

Plano Independent School District

Plano, Texas

Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2022

Prepared By

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Director of Accounting

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Deputy Superintendent for Business and Employee Services

Teamwork for Excellence



P L A N O
Independent School District

Plano Independent School District
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2022
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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 6 approved 0 disapproved for the year ended June 30, 2022 at a meeting of the Board of Trustees of such school district on the 15 day of November, 2022.



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):

Introductory Section

Teamwork for Excellence



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Independent School District

Board of Trustees

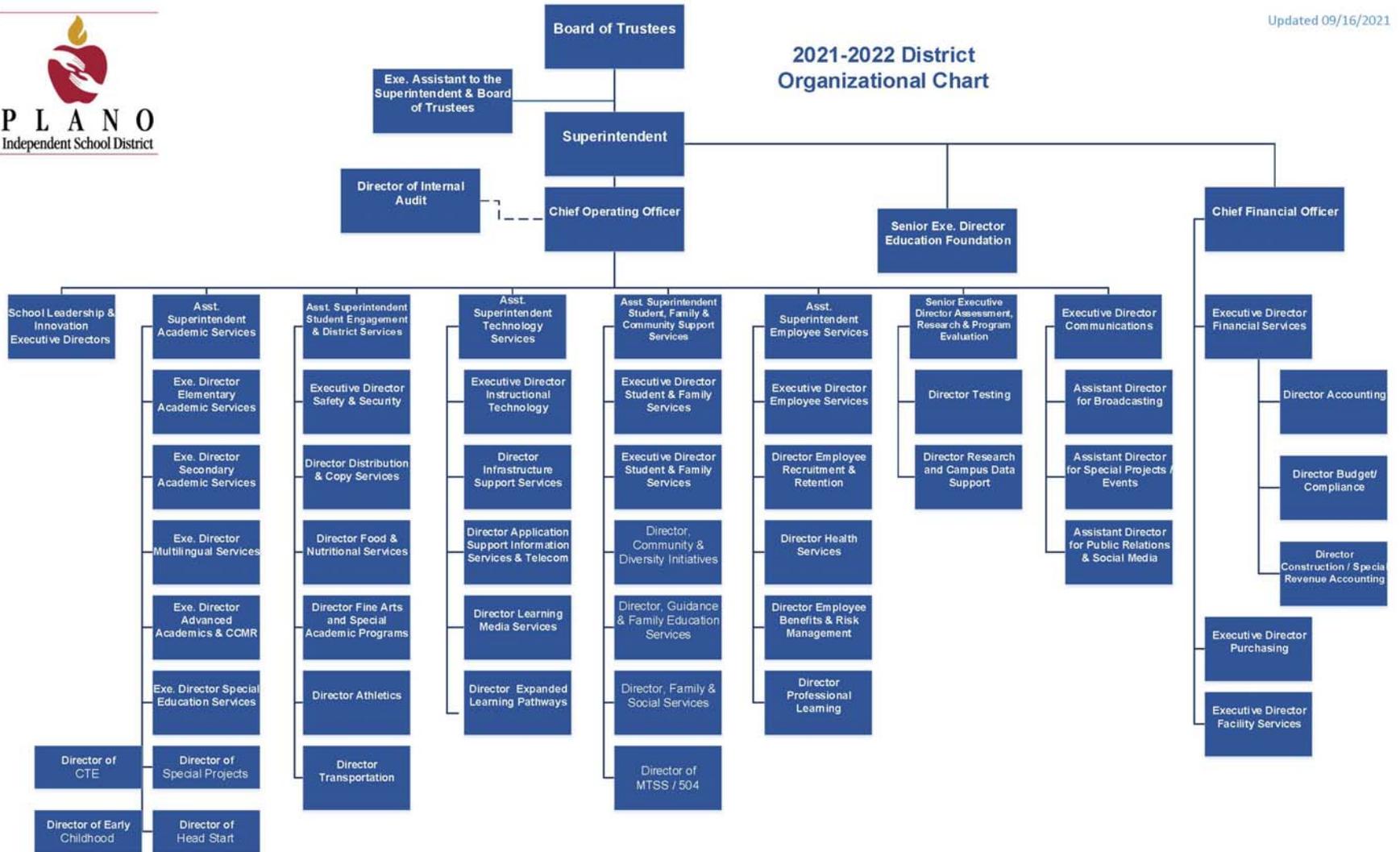
Name	Length of Service	Term Expires	Occupations
David Stolle President	11 Years	May 2023	Attorney
Nancy Humphrey Vice President	12 Years	May 2025	Community Volunteer and Retired Accountant
Jeri Chambers Secretary	4 Years	May 2025	Nonprofit Development Officer
Dr. Lauren Tyra Trustee	1 Year	May 2025	Scientist
Angela Powell Trustee	5 Years	May 2025	Chief Executive Officer
Dr. Heather Wang Trustee	3 Years	May 2023	Real Estate Broker and Community Volunteer
Cody Weaver Trustee	3 Years	May 2023	Real Estate Broker

Administrative Officials

Name	Position	Length of District Service
Dr. Theresa Williams	Superintendent *total school district experience 29 years	4 Years*
Dr. Selenda Anderson	Deputy Superintendent for Leadership & Operations *total school district experience 34 years	20 Years*
Johnny Hill	Deputy Superintendent for Business & Employee Services *total school district experience 27 years	1 Year*
Lisa Wilson	Deputy Superintendent for Teaching, Learning & Life Readiness *total school district experience 33 year	Since July 2022
Jed Reed	Interim Assistant Superintendent for Employee Services	Since September 2022
Dr. Courtney Gober	Assistant Superintendent for Student, Family, and Community Services	15 Years
Patrick Tanner	Assistant Superintendent for Technology Services	1 Year
Dr. Dash Weerasinghe	Senior Exec. Director, Assessment, Research & Program Evaluation	14 Years



2021-2022 District Organizational Chart





November 15, 2022

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

Members of the Board:

The Annual Comprehensive Financial Report (ACFR) of the Plano Independent School District (District) for the year ended June 30, 2022, 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 ACFR for the year ended June 30, 2022 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, 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, as well as additional support at the Solomon Adult Transition Center. 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 48,945 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 a special program center. 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 25 years in the City and immediate surrounding area has created a very sound, balanced economy. Plano has substantial economic base and is home to numerous manufacturers, small businesses and start-ups from a vast variety of industries including telecommunications, software/information technology, digital media, financial services, health and medical, electronics, and energy. Plano's continued retail and commercial development has 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, Boeing Global Services, JPMorgan Chase, Fed Ex, HP Systems, Frito-Lay, Dr. Pepper/Snapple, Pizza Hut, 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.

On August 16, 2022, the Plano ISD Board of Trustees unanimously called for a voter approval tax rate election (VATRE) and a \$1,495,638,000 Bond election to be held on November 8, 2022. A VATRE is an election required by the state that asks voters to consider approving a modified maintenance and operations tax rate to increase revenue for student programs, competitive teacher and staff salaries, and daily operations of the District. If approved by voters, the VATRE will result in an additional \$9 million annually. Bond Proposition B for \$1,172,976,000 will provide major and minor district wide renovations, safety and security updates, infrastructure upgrades, transportation, campus fine arts, technology infrastructure, campus athletics, and innovative program upgrades. Bond Proposition C for \$173,450,000 will provide instructional technology such as mobile devices, classroom multimedia AV upgrades, end user technology upgrades, and learning media services upgrades. Bond Proposition D for \$130,000,000 will provide a recreational and extracurricular facility (i.e. District Event Center). Finally, Bond Proposition E for \$19,212,000 will provide Clark Stadium parking lot resurfacing, turf replacement, Clark/Kimbrough Stadium concession renovations, Kimbrough Stadium security fence, and Clark/Kimbrough Stadium safety and security lighting.

The 87th Legislative Session

House Bill (HB) 1525 passed by the 87th Texas Legislature and signed into law by Governor Abbott on June 16, 2021. HB 1525, known as the "HB 3 cleanup bill," the bill corrected some of the unintended consequences of implementing the significant changes in HB 3:

- Restored to a weight of 0.07 for each identified gifted and talented students served, limited to a 5% cap on ADA
- Modified the Career & Technical Education (CTE) funding from one weight of 1.35 per FTE to a system of tiered weights related to courses
- Entitled districts to the highest possible compensatory education weight for each enrolled student who is homeless. Allows use of compensatory education funds to pay for an instructional coach to help disadvantaged students, duties performed by attendance officers and programs to build skilled related to social emotional wellness
- Limited the Formula Transition Grant not to exceed limit of \$400 million
- Created new grant programs for districts from both state and federal funds
- Allowed IMA to be used for distance learning cost
- Allowed districts to net their recapture payments against state aid
- Reduced the Maximum Compressed Tier 1 Tax Rate (MCR) to .9134

ESSER Funds

As school districts have continued to navigate the residual effects of the COVID-19 pandemic in the 2021-22 school year, Elementary and Secondary School Emergency Relief (ESSER) grant funding was authorized in three pieces of legislation. As a result, the ESSER programs were administered by TEA as separate grant programs. The CARES ESSER I, CRRSA ESSER II, and ARP ESSER III grant programs run concurrently. During the overlap in periods of availability, school districts may expend funds from any of the grant programs.

- CARES ESSER I - Authorized in Title VIII, Division B, of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, signed into law in March 2020. Period of availability is March 13, 2020 (with pre-award), to September 30, 2022 (with carryover). The state of Texas was allocated \$1.29 billion.
 - The District was allocated \$4.03 million dollars. \$1.73 million was expensed during the 2020-21 school year and the remaining \$2.3 million was fully expensed in 2021-22.
- CRRSA ESSER II - Authorized in the Coronavirus Response and Relief Supplemental Appropriations (CRRSA), signed into law in December 2020. Period of availability is March 13, 2020 (with pre-award), to September 30, 2023 (with carryover). The state of Texas was allocated \$5.53 billion.
 - The District was allocated \$19.25 million to be expensed in school years 2021-22 and 2022-23. \$4.0 million of ESSER II funds were expensed in 2021-22 and the remaining funds will be fully expensed in 2022-23.
- ARP ESSER III - Authorized in the American Rescue Plan Act (ARP), signed into law in March 2021. Period of availability is March 13, 2020 (with pre-award), to September 30, 2024 (with carryover). The state of Texas was allocated \$12.42 billion.
 - The District was allocated \$43.23 million to be expense in school years 2021-22, 2022-23 and 2023-24. The District expensed \$18.1 million in 2021-22 with \$5.7 million or 31.5% of the 2021-22 ESSER III expenses dedicated to address student learning loss due to the COVID-19 pandemic. The remaining \$25.25 million dollars to be expensed in 2022-23 and 2023-24

2022-23 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 21, 2022. 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 August 16, 2022 the District adopted a maintenance and operations tax rate of \$1.02240 per \$100 of taxable assessed value and adopted a debt service tax rate of \$0.23735 per \$100 of taxable assessed value for a total tax rate of \$1.25975 per \$100 of taxable assessed value.

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, 2022. 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, 2021. The District received this prestigious award for the thirty ninth consecutive year in 2021.

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, 2022 to GFOA to determine its eligibility for another certificate.

The District received the Texas Comptroller of Public Accounts' awards for the Traditional Finance Star and the Debt Obligations Star in 2021-22. The Texas Comptroller of Public Accounts' Transparency Stars program recognizes local governments across Texas that are striving to meet a high standard for financial transparency online. These efforts provide citizens with clear, consistent information about public spending in user-friendly formats.

Also, in 2021-22 the District received the prestigious Association of School Business Officials (ASBO) Meritorious Budget Award (MBA) for excellence in budget presentation. The program promotes and recognizes excellence in school budget presentation and enhances school business officials' skills in developing, analyzing, and presenting a school system budget. After a rigorous review by professional auditors, the award is conferred only on school districts that have met or exceeded the program's stringent criteria.

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.

Dr. Theresa Williams

Dr. Theresa Williams
Superintendent

Johnny Hill

Johnny Hill
Deputy Superintendent of Business &
Employee Services



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Plano Independent School District
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

Teamwork for Excellence



P L A N O
Independent School District

Financial Section

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Independent School District

Independent Auditor's Report

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

Report on the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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, 2022, 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.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1 to the basic financial statements, during the year ended June 30, 2022, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. Our opinions are not modified with respect to this matter.

Management's Responsibility for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

The Board of Trustees of
Plano Independent School District

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

The combining and individual fund statements and schedules, Texas Education Agency required schedules, and the schedule of expenditures of federal awards are the responsibility of management and was 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.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2022, 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
November 21, 2022

Teamwork for Excellence



P L A N O
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**Plano Independent School District
Management's Discussion and Analysis
For The Year Ended June 30, 2022
(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, 2022. 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 \$569.7 million. The net assets of the District increased by \$109.0 million during the year ended June 30, 2022.

The District's governmental funds financial statements reported a combined ending fund balance of \$402.9 million. Of this amount, the General Fund has a total of \$269.2 million, of which \$2.1 million is nonspendable, \$249.7 million is assigned, and \$17.8 million is unassigned and available for spending at the District's discretion. Fund balance of \$112.1 million is restricted for use by the Debt Service Fund and Capital Projects Fund. The Special Revenue Funds have a fund balance of \$21.2 million that is either restricted, committed or nonspendable.

During fiscal year 2022 Series 2012 and 2012A Unlimited Tax Refunding Bonds were called for redemption. The redemption resulted in total debt service savings of \$5.7 million and a net present value savings of \$4.1 million. Restructuring matched the District's current debt service payments in years 2023 through 2029, and decreased debt estimated payments from 2024 through 2038.

This amount leaves the District with \$49.9 million of authorized, but unissued bonds as of June 30, 2022.

