes.	115
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the ability to issue additional debt in the future.	119
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	122
Operational Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and activities it performs.	125

Source: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Teamwork for Excellence



P L A N O
Independent School District

Plano Independent School District
Net Position By Component
Last Ten Fiscal Years
(Unaudited)
(Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

Exhibit S-1

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Governmental Activities										
Net investment in capital assets	\$ 41,667	\$ 74,007	\$ 97,719	\$ 120,499	\$ 159,052	\$ 216,679	\$ 257,190	\$ 302,392	\$ 374,870	\$ 452,250
Restricted	29,387	27,478	26,912	29,242	31,230	31,349	35,304	33,742	40,258	29,051
Unrestricted	164,593	180,777	169,663	180,980	131,642	136,396	160,169	(80,584)	(92,052)	(100,950)
Total Governmental Net Assets	<u>\$ 235,647</u>	<u>\$ 282,262</u>	<u>\$ 294,294</u>	<u>\$ 330,721</u>	<u>\$ 321,924</u>	<u>\$ 384,424</u>	<u>\$ 452,663</u>	<u>\$ 255,550</u>	<u>\$ 323,076</u>	<u>\$ 380,351</u>
Business Type Activities										
Net investment in capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9	\$ 8	\$ 7
Restricted										
Unrestricted	12	46	98	129	257	195	247	171	131	89
Total Business Type Activities	<u>\$ 12</u>	<u>\$ 46</u>	<u>\$ 98</u>	<u>\$ 129</u>	<u>\$ 257</u>	<u>\$ 195</u>	<u>\$ 247</u>	<u>\$ 180</u>	<u>\$ 139</u>	<u>\$ 96</u>
Total Primary Government										
Net investment in capital assets	\$ 41,667	\$ 74,007	\$ 97,719	\$ 120,499	\$ 159,052	\$ 216,679	\$ 257,190	\$ 302,401	\$ 374,878	\$ 452,257
Restricted	29,387	27,478	26,912	29,242	31,230	31,349	35,304	33,742	40,258	29,051
Unrestricted	164,605	180,823	169,761	181,109	131,899	136,591	160,416	(80,413)	(91,921)	(100,861)
Total Primary Government	<u>\$ 235,659</u>	<u>\$ 282,308</u>	<u>\$ 294,392</u>	<u>\$ 330,850</u>	<u>\$ 322,181</u>	<u>\$ 384,619</u>	<u>\$ 452,910</u>	<u>\$ 255,730</u>	<u>\$ 323,215</u>	<u>\$ 380,447</u>

Plano Independent School District
Change In Net Position
Last Ten Fiscal Years
(Unaudited)
(Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
Instruction	\$ 318,948	\$ 306,009	\$ 308,433	\$ 316,344	\$ 333,944	\$ 356,164	\$ 350,044	\$ 257,538	\$ 404,319	\$ 421,601
Instructional Resources & Media Services	9,511	8,278	8,761	8,882	9,195	9,632	9,436	6,368	8,414	10,571
Curriculum & Instructional Staff Development	9,638	8,165	8,252	7,440	8,412	8,558	9,826	7,803	13,039	12,382
Instructional Leadership	4,147	3,652	3,652	3,383	3,818	3,990	3,934	2,858	4,479	6,176
School Leadership	24,110	23,056	23,870	24,812	26,673	28,508	28,586	20,758	32,716	34,269
Guidance, Counseling & Evaluation Services	18,272	17,093	18,353	18,481	19,459	21,460	21,670	15,505	25,736	26,789
Social Work Services	1,082	819	868	914	1,008	1,103	1,650	1,248	2,522	2,923
Health Services	5,111	5,024	5,145	5,306	5,791	6,059	5,991	4,253	6,750	7,330
Student (Pupil) Transportation	7,378	11,881	9,373	14,222	13,327	14,050	11,882	11,970	18,467	18,964
Food Services	22,352	23,671	23,900	24,492	26,341	26,748	27,428	20,423	28,979	27,051
Cocurricular/Extracurricular Activities	9,122	8,795	14,104	13,817	14,470	13,891	15,092	13,628	16,450	12,899
General Administration	9,240	8,862	9,864	9,803	10,179	10,822	10,727	8,893	11,721	12,407
Plant Maintenance & Operations	43,993	42,655	43,143	39,577	40,207	46,844	55,405	51,573	54,453	44,141
Security & Monitoring Services	2,245	3,462	3,505	3,390	3,475	3,795	3,722	3,618	4,490	5,223
Data Processing Services	5,272	6,496	5,318	5,332	5,825	5,652	4,175	6,461	7,990	8,316
Community Services	2,245	2,336	2,097	1,826	2,330	2,544	2,607	1,395	3,146	3,944
Debt Service - Interest on Long Term Debt	43,932	43,019	41,082	38,771	42,035	30,990	29,550	31,147	27,791	27,246
Debt Service - Bond Issuance Cost and Fees	490	35	33	308	192	3,893	553	327	109	160
Facilities Acquisition & Construction	23,308	15,960	18,431	13,684	13,728	16,046	18,346	27,889	23,914	10,449
Contracted Instructional Services Between Schools	28,998	39,584	24,960	36,016	46,604	60,149	104,686	157,110	211,183	166,112
Incremental Costs Associated with Chapter 41	444	600	600	600	600	400	584	1,249	28	-
Payments to Fiscal Agent/Member Districts of SSA	834	634	755	999	1,000	993	1,060	1,119	734	947
Payments to Juvenile Justice Alternative Ed. Prg.	103	90	212	118	49	88	28	70	60	33
Payments to Tax Increment Fund	8,912	2,594	2,978	1,875	3,378	597	-	-	-	-
Other Intergovernmental Charges	2,450	2,247	2,388	2,632	2,823	3,301	3,558	3,332	4,903	5,213
Total governmental activities expenses	602,137	585,017	580,077	593,024	634,863	676,277	720,540	656,535	912,393	865,146
Business-type activities:										
Employee Child Care	714	752	1,194	1,219	1,226	1,375	1,381	1,504	1,829	1,719
After School Care	4,932	4,804	4,814	4,966	5,644	5,779	5,945	5,958	5,568	5,060
Concessions	243	223	231	211	325	297	270	249	219	243
Photography	41	55	44	42	34	31	-	-	-	-
Total business-type activities expenses	5,930	5,834	6,283	6,438	7,229	7,482	7,596	7,711	7,616	7,022
Total primary government expenses	\$ 608,067	\$ 590,851	\$ 586,360	\$ 599,462	\$ 642,092	\$ 683,759	\$ 728,136	\$ 664,246	\$ 920,009	\$ 872,168

Plano Independent School District
Change In Net Position-- Continued
Last Ten Fiscal Years
(Unaudited)
(Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

Program Revenues

Governmental activities:

Charges for Services:

Instruction	\$ 4,367	\$ 4,433	\$ 3,889	\$ 3,761	\$ 3,768	\$ 3,536	\$ 3,658	\$ 3,614	\$ 3,617	\$ 2,520
Food Service	12,682	12,931	13,013	13,659	13,357	13,315	13,612	12,909	12,270	9,008
Cocurricular/Extracurricular Activities	1,425	1,468	1,554	1,612	1,793	1,618	1,568	1,451	1,312	1,052
Plant Maintenance & Operations	928	935	957	979	1,069	1,080	1,085	1,016	1,265	963
Community Services	81	61	33	11	6	5	6	15	15	7
Other	144	124	150	142	97	64	83	68	48	26
Operating Grants and Contributions	86,767	61,521	62,621	68,323	84,554	82,106	70,958	(10,068)	110,188	116,591
Capital Grants and Contributions	615	11,500	-	-	-	-	-	-	-	-
Total governmental activities program revenues	107,009	92,973	82,217	88,487	104,644	101,724	90,970	9,005	128,715	130,167

Business-type activities:

Charges for services:

Employee Child Care	726	776	1,095	1,273	1,355	1,383	1,413	1,435	1,396	1,198
After School Care	6,960	7,074	7,207	7,542	8,165	7,968	8,346	8,559	8,338	5,986
Concessions	234	252	262	228	347	263	290	238	178	200
Photography	43	60	64	56	40	2	-	-	-	-
Total business-type activities program revenues	7,963	8,162	8,628	9,099	9,907	9,616	10,049	10,232	9,912	7,384
Total primary government program revenues	\$ 114,972	\$ 101,135	\$ 90,845	\$ 97,586	\$ 114,551	\$ 111,340	\$ 101,019	\$ 19,237	\$ 138,627	\$ 137,551

Net (Expense) Revenue

Governmental activities	\$ (495,128)	\$ (492,045)	\$ (497,860)	\$ (504,537)	\$ (530,219)	\$ (574,553)	\$ (629,569)	\$ (647,530)	\$ (783,678)	\$ (734,979)
Business-type activities	2,033	2,328	2,345	2,661	2,678	2,134	2,453	2,521	2,296	362
Total primary government net expense	\$ (493,095)	\$ (489,717)	\$ (495,515)	\$ (501,876)	\$ (527,541)	\$ (572,419)	\$ (627,116)	\$ (645,009)	\$ (781,382)	\$ (734,617)

Plano Independent School District
Change In Net Position-- Continued
Last Ten Fiscal Years
(Unaudited)
(Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

Exhibit S-2
Page 3 of 3

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net (Expense) Revenue										
Governmental activities	\$ (495,128)	\$ (492,045)	\$ (497,860)	\$ (504,537)	\$ (530,219)	\$ (574,553)	\$ (629,569)	\$ (647,530)	\$ (783,678)	\$ (734,979)
Business-type activities	2,033	2,328	2,345	2,661	2,678	2,134	2,453	2,521	2,296	362
Total primary government net expense	<u>\$ (493,095)</u>	<u>\$ (489,717)</u>	<u>\$ (495,515)</u>	<u>\$ (501,876)</u>	<u>\$ (527,541)</u>	<u>\$ (572,419)</u>	<u>\$ (627,116)</u>	<u>\$ (645,009)</u>	<u>\$ (781,382)</u>	<u>\$ (734,617)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property taxes levied for general purposes	339,532	344,781	351,218	412,190	439,832	475,671	520,714	576,691	622,386	600,670
Property taxes levied for debt service	104,420	112,694	114,865	101,575	106,235	109,451	119,707	132,536	143,025	151,179
Unrestricted grants and contributions	75,038	71,575	38,658	25,148	33,279	32,576	38,967	34,442	53,157	27,621
Investment earnings	2,068	760	868	623	622	1,465	4,377	11,051	16,209	9,906
Miscellaneous	5,011	6,551	1,987	2,687	2,659	15,683	11,621	9,814	14,037	2,444
Gain (Loss) on disposition of capital assets	723	-	-	-	386	-	-	-	-	-
Transfers	2,043	2,298	2,296	2,632	2,553	2,207	2,423	2,629	2,392	434
Total governmental activities	<u>\$ 528,835</u>	<u>\$ 538,659</u>	<u>\$ 509,892</u>	<u>\$ 544,855</u>	<u>\$ 585,566</u>	<u>\$ 637,053</u>	<u>\$ 697,809</u>	<u>\$ 767,163</u>	<u>\$ 851,206</u>	<u>\$ 792,254</u>
Business-type activities:										
Investment earnings	3	4	2	2	3	9	22	41	54	29
Transfers	(2,043)	(2,298)	(2,296)	(2,632)	(2,552)	(2,206)	(2,423)	(2,629)	(2,392)	(434)
Total business-type activities	<u>(2,040)</u>	<u>(2,294)</u>	<u>(2,294)</u>	<u>(2,630)</u>	<u>(2,549)</u>	<u>(2,197)</u>	<u>(2,401)</u>	<u>(2,588)</u>	<u>(2,338)</u>	<u>(405)</u>
Total primary government	<u>\$ 526,795</u>	<u>\$ 536,365</u>	<u>\$ 507,598</u>	<u>\$ 542,225</u>	<u>\$ 583,017</u>	<u>\$ 634,856</u>	<u>\$ 695,408</u>	<u>\$ 764,575</u>	<u>\$ 848,868</u>	<u>\$ 791,849</u>
Change in Net Position										
Governmental activities	\$ 33,707	\$ 46,615	\$ 12,032	\$ 40,318	\$ 55,347	\$ 62,500	\$ 68,239	\$ 119,633	\$ 67,528	\$ 57,275
Business-type activities	(7)	33	52	31	129	(63)	52	(67)	(42)	(43)
Total primary government	<u>\$ 33,700</u>	<u>\$ 46,648</u>	<u>\$ 12,084</u>	<u>\$ 40,349</u>	<u>\$ 55,476</u>	<u>\$ 62,437</u>	<u>\$ 68,291</u>	<u>\$ 119,566</u>	<u>\$ 67,486</u>	<u>\$ 57,232</u>

Plano Independent School District
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Unaudited)
(Modified Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