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 and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the 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 non-major special revenue funds, the enterprise funds, the internal service funds and the custodial 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

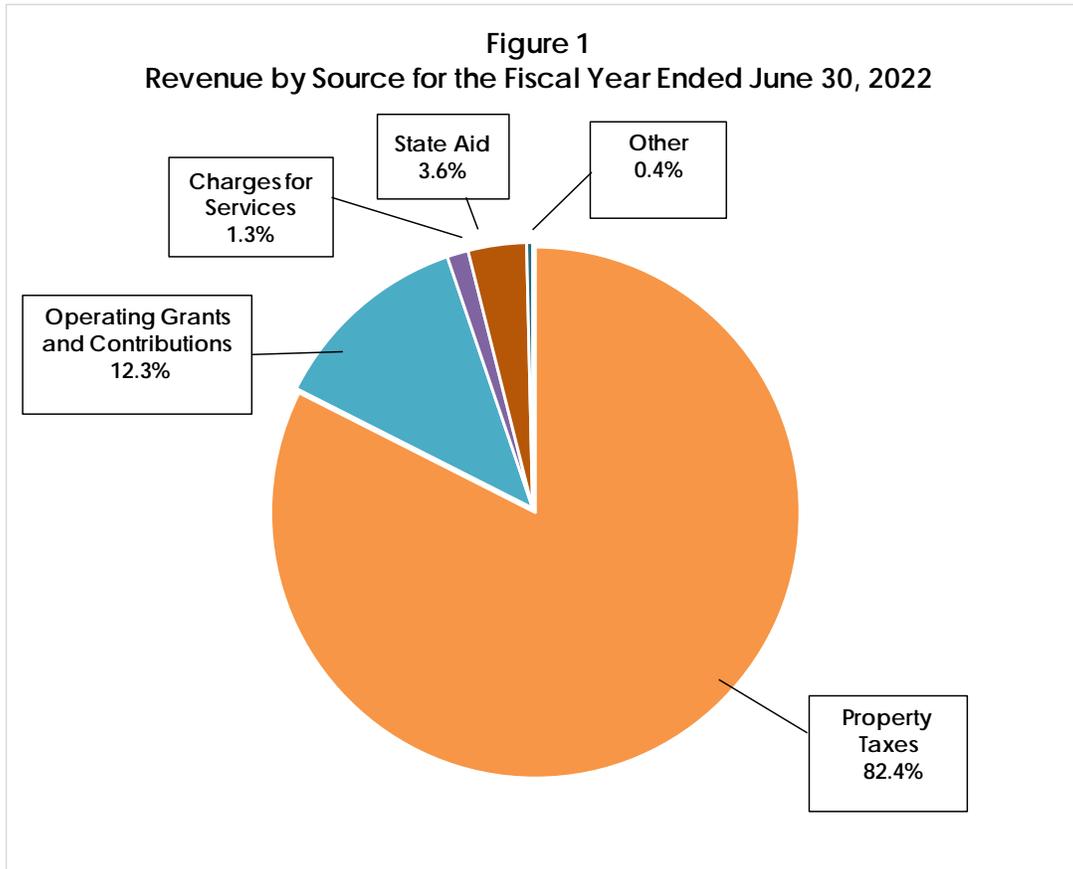
Net Position. As noted earlier, Net Position may serve over time as a useful indicator of the District's financial position. The District's Net Position was \$569.7 million at June 30, 2022. The largest portion of Net Position, \$616.3 million, reflects the District's investment in capital assets (e.g., 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, \$34.6 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, 2022	Governmental Activities As of June 30, 2021	Business Type Activities As of June 30, 2022	Business Type Activities As of June 30, 2021
Current and other assets	\$ 720,577,988	\$ 720,643,690	\$ 2,023,910	\$ 367,337
Capital assets	1,067,385,714	1,096,261,670	8,238	5,282
Total assets	1,787,963,702	1,816,905,360	2,032,148	372,619
Deferred outflows of resources	76,859,693	90,313,963	-	-
Current liabilities	305,334,240	288,001,526	602,371	352,678
Long term liability	762,323,149	996,592,337	6,446	-
Total liabilities	1,067,657,389	1,284,593,863	608,817	352,678
Deferred inflows of resources	228,878,995	161,976,344	-	-
Net position:				
Net investment in				
capital assets	616,276,017	532,042,161	8,238	5,282
Restricted	34,586,270	28,239,401	-	-
Unrestricted	(82,575,276)	(99,632,446)	1,415,093	14,659
Total net position	\$ 568,287,011	\$ 460,649,116	\$ 1,423,331	\$ 19,941

Changes in net position. The District's total revenues were \$948.8 million. The most significant portion (82.4%) of the District's revenue comes from property taxes. (See Figure 1), operating grants and contributions equaled 12.3%, state aid comprised 3.6% and charges for service equaled 0.7%. All remaining sources combined for the remaining 0.4%. The total cost of all programs and services was \$839.7 million.

Figure 1 graphically depicts the sources of revenue for the fiscal year ending June 30, 2022. 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, 2021 was \$839.7 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 \$835.2 million.
- Some of the *governmental activities* cost was funded by program revenues directly attributable to specific activities. These program revenues amounted to \$123.9 million.
- The remaining cost of *governmental activities* not directly funded by program revenues was \$711.3 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.

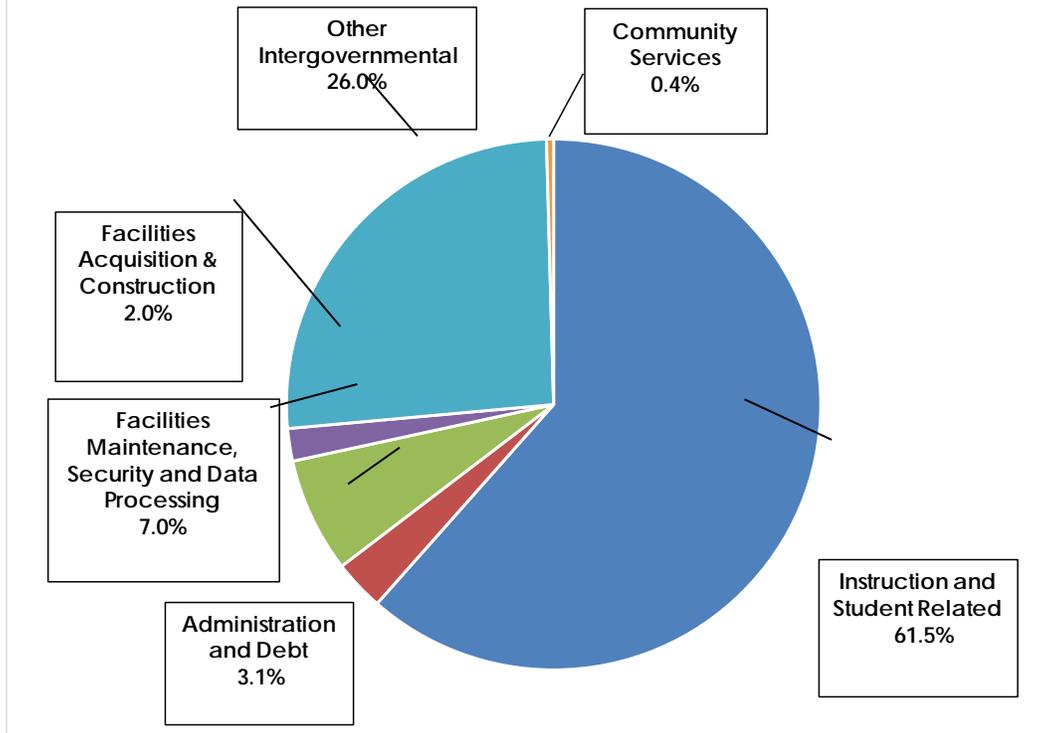
Net Cost of Selected District Functions
(in millions of dollars)

	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Instruction	\$368.0	\$298.8
Contracted instructional services between schools	211.0	211.0
Facilities maintenance & operations	45.2	43.4
School leadership	29.8	26.9
Food services	24.8	2.4
Guidance, counseling and evaluation services	25.5	22.0

Change in Net Position

	<u>Governmental Activities FY 6/30/22</u>	<u>Governmental Activities FY 6/30/21</u>	<u>Business-Type Activities FY 6/30/22</u>	<u>Business-Type Activities FY 6/30/21</u>
Revenue				
Program revenues				
Charges for services	\$ 6,891,241	\$ 3,571,537	\$ 5,431,163	\$ 3,658,626
Operating grants and contributions	117,010,233	108,136,982	-	-
General revenues				
Property taxes	782,210,161	766,889,476	-	-
State aid - formula	33,857,305	41,092,008	-	-
Interest income	2,312,469	589,161	6,338	68
Other	1,064,152	885,597	-	-
Total revenues	<u>943,345,561</u>	<u>921,164,761</u>	<u>5,437,501</u>	<u>3,658,694</u>
Expenses				
Instruction and Instructional - related services	388,916,872	417,183,395	-	-
Instructional and school leadership	34,925,994	38,705,593	-	-
Support services - student	89,823,649	80,180,102	-	-
Administrative support services	11,331,875	11,487,690	-	-
Support services - nonstudent based	58,451,014	57,551,181	-	-
Ancillary services - community service	3,568,873	3,797,955	-	-
Debt service	14,359,226	21,779,995	-	-
Other facility costs	16,537,556	11,113,484	-	-
Intergovernmental charges	217,292,607	198,029,326	-	-
Concessions	-	-	161,625	149,787
Employee child care	-	-	1,561,956	1,962,573
After school care	-	-	2,810,526	2,660,918
Total expenses	<u>835,207,666</u>	<u>839,828,721</u>	<u>4,534,107</u>	<u>4,773,278</u>
Excess (Deficiency) before transfers	108,137,895	81,336,040	903,394	(1,114,584)
Transfers in (out)	<u>(500,000)</u>	<u>(1,038,564)</u>	<u>500,000</u>	<u>1,038,564</u>
Change in net position	107,637,895	80,297,476	1,403,394	(76,020)
Beginning net position	460,649,116	380,351,640	19,937	95,961
Ending net position	<u>\$ 568,287,011</u>	<u>\$ 460,649,116</u>	<u>\$ 1,423,331</u>	<u>\$ 19,941</u>

Figure 2
Governmental Activities Expenses by Source for the Fiscal Year Ended
June 30, 2022



The increase in the ending net position for Governmental Activities of \$107.6 million is due to a combination of several factors.

Revenue for Governmental Activities increased by \$22.2 million during fiscal year 2022.

- Property tax increased \$15.3 million due to a 2.51% increase in taxable property values.
- State Aid decreased by \$7.2 million, due to the District receiving \$7.7 million in refunded Recapture payments due to property value audits performed for the District in the prior year.
- Investment earnings increased \$1.7 million due to improved market conditions.

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 \$4.6 million mainly due to impact of pension and OPEB expenses. All functional categories except Support Services, Other Facilities Costs and Intergovernmental Charges (Recapture) decreased due to the reduction of expenses with the change in assumptions associated with the net pension liability and Other Post Employment Benefit (OPEB) liability.

- Intergovernmental Charges significantly increased due to increase in Recapture. House Bill (HB) 3, passed in the 86th legislative session, made substantial changes to the District's recapture payment due to tax compression. Under HB 3, districts must reduce local revenue in excess of entitlement. As a result of the increase in property tax revenue, Contracted Instructional Services Between Schools (Recapture) increased by \$19.0 million.

Business-Type Activities The net position of the District's business-type activities increased by \$1.4 million. This increase is primarily due to the return of normal business activities following the COVID-19 pandemic.

- Employee Child Care Centers and PASAR After School Care enterprise funds had revenues that exceeded expenditures.
 - Employee Child Care Center had revenues that exceeded expenditures by \$30,966.
 - PASAR After School Care had revenues that exceeded expenditures by \$783,758.
- Concessions also saw an increase in net position of \$88,604 with revenues that exceeded expenditures by \$88,604.

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 \$948.6 million for the year ended June 30, 2022. Property taxes were the largest source of revenue received by the District. Revenue from all sources increased \$56.3 million from prior year.

Local revenue increased by \$20.6 million.

- House Bill (HB) 3 compressed the District's M&O tax rate from \$1.05475 to \$1.05175. The total property tax rate for the district was \$1.32075 including the I&S rate of \$.269, that remained the same as the prior year. For FY 2022 M&O tax revenue increased \$12.0 million and Debt Service tax revenue increased \$3.3 million for a total net increase in tax revenue of \$15.3 million.
- Investment earnings increased \$1.7 million due to improved market performance while, other local revenue increased \$3.6 million.

State revenue decreased by \$10.0 million.

- State Aid, specifically the Foundation School Fund programs decreased \$7.7 million due to refunded Recapture payments from property value audits performed for the district in the prior fiscal year.

Federal revenues increased by \$45.7 million.

- An increase in Federal revenues generated by the additional Federal Funds, CARES ESSER I, CRRSA ESSER II, and ARP ESSER III as well as a substantial increase in federal revenue for the National Breakfast and Lunch program over the prior year.

Expenditures for general governmental operations totaled \$979.1 million during fiscal year 2022 for an increase of \$52.0 million.

- Contracted Instructional Services between Schools (Recapture) increased by \$19.0 million as previously discussed.
- Extracurricular activities expenditures increased by \$4.1 million due to increased activity after the COVID-19 pandemic.
- Food Services expenditures increased by \$7.3 million due to students returning to campus from virtual home instruction.
- Debt Service principal and interest payments increased \$5.2 million due to recent bond issuances in 2017, 2018, 2019 and 2020.

The governmental funds reported a combined fund balance of \$402.9 million. Out of the combined fund balances, \$17.8 million constitutes unassigned fund balance available for the general operations of the District. The remainder of the fund balance is non-spendable, restricted, committed by board action or assigned. Fund balance classifications as of June 30, 2022 consist of:

	<u>As of 6/30/22</u>	<u>As of 6/30/21</u>
Nonspendable		
Inventories	\$ 1,340,730	\$ 994,256
Prepaid items	804,992	844,508
Restricted		
Debt service	29,644,775	33,201,383
Capital projects	82,448,110	111,639,690
Food service	10,832,980	3,561,363
State special revenue	1,330,031	1,418,570
Committed		
Local special revenue	9,029,851	9,050,200
Assigned		
Purchases on order	2,191,513	409,847
Cash flow requirements	170,000,000	167,000,000
Equipment acquisitions-technology	10,000,000	15,000,000
Capital outlay - buses	10,000,000	12,000,000
Insurance deductible	10,000,000	10,000,000
Compensated absences	3,600,000	3,600,000
Budget deficit	38,900,000	19,700,000
COVID - 19 Academic Recovery	5,000,000	5,000,000
Unassigned	17,751,662	41,908,561
Total Fund Balance	\$ 402,874,644	\$ 435,328,378

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 \$17.8 million. Assigned funds total \$249.7 million. Unassigned fund balance available for the general operations of the District represents 2.6% of the total general fund expenditures while total fund balance represents 39.0% of the same.