Exhibit S-3

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Fund										
Nonspendable	\$ 2,610	\$ 2,703	\$ 2,121	\$ 2,044	\$ 1,296	\$ 1,998	\$ 1,172	\$ 1,094	\$ 915	\$ 1,172
Assigned	2,182	1,935	19,870	12,884	9,515	17,619	11,332	15,303	5,827	223,384
Unassigned	147,394	160,919	132,178	154,251	167,771	174,700	214,765	226,358	242,718	42,108
Total general fund	<u>\$152,186</u>	<u>\$165,557</u>	<u>\$154,169</u>	<u>\$ 169,179</u>	<u>\$ 178,582</u>	<u>\$ 194,317</u>	<u>\$ 227,269</u>	<u>\$ 242,755</u>	<u>\$ 249,460</u>	<u>\$ 266,664</u>
All Other Governmental Funds										
Nonspendable	\$ 284	\$ 290	\$ 211	\$ 185	\$ 270	\$ 313	\$ 255	\$ 238	\$ 261	\$ 624
Restricted										
Debt Service	37,435	35,999	35,188	34,925	33,138	30,575	40,104	41,227	38,981	36,215
Capital Projects	80,981	130,444	112,315	64,007	35,596	43,304	288,931	308,165	222,895	156,070
Food Service	8,217	7,185	6,952	6,968	6,970	7,144	6,760	7,494	7,769	3,179
Federal Special Revenue	7	-	-	-	-	-	-	-	-	-
State Special Revenue	365	818	770	1,247	2,856	693	2,556	762	7,150	608
Committed	5,840	6,772	8,840	9,189	9,596	10,340	9,613	9,412	8,582	10,309
Total all other governmental funds	<u>\$133,129</u>	<u>\$181,508</u>	<u>\$164,276</u>	<u>\$ 116,521</u>	<u>\$ 88,426</u>	<u>\$ 92,369</u>	<u>\$ 348,219</u>	<u>\$ 367,298</u>	<u>\$ 285,638</u>	<u>\$ 207,005</u>
Total governmental funds	<u>\$285,315</u>	<u>\$347,065</u>	<u>\$318,445</u>	<u>\$ 285,700</u>	<u>\$ 267,008</u>	<u>\$ 286,686</u>	<u>\$ 575,488</u>	<u>\$ 610,053</u>	<u>\$ 535,098</u>	<u>\$ 473,669</u>

Plano Independent School District
 Governmental Funds, Revenues
 Last Ten Fiscal Years
 (Unaudited)
 (Modified Accrual Basis of Accounting)
 (Amounts Expressed in Thousands)

Exhibit S-4

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Federal sources:										
Federal grants	\$ 48,515	\$ 20,571	\$ 23,114	\$ 21,888	\$ 24,065	\$ 22,981	\$ 25,384	\$ 24,506	\$ 28,740	\$ 26,781
Food services	<u>8,008</u>	<u>8,355</u>	<u>8,963</u>	<u>9,396</u>	<u>9,963</u>	<u>10,313</u>	<u>10,680</u>	<u>11,025</u>	<u>10,854</u>	<u>8,980</u>
Total federal sources	<u>56,523</u>	<u>28,926</u>	<u>32,077</u>	<u>31,284</u>	<u>34,028</u>	<u>33,294</u>	<u>36,064</u>	<u>35,531</u>	<u>39,594</u>	<u>35,761</u>
State sources:										
State education finance program	91,954	87,367	50,928	39,537	47,626	47,641	54,123	51,295	63,992	45,995
State grants and other	<u>9,908</u>	<u>12,190</u>	<u>5,285</u>	<u>11,409</u>	<u>8,325</u>	<u>12,054</u>	<u>10,332</u>	<u>7,000</u>	<u>17,076</u>	<u>8,736</u>
Total state sources	<u>101,862</u>	<u>99,557</u>	<u>56,213</u>	<u>50,946</u>	<u>55,951</u>	<u>59,695</u>	<u>64,455</u>	<u>58,295</u>	<u>81,068</u>	<u>54,731</u>
Local sources:										
Ad valorem taxes	446,091	457,022	466,582	512,921	544,873	589,230	640,635	707,121	769,700	749,610
Food service sales	12,721	12,929	13,012	13,661	13,356	13,332	13,610	13,017	12,431	8,987
Interest and other income	1,644	767	872	635	631	1,507	4,510	11,236	16,701	10,468
Other revenue	<u>15,765</u>	<u>30,330</u>	<u>21,529</u>	<u>19,886</u>	<u>20,966</u>	<u>15,241</u>	<u>16,239</u>	<u>15,605</u>	<u>9,376</u>	<u>11,778</u>
Total local sources	<u>476,221</u>	<u>501,048</u>	<u>501,995</u>	<u>547,103</u>	<u>579,826</u>	<u>619,310</u>	<u>674,994</u>	<u>746,979</u>	<u>808,208</u>	<u>780,843</u>
Total revenues	<u>\$634,606</u>	<u>\$629,531</u>	<u>\$590,285</u>	<u>\$ 629,333</u>	<u>\$ 669,805</u>	<u>\$ 712,299</u>	<u>\$ 775,513</u>	<u>\$ 840,805</u>	<u>\$ 928,870</u>	<u>\$ 871,335</u>

Plano Independent School District

Exhibit S-5

Governmental Funds, Expenditures And Debt Service Ratio

Last Ten Fiscal Years

(Unaudited)

(Modified Accrual Basis of Accounting)

(Amounts Expressed in Thousands)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Expenditures:										
Instruction & Instructional-Related Services	\$318,959	\$299,009	\$297,559	\$305,883	\$ 316,046	\$329,496	\$334,252	\$346,277	\$ 354,784	\$ 355,574
Instructional & School Leadership	27,383	25,802	26,397	27,200	28,503	29,873	30,819	31,921	32,153	33,633
Support Services - Student	62,054	61,800	68,701	71,203	74,047	75,726	79,188	80,626	84,054	80,656
Administrative Support Services	8,948	8,625	9,408	9,641	9,761	10,157	10,374	10,718	11,241	10,684
Support Services - Nonstudent	50,344	49,626	50,233	47,394	47,884	54,896	63,971	63,734	65,474	52,782
Ancillary Services	2,128	2,227	1,965	1,682	2,069	2,109	2,391	2,510	2,385	2,417
Debt Service - Principal on long-term debt	58,165	67,180	70,215	56,610	65,715	73,210	76,765	87,755	102,320	114,955
Debt Service - Interest on long-term debt	48,354	47,692	45,878	43,632	41,817	38,150	36,918	45,347	44,727	40,217
Debt Service - Bond Issuance Costs and Fees	749	413	317	308	635	3,893	553	327	109	160
Facilities Acquisition & Construction	113,055	59,496	78,151	57,645	50,347	26,999	55,146	105,761	115,331	85,929
Intergovernmental Charges ¹	41,741	45,749	31,894	42,240	54,453	65,528	109,916	162,881	216,908	172,306
Total Expenditures	<u>\$731,880</u>	<u>\$667,619</u>	<u>\$680,718</u>	<u>663,438</u>	<u>691,277</u>	<u>710,037</u>	<u>800,293</u>	<u>937,857</u>	<u>1,029,486</u>	<u>949,313</u>
Capital Expenditures	\$ 99,845	\$ 47,012	\$ 66,635	\$ 46,794	\$ 42,925	\$ 15,018	\$ 44,498	\$ 83,463	\$ 96,481	\$ 77,963
Debt service as a percentage of noncapital expenditures	16.9%	18.5%	18.9%	16.3%	16.6%	16.0%	15.0%	15.6%	15.8%	17.8%

¹ Intergovernmental charges include: Contracted Instructional Services Between Schools, Payments to Fiscal Agent/Member Districts of SSA, and Payments to Juvenile Justice Alternative Education Program.

Plano Independent School District

Exhibit S-6

Governmental Funds, Other Financing Sources and Uses and Net Change in Fund Balance

Last Ten Fiscal Years

(Unaudited)

(Modified Accrual Basis of Accounting)

(Amounts Expressed in Thousands)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Excess of revenues over (under) expenditures	\$ (97,274)	\$ (38,088)	\$ (90,433)	\$ (34,105)	\$ (21,472)	\$ 2,262	\$ (24,780)	\$ (97,052)	\$(100,614)	\$ (77,977)
Other financing sources (uses)										
Transfers In	5,129	4,087	3,085	11,838	24,940	37,232	4,773	3,334	3,429	1,508
Transfers Out	(3,086)	(2,589)	(1,588)	(9,706)	(22,957)	(35,625)	(3,150)	(1,405)	(1,167)	(1,225)
Bonds issued	-	92,840	53,740	-	-	-	257,210	108,020	-	13,045
Refunding bonds issued	108,815	46,115	27,805	74,750	43,250	303,360	-	-	13,655	10,325
Premiums on bonds issued	14,304	14,023	8,903	5,673	6,409	55,749	43,322	12,334	484	630
Payment to bond refunding agent	(122,845)	(54,638)	(30,132)	(81,699)	(49,496)	(358,425)	-	-	-	(10,840)
Insurance Proceeds	-	-	-	505	233	15,106	11,427	9,334	9,258	3,104
Sale of capital assets	1,800	-	-	-	400	19	-	-	-	-
Capital leases	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>4,117</u>	<u>99,838</u>	<u>61,813</u>	<u>1,361</u>	<u>2,779</u>	<u>17,416</u>	<u>313,582</u>	<u>131,617</u>	<u>25,659</u>	<u>16,547</u>
Net change in fund balances	<u>\$ (93,157)</u>	<u>\$ 61,750</u>	<u>\$ (28,620)</u>	<u>\$ (32,744)</u>	<u>\$ (18,693)</u>	<u>\$ 19,678</u>	<u>\$ 288,802</u>	<u>\$ 34,565</u>	<u>\$ (74,955)</u>	<u>\$ (61,430)</u>

Plano Independent School District

Assessed Value and Actual Value of Taxable Property

Last Ten Fiscal Years

(Unaudited)

(Modified Accrual Basis of Accounting)

(Amounts Expressed in Thousands)

Exhibit S-7

Fiscal Year	Actual Value				Less: Exemptions	Total Assessed Value	Total District Rate ¹
	Residential Property	Industrial Property	Rural Property	Personal Property			
2011	21,160,719	12,375,683	646,350	3,392,571	3,620,167	33,955,156	1.3534
2012	21,035,458	12,695,096	615,652	3,670,761	3,674,008	34,342,959	1.3734
2013	20,862,110	13,649,389	610,530	3,784,459	4,064,146	34,842,342	1.3734
2014	21,371,538	14,582,130	656,452	4,090,340	4,258,460	36,442,000	1.4530
2015	22,967,911	15,757,170	574,224	4,430,713	4,856,217	38,873,801	1.4480
2016	25,110,122	18,790,166	564,137	4,581,515	7,549,695	41,496,245	1.4390
2017	28,178,305	20,594,652	607,644	4,944,571	8,408,591	45,916,581	1.4390
2018	30,487,769	23,655,232	633,748	5,001,069	8,768,355	51,009,463	1.4390
2019	32,496,969	25,662,662	633,598	5,034,163	8,550,851	55,276,541	1.3373
2020	33,751,666	27,109,116	644,714	5,702,996	8,603,528	58,604,964	1.3374

Source: Collin County Tax Assessor Collector - Tax Roll Summary

¹ Per \$100 of assessed value.

Plano Independent School District
 Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
 (Unaudited)
 (Modified Accrual Basis of Accounting)
 (Amounts Expressed in Thousands)

Exhibit S-8

Fiscal Year	District Direct Rates			Overlapping Rates ¹											
	Maintenance & Operations	Debt Service	Total	City of Plano	Collin County	Collin Co. Community College (CCCC)	City of Allen	City of Carrollton	City of Dallas	City of Garland	City of Lucas	City of Murphy	City of Parker	City of Richardson	City of Wylie
2011	1.0400	0.3134	1.3534	0.4886	0.2400	0.0863	0.5540	0.6176	0.7970	0.7046	0.3742	0.5650	0.3371	0.6352	0.8989
2012	1.0400	0.3334	1.3734	0.4886	0.2400	0.0863	0.5530	0.6179	0.7970	0.7046	0.3742	0.5650	0.3771	0.6352	0.8989
2013	1.0400	0.3334	1.3734	0.4886	0.2400	0.0863	0.5520	0.6179	0.7970	0.7046	0.3742	0.5700	0.3771	0.6352	0.8889
2014	1.1700	0.2830	1.4530	0.4886	0.2375	0.0836	0.5500	0.6179	0.7970	0.7046	0.3207	0.5700	0.3509	0.6352	0.8839
2015	1.1700	0.2830	1.4480	0.4886	0.2350	0.0819	0.5400	0.6153	0.7970	0.7046	0.3206	0.5500	0.3509	0.6351	0.8789
2016	1.1700	0.2690	1.4400	0.4886	0.2250	0.0819	0.5300	0.6128	0.7970	0.7046	0.3206	0.5300	0.3509	0.6351	0.8689
2017	1.1700	0.2690	1.4400	0.4786	0.2083	0.0812	0.5200	0.6037	0.7825	0.7046	0.3179	0.5100	0.3659	0.6251	0.8489
2018	1.1700	0.2690	1.4400	0.4686	0.1922	0.07981	0.5100	0.5997	0.7804	0.7046	0.3179	0.5000	0.365984	0.6251	0.7810
2019	1.1700	0.2690	1.4400	0.4603	0.1808	0.0812	0.4980	0.5950	0.7767	0.7046	0.3032	0.4900	0.3660	0.6251	0.7258
2020	1.0684	0.2690	1.3374	0.4482	0.1750	0.0812	0.4980	0.5900	0.7766	0.7696	0.3032	0.4950	0.3660	0.6252	0.6885

¹ Includes levies for operating and debt service

Plano Independent School District
Principal Property Taxpayers
Current Year And Nine Years Ago
(Unaudited)