The Capital Project Fund has a total fund balance of \$82.4 million. This entire amount is restricted for future construction. The fund balance decreased by \$23.2 million as a result of the expenditures from decreased construction project activity.

The Debt Service Fund has a total fund balance of \$29.6 million and decreased by \$3.6 million. As of June 30, 2022, the August 2022 payment is neither expended nor accrued.

The Special Revenue Funds have a total fund balance of \$21.6 million. Nonspendable fund balance of \$406,026 is invested in inventory. Fund balance is restricted for food service in the amount of \$10.8 million, for state special revenue in the amount of \$1.3 million with the remaining balance of \$9.0 million committed for local special revenue funds. Approximately 41.8% of the total fund balance is from activity in several local special revenue funds. Of the remaining balance, 50.1% is restricted for use by food service with 6.2% 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, 2022 was \$1,423,331. Net position for the 2022 year increased by \$1.4 million. The increase is primarily due to increases in activity for Employee Child Care, PASAR After School Care, and Concessions.

Net Position in the Internal Service Funds as of June 30, 2022 was approximately \$3.2 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 increased by \$1.4 million during fiscal year 2022. This increase is attributable to the combination of increases in net position for Health Benefits, Workers' Compensation, Unemployment, Sign Shop, and Insurance Claims that was offset by a decrease in the Print Shop internal service fund.

- The Worker's Compensation Fund was funded for the entire year, which resulted in the increase in net position of \$365,577.
- The Unemployment Internal Service Fund received a transfer of \$500,000. The net position increased \$500,527 for 2022.
- The Insurance Claims Internal Service Fund received a transfer in of \$1.0 million during the fiscal year 2022 to fund claims. The Insurance Claims Internal Service Fund Net Position increased \$252,491 for fiscal year 2022.
- The Health Benefits Internal Service Fund Net Position increased by \$582,695 due to transfer in from the General Fund to cover overhead costs.
- The Print Shop Internal Service Fund Net Position decreased \$269,000 due to the implementation of GASB 87 during fiscal year 2022.

General Fund Budgetary Highlights

87th Legislature

House Bill (HB) 1525, passed by the 87th Texas Legislature and signed into law by Governor Abbott on June 16, 2021. HB 1525, known as the "HB 3 cleanup bill," the bill corrected some of the unintended consequences of implementing the significant changes in HB 3:

- Restored to a weight of 0.07 for each identified gifted and talented students served, limited to a 5% cap on ADA
- Modified the Career & Technical Education (CTE) funding from one weight of 1.35 per FTE to a system of tiered weights related to courses
- Entitled districts to the highest possible compensatory education weight for each enrolled student who is homeless. Allows use of compensatory education funds to pay for an instructional coach to help disadvantaged students, duties performed by attendance officers and programs to build skills related to social emotional wellness
- Limited the Formula Transition Grant not to exceed limit of \$400 million
- Created new grant programs for districts from both state and federal funds
- Allowed IMA to be used for distance learning cost
- Allowed districts to net their recapture payments against state aid
- Reduced the Maximum Compressed Tier 1 Tax Rate (MCR) to .9134

ESSER Funds As school districts have continued to navigate the residual effects of the COVID-19 pandemic in the 2021-22 school year, Elementary and Secondary School Emergency Relief (ESSER) grant funding was authorized in three pieces of legislation. As a result, the ESSER programs were administered by TEA as separate grant programs. The CARES ESSER I, CRRSA ESSER II, and ARP ESSER III grant programs run concurrently. During the overlap in periods of availability, school districts may expend funds from any of the grant programs.

CARES ESSER I Grant Program	Authorized in Title VIII, Division B, of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, signed into law in March 2020. Period of availability is March 13, 2020 (with pre-award), to September 30, 2022 (with carryover). The state of Texas was allocated \$1.29 billion. The District was allocated \$4.03 million dollars. \$1.73 million was expensed in the 2020-21 school year and the remaining \$2.3 million was fully expensed in 2021-22. ESSER I funds fully supplanted state aid for the allocated amount for school districts in school year 2019-20
CRRSA ESSER II Grant Program	Authorized the Coronavirus Response and Relief Supplemental Appropriations (CRRSA), signed into law in December 2020. Period of availability is March 13, 2020 (with pre-award), to September 30, 2023 (with carryover). The state of Texas was allocated \$5.53 billion. The District was allocated \$19.25 million to be expensed in school years 2021-22 and 2022-23. \$4.0 million of ESSER II funds were expensed in 2021-22 and the remaining funds will be fully expensed in 2022-23. ESSER II funds supplanted state aid for the portion adjusted for ADA hold-harmless for school districts in school year 2020-21.
ARP ESSER III Grant Program	Authorized in the American Rescue Plan Act (ARP), signed into law in March 2021. Period of availability is March 13, 2020 (with pre-award), to September 30, 2024 (with carryover). The state of Texas was allocated \$12.42 billion. Additional District requirements under

ARP ESSER III included:

- Engage in meaningful consultation with all District stakeholders
- Provide a documented plan of expenditures per statutorily allowable activities and provide a plan for the safe return to in-person instruction and continuity of services
 - Both plans must be posted on the District's website with 30 days of receiving ESSER III Notice of Grant Award
- Reserve not less than 20 percent of its total ARP ESSER III allocation to address learning loss through the implementation of evidence-based interventions and ensure that such interventions respond to students' academic, social, and emotional needs and address the disproportionate impact of COVID-19 on underrepresented student subgroups

The District was allocated \$43.35 million to be expensed in school years 2021-22, 2022-23 and 2023-24. ESSER III funds are fully supplemental for school districts. The District expensed \$18.1 million in 2021-22 with \$5.7 million or 31.5% of the 2021-22 ESSER III expenses dedicated to address student learning loss due to the COVID-19 pandemic. The remaining \$25.25 million dollars to be expensed in 2022-23 and 2023-24.

Original Budget Compared to Final Budget

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

Total estimated Revenues increased \$25.4 million.

- Net increase in state revenue of \$15.2 million is due to changes in ASF (Available School Fund-Per Capita) changing from \$200.000 to \$510.890 per prior year ADA.
- Property tax revenues were estimated to be \$8.7 million higher than original due to final property value estimates.

Total estimated Appropriations increased \$25.9 million.

- Due to increase in property values and decrease in enrollment, Chapter 49 recapture cost was increased \$27.0 million.
- *Final Amended Budget Compared to Actual*

As of June 30, 2022, actual revenues were lower than final budgetary estimates by \$759.0 million primarily due to changes in some of the Districts summer-based programs.

Actual expenditures were lower than final budgetary estimates by \$20.3 million. The most significant variances are summarized below:

- Use of ESSER II funds (Coronavirus Response and Relief Supplement Appropriations Act (CRRSA Act) in the General Fund were estimated at \$7.5 million however, actual was at \$3.8 million
- Ch. 49 - Recapture at Near Final was estimated lower than expected by \$3.9 million
- Overall expenses in payroll were lower by \$13.7 million than final amended budget. This mainly due to unfilled positions.

Capital Assets and Debt Administration

Capital Assets As of June 30, 2022, the District had invested \$1,067,393,952 net of depreciation, in a broad range of capital assets, including land, equipment, buildings, and Construction in Progress. This amount represents a net decrease (including additions, retirements and depreciation) of \$28.9 million over last year.

	<u>As of 6/30/22</u>	<u>As of 6/30/21</u>
Land and improvements	\$ 152,081,536	\$ 150,786,031
Buildings and improvements	1,544,361,530	1,540,440,682
Construction in progress	75,279,390	62,637,596
Right to use leased asset	1,517,670	-
Furniture, equipment, & vehicles	<u>135,340,753</u>	<u>132,737,753</u>
Totals	1,908,580,879	1,886,602,062
Total accumulated depreciation	<u>(841,186,927)</u>	<u>(790,335,110)</u>
Net capital assets	<u><u>\$ 1,067,393,952</u></u>	<u><u>\$ 1,096,266,952</u></u>

The had several active construction projects as of June 30, 2022. The district continued work on the refurbishment at Williams High School and HVAC and roof upgrades at Sockwell. Additionally, HVAC projects were started at PESH, PWSH, Shepard , Harrington, and Andrews Elementary schools. Other major projects included upgrades at Clark Stadium locker room, baseball/softball bleacher upgrades at PSHS, PESH, and PWSH, Solomon Center Kitchen addition, and Barron Elementary fire system upgrades. Lastly, the district continued to work on minor capital project improvements at several campuses.

Completed projects included the Fine Arts addition at Frankford Middle School, addition at Gullede Elementary, Hughston Elementary kitchen upgrade, and cafeteria serving line upgrades at Schimelpfenig MS, and Shepard, Thomas, Andrews, and Hickey Elementary schools. Andrews Elementary, Holifield Center and Murphy Distribution Center received roof replacements. Flooring upgrades were completed at PWSH, Harrington, Dooley, and Hunt Elementary schools. Lastly, HVAC upgrades were completed at PSHS, Centennial, and Jackson Elementary. Other minor capital project improvements were completed at several campuses, including upgrading security doors at several elementary schools. 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, 2022, the District had total bonded debt outstanding of \$529.1 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. Net bonded debt per capita was \$1,364 and the ratio of net bonded debt to assessed value was .81 percent.

The District has authorized unissued bonds as of June 30, 2022 in the amount of \$49,875,000. During the year, Series 2012 and 2012A Unlimited Tax Refunding Bonds were called for redemption. The redemption resulted in total debt service savings of \$5.7 million and a net present value savings of \$4.1 million. The District continues to be awarded excellent bond ratings. 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, 2022, there was a liability for arbitrage rebate in the amount of \$76,284.

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 favorable. Certified taxable property values reported in the summer of 2022 grew by \$6.1 billion (9.83%) from 2021 and now totals \$68.0 billion. Of this growth, \$602.0 million was for new construction. The balance reflects increases in value of existing property. Plano created a central business district in North Texas with the 255- acre Legacy West development. Several large companies have corporate headquarters in Plano. Those companies included Rent-A-Center, Cinemark Holdings, Toyota, Liberty Mutual Insurance, JPMorgan Chase & Co, FedEx, Pizza Hut, and Boeing Global Service to name some. Plano is home to numerous manufacturers, small businesses and start-ups from a vast variety of industries including, telecommunications, software/information technology, digital media, financial services, health and medical, electronics, and energy.

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 continued in 2022 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 2022-23 budget on June 21, 2022. The 2022-23 General Fund budget was adopted with revenues and other sources of \$698.8 million, appropriations and other uses of \$737.7 million, thus resulting in a \$38.9 million deficit budget. The General fund revenue budget increased \$7.8 million compared to 2021-22 final amended budget. The majority of the increase is attributed to property tax increase due to the property value growth. Appropriations and other uses reflect an increase of \$25.4 million when compared to the 2021-22 final amended budget. The change in appropriations due to an increase in salary and benefits due to a 4% general pay increase for teachers, nurses, & librarians, 3% general pay increase for all other employees, an increase in the district's contribution for employee health insurance from \$300/month to \$315/month, and an increase in recapture payments to TEA increased from \$214.9 million for FY 2022 to \$226.9 million in FY 2023.

On August 16, 2022 the District adopted a maintenance and operations tax rate of \$1.02240 per \$100 of taxable assessed value and adopted a debt service tax rate of \$0.23735 per \$100 of taxable assessed value for a total tax rate of \$1.25975 per \$100 of taxable assessed value. Due to the favorable interest rates and increase in property values, the District is able to decrease the Debt service tax rate adopted in 2021-22. The debt service fund has a balanced budget of \$170.2 million in revenue and appropriations for 2022-23.

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.

Teamwork for Excellence



P L A N O
Independent School District

Basic Financial Statements

Teamwork for Excellence



P L A N O
Independent School District

Plano Independent School District
Statement of Net Position
Year Ended June 30, 2022

Exhibit A-1

Data Control Codes		1	2	3
		Primary Government		
		Governmental Activities	Business Type Activities	Total
ASSETS				
1110	Cash and investments	\$ 671,547,832	\$ 1,997,428	\$ 673,545,260
1220	Property taxes receivable (delinquent)	11,393,181	-	11,393,181
1230	Allowance for uncollectible taxes	(4,486,856)	-	(4,486,856)
1240	Due from other governments	28,577,168	-	28,577,168
1250	Accrued interest	83,796	2	83,798
1290	Other receivables, net	102,068	26,480	128,548
1294	Lease Receivables	10,889,555	-	10,889,555
1300	Inventories	1,340,730	-	1,340,730
1410	Deferred expenses	1,130,514	-	1,130,514
	Non-current assets:			
	Capital assets:			
1510	Land	90,486,698	-	90,486,698
1520	Buildings, net	850,953,577	-	850,953,577
1530	Furniture and equipment, net	24,579,077	3,962	24,583,039
1540	Other capital assets, net	24,503,342	-	24,503,342
1559	Right-to-use leased equipment, net	1,583,630	4,276	1,587,906
1580	Construction in progress	75,279,390	-	75,279,390
1000	Total assets	1,787,963,702	2,032,148	1,789,995,850
DEFERRED OUTFLOWS OF RESOURCES				
1701	Deferred charge for refunding	7,197,747	-	7,197,747
1705	Related to the TRS pension	41,308,592	-	41,308,592
1706	Related to the TRS OPEB	28,353,354	-	28,353,354
1700	Total deferred outflows of resources	76,859,693	-	76,859,693
LIABILITIES				
2110	Accounts payable	17,694,779	404,230	18,099,009
2140	Interest payable	9,031,393	-	9,031,393
2150	Payroll deduction and withholdings	3,927,450	-	3,927,450
2160	Accrued wages payable	52,254,938	136,859	52,391,797
2180	Due to other governments	212,507,343	-	212,507,343
2200	Accrued expenses	2,795,666	-	2,795,666
2300	Unearned revenues	7,115,848	61,282	7,177,130
2440	Other Payables	6,823	-	6,823
	Non-current liabilities:			
2501	Due within one year	71,813,555	2,170	71,815,725
2502	Due in more than one year	468,166,870	4,276	468,171,146
2540	Net pension liability (District's share)	74,488,392	-	74,488,392
2545	OPEB liability (District's share)	147,854,332	-	147,854,332
2000	Total liabilities	1,067,657,389	608,817	1,068,266,206
DEFERRED INFLOWS OF RESOURCES				
2531	Related to leased assets	11,761,463	-	11,761,463
2605	Related to the TRS pension	93,282,628	-	93,282,628
2606	Related to the TRS OPEB	123,834,904	-	123,834,904
2600	Total deferred inflows of resources	228,878,995	-	228,878,995
NET POSITION				
3200	Net investment in capital assets	616,276,017	8,238	616,284,255
	Restricted for:			
3820	Restricted for state programs	1,330,031	-	1,330,031
3840	Restricted for food service	11,239,006	-	11,239,006
3850	Restricted for debt service	22,017,233	-	22,017,233
3900	Unrestricted net position	(82,575,276)	1,415,093	(81,160,183)
3000	TOTAL NET POSITION	\$ 568,287,011	\$ 1,423,331	\$ 569,710,342

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

Plano Independent School District
Statement of Activities
Year Ended June 30, 2022

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	\$ 367,960,183	\$ 2,206,518	\$ 66,984,754	\$ -
12	Instructional resources and media services	9,410,464	-	591,887	-
13	Curriculum and instructional staff development	11,546,225	54,804	6,213,206	-
21	Instructional leadership	5,160,361	-	1,185,561	-
23	School leadership	29,765,633	-	2,849,988	-
31	Guidance, counseling and evaluation services	25,543,339	-	3,494,543	-
32	Social work services	1,825,619	-	369,597	-
33	Health services	6,227,602	-	595,230	-
34	Student (pupil) transportation	17,458,452	-	898,837	-
35	Food services	24,846,641	2,369,789	24,854,850	-
36	Extracurricular activities	13,921,996	1,420,710	1,500,105	-
41	General administration	11,331,875	-	814,930	-
51	Facilities maintenance and operations	45,166,429	802,883	922,312	-
52	Security and monitoring services	5,775,292	-	312,664	-
53	Data processing services	7,509,293	-	426,806	-
61	Community services	3,568,873	36,537	2,351,540	-
72	Debt service - interest on long term debt	14,332,591	-	990,090	-
73	Debt service - bond issuance costs and fees	26,635	-	-	-
81	Other facility costs	16,537,556	-	-	-
91	Contracted instructional services between schools	211,043,800	-	-	-
92	Incremental costs associated with Chapter 41	28,324	-	-	-
93	Payment to fiscal agent/member districts of SSA	818,160	-	1,653,333	-
95	Payments to juvenile justice alternative ed. prg.	11,984	-	-	-
99	Other intergovernmental charges	5,390,339	-	-	-
TG	Total governmental activities	835,207,666	6,891,241	117,010,233	-
BUSINESS-TYPE ACTIVITIES					
01	Employee child care	1,561,956	1,592,922	-	-
02	After school care	2,810,526	3,589,521	-	-
03	Concessions	161,625	248,720	-	-
TB	Total business-type activities	4,534,107	5,431,163	-	-
TP	TOTAL PRIMARY GOVERNMENT	\$ 839,741,773	\$ 12,322,404	\$ 117,010,233	\$ -
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
\$ (298,768,911)	\$ -	\$ (298,768,911)
(8,818,577)	-	(8,818,577)
(5,278,215)	-	(5,278,215)
(3,974,800)	-	(3,974,800)
(26,915,645)	-	(26,915,645)
(22,048,796)	-	(22,048,796)
(1,456,022)	-	(1,456,022)
(5,632,372)	-	(5,632,372)
(16,559,615)	-	(16,559,615)
2,377,998	-	2,377,998
(11,001,181)	-	(11,001,181)
(10,516,945)	-	(10,516,945)
(43,441,234)	-	(43,441,234)
(5,462,628)	-	(5,462,628)
(7,082,487)	-	(7,082,487)
(1,180,796)	-	(1,180,796)
(13,342,501)	-	(13,342,501)
(26,635)	-	(26,635)
(16,537,556)	-	(16,537,556)
(211,043,800)	-	(211,043,800)
(28,324)	-	(28,324)
835,173	-	835,173
(11,984)	-	(11,984)
(5,390,339)	-	(5,390,339)
(711,306,192)	-	(711,306,192)
-	30,966	30,966
-	778,995	778,995
-	87,095	87,095
-	897,056	897,056
<u>\$ (711,306,192)</u>	<u>\$ 897,056</u>	<u>\$ (710,409,136)</u>
623,125,720	-	623,125,720
159,084,441	-	159,084,441
33,857,305	-	33,857,305
2,312,469	6,338	2,318,807
1,064,152	-	1,064,152
(500,000)	500,000	-
<u>818,944,087</u>	<u>506,338</u>	<u>819,450,425</u>
107,637,895	1,403,394	109,041,289
460,649,116	19,937	460,669,053
<u>\$ 568,287,011</u>	<u>\$ 1,423,331</u>	<u>\$ 569,710,342</u>

Plano Independent School District
Balance Sheet
Governmental Funds
June 30, 2022

<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	\$ 523,324,916	\$ 29,074,090	\$ 88,405,771
1220 Property taxes - delinquent	9,079,320	2,313,861	-
1230 Allowance for uncollectible taxes (credit)	(3,576,846)	(910,010)	-
1240 Due from other governments	9,290,501	567,816	-
1250 Accrued interest	75,892	2,869	3,024
1260 Due from other funds	9,519,021	-	-
1290 Other receivables	77,383	-	-
1294 Lease receivables	10,889,555	-	-
1300 Inventories	934,704	-	-
1410 Prepaid expenditures	804,992	-	-
1000 Total assets	<u>\$ 560,419,438</u>	<u>\$ 31,048,626</u>	<u>\$ 88,408,795</u>
LIABILITIES			
2110 Accounts payable	\$ 9,659,759	\$ -	\$ 5,958,378
2150 Payroll deductions and withholdings payable	3,927,450	-	-
2160 Accrued wages payable	47,909,954	-	2,307
2170 Due to other funds	-	-	-
2180 Due to other governments	212,505,227	-	-
2300 Unearned revenues	830,982	-	-
2440 Other payables	952	-	-
2000 Total liabilities	<u>274,834,324</u>	<u>-</u>	<u>5,960,685</u>
DEFERRED INFLOWS OF RESOURCES			
2531 Related to leased assets	10,889,555	-	-
2601 Unavailable revenue - property taxes	5,512,688	1,403,851	-
2600 Total deferred inflows of resources	<u>16,402,243</u>	<u>1,403,851</u>	<u>-</u>
FUND BALANCES			
Nonspendable			
3410 Investments in inventory	934,704	-	-
3430 Prepaid expenditures	804,992	-	-
Restricted			
3480 Debt service	-	29,644,775	-
3470 Capital projects	-	-	82,448,110
3450 Food service	-	-	-
3450 State special revenue	-	-	-
Committed			
3545 Local special revenue	-	-	-
Assigned			
3590 Purchases on order	2,191,513	-	-
3590 Cash flow requirements	170,000,000	-	-
3590 Equipment acquisitions-technology	10,000,000	-	-
3590 Capital outlay - buses	10,000,000	-	-
3590 Insurance deductible	10,000,000	-	-
3590 Compensated absences	3,600,000	-	-
3590 2022-2023 budget deficit	38,900,000	-	-
3590 COVID - 19 Academic Recovery	5,000,000	-	-
3600 Unassigned	17,751,662	-	-
Total fund balances	<u>269,182,871</u>	<u>29,644,775</u>	<u>82,448,110</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	<u>\$ 560,419,438</u>	<u>\$ 31,048,626</u>	<u>\$ 88,408,795</u>

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

Other Funds	Total Governmental Funds
\$ 24,643,405	\$ 665,448,182
-	11,393,181
-	(4,486,856)
18,718,851	28,577,168
1,443	83,228
-	9,519,021
21,006	98,389
-	10,889,555
406,026	1,340,730
-	804,992
<u>\$ 43,790,731</u>	<u>\$ 723,667,590</u>
\$ 2,047,727	\$ 17,665,864
-	3,927,450
4,333,120	52,245,381
9,519,021	9,519,021
2,116	212,507,343
6,283,988	7,114,970
5,871	6,823
22,191,843	302,986,852
-	10,889,555
-	6,916,539
-	17,806,094
406,026	1,340,730
-	804,992
-	29,644,775
-	82,448,110
10,832,980	10,832,980
1,330,031	1,330,031
9,029,851	9,029,851
-	2,191,513
-	170,000,000
-	10,000,000
-	10,000,000
-	10,000,000
-	3,600,000
-	38,900,000
-	5,000,000
-	17,751,662
21,598,888	402,874,644
<u>\$ 43,790,731</u>	<u>\$ 723,667,590</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, 2022

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$ 402,874,644
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 \$1,908,049,719, and the accumulated depreciation and amortization associated with the capital assets is \$841,186,927.	1,066,862,792
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.	6,916,539
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 \$522,922) are included in governmental activities in the statement of net assets. The net effect of this consolidation is to increase net position.	3,245,417
Long-term liabilities of \$539,980,425 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 \$7,197,747 is reflected as a deferred outflow of resources on the Statement of Net Position.	(532,782,678)
Interest payable is not due and payable in the current period and therefore is not reported as a liability in the governmental funds.	(9,031,393)
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 \$74,488,392, a deferred inflow of resources related to TRS in the amount of \$93,282,628 and a deferred outflow of resources related to TRS in the amount of \$41,308,592. This resulted in a decrease in net position.	(126,462,428)
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 \$147,854,332, a deferred inflow of resources related to TRS in the amount of \$123,834,904, and a deferred outflow of resources related to TRS in the amount of \$28,353,354. This resulted in a decrease in net position.	<u>(243,335,882)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 568,287,011</u></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, 2022

Data Control Codes		10 General Fund	50 Debt Service Fund	60 Capital Project
REVENUES				
5700	Total local and intermediate sources	\$ 628,892,717	\$ 159,196,572	\$ 223,880
5800	State program revenues	51,177,728	711,629	-
5900	Federal program revenues	9,609,889	-	-
5020	Total revenues	689,680,334	159,908,201	223,880
EXPENDITURES				
Current:				
0011	Instruction	303,101,030	-	-
0012	Instructional resources and media services	7,246,550	-	-
0013	Curriculum and instructional staff development	8,193,280	-	-
0021	Instructional leadership	4,904,489	-	-
0023	School leadership	28,579,713	-	-
0031	Guidance, counseling and evaluation services	24,244,678	-	-
0032	Social work services	1,718,609	-	-
0033	Health services	6,238,183	-	-
0034	Student (pupil) transportation	16,868,552	-	-
0035	Food services	11,252	-	-
0036	Extracurricular activities	6,879,491	-	-
0041	General administration	11,496,592	-	-
0051	Facilities maintenance and operations	38,904,483	-	-
0052	Security and monitoring services	4,848,779	-	-
0053	Data processing services	6,810,584	-	-
0061	Community services	2,518,491	-	-
Debt service:				
0071	Debt service - principal on long term debt	458,443	133,430,000	-
0072	Debt service - interest on long term debt	-	30,008,174	-
0073	Debt service - bond issuance cost and fees	-	26,635	-
Capital outlay:				
0081	Facilities acquisition and construction	-	-	34,402,226
Intergovernmental:				
0091	Contracted instructional services between schools	211,043,800	-	-
0092	Incremental costs associated with Chapter 41	28,324	-	-
0093	Payments to fiscal agent/member districts of SSA	-	-	-
0095	Payments to juvenile justice alternative ed. prg.	11,984	-	-
0099	Other intergovernmental charges	5,390,339	-	-
6030	Total expenditures	689,497,646	163,464,809	34,402,226
1100	Excess (deficiency) of revenues over (under) expenditures	182,688	(3,556,608)	(34,178,346)
OTHER FINANCING SOURCES (USES)				
7915	Transfers in	-	-	4,000,000
7919	Insurance recoveries	1,252	-	986,766
8911	Transfers out (use)	(7,391,150)	-	-
7080	Total other financing sources (uses)	(7,389,898)	-	4,986,766
1200	Net change in fund balances	(7,207,210)	(3,556,608)	(29,191,580)
0100	Fund balance - July 1 (beginning)	276,390,081	33,201,383	111,639,690
3000	FUND BALANCE - JUNE 30 (ENDING)	\$ 269,182,871	\$ 29,644,775	\$ 82,448,110

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

Other Funds	Total Governmental Funds
\$ 9,096,486	\$ 797,409,655
9,401,871	61,291,228
80,316,698	89,926,587
98,815,055	948,627,470
48,037,270	351,138,300
227,149	7,473,699
3,917,840	12,111,120
582,398	5,486,887
1,251,400	29,831,113
2,372,711	26,617,389
221,021	1,939,630
213,979	6,452,162
423,751	17,292,303
23,730,946	23,742,198
4,291,681	11,171,172
162,543	11,659,135
3,959,344	42,863,827
250,542	5,099,321
86,812	6,897,396
1,145,918	3,664,409
3,458	133,891,901
-	30,008,174
-	26,635
7,618	34,409,844
-	211,043,800
-	28,324
818,160	818,160
-	11,984
-	5,390,339
91,704,541	979,069,222
7,110,514	(30,441,752)
391,150	4,391,150
-	988,018
-	(7,391,150)
391,150	(2,011,982)
7,501,664	(32,453,734)
14,097,224	435,328,378
\$ 21,598,888	\$ 402,874,644

Plano Independent School District

Exhibit C-4

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities Year Ended June 30, 2022