Exhibit S-9

Taxpayer	2020			2011		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Corporate Properties Trust I SPE#1 LLC	\$ 725,887,092	1	1.24 %	\$ -		- %
Texas Instruments, Inc	469,297,798	2	0.80	100,000,000	9	0.30
Legacy West Investors LP	392,564,484	3	0.67			
Toyota Motor North America, Inc.	373,205,703	4	0.64			
Silos Harvesting Partners, LP	346,085,033	5	0.59			
Health Care Service Corporation	342,496,820	6	0.58			
Bank of America, NA	311,510,315	7	0.53	137,203,655	4	0.41
Oncor Electric Delivery Company	266,599,440	8	0.45	212,163,354	2	0.63
Texas Instruments, Inc	179,559,887	9	0.31			
QORVO Texas LLC	174,902,640	10	0.30			
JC Penny Co. Inc				155,550,055	3	0.46
EDS				101,172,615	7	0.30
Willow Bend Shopping Center LP				110,000,000	6	0.33
IBM Credit LLC				125,841,821	5	0.37
KDC/Galatyn Investments LLP				237,172,377	1	0.70
Cisco Systems Sales and Services				100,516,565	8	0.30
Shops at Legacy (Inland) LP				96,000,000	10	0.28
Total	\$ 3,582,109,212		6.11 %	\$1,375,620,442		4.08 %
Total Taxable Value	\$58,604,964,303			\$33,730,477,447		

Source: Collin County Tax Assessor Collector

Plano Independent School District
Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Exhibit S-10

Fiscal Year	Original Amount Levied	Supplements and Corrections	Total Adjusted Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Levy		Amount	Percentage of Levy
2011	449,428,766	(1,045,759)	448,383,007	444,404,742	98.88	3,633,838	448,038,580	99.92
2012	459,298,341	(2,141,722)	457,156,619	453,398,398	98.72	3,380,991	456,779,389	99.92
2013	466,912,198	(1,189,045)	465,723,153	461,906,257	98.93	3,437,917	465,344,174	99.92
2014	515,059,308	(427,234)	514,632,074	509,947,307	99.01	4,229,783	514,177,090	99.91
2015	546,185,299	(1,517,151)	544,668,148	540,145,891	98.89	4,017,146	544,163,037	99.91
2016	581,815,938	(678,834)	581,137,104	576,953,689	99.16	3,677,841	580,631,530	99.91
2017	639,881,781	(1,402,621)	638,479,160	634,181,327	99.11	3,598,759	637,780,086	99.89
2018	707,443,306	1,605,781	709,049,087	704,057,256	99.52	4,048,063	708,105,319	99.87
2019	763,333,684	2,701,109	766,034,793	760,523,128	99.63	4,369,690	764,892,818	99.85
2020	754,903,434	925,125	755,828,559	747,732,077	99.05	-	747,732,077	98.93

Plano Independent School District

Outstanding Debt By Type

Last Ten Fiscal Years

(Unaudited)

(Dollars in thousands, except per capita)

Fiscal Year	Governmental Activities			Total Primary Government	Resources Restricted for Debt Service	Net Bonded Debt Outstanding	Gross Bonded Debt as % of Personal Income ¹	Gross Bonded Debt Per Capita	Net Bonded Debt as % of Assessed Value	Net Bonded Debt Per Capita
	Unlimited Tax Bonds ²	Loans Payable	Capital Leases							
2011	1,011,105	-	-	1,011,105	20,886	990,219	10%	3,119	2.92	3,055
2012	1,039,226	-	-	1,039,226	20,002	1,019,224	10%	3,187	2.97	3,126
2013	1,022,548	-	-	1,022,548	19,753	1,002,795	9%	3,119	2.88	3,059
2014	960,869	-	-	960,869	20,846	940,023	8%	2,897	2.58	2,834
2015	889,854	-	-	889,854	21,133	868,721	8%	2,626	2.23	2,564
2016	824,106	-	-	824,106	23,203	800,903	7%	2,406	1.93	2,338
2017	1,031,577	-	-	1,031,577	25,733	1,005,844	8%	2,968	2.19	2,894
2018	1,046,051	-	-	1,046,051	25,487	1,020,564	8%	3,000	2.00	2,927
2019	940,831	-	-	940,831	38,981	901,850	7%	2,686	1.63	2,575
2020	823,579	-	-	823,579	36,215	787,364	6%	2,325	1.34	2,223

Note: ¹ Refer to Exhibit S-14 for per capita personal income information.

² Unlimited Tax Bond equals GO Bonds Payable plus Premium on Bond Issuance

Plano Independent School District

Direct And Overlapping Governmental Activities Debt

June 30, 2020

(Unaudited)

(Dollars in thousands, except per capita)

Exhibit S-12

Governmental Unit	Gross Bonded Debt	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
City of Plano ¹	\$ 441,336	83.23 %	\$ 367,324
Collin County Community College ¹	256,488	42.25	108,366
Collin County ¹	487,405	42.25	205,929
City of Allen ¹	94,067	3.56	3,349
City of Carrollton ¹	193,510	0.68	1,316
City of Dallas ²	1,980,168	4.16	82,375
City of Garland ¹	249,330	0.17	424
City of Lucas ¹	26,077	5.69	1,484
City of Murphy ¹	32,970	71.22	23,481
City of Parker ¹	2,890	72.20	2,087
City of Richardson ¹	266,145	38.90	103,530
City of Wylie ¹	62,900	0.31	195
			899,859
Subtotal, overlapping debt			899,859
District gross bonded debt			823,579
Total direct and overlapping debt			\$ 1,723,438

Sources: Debt outstanding data provided by each governmental unit. Data of overlapping percentages was provided by the Municipal Advisory Council of Texas.

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the district. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the district.

¹ Reported as of entity's fiscal year end 2019.

² Reported as of entity's fiscal year end 2020.