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS		\$ (32,453,734)
<p>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 or over the duration of the lease as amortization expense. This is the amount by which depreciation and amortization of \$51,517,803 exceeded capital outlays and donated assets of \$22,123,854 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.)</p>		
		(29,393,949)
<p>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</p>		
Principal payment on bonds payable	\$ 133,430,000	
Amortization of premium	13,526,748	
Amortization of loss on bond refunding	(212,581)	
Amortization of lease payable	452,067	
Proceeds from right-to-use leased assets	(1,517,670)	
Reduction of Arbitrage	<u>334,478</u>	146,013,042
<p>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.</p>		
		7,379
<p>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</p>		
		2,371,250
<p>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.</p>		
		1,076,898
<p>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.</p>		
		1,433,219
<p>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 \$18,141,018, an increase in the deferred inflow of resources related to TRS of \$57,288,944, and an decrease in the net pension liability of \$83,933,499.</p>		
		8,233,537
<p>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 \$5,169,329, a decrease in the deferred inflow of resources related to TRS-OPEB of \$2,147,756, and a decrease in the OPEB liability of \$3,033,168.</p>		
		<u>10,350,253</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>\$ 107,637,895</u>

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, 2022

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	\$ 1,997,428	\$ 6,099,650
Accrued interest	2	568
Other receivables	26,480	3,679
Prepaid expenses	-	325,522
	<hr/>	<hr/>
Total current assets	2,023,910	6,429,419
Noncurrent assets		
Capital assets		
Furniture and equipment	14,690	31,374
Right-to-use leased equipment	6,446	871,908
Depreciation and amortization on furniture and equipment	(12,898)	(380,360)
	<hr/>	<hr/>
Total noncurrent assets	8,238	522,922
	<hr/>	<hr/>
TOTAL ASSETS	2,032,148	6,952,341
LIABILITIES		
Current liabilities		
Accounts payable	404,230	28,915
Accrued wages payable	136,859	9,557
Accrued expenses	-	2,795,666
Unearned revenues	61,282	878
Non-current liabilities		
Due in more than one year	4,276	519,636
Due within one year	2,170	352,272
	<hr/>	<hr/>
TOTAL LIABILITIES	608,817	3,706,924
NET POSITION		
Investments in capital assets	1,792	(348,986)
Unrestricted net position	1,421,539	3,594,403
	<hr/>	<hr/>
TOTAL NET POSITION	<u>\$ 1,423,331</u>	<u>\$ 3,245,417</u>

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

Plano Independent School District

Exhibit D-2

Statement of Revenues, Expenses, and Changes in Fund Net Position
 Proprietary Funds
 Year Ended June 30, 2022

	<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	\$ 5,431,163	\$ 38,816,514
Total operating revenues	5,431,163	38,816,514
OPERATING EXPENSES		
Payroll costs	3,630,379	800,187
Professional and contracted services	123,331	2,701,637
Supplies and materials	135,431	424,665
Depreciation and amortization	3,491	353,915
Other operating costs	639,530	36,178,214
Total operating expenses	4,532,162	40,458,618
Operating income (loss)	899,001	(1,642,104)
NON OPERATING REVENUES (EXPENSES)		
Earnings from temporary deposits and investments	4,393	14,188
Insurance recovery	-	561,135
Total non operating revenue	4,393	575,323
Income (loss) before transfers	903,394	(1,066,781)
Transfers in	500,000	2,500,000
Change in net position	1,403,394	1,433,219
Net position - July 1 (beginning)	19,937	1,812,198
TOTAL NET POSITION - JUNE 30 (ENDING)	\$ 1,423,331	\$ 3,245,417

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, 2022

Exhibit D-3

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	<u>Total Enterprise Funds</u>	<u>Total Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from user charges	\$ 5,447,634	\$ 38,744,263
Cash payments to employees for services	(3,617,519)	(804,596)
Cash payments for insurance claims	-	(267,541)
Cash payments for suppliers	(34,938)	(3,134,136)
Cash payments for other operating expenses	(639,531)	(35,606,292)
	<u>1,155,646</u>	<u>(1,068,302)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers in	500,000	2,500,000
	<u>500,000</u>	<u>2,500,000</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of securities	1,465	80,874
Purchase of investment securities	(117,991)	(22,942)
Interest and dividends on investments	4,396	14,767
	<u>(112,130)</u>	<u>72,699</u>
Net increase (decrease) in cash and cash equivalents	1,543,516	1,504,397
Cash and cash equivalents at beginning of year	309,097	4,064,154
Cash and cash equivalents at end of year	1,852,613	5,568,551
Temporary investment not in cash equivalents	144,815	531,099
	<u>1,997,428</u>	<u>\$ 6,099,650</u>
CASH ON BALANCE SHEET		
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Operating income (loss)	\$ 899,001	\$ (1,080,969)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	-	353,915
Effect of increases and decreases in current assets and liabilities:		
Decrease (increase) in receivables	3,466	(1,559)
Decrease (increase) in prepaid expenses	-	10,787
Increase (decrease) in accounts payable	223,824	(7,834)
Increase (decrease) in accrued wages payable	12,860	(4,409)
Increase (decrease) in noncurrent liabilities	3,490	-
Increase (decrease) in unearned revenues	13,005	-
Increase (decrease) in accrued expenses	-	(338,233)
	<u>\$ 1,155,646</u>	<u>\$ (1,068,302)</u>

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

Plano Independent School District
Statement of Fiduciary Net Position
Custodial Fund
June 30, 2022

Exhibit E-1

	Custodial Fund
ASSETS	
Cash and investments	\$ 368,346
Accrued interest	17
Other receivables	89
	<hr/>
TOTAL ASSETS	\$ 368,452
	<hr/> <hr/>
LIABILITIES	
Accounts payable	\$ 128
	<hr/>
TOTAL LIABILITIES	128
	<hr/>
NET POSITION	
Restricted for other purposes	\$ 368,324
	<hr/>
TOTAL NET POSITION	\$ 368,324
	<hr/> <hr/>

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

Plano Independent School District
Statement of Changes in Fiduciary Net Position
Custodial Fund
June 30, 2022

Exhibit E-2

	Custodial Fund
	<hr/>
ADDITIONS	
Earnings from investments	\$ 577
Miscellaneous revenue from student groups	219,733
	<hr/>
TOTAL ADDITIONS	220,310
DEDUCTIONS	
Contracted services	375
Supplies and materials	69,350
Scholarships and awards granted	2,336
Student travel	14,407
Dues and fees	109,184
Other miscellaneous operating expenses	27,620
	<hr/>
TOTAL DEDUCTIONS	223,272
	<hr/>
Change in net position	(2,962)
NET POSITION	
Net position, beginning	371,286
	<hr/>
Net position, ending	\$ 368,324
	<hr/> <hr/>

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

Teamwork for Excellence



P L A N O
Independent School District

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, Garland, Wylie, Lucas, and Allen which lie within the District's boundaries. The District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the District 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 non-fiduciary 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 and amortization 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 custodial 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.

Plano Independent School District

Notes to the Basic Financial Statements

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.

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 self-funded, 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 *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. 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 non-operating 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.

Custodial Funds

Custodial funds accounts for the resources held for the others in a custodial capacity. The fund is used to account for the assets held by the District as an agent for student and other organizations. These funds were previously reported in an agency fund. This change resulted in reporting more detail of additions to and deductions from custodial funds that was reported for agency funds.

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 39.4% of outstanding property taxes at June 30, 2022.

Lease Receivable – Lessor. The District is a lessee for non-cancelable leases of property and equipment. The District recognizes a lease receivable and a deferred inflow of resources in the government-wide, governmental fund and proprietary fund financial statements.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. The District has \$10,889,555 remaining in lease receivables and \$10,889,555 remaining in deferred inflows as of June 30, 2022. The District recorded lease revenue including interest of \$964,990 in the fiscal year. Key estimates and judgements related to leases include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The District uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancelable period of the lease.
- Lease payments included in the measurement of the lease receivable are composed of fixed payments from the lessee, variable payments from the lessee that are fixed in substance or that depend on an index or a rate, residual value guarantee payments from the lessee that are fixed in substance, and any lease incentives that are payable to the lessee.

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

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, 2022. The cost of governmental fund type prepaid balances are recorded as an expenditure when consumed rather than when purchased.

Plano Independent School District
Notes to the Basic Financial Statements

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 unearned 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.

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

Right-to-use assets. Right-to-use assets are amortized over the duration of the lease using the straight-line method.

Plano Independent School District

Notes to the Basic Financial Statements

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.
- Deferred inflows from leases are adjusted over the life of the current portion of the principal received.

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, 2022, the District recorded \$2,525,759 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.

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.

Plano Independent School District

Notes to the Basic Financial Statements

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.

Leases Payable – Lessee. The District is a lessee for non-cancelable leases of property and equipment. The District recognizes a lease liability, reported with long-term debt, and a right-to-use lease asset, reported with other capital assets, in the government-wide and proprietary fund financial statements. The District recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the District measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or its useful life.

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

- The District uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancelable period of the lease.
- Lease payments included in the measurement of the liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, purchase option price that the District is reasonably certain to exercise, lease incentives receivable from the lessor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

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

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.

Plano Independent School District

Notes to the Basic Financial Statements

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 Non-spendable, 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.

The District classifies governmental fund balances as follows:

Non-spendable. 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, liabilities associated with compensated absences, 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.

Plano Independent School District

Notes to the Basic Financial Statements

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 non-spendable 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, 2022 will change.

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, certificates of deposit, 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, 2022, the carrying amount of the District's cash deposits were \$408,399 and the bank balance was \$46,316.

Plano Independent School District

Notes to the Basic Financial Statements

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 \$6,545,179.
- c) Highest cash, savings and time deposits combined account balances amount was \$4,947,175 and occurred on July 22, 2021.
- 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, 2022, the carrying amount and bank balance of these deposits were \$11,405,418. The District's cash deposits at June 30, 2022 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.

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.

Plano Independent School District

Notes to the Basic Financial Statements

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:

	June 30, 2022	Fair Value Measurements Using			Percent of Total Investments	Weighted Average Maturity (Years)
		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	\$ 11,813,817	\$ -	\$ -	\$ -		
Total cash and cash equivalents	11,813,817	-	-	-		
Investments measured at amortized cost:						
Investment pools:						
Texpool	27,207,492	-	-	-	4.11%	0.0027
Investments measured at Net asset value (NAV), fair value:						
Investment pools:						
Lone Star	72,099,377	-	-	-	10.89%	0.0027
TexasCLASS	355,884,602	-	-	-	53.75%	0.0027
TexStar	102,443,331	-	-	-	15.47%	0.0027
TexasDAILY	15,029,432	-	-	-	2.27%	0.0027
Investments by fair value level:						
U.S. government agency securities:						
Federal Farm Credit Bank	14,944,230	-	14,944,230	-	2.26%	0.2110
U.S. treasury bonds	44,354,688	44,354,688	-	-	6.70%	0.6307
Certificates of deposit	15,152,416	-	15,152,416	-	2.29%	0.0027
Commercial paper	14,984,221	-	14,984,221	-	2.26%	0.0575
Total investments	662,099,789	44,354,688	45,080,867	-		
Total cash and investments	\$ 673,913,606	\$ 44,354,688	\$ 45,080,867	\$ -		
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.

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.

Plano Independent School District

Notes to the Basic Financial Statements

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.

The TexasDAILY, is Texas TERM Local Government Investment Pool "the Pool" was established in conformity with the State of Texas Interlocal Cooperation Act and is administered by PFM Asset Management, LLC. U.S. Bank serves at the Pool's custodial bank. The Pool operates two separate investment Portfolios, *TexasDAILY* and *Texas TERM*.

The primary objective of the *TexasDAILY* portfolio is to produce the highest income consistent with preserving principal and maintaining liquidity. The portfolio will maintain a dollar-weighted average maturity that does not exceed 60 days and seeks to maintain a net asset value of \$1.00 per share. Texas DAILY may invest in securities including: obligations of the United States or its agencies and instrumentalities; obligations that are fully guaranteed or insured by the FDIC or the United States; repurchase agreements involving obligations of the United States or its agencies and instrumentalities; certificates of deposit issued by FDIC insured banks; and SEC-registered no-load money-market mutual funds which meet the requirements of the Public Funds Investment Act.

The *TexasDAILY* portfolio has a redemption notice period of one day and no maximum transaction amounts. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pools' liquidity.

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, *Certificates of Deposit* and *Commercial Paper* classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

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*, *TexasDAILY* 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*, *TexasDAILY* 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.

Plano Independent School District
Notes to the Basic Financial Statements

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.

Twelve 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.	2.26%	A-1+	P-1	F1

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 \$1.3208 per \$100 of assessed valuation. The maintenance and debt service portions of such rate are \$1.0518 and \$0.269, respectively. The 2022 assessed valuation was \$61,587,926,710 resulting in a tax levy of \$ 782,016,818 for the current fiscal year. The 2022 tax levy reflects an adjustment of \$31,401,184 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, 2022 are as follows:

	Delinquent Taxes Receivable, Gross	Allowance for Uncollectible Taxes	Delinquent Taxes Receivable, net
General fund	\$ 9,079,320	\$ 3,576,846	\$ 5,502,474
Debt service fund	2,313,861	910,010	1,403,851
Total	\$ 11,393,181	\$ 4,486,856	\$ 6,906,325

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	\$ 24,961,445
Foundation fund revenues	718,233
Instructional materials allotment	4,300,195
State aid for homestead exemption	711,629
TRS on behalf	25,588,679
Other state revenues	5,006,352
Total state program revenues	\$ 61,286,533

Note 4. Receivables

Receivables due from other governments, as of June 30, 2022 for the District’s individual major funds and non-major, internal service and fiduciary funds in the aggregate are as follows:

	General Fund	Debt Service Fund	Non-Major Other Funds	Total
Due from the State of Texas	\$ 7,094,920	\$ -	\$ 18,351,275	\$ 25,446,195
Due from the federal government	-	-	356,961	356,961
Due from other local governments	2,195,581	567,816	10,615	2,774,012
Total receivables	\$ 9,290,501	\$ 567,816	\$ 18,718,851	\$ 28,577,168

Plano Independent School District
Notes to the Basic Financial Statements

Leases Receivable. The District has entered into multiple lease agreements as lessor. The leases allow the right-to-use of land, buildings, and infrastructure to other organizations over the term of the lease. The District receives annual and quarterly payments at the interest rate stated or implied within the leases. The interest rates for these leases range from 0.5% to 3.0%. The District has \$10,889,555 remaining in lease receivables and \$10,889,555 remaining in deferred inflows as of June 30, 2022 recorded in the General Fund.