Plano Independent School District

Exhibit S-13

Legal Debt Margin Information

Last Ten Fiscal Years

(Unaudited)

(Dollars in thousands)

<u>Fiscal Year</u>	<u>Debt Limit</u>	<u>Total Net Debt Applicable To Limit</u>	<u>Legal Debt Margin</u>	<u>Total Net Debt Applicable to the Limit as a Percentage of Debt Limit</u>
2011	3,395,516	973,671	2,421,845	28.68
2012	3,434,296	1,003,229	2,431,067	29.21
2013	3,484,234	987,360	2,496,874	28.34
2014	3,644,200	925,944	2,718,256	25.41
2015	3,887,380	856,716	3,030,664	22.04
2016	4,149,625	793,531	3,356,094	19.12
2017	4,591,658	991,473	3,600,185	21.59
2018	5,100,946	1,004,824	4,096,122	19.70
2019	5,879,103	901,850	4,977,253	15.34
2020	6,042,197	787,364	5,073,132	13.03

Legal Debt Margin Calculation for Fiscal Year 2018

Assessed Value		\$	58,604,964
Debt limit (10% of assessed value)			5,860,496
Total bonded debt	\$	823,579	
Less reserve for retirement of debt		<u>36,215</u>	
Debt applicable to limit			<u>787,364</u>
Legal debt margin	\$		<u><u>5,073,132</u></u>

Plano Independent School District
 Demographic And Economic Statistics
 Last Ten Fiscal Years
 (Unaudited)

Exhibit S-14

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income (in thousands)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2011	324,169	9,984,522	30,800	7.60
2012	326,039	10,403,381	31,908	6.70
2013	327,830	10,934,607	33,355	6.00
2014	331,665	11,384,568	34,326	5.00
2015	338,849	11,625,338	34,308	3.70
2016	342,563	11,806,045	34,464	3.70
2017	347,580	12,185,621	35,058	3.60
2018	348,724	12,835,581	36,807	3.30
2019	350,273	12,835,581	36,645	3.10
2020	354,199	13,640,613	38,511	7.20

Sources: Population estimates were provided by the District
 Personal income figures were obtained from the U.S Census Bureau.
 Unemployment rates were provided by the Texas Workforce Commission.

Plano Independent School District

Principal Employers
Current Year and Nine Years Ago
(Unaudited)

Exhibit S-15

Employer	2020			2011		
	Employees	Rank	Percentage Of Total District Employment	Employees	Rank	Percentage Of Total District Employment
Plano ISD	6,828	1	4.07 %	6,903	1	4.63
JP Morgan Chase	4,934	2	2.94			
Capital One Finance	4,537	3	2.71	3,500	5	2.35
Bank of America Home Loans	4,500	4	2.68	5,400	2	3.62
Toyota Motor North America, Inc.	3,815	5	2.27			
NTT Data, Inc	3,134	6	1.87			
Liberty Mutual Insurance Company	2,854	7	1.70			
Ericsson	2,703	8	1.61	2,200	8	1.47
J.C. Penny Company, Inc.	2,420	9	1.44	5,000	3	3.35
United Services Automobile Association	2,092	10	1.25			
HP Enterprise Services, LLC/EDS				4,800	4	3.22
Dell Perot Systems				3,000	6	2.01
Frito-Lay Inc.				2,400	7	1.61
Alcatel USA/DSC Communications Corp.				1,830	9	1.23
Medical Center of Plano				1,500	10	1.01
Total	37,817		22.55 %	36,533		24.49

Sources:

Texas Workforce Commission provided total labor force numbers - 2020 (167,720); 2011 (149,195)

Plano Economic Development Corporation provided 2020 Principal Employers.

2011 data from PISD 2011 CAFR

Plano Independent School District
 Full-Time Equivalent District Employees by Type
 Last Ten Fiscal Years
 (Unaudited)

Exhibit S-16

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Percent Change 2011 - 2020
Instruction											
Teachers	4,011	3,822	3,813	3,825	3,865	3,895	3,905	3,900	3,907	3,855	(4) %
Librarians	73	71	71	71	70	70	70	70	71	71	(2)
Educational Aides	622	580	573	559	568	581	609	628	624	637	2
Interpreters	9	12	13	17	14	14	15	16	16	12	35
Other Professionals (instructional)	162	159	153	159	171	175	195	195	210	212	31
	<u>4,877</u>	<u>4,644</u>	<u>4,623</u>	<u>4,631</u>	<u>4,688</u>	<u>4,735</u>	<u>4,794</u>	<u>4,809</u>	<u>4,828</u>	<u>4,787</u>	<u>(2)</u>
Campus Administration											
Principal	71	71	72	72	72	72	72	72	72	72	1
Assistant Principal	92	87	88	92	95	102	103	109	112	114	24
Instructional Officer	10	10	10	8	8	8	8	9	12	12	20
Athletic Director	2	3	3	3	3	3	3	3	3	3	3
	<u>175</u>	<u>171</u>	<u>173</u>	<u>175</u>	<u>178</u>	<u>185</u>	<u>186</u>	<u>193</u>	<u>199</u>	<u>201</u>	<u>15</u>
Student Services											
Counselor	152	138	143	146	148	157	161	162	162	162	7
Educational Diagnostician	32	30	30	33	34	35	35	37	38	38	18
School Nurse	73	73	71	71	72	72	72	71	71	70	(4)
LSSP/Psychologist	14	14	13	12	10	13	13	15	16	15	7
Social Worker	9	8	8	9	10	10	11	11	18	19	111
	<u>280</u>	<u>263</u>	<u>265</u>	<u>271</u>	<u>274</u>	<u>287</u>	<u>292</u>	<u>296</u>	<u>304</u>	<u>304</u>	<u>9</u>
Support and Administration											
Superintendent, Deputy, Assoc. & Assistant	7	5	6	6	7	7	8	8	9	9	29
Non-Campus Professionals	223	216	222	224	229	228	239	240	232	237	6
Auxiliary Staff	1,342	1,239	1,250	1,219	1,276	1,306	1,279	1,282	1,442	1,249	(7)
	<u>1,572</u>	<u>1,460</u>	<u>1,478</u>	<u>1,449</u>	<u>1,512</u>	<u>1,541</u>	<u>1,526</u>	<u>1,530</u>	<u>1,683</u>	<u>1,495</u>	<u>(5)</u>
Total	<u>6,904</u>	<u>6,538</u>	<u>6,538</u>	<u>6,526</u>	<u>6,652</u>	<u>6,748</u>	<u>6,798</u>	<u>6,828</u>	<u>7,015</u>	<u>6,787</u>	<u>(2) %</u>

Source: Fall Public Education Information Management System (PEIMS) Submissions with full-time equivalent employees as of the last Friday in October.

Notes: Full-time instructional employees of the district are employed for 189 contract days. Campus Administrators and Student Services employees are primarily employed for 220 days. Central administrative and non-campus professional staff are employed for 246 days. Auxiliary staff are employed on an hourly basis with daily hours worked ranging from 8 hours to 4 hours.