As of June 30, 2022, expectation of lease receipts through the expiration of all leases is as follows:

	Lease Principal	Lease Interest	Totals
2023	\$ 640,179	\$ 225,898	\$ 866,077
2024	677,720	214,200	891,920
2025	673,826	202,087	875,913
2026	664,407	189,663	854,070
2027	665,553	176,876	842,429
2028-2032	3,355,005	684,111	4,039,116
2033-2037	2,524,705	376,660	2,901,365
2038-2042	1,164,818	155,049	1,319,867
2043-2047	503,904	44,978	548,882
2048	19,438	77	19,515
	<u>\$ 10,889,555</u>	<u>\$ 2,269,599</u>	<u>\$ 13,159,154</u>

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, 2022 follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated or amortized:				
Land	\$ 90,486,698	\$ -	\$ -	\$ 90,486,698
Construction in progress	62,637,596	17,858,149	5,216,355	75,279,390
Total capital assets not being depreciated or amortized	153,124,294	17,858,149	5,216,355	165,766,088
Capital assets being depreciated or amortized:				
Land improvements	60,299,333	1,295,508	-	61,594,841
Buildings and improvements	1,540,440,682	3,920,848	-	1,544,361,530
Right-to-use leased equipment	-	1,517,670	-	1,517,670
Furniture, equipment and vehicles	132,691,689	2,748,034	630,133	134,809,590
Total capital assets being depreciated or amortized	1,733,431,704	9,482,060	630,133	1,742,283,631
Total capital assets	1,886,555,998	27,340,209	5,846,488	1,908,049,719
Less accumulated depreciation or amortization for:				
Land improvements	33,590,631	3,500,868	-	37,091,499
Buildings and improvements	651,130,468	42,277,485	-	693,407,953
Right-to-use leased equipment amortization	-	453,676	-	453,676
Furniture, equipment and vehicles	105,578,158	5,285,774	630,133	110,233,799
Total accumulated depreciation or amortization	790,299,257	51,517,803	630,133	841,186,927
Governmental funds capital assets, net	1,096,256,741	(24,177,594)	5,216,355	1,066,862,792
Internal service funds:				
Furniture, equipment and vehicles	31,374	-	-	31,374
Right-to-use leased equipment	-	871,908	-	871,908
Less accumulated depreciation or amortization	26,445	353,915	-	380,360
Internal service funds capital assets, net	4,929	517,993	-	522,922
Governmental activities capital assets, net	\$ 1,096,261,670	\$ (23,659,601)	\$ 5,216,355	\$ 1,067,385,714
Business activities:				
Furniture, equipment and vehicles	\$ 14,690	\$ -	\$ -	\$ 14,690
Right-to-use leased equipment	-	6,447	-	6,447
Less accumulated depreciation or amortization	9,408	3,491	-	12,899
Business activities capital assets, net	\$ 5,282	\$ 2,956	\$ -	\$ 8,238
Total capital assets, net	\$ 1,096,266,952	\$ (23,656,645)	\$ 5,216,355	\$ 1,067,393,952

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	\$ 34,808,007
Instructional resources and media services	2,463,737
Curriculum development and instructional staff development	228,991
Instructional leadership	26,513
School leadership	1,429,975
Guidance, counseling, and evaluation services	375,668
Health services	141,358
Student transportation	1,640,286
Food services	3,138,396
Co-curricular/extracurricular activities	3,061,627
General administration	232,587
Plant maintenance and operations	2,094,579
Security and monitoring services	823,864
Data processing services	830,982
Community services	187,762
Facilities acquisition and construction	35,114
	\$ 51,519,446
	\$ 51,519,446
Business-type activities:	
Community services	\$ 3,491
	\$ 3,491
	\$ 3,491

Construction Commitments

The District had several active construction projects as of June 30, 2022. Projects included additions to buildings and renovation of existing facilities. Fiscal year 2022 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 2022 no new buildings were purchased. In 2017 the district purchased property for the Robbie and Lynore Robinson Fine Arts facility and construction continued for this project during 2022.

Building Renovation/Upgrades. The district continued work on the refurbishment at Williams High School, HVAC upgrades Plano East Senior High School, Plano West Senior High School, and Jasper High School, as well as upgrades to the PA system at Stinson Elementary School. Additionally, HVAC projects were started at Plano Senior High School, Wilson Middle School, Rice Middle School, and Beverly, Hightower, Boggess, Beaty, and Pearson Elementary Schools. Roofing projects were started at Plano East Senior High, Plano West Senior High, Armstrong Middle School, and Sigler Elementary School. Flooring projects were started at Otto Middle School, Aldridge Elementary School and Huffman Elementary School. Other major projects included upgrades to Clark Stadium visitor ticket booth, voice evacuation system upgrades at Plano East Senior High School, and Plano West Senior High School; Hickey Elementary School kitchen upgrades, and building upgrades at the ECCC 1. Lastly, the District continued work on minor capital project improvements at several campuses.

Plano Independent School District
Notes to the Basic Financial Statements

Completed Projects. During fiscal year 2022 the District completed the HVAC upgrades at Shepard, Harrington, and Andrews Elementary Schools. The Barron ES fire system upgrades were completed. Kitchen upgrades were completed at the Solomon ATC. The Clark Stadium locker room upgrades were completed. The Sockwell Center HVAC and roofing projects were completed. Other minor capital project improvements were completed at several campuses.

Current projects include the following:

Project	Estimated Total Cost	Expenditures Incurred to June 30, 2022	Estimated Future Expenditures
Building improvement projects:			
PSHS HVAC Upgrades	\$ 120,865	\$ 74,929	\$ 45,936
Williams HS HVAC Project	1,810,336	1,796,466	13,870
Williams HS Refurbishment	15,916,036	10,644,733	5,271,303
Plano East SHS Voice Evacuation System	740,000	31,707	708,293
Plano East SHS Roof Upgrades	4,381,750	1,718,994	2,662,756
Plano East SHS HVAC	630,352	143,930	486,422
Plano East SHS Front Area Upgrades	42,740	34,587	8,153
Jasper Bldg Upgrades-Ice Plant/HVAC	420,704	251,921	168,783
PWSH HVAC	232,329	71,603	160,726
PWSH Roof Upgrades	1,864,200	938,729	925,471
PWSH Voice Evacuation System	860,000	31,898	828,102
PWSH Flooring	25,000	1,500	23,500
Wilson HVAC	106,752	38,673	68,079
Armstrong Roof	196,375	7,759	188,616
Rice HVAC Upgrades	249,286	13,800	235,486
Otto Flooring	61,111	32,699	28,412
Sigler Roof Upgrades	313,200	84,248	228,952
Aldridge Flooring	488,578	4,331	484,247
Huffman Flooring	418,388	4,571	413,817
Beverly HVAC & Plumbing Upgrades	485,162	91,867	393,295
Hightower HVAC	485,787	167,027	318,760
Stinson PA System Upgrades	214,722	154,896	59,826
Boggess HVAC	115,416	102,432	12,984
Hickey Plumbing Upgrades	189,268	69,293	119,975
Beaty HVAC	133,430	36,921	96,509
Pearson HVAC	132,046	37,791	94,255
Admin. Building Elevators	276,600	1,438	275,162
Robinson Fine Arts Center	60,440,185	57,263,542	3,176,643
Clark Stadium Visitor Ticket Booth	189,267	10,180	179,087
Wraparound Services Ctr. Mapleshade	3,000,000	127,094	2,872,906
ECCC1 Building Upgrades	82,976	55,000	27,976
Land improvement projects:			
McMillen HS Resurface Track	509,268	146,219	363,049
Thomas Parking/Irrigation Upgrades	98,087	6,191	91,896
Fine Arts Center Site Fees/Pking Upgrades	176,037	173,164	2,873
Kimbrough Stadium Irrigation Upgrades	105,517	103,717	1,800
Kimbrough Stadium Track Upgrades	1,007,812	805,540	202,272
	\$ 96,519,582	\$ 75,279,390	\$ 21,240,192

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, 2022, is as follows:

	<u>Receivable</u>	<u>Payable</u>
General fund	\$ 9,519,021	\$ -
Other governmental funds	-	9,519,021
Totals	<u>\$ 9,519,021</u>	<u>\$ 9,519,021</u>

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, 2022:

<u>Transfers Out</u>	<u>Transfers In</u>				<u>Total</u>
	Capital Projects Fund	Other Governmental Funds	Enterprise Funds	Internal Service Funds	
General fund	\$ 4,000,000	\$ 391,150	\$ 500,000	\$ 2,500,000	\$ 7,391,150
	<u>\$ 4,000,000</u>	<u>\$ 391,150</u>	<u>\$ 500,000</u>	<u>\$ 2,500,000</u>	<u>\$ 7,391,150</u>

The transfers made during the period consisted of the following:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Description</u>
General fund	Other governmental funds	\$ 391,150	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.
General fund	Capital projects fund	4,000,000	To finance costs of the Wrap Around Center
General fund	Internal service fund	2,500,000	To finance claims in excess of user fees in the Unemployment and Insurance Claims Funds.
General Fund	Enterprise Fund	<u>500,000</u>	To finance cost in excess of user fees to the Employee Child Care.
Total transfers		<u>\$ 7,391,150</u>	

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, 2022:

	Obligations Outstanding July 1, 2021	New Obligations Incurred	Obligations Retired or Refunded and Accretion	Obligations Outstanding June 30, 2022	Obligations Due Within One Year
Governmental activities:					
General obligation bonds payable	\$ 625,625,000	\$ -	\$ (133,430,000)	\$ 492,195,000	\$ 70,615,000
Loss (gain) on advanced refunding	(7,410,328)	-	212,581	(7,197,747)	-
Premium on bond issuance	57,644,527	-	(13,526,748)	44,117,779	-
Lease payable	-	1,517,670	(452,067)	1,065,603	805,469
Compensated absences	3,602,657	1,039,044	(2,115,942)	2,525,759	393,086
Arbitrage liability	410,762	-	(334,478)	76,284	-
Total governmental activities	\$ 679,872,618	\$ 2,556,714	\$ (149,646,654)	\$ 532,782,678	\$ 71,813,555
Business-type activities:					
Lease payable	-	8,616	(2,170)	6,446	2,170
Total business-type activities	\$ -	\$ 8,616	\$ (2,170)	\$ 6,446	\$ 2,170

Plano Independent School District
Notes to the Basic Financial Statements

Debt Payable-Governmental Activities

Bonds payable at June 30, 2022, are composed of the following individual issues:

Description	Interest Rate Payable	Amounts Original Issue	Bonds Outstanding at July 1, 2021	Issued (Retired)	Bonds Outstanding at June 30, 2022
School Building Unlimited Tax Bonds Series 2009B	4.04% to 6.27%	87,390,000	77,240,000	(2,640,000)	74,600,000
School Building Unlimited Tax Bonds Series 2009C	1.00%	31,900,000	9,120,000	(2,280,000)	6,840,000
Unlimited Tax Refunding Bonds Series 2012	4.00% to 5.00%	46,115,000	28,450,000	(28,450,000)	-
Unlimited Tax Refunding Bonds Series 2012A	2.00% to 4.00%	27,805,000	9,735,000	(9,735,000)	-
School Building Unlimited Tax Bonds Series 2013	3.38% to 5.50%	53,740,000	35,035,000	(1,530,000)	33,505,000
School Building Refunding Bonds Series 2015	2.00% to 5.00%	43,250,000	31,785,000	(2,455,000)	29,330,000

(continued)

Plano Independent School District
Notes to the Basic Financial Statements

Description	Interest Rate Payable	Amounts Original Issue	Bonds Outstanding at July 1, 2021	Issued (Retired)	Bonds Outstanding at June 30, 2022
School Building Refunding Bonds Series 2016A	2.00% to 5.00%	199,950,000	158,820,000	(25,250,000)	133,570,000
School Building Refunding Bonds Series 2016B	2.00% to 5.00%	103,410,000	1,935,000	(1,935,000)	-
School Building Unlimited Tax Bonds Series 2016	3.00% to 5.00%	257,210,000	185,660,000	(16,240,000)	169,420,000
School Building Unlimited Tax Bonds Series 2017	3.00% to 5.00%	108,020,000	38,690,000	(10,180,000)	28,510,000
School Building Unlimited Tax Bonds Series 2018	5.00%	13,655,000	550,000	(270,000)	280,000
Unlimited Tax Refunding Bonds Series 2019	4.00% to 5.00%	10,325,000	1,745,000	(185,000)	1,560,000
Unlimited Tax Refunding Bonds Series 2020	5.00%	62,720,000	46,860,000	(32,280,000)	14,580,000
Totals			<u>\$ 625,625,000</u>	<u>\$ (133,430,000)</u>	<u>\$ 492,195,000</u>

The following table summarizes the annual debt service requirements of the outstanding debt issues at June 30, 2022, to maturity:

	Bond Principal	Bond Interest	Totals
2023	\$ 70,615,000	\$ 23,727,465	\$ 94,342,465
2024	51,315,000	20,284,901	71,599,901
2025	49,550,000	17,801,704	67,351,704
2026	36,800,000	15,380,246	52,180,246
2027	38,150,000	13,485,155	51,635,155
2028-2032	159,990,000	38,787,795	198,777,795
2033-2037	82,925,000	8,930,745	91,855,745
2038-2042	2,850,000	99,750	2,949,750
	<u>\$ 492,195,000</u>	<u>\$ 138,497,761</u>	<u>\$ 630,692,761</u>

Plano Independent School District
Notes to the Basic Financial Statements

As of June 30, 2022, the District had zero deceased bonds outstanding. Original losses on refunding were \$17.3 million of which \$7.4 million is unamortized and reported in the Statement of Net Position as a deferred outflow of resources. Unamortized bond premiums of \$57.6 million are reported in the Statement of Net Position as an increase in the long-term debt.

As of June 30, 2022, \$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, 2022, amounted to \$339,475.

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 \$1,076,898 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.

Leases Payable. The District has entered into multiple lease agreements as lessee. The leases allow the right-to-use copier lease over the term of the lease. The District is required to make monthly payments at its incremental borrowing rate or the interest rate stated or implied within the leases. The lease rate, term and ending lease liability are as follows:

	Interest Rate(s)	Liability at Commencement	Lease Term in Years	Ending Balance June 30, 2022
Governmental activities				
Copiers	0.73 - 1.06%	\$ 1,517,670	2023-2026	\$ 1,065,603
Total governmental activities				\$ 1,065,603
Business-type activities				
Copiers	0.73 - 1.06%	\$ 8,616	2023-2026	\$ 6,446
Total business-type activities				\$ 6,446

The future principal and interest lease payments as of fiscal year end are as follows:

Fiscal Year Ending	Principal	Interest	Total
2023	\$ 805,469	\$ 11,829	\$ 817,298
2024	96,618	4,219	100,837
2025	81,758	1,704	83,462
2026	81,758	856	82,614
Total governmental activities	\$ 1,065,603	\$ 18,608	\$ 1,084,211

Plano Independent School District
Notes to the Basic Financial Statements

	Fiscal Year		
	Ending	Principal	Interest
2023	\$ 2,170	\$ 60	\$ 2,230
2024	2,160	26	2,186
2025	2,116	10	2,126
Total business-type activities	\$ 6,446	\$ 96	\$ 6,542

The value of the right-to-use assets as of the end of the current fiscal year was \$1,526,286 and had accumulated amortization of \$454,237.

Note 8. Encumbrances

At June 30, 2022, 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	\$ 309,335	\$ -	\$ -	\$ 417,273	\$ 1,785,044	\$ 154,790	\$ 2,666,442
Instructional resources	1,401	-	-	-	-	649	2,050
Curriculum and instructional staff development	16,793	-	-	139,900	-	800	157,493
Technology	21,434	-	-	-	-	-	21,434
Instructional leadership	1,552	-	-	2,389	964	305	5,210
School leadership	5,550	-	-	-	-	3,982	9,532
Guidance, counseling and evaluation services	70,178	-	-	13,300	-	5,337	88,815
Health services	15,570	-	-	-	-	-	15,570
Student transportation	137,661	-	-	-	-	-	137,661
Food services	-	-	125,901	-	-	-	125,901
Co-curricular/ extracurricular activities	249,296	-	-	-	231	199,464	448,991
General administration	195,505	-	-	-	-	-	195,505
Plant maintenance and operations	904,010	-	-	-	-	19,445	923,455
Security and Community services	15,473	-	-	225,188	-	71	240,732
Facilities acquisition and construction	-	29,335,265	-	-	-	-	29,335,265
Total encumbrances by fund type	\$ 1,943,758	\$ 29,335,265	\$ 125,901	\$ 798,050	\$ 1,786,239	\$ 384,843	\$ 34,374,056

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.

Plano Independent School District
Notes to the Basic Financial Statements

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 \$2,246,000 has been recorded in the fund as of June 30, 2022. 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.

Workers' Compensation Fund changes in claims payable for the years ended 2022 and 2021:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Account balance, beginning of fiscal year	\$ 2,288,000	\$ 2,374,000
Incurred claims and claim adjustment expenses	1,180,112	3,609,954
Claim payments during the year	<u>(1,222,112)</u>	<u>(3,695,954)</u>
Account balance, end of fiscal year	<u>\$ 2,246,000</u>	<u>\$ 2,288,000</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, 2022, 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 \$250,000 with no deductible on auto insurance. In addition, the District purchases professional legal liability insurance and must pay the first \$100,000 on each liability claim. The amount of claims settlements did not exceed the insurance coverage in each of the past three years.

Plano Independent School District
Notes to the Basic Financial Statements

An accrual for incurred but not reported claims in the amount of \$50,000 has been recorded as of June 30, 2021. Property and Liability changes in claims payable for the years ended June 30, 2022 and 2021:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Account balance, beginning of fiscal year	\$ 50,000	\$ 15,034
Incurred claims and claim adjustment expenses	1,326,796	35,128
Claim payments during the year	<u>(1,326,796)</u>	<u>(162)</u>
Account balance, end of fiscal year	<u>\$ 50,000</u>	<u>\$ 50,000</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 \$400,000 has been recorded as of June 30, 2022

Changes in unemployment claims payable for the years ended June 30, 2022 and 2021:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Account balance, beginning of fiscal year	\$ 700,000	\$ 650,000
Incurred claims and claim adjustment expenses	-	50,000
Claim payments during the year	<u>(267,541)</u>	<u>-</u>
Account balance, end of fiscal year	<u>\$ 432,459</u>	<u>\$ 700,000</u>

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, 2022 and 2021, these on-behalf payments were \$1,157,273 and \$1,670,676, respectively, and were recorded as equal revenues and expenditures in the General Fund.

Plano Independent School District

Notes to the Basic Financial Statements

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

Detailed information about the TRS's fiduciary net position is available in a separately-issued Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet at http://www.trs.texas.gov/Pages/about_archive_cafr.aspx ; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

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.

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.

Contributions

Contribution requirements are established or amended pursuant to Article XVI, 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. 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.

Plano Independent School District
Notes to the Basic Financial Statements

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.

Rates for such plan fiscal years are as follows:

	Contribution Rates	
	2022	2021
Member	8.0%	7.7%
Non-employer Contributing Entity (State)	7.5%	7.5%
Employers	7.5%	7.5%
2022 Employer Contributions		\$ 13,543,050
2022 Member Contributions		29,363,038
2022 NECE On-behalf Contributions		19,962,830

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).

As the non-employer contributing entity, 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 the 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, local or non-educational and general 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.

In addition to the employer contributions listed above, there are two 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.
- Public education employer contribution - all public schools, charter schools and regional education service centers must contribute 1.6% of the member’s salary beginning in September 1, 2020, gradually increasing to 2.0% on September 1, 2024.

Plano Independent School District
Notes to the Basic Financial Statements

Actuarial Assumptions

The total pension liability in the August 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Valuation date	August 31, 2020 rolled forward to August 31, 2021
Actuarial method	normal
Asset valuation method	Individual Entry Age Normal Fair Value
Single discount rate	7.25%
Long-term expected investment rate of return	7.25%
Municipal Bond Rate as of August 2021	1.95%. 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
Last year ending August 31 in Projection Period (100 years)	2120
Inflation	2.30%
Salary increases including inflation	3.05% to 9.05% including inflation
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, 2020. For a full description of these assumptions please see the actuarial valuation report dated November 9, 2020.

Discount Rate and Long-Term Expected Rate of Return

A single discount rate of 7.25% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on pension plan investments of 7.25%. The projection of cash flows used to determine the single discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity will be made at the statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected 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 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 geometric real rates of return for each major asset class included in TRS's target asset allocation as of August 31, 2021 are summarized below:

Asset Class	Target Allocation*	Long-Term Expected Geometric Real Rate of Return**	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
U.S.	18.00%	3.60%	0.94%
Non-U.S. Developed	13.00%	4.40%	0.83%
Emerging Markets	9.00%	4.60%	0.74%
Directional Hedge Funds	0.00%	0.00%	0.00%
Private Equity	14.00%	6.30%	1.36%
Stable Value			
Government Bonds	16.00%	-0.20%	0.01%
Absolute Return	-	1.10%	-
Stable Value Hedge Funds	5.00%	1.20%	0.12%
Real Return			
Global Inflation Linked Bonds	0.00%	0.00%	0.00%
Real Estate	15.00%	4.50%	1.00%
Energy, Natural Resources and Infrastructure	6.00%	4.70%	0.35%
Commodities	-	1.70%	-
Risk Party			
Risk Party	8.00%	2.80%	0.28%
Asset Allocation Leverage			
Cash	2.00%	-0.70%	-0.01%
Asset Allocation Leverage	-6.00%	-0.50%	0.03%
Inflation Expectation			2.20%
Volatility drag***			-0.95%
Total	100.00%		6.90%

* Absolute Return Includes Credit Sensitive Investments

** Target allocations are based on the FY 2021 policy model.

*** Capital market assumptions come from Aon Hewitt (as of 8/31/2021).

**** The volatility drag results from the conversion between arithmetic and geometric mean returns.

Plano Independent School District
Notes to the Basic Financial Statements

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:	\$ 162,768,959	\$ 74,488,392	\$ 2,866,056

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

At June 30, 2022, the District reported a liability of \$74,488,392 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	\$ 74,488,392
State's proportionate share that is associated with the District	<u>119,129,606</u>
Total	<u><u>\$ 193,617,998</u></u>

The net pension liability was measured as of August 31, 2020 and rolled forward to August 31, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2020 rolled forward to August 31, 2021. 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, 2020 thru August 31, 2021.

At August 31, 2021 the District's proportion of the collective net pension liability was 0.292496%, which was a decrease of (0.00329918%) from its proportion measured as of August 31, 2020.

Change of Assumptions Since the Prior Measurement Date

There were no changes of assumptions since the prior measurement date that affected measurement of the total pension liability during the measurement period.

Change of Benefit Terms Since the Prior Measurement Date

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

Plano Independent School District
Notes to the Basic Financial Statements

At June 30, 2022, 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	\$ 124,654	\$ 5,244,042
Changes in actuarial assumptions	26,330,191	11,477,705
Differences between projected and actual investment earnings	-	62,457,550
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	3,370,076	14,103,331
Contributions paid to TRS subsequent to the measurement date	11,483,671	-
Total	\$ 41,308,592	\$ 93,282,628

\$11,483,671 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, 2023. 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 June 30:	
2023	\$ (10,963,865)
2024	(11,399,801)
2025	(17,480,352)
2026	(21,838,547)
2027	(1,556,684)
Thereafter	(218,458)
Total	\$ (63,457,707)

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 TRS-Care program was established in 1986 by the Texas Legislature. 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

Detailed information about the TRS-Care's fiduciary net position is available in the separately-issued TRS Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at http://www.trs.texas.gov/Pages/about_archive_cafr.aspx ; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

Plano Independent School District
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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, 2021-December 31, 2021

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

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.

	<u>2021</u>	<u>2022</u>
Active employee	0.65%	0.65%
Non-employer contribution entity (state)	1.25%	1.25%
Employers (District)	0.75%	0.75%
Federal/private funding	1.25%	1.25%

* Contributions paid from federal funds and private grants are remitted by the employer (Distr) and paid at the State rate.

Plano Independent School District
Notes to the Basic Financial Statements

The contribution amounts for the District’s fiscal year 2022 are as follows:

District contributions	\$ 3,101,066
Member contributions	2,478,698
NECE on-behalf contributions (state)	4,011,843

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 \$5,520,343 in fiscal year 2021 for consumer protections against medical and health care billing by certain out-of-network providers. .

Actuarial Assumptions

The total OPEB liability in the August 31, 2020 actuarial valuation was rolled forward to August 31, 2021. 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, 2020 TRS pension actuarial valuation that was rolled forward to August 31, 2021:

Rates of mortality	General inflation
Rates of retirement	Wage inflation
Rates of termination	Rates of disability incidence
Additional Actuarial Methods and Assumptions:	
Valuation date	August 31, 2020, rolled forward to August 31, 2021
Actuarial cost method	Individual entry age normal
Inflation	2.30%
Single discount rate	1.95%. 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, 2021.
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	2.30%
Projected salary increases	3.50% to 9.50% including inflation
Election rates	Normal retirement 65% participation prior to age 65, 40% 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

The initial medical trend rates were 8.50% for Medicare retirees and 7.10% for non-Medicare retirees. There was an initial prescription drug trend rate of 8.50% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25% over a period of 12 years.

Discount Rate

A single discount rate of 1.95% was used to measure the total OPEB liability. There was a decrease of .38 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 1.95% in measuring the Net OPEB Liability:

	1% Decrease (0.95%)	Current Discount Rate (1.95%)	1% Increase (2.95%)
District's proportionate share of the net OPEB liability	\$ 178,346,394	\$ 147,854,332	\$ 123,856,087

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	\$ 119,757,109	\$ 147,854,332	\$ 185,553,826

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

At June 30, 2022, the District reported a liability of \$147,854,332 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	\$ 147,854,332
State's proportionate share of the net OPEB liability associated with the District	198,091,855
Total	\$ 345,946,187

The Net OPEB Liability was measured as of August 31, 2020 and rolled forward to August 31, 2021 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, 2020 thru August 31, 2021.

Plano Independent School District
Notes to the Basic Financial Statements

At August 31, 2021 the employer’s proportion of the collective Net OPEB Liability was 0.3832958363% which was a decrease of 0.00136249099% from the same proportion measured as of August 31, 2020.

Change of Assumptions Since the Prior Measurement Date

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

- The discount rate changed from 2.33% as of August 31, 2020 to 1.95% as of August 31, 2021. This change increased the total OPEB liability.

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, 2021, the District recognized OPEB expense of \$14,560,289 and revenue of \$7,311,102 for support provided by the State.

At August 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to the other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	6,365,829	71,571,840
Changes of assumptions	16,376,603	31,268,455
Net difference between projected and actual earnings on OPEB investments	160,523	-
Changes in proportion and differences between district contributions and proportionate share of contributions (cost-sharing plan)	2,845,107	20,994,609
District contributions after measurement date	2,605,292	-
Totals	\$ 28,353,354	\$ 123,834,904

\$2,605,292 reported as deferred outflows of resources 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, 2023. Other amounts reported at deferred outflows of resources and deferred inflows of resources to OPEB will be recognized in OPEB expense as follows:

Year ended June 30,	
2022	\$ (17,910,142)
2023	(17,913,763)
2024	(17,912,771)
2025	(14,020,851)
2026	(8,751,885)
Thereafter	(21,577,430)
	\$ (98,086,842)

Plano Independent School District
Notes to the Basic Financial Statements

Note 12. Recapture Payment

Intergovernmental Charges include an amount of \$211,043,800 representing recapture payments made in accordance with the state school finance law.

House Bill (HB) 3, passed during the 86th Texas 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.