Plano Independent School District
 Operating Statistics
 Last Ten Fiscal Years
 (Unaudited)

Exhibit S-17

<u>Fiscal Year</u>	<u>Enrollment</u> ¹	<u>Operating Expenditures</u> ²	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Expenditures Excluding Recapture</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil Teacher Ratio</u>	<u>Percentage of Students Receiving Free or Reduced-Price Meals</u>
2011	55,570	511,557,078	9,206	0.48 %	482,558,989	8,684	1.82 %	4,011	13.9	26 %
2012	55,659	492,837,819	8,855	(3.81) %	453,254,176	8,143	(6.22) %	3,822	14.6	27 %
2013	55,185	486,157,034	8,810	(0.51) %	461,196,436	8,357	2.63 %	3,813	14.5	28 %
2014	54,822	505,830,681	9,227	4.74 %	469,814,931	8,570	2.55 %	3,825	14.3	29 %
2015	54,689	532,762,942	9,742	5.58 %	486,159,231	8,890	3.73 %	3,865	14.1	31 %
2016	54,573	567,799,620	10,404	6.80 %	507,650,912	9,302	4.64 %	3,895	14.0	31 %
2017	54,173	631,440,924	11,656	12.03 %	526,755,209	9,724	4.53 %	3,905	13.9	31 %
2018	53,952	698,670,555	12,950	11.10 %	541,560,467	10,038	3.23 %	3,900	13.8	34 %
2019	53,057	766,998,752	14,456	11.63 %	555,815,573	10,476	4.36 %	3,907	13.6	33 %
2020	52,629	748,050,925	14,214	(1.68) %	748,050,925	14,214	35.68 %	3,855	13.7	33 %

¹ Enrollment is as of the October reporting date to TEA through the Public Education Information System (PEIMS).

² Operating expenditures are total governmental fund expenditures less debt service and capital projects.

Plano Independent School District
 Teacher Base Salaries
 Last Ten Fiscal Years
 (Unaudited)

Exhibit S-18

<u>Fiscal Year</u>	<u>Minimum Salary</u>	<u>Maximum Salary</u>	<u>District Average Salary</u>	<u>Statewide Average Salary</u>
2011	46,150	71,858	51,741	48,639
2012	45,112	71,950	51,579	46,361
2013	46,700	73,137	52,245	48,821
2014	47,000	73,676	52,399	49,692
2015	48,500	74,003	53,800	50,715
2016	50,000	77,000	54,900	51,892
2017	51,000	78,499	56,180	52,525
2018	52,000	79,500	58,075	53,334
2019	53,000	81,502	58,204	54,122
2020	54,000	80,700	57,000	57,091

Sources:
 Plano ISD 2019-2020 Compensation Plan Book
 TEA PEIMS Standard Reports

Plano Independent School District
 School Building Information
 Last Ten Fiscal Years
 (Unaudited)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Schools:										
Elementary										
Buildings	44	44	44	44	44	44	44	44	44	44
Square Feet	3,234,785	3,253,327	3,301,493	3,350,490	3,378,450	3,380,050	3,387,145	3,390,582	3,391,262	3,401,326
Enrollment	24,941	24,721	24,406	24,107	23,900	23,704	23,346	23,257	22,584	22,189
Middle School										
Buildings	13	13	13	13	13	13	13	13	13	13
Square Feet	1,979,618	1,980,339	1,980,339	1,980,339	1,980,479	1,980,479	1,980,479	1,981,439	2,020,911	2,027,081
Enrollment	12,640	12,706	12,730	12,621	12,447	12,498	12,429	12,328	12,141	12,182
High School										
Buildings	5	6	7	6	6	6	6	6	6	6
Square Feet	1,275,730	1,458,754	1,458,754	1,565,808	1,572,843	1,572,843	1,572,843	1,643,107	1,607,975	1,607,975
Enrollment	8,414	8,433	8,435	8,496	8,540	8,623	8,470	8,305	8,363	8,315
Senior High School										
Buildings	3	3	3	4	4	4	4	4	4	4
Square Feet	1,369,618	1,369,618	1,458,754	1,458,754	1,576,908	1,576,908	1,576,908	1,641,492	1,609,200	1,610,933
Enrollment	7,604	7,806	7,872	7,937	8,183	8,262	8,355	8,365	8,273	8,177
Early Childhood Schools										
Buildings	3	3	3	3	3	3	3	3	3	3
Square Feet	156,458	156,458	156,458	156,458	156,458	156,458	156,458	156,458	156,458	156,458
Enrollment ¹	1,971	1,993	1,742	1,661	1,619	1,486	1,573	1,697	1,696	1,766
Total Schools										
Buildings	68	69	70	70	70	70	70	70	70	70
Square Feet	8,016,209	8,218,496	8,355,798	8,511,849	8,665,138	8,666,738	8,673,833	8,813,078	8,785,806	8,803,773
Enrollment	55,570	55,659	55,185	54,822	54,689	54,573	54,173	53,952	53,057	52,629

Source: District Records

Notes:

¹ Early Childhood School Enrollment - students are 1/2 day students

Plano Independent School District
 School Building Information
 Last Ten Fiscal Years -- Continued
 (Unaudited)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Other PISD Facilities:										
Other Educational Facilities -										
Buildings	4	5	5	5	5	5	7	8	8	8
Square Feet	138,036	149,820	149,820	149,820	149,820	149,820	222,197	254,741	217,009	217,009
Administrative										
Buildings	6	6	6	6	6	6	6	6	6	6
Square Feet	223,271	223,271	204,199	204,199	204,199	204,199	204,199	204,199	212,448	212,448
Facility Services										
Buildings	4	4	4	4	4	4	4	4	4	4
Square Feet	148,662	148,662	148,662	148,662	148,662	148,662	148,662	148,662	148,662	148,662
Athletics										
Stadiums	6	6	6	6	6	6	6	6	6	6
Running Tracks	10	10	10	10	10	10	10	10	10	10
Tennis Courts	22	22	21	21	21	21	21	21	21	21
Softball Fields	4	4	4	4	4	4	4	4	4	4
Baseball Fields	8	8	8	8	8	8	8	8	8	8
Indoor Athletic Fields	3	3	3	3	3	3	3	3	3	3

Source: District Records

Notes:

¹ Early Childhood School Enrollment - students are 1/2 day students

Reports on Internal Control, Compliance, and Federal Awards

Teamwork for Excellence



P L A N O
Independent School District



**Independent Auditor's Report on Internal Control over Financial
Reporting and on Compliance and Other Matters Based on an Audit
of Financial Statements Performed in Accordance
with Government Auditing Standards**

Board of Trustees
Plano Independent School District
Plano, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Plano Independent School District (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 13, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Board of Trustees
Plano Independent School District

Purpose of this Report

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

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
January 13, 2021



Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

Board of Trustees
Plano Independent School District
Plano, Texas

Report on Compliance for Each Major Federal Program

We have audited Plano Independent School District's (the District) compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2020. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
January 13, 2021

Plano Independent School District
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2020

Exhibit K-1
 Page 1 of 2

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF DEFENSE			
<u>Direct funding U.S. Department of Defense</u>			
Junior ROTC Program	12.000		\$ 258,380
Total direct funding U.S. Department of Defense			258,380
TOTAL U.S. DEPARTMENT OF DEFENSE			258,380
U.S. DEPARTMENT OF EDUCATION			
<u>Passed Through State Department of Education</u>			
ESEA Title I Part A - Improving Basic Programs	84.010A	19-610101043910	128,043
ESEA Title I Part A - Improving Basic Programs	84.010A	20-610101043910	4,550,307
ESEA Title I Part A - School Improvement	84.010A	20-610148711011	1,042,554
Total ESEA Title I Part			5,720,904
Title IV IDEA - Part B, Formula	84.027A	19-6600010439106600	312,718
Title IV IDEA - Part B, Formula	84.027A	20-6600010439106600	7,483,057
Title IV IDEA - Part B, Preschool	84.173A	19-6610010439106610	6,725
Title IV IDEA - Part B, Preschool	84.173A	20-6610010439106610	232,986
Title IV IDEA - Part B, High Cost Risk	84.027A	20-66001906	843,694
Title IV IDEA - Evaluation Capacity Grant	84.027A	226543191028	17,308
SSA - IDEA - Part B, Discretionary	84.027A	19-6600110439106673	31,917
SSA - IDEA - Part B, Discretionary	84.027A	20-6600110439106673	272,988
Total Special Education Cluster			9,201,393
Vocational Education - Basic Grant	84.048A	19-420006043910	9,120
Vocational Education - Basic Grant	84.048A	20-420006043910	381,192
Perkins Reserve	84.048A	20-4200287110069	13,266
Total Vocational Education - Basic Grant			403,578
SSA - IDEA, Part C - Early Intervention (Deaf)	84.181A	20-3911010439103911	10,580
Title III, Language Instruction LEP	84.365A	19-671001043910	26,609
Title III, Language Instruction LEP	84.365A	20-671001043910	728,685
Title III, Language Instruction Immigrant	84.365A	19-671001043910	2,505
Title III, Language Instruction Immigrant	84.365A	20-671001043910	342,945
Total Title III Language Instruction			1,100,744
ESEA Title II, Part A, Teacher and Principal Training	84.367A	19-694501043910	153,598
ESEA Title II, Part A, Teacher and Principal Training	84.367A	20-694501043910	825,518
Total ESEA Title II, Part A, Teacher & Principal Training			979,116

(continued)

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this statement.

Plano Independent School District
 Schedule of Expenditures of Federal Awards—Continued
 Year Ended June 30, 2020

Exhibit K-1
 Page 2 of 2

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Title IV Part A Summer School LEP	84.369A	20-69551702	60,104
Title IV Part A Subpart 1	84.424A	19-680101043910	1,631
Title IV Part A Subpart 1	84.424A	20-680101043910	210,934
Total Title IV			272,669
Total passed through State Department of Education			17,688,984
TOTAL U.S. DEPARTMENT OF EDUCATION			17,688,984
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Direct funding U.S. Department <u>of Health and Human Services</u>			
Head Start	93.600	06CH011447-01	1,082,143
Total direct funding U.S. Department of Health and Human Services			1,082,143
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			1,082,143
U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through the State Department of Agriculture</u>			
National School Breakfast Program	10.553	806780706	1,475,791
National School Lunch Program	10.555	806780706	6,052,006
Commodity Food Distribution	10.555	806780706	1,592,984
Summer Feeding Program	10.559	19-043910	14,780
Summer Feeding Program	10.559	20-043910	1,112,441
Total Child Nutrition Cluster			10,248,002
Child and Adult Care Food Program	10.558	806780706	267,745
Total passed through the State Department of Agriculture			10,515,747
TOTAL U.S. DEPARTMENT OF AGRICULTURE			10,515,747
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 29,545,254
(Concluded)			

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this statement.

Plano Independent School District

Notes to the Schedule of Expenditures of Federal Awards

The District utilizes the fund types specified in the Texas Education Agency Financial Accountability System Resource Guide.

Special Revenue Funds are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal and state awards generally are accounted for in a Special Revenue Fund. Generally, unused balances are returned to the grantor at the close of specified grant periods.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. All Federal grant funds were accounted for in the General Fund or Special Revenue Funds which are both Governmental Fund types. With this measurement focus, only current assets and current liabilities and the fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

The modified accrual basis of accounting is used for the Governmental Fund types. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as deferred revenues until earned.

The period of performance for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 30 days beyond the federal project period ending date, in accordance with provisions in Section H, Period of Performance, Part 3, Office of Management and Budget (OMB) Compliance Supplement.

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustments by the grantor agencies; therefore, to the extent that the District has not complied with rules and regulations governing the grants, refund of any money received may be required and the collectability of any related receivable at June 30, 2020 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

The information in Schedule of Expenditures of Federal Awards is presented in accordance with the requirements of Single Audit Amendments of 1996 and *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. The following table reconciles total expenditures per the Schedule of Expenditures of Federal Awards (Exhibit K-1) to Federal Program Revenues per Exhibit C-3:

Total expenditures of federal awards per Exhibit K-1	\$ 29,545,254
Reimbursements received from the federal school health and related services	4,583,090
Rebates received from the federal government for Build America Bonds	<u>1,632,533</u>
Total federal program revenues per Exhibit C-3	<u>\$ 35,760,877</u>

The District has not elected to use the 10% de minimis indirect cost rate.

Plano Independent School District
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2020

Section 1. Summary of the Auditor's Results:

Financial Statements

An unmodified opinion was issued on the financial statements.

Internal control over financial reporting:

Material weakness(es) identified?	_____ Yes	<u> X </u> No
Significant deficiency(ies) identified that are not considered a material weakness?	_____ Yes	<u> X </u> None reported
Noncompliance material to financial statements noted?	_____ Yes	<u> X </u> No

Major Programs

Internal control over major programs:

Material weakness(es) identified?	_____ Yes	<u> X </u> No
Significant deficiency(ies) identified that are not considered a material weakness?	_____ Yes	<u> X </u> None reported

An unmodified opinion was issued on compliance for major programs.

Any audit findings disclosed that were required to be reported in accordance with Uniform Guidance?	_____ Yes	<u> X </u> No
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Identification of major programs:

Child Nutrition Cluster	10.553, 10.555, 10.559
Head Start	93.600

The dollar threshold used to distinguish between Type A and Type B program?.	<u> \$886,358 </u>
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Auditee qualified as a low-risk auditee?	<u> X </u> Yes	_____ No
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Plano Independent School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2020

Section 2. Findings Relating to the Financial Statements Which Are Required To Be Reported in Accordance with *Generally Accepted Government Auditing Standards*.

None

Section 3. Findings and Questioned Costs for Federal Awards Including Audit Findings as Described in 1.f Above

None

Plano Independent School District

Summary of Prior Year Audit Findings

Year Ended June 30, 2020

Section 4. Findings Relating to the Financial Statements Which Are Required To Be Reported in Accordance with *Generally Accepted Government Auditing Standards*.

None