In FY2022, 33.9 percent of all local revenue collected from property taxes will be subject to recapture. The District's recapture payment for 2021-2022 of \$211 million increased \$19.0 million due to an increase in property values.

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 17.0.

Pursuant to the SSA agreement, costs incurred by the RDSPD in excess of the total state and federal funds are allocated among the member districts using a weighted formula based on student services, staff time and distance to a school.

Expenditures billed to the SSA members as of June 30, 2022 are summarized below:

Allen ISD	\$	82,579
Anna ISD		82,943
Blue Ridge ISD		-
Celina ISD		-
Community ISD		76,724
Coppell ISD		-
Farmersville ISD		29,981
Frisco ISD		436,025
Imagine International		282
Lovejoy ISD		6,981
McKinney ISD		239,992
Melissa ISD		15,092
Plano ISD		818,160
Princeton ISD		76,093
Prosper ISD		170,132
Richardson ISD		408,798
Wylie ISD		136,812
Total	\$	2,580,594

Plano Independent School District

Notes to the Basic Financial Statements

Note 15. Evaluation of Subsequent Events

The District's management has reviewed its financial statements and evaluated subsequent events for the period of time from its year ended June 30, 2022 through November 21, 2022, 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.

Note 16. New Accounting Pronouncements

GASB Pronouncements implemented by the District

GASB Statement No. 87: Leases. Statement 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement were originally effective for reporting periods beginning after December 15, 2019; however, issuance of GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance (GASB 95), extended the effective date of GASB 87 to reporting periods beginning after June 15, 2021, with earlier application encouraged. GASB 87 was implemented in the District's 2022 financial statements with no impact to amounts reported under previous standards. See Note 4 and Note 7 for the lease receivable and liability information as of June 30, 2022.

GASB Statement No. 89: Accounting for Interest Cost Incurred before the End of a Construction Period. Statement 89 was issued in June 2018. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. GASB 89 was implemented in the District's fiscal year 2022 financial statements with no impact to amounts previously reported.

GASB Statement No. 92: Omnibus 2020. Statement 92 was issued in January 2020. This Statement establishes accounting and financial reporting requirements for specific issues related to leases, intraentity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. GASB 92 was implemented in the District's fiscal year 2022 financial statements with no impact to the District.

GASB Statement No. 93: Replacement of Interbank Offered Rates. Statement 93 was issued in March 2020. This Statement establishes accounting and financial reporting requirements related to the replacement of IBORs in hedging derivative instruments and leases. GASB 93 was implemented in the District's fiscal year 2022 financial statements with no impact to the District.

GASB Statement No. 97: Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32." Statement 97 was issued in June 2020. This Statement modifies the applicability of certain component unit criteria as they relate to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans. GASB 97 was implemented in the District's fiscal year 2022 financial statements with no impact to the District.

Plano Independent School District

Notes to the Basic Financial Statements

GASB Pronouncements to be implemented by the District

GASB Statement No. 91: Conduit Debt Obligations. Statement 91 was issued in May 2019. This Statement establishes a single method of reporting conduit debt obligations by issuers to eliminate diversity in practice. This Standard becomes effective for the District in fiscal year in fiscal year 2021. The District has not yet determined the impact of this statement.

GASB Statement No. 94: Public-Private and Public-Public Partnerships and Availability Payment Arrangements. Statement 94 was issued in March 2020. This Statement establishes standards of accounting and financial reporting for PPPs and APAs for governments. This Standard becomes effective for the District in fiscal year 2023. The District has not yet determined the impact of this statement.

GASB Statement No. 96: Subscription-Based Information Technology Arrangements. Statement 96 was issued in May 2020. This Statement establishes standards of accounting and financial reporting for Subscription-based information technology arrangements by a government end user (a government). This Standard becomes effective for the District in fiscal year in fiscal year 2023. The District has not yet determined the impact of this statement.

GASB Statement No. 99, Omnibus 2022. Statement 99, enhances comparability in accounting and financial reporting and improves consistency of authoritative literature by addressing 1) practice issues that have been identified during implementation and application of certain GASB statements and 2) accounting and financial reporting for financial guarantees. The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. These requirements for GASB 99 will be implemented in the District's fiscal year 2023 financial statements and the impact has not yet been determined.

GASB Statement No. 100, Accounting Changes and Error Corrections. Statement 100, enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement 1) defines accounting changes and corrections of errors; 2) prescribes the accounting and financial reporting for each type of accounting change and error corrections; and 3) clarifies required note disclosures. The requirements of this statement are effective for reporting periods beginning after June 15, 2023, with earlier application encouraged. GASB 100 will be implemented in the District's fiscal year 2024 financial statements and the impact has not yet been determined.

GASB Statement No. 101, Compensated Absences. Statement 101, improves the information needs of financial statements users by updating the recognition and measurement guidance for compensated absences under a unified model and amending certain previously required disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2023, with earlier application encouraged. GASB 101 will be implemented in the District's fiscal year 2025 financial statements and the impact has not yet been determined.

Teamwork for Excellence



P L A N O
Independent School District

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, 2022

Exhibit G-1

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget
		Original	Final		Positive or (Negative)
REVENUES					
5700	Total local and intermediate sources	\$ 623,711,500	\$ 630,159,604	\$ 628,892,717	\$ (1,266,887)
5800	State program revenues	35,169,428	52,628,034	51,177,728	(1,450,306)
5900	Federal program revenues	6,151,742	7,651,742	9,609,889	1,958,147
5020	Total revenues	665,032,670	690,439,380	689,680,334	(759,046)
EXPENDITURES					
Current:					
0011	Instruction	311,490,539	310,836,389	303,101,030	7,735,359
0012	Instructional resources and media services	7,317,696	7,571,806	7,246,550	325,256
0013	Curriculum and instructional staff development	9,035,735	9,140,599	8,193,280	947,319
0021	Instructional leadership	5,051,750	5,136,082	4,904,489	231,593
0023	School leadership	29,568,242	29,598,363	28,579,713	1,018,650
0031	Guidance, counseling and evaluation services	24,906,925	24,992,333	24,244,678	747,655
0032	Social work services	2,341,368	2,347,743	1,718,609	629,134
0033	Health services	6,461,404	6,519,001	6,238,183	280,818
0034	Student (pupil) transportation	16,003,303	18,005,413	16,868,552	1,136,861
0035	Food services	13,296	18,296	11,252	7,044
0036	Extracurricular activities	7,675,737	7,632,851	6,879,491	753,360
0041	General administration	11,436,650	11,514,465	11,496,592	17,873
0051	Facilities maintenance and operations	45,545,921	41,651,479	38,904,483	2,746,996
0052	Security and monitoring services	5,143,251	5,202,600	4,848,779	353,821
0053	Data processing services	7,148,032	7,138,032	6,810,584	327,448
0061	Community services	2,907,406	2,930,847	2,518,491	412,356
Debt Services:					
0071	Debt Services - Principal on Capital Lease	-	528,683	458,443	70,240
Intergovernmental:					
0091	Contracted instructional services between schools	187,939,208	214,943,978	211,043,800	3,900,178
0092	Incremental costs associated with Chapter 41	35,000	35,000	28,324	6,676
0093	Payments to fiscal agent/member district of SSA	55,000	55,000	-	55,000
0095	Payments to juvenile justice alternative ed. prg.	70,000	95,000	11,984	83,016
0099	Other intergovernmental charges	5,183,842	5,433,842	5,390,339	43,503
6030	Total expenditures	685,330,305	711,327,802	689,497,646	21,830,156
1100	Excess (deficiency) of revenues over (under) expenditures	(20,297,635)	(20,888,422)	182,688	21,071,110
OTHER FINANCING SOURCES (USES)					
7915	Transfers in	1,500,000	-	-	-
7919	Insurance recoveries	-	-	1,252	1,252
8911	Transfers out (use)	(863,188)	(863,188)	(7,391,150)	(6,527,962)
7080	Total other financing sources (uses)	636,812	(863,188)	(7,389,898)	(6,526,710)
1200	Net change in fund balances	(19,660,823)	(21,751,610)	(7,207,210)	14,544,400
0100	Fund balance - July 1 (beginning)	276,390,081	276,390,081	276,390,081	-
3000	FUND BALANCE - JUNE 30 (ENDING)	\$ 256,729,258	\$ 254,638,471	\$ 269,182,871	\$ 14,544,400

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 Eight Fiscal Years

Year	District's Proportion of Net Pension Liability	District's Proportionate Share of the Net Pension Liability	State's Proportionate Share of the Net Pension Liability Associated with the District	Total	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2022	0.2924965%	\$ 74,488,392	\$ 119,126,606	\$ 193,614,998	\$ 371,846,289	20.03%	88.79%
2021	0.2957952%	\$ 158,421,891	\$ 260,980,020	\$ 419,401,911	\$ 374,857,643	42.26%	75.54%
2020	0.3352453%	\$ 174,271,009	\$ 252,952,531	\$ 427,223,540	\$ 369,522,881	47.16%	75.24%
2019	0.3402698%	\$ 187,292,777	\$ 277,739,751	\$ 465,032,528	\$ 362,360,271	51.69%	73.74%
2018	0.2561200%	\$ 104,113,028	\$ 169,779,642	\$ 273,892,670	\$ 352,238,059	29.56%	82.17%
2017	0.3105818%	\$ 117,364,255	\$ 209,131,676	\$ 326,495,931	\$ 341,031,000	34.41%	78.00%
2016	0.3282305%	\$ 116,025,113	\$ 198,641,457	\$ 314,666,570	\$ 329,056,036	35.26%	78.43%
2015	0.2089994%	\$ 55,826,630	\$ 173,123,406	\$ 228,950,036	\$ 316,362,498	17.65%	83.25%

* 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 Contributions
 Teacher Retirement System
 Last Eight Fiscal Years

Exhibit G-3

Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2022	\$ 13,543,050	\$ (13,543,050)	\$ -	\$ 381,338,152	3.55%
2021	\$ 12,653,695	\$ (12,653,695)	\$ -	\$ 372,789,113	3.39%
2020	\$ 8,030,901	\$ (8,030,901)	\$ -	\$ 376,190,182	2.13%
2019	\$ 7,737,725	\$ (7,737,725)	\$ -	\$ 368,266,313	2.10%
2018	\$ 7,234,141	\$ (7,234,141)	\$ -	\$ 360,911,191	2.00%
2017	\$ 6,762,839	\$ (6,762,839)	\$ -	\$ 350,278,666	1.93%
2016	\$ 5,992,793	\$ (5,992,793)	\$ -	\$ 339,263,215	1.77%
2015	\$ 5,822,171	\$ (5,822,171)	\$ -	\$ 327,053,718	1.78%

* The amounts presented for the fiscal years were determined as of the District's fiscal year end.
 Ten years of data is not available.

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 Five Fiscal Years*

Year	District's Proportion of Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	State's Proportionate Share of the Net OPEB Liability Associated with the District	Total	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2022	0.3832958%	\$ 147,854,332	\$ -	\$ 147,854,332	\$ 371,846,289	39.76%	6.18%
2021	0.3969207%	\$ 150,887,500	\$ -	\$ 150,887,500	\$ 374,857,643	40.25%	4.99%
2020	0.4194300%	\$ 263,567,548	\$ -	\$ 263,567,548	\$ 369,522,881	71.33%	2.66%
2019	0.4254291%	\$ 212,420,665	\$ -	\$ 212,420,665	\$ 362,360,271	58.62%	1.57%
2018	0.4171418%	\$ 181,399,331	\$ -	\$ 181,399,331	\$ 352,238,059	51.50%	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 Five Fiscal Years*

Exhibit G-5

<u>Year</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>District's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
2022	\$ 3,101,066	\$ (3,101,066)	\$ -	\$ 381,338,152	0.81%
2021	\$ 3,016,875	\$ (3,016,875)	\$ -	\$ 372,789,113	0.81%
2020	\$ 2,976,792	\$ (2,976,792)	\$ -	\$ 376,190,182	0.79%
2019	\$ 2,934,853	\$ (2,934,853)	\$ -	\$ 368,266,313	0.80%
2018	\$ 2,522,542	\$ (2,522,542)	\$ -	\$ 360,911,191	0.70%

* The amounts presented for the fiscal years were determined as of the District's fiscal year end.
 Ten years of data is not available.

Plano Independent School District

Notes to the Required Supplementary Information

Year Ended June 30, 2022

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, 2022

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
State program revenues	\$ 35,169,428	\$ 52,628,034	\$ 17,458,606
Incremental cost associated with Chapter 49	187,939,208	214,943,978	27,004,770

State program revenue budget increased due to changes in ASF (Available School Fund-Per Capita). The Texas Education Agency increased per Capita Allotment from \$200.000 to \$510.890 per prior year ADA.

Chapter 49 increase is due to the combination of the increase in property tax collections and decrease in enrollment. The difference between certified estimated property values and actual certified property values resulted in an increase in current tax collection of \$8.7 million. Average daily attendance (ADA) decreased approximately 1,936.

Note 3. Net Pension Liability and Net OPEB Liability

The following factors significantly affect trends in the amounts reported for the District's proportionate share of the net pension liability and net OPEB liability:

Changes in actuarial assumptions and inputs

Measurement Date August 31,	Net Pension Liability		Net OPEB Liability
	Discount Rate	Long-term Expected Rate of Return	Discount Rate
2021	7.250%	7.250%	1.950%
2020	7.250%	7.250%	2.330%
2019	7.250%	7.250%	2.630%
2018	6.907%	7.250%	2.690%
2017	8.000%	8.000%	3.420%
2016	8.000%	8.000%	
2015	8.000%	8.000%	
2014	8.000%	8.000%	

Plano Independent School District

Notes to the Required Supplementary Information
Year Ended June 30, 2022

Changes in demographic and economic assumptions

For Measurement Date August 31, 2018 – Net Pension Liability and Net OPEB Liability:

- Demographic assumptions including post-retirement mortality, termination rates, and rates of retirement and economic assumptions, including rates of salary increase for individual participants were updated based on the experience study performed for TRS for the period ending August 31, 2017.

Changes in benefit terms

For Measurement Date August 31, 2018 – Net OPEB Liability:

- Changes of benefit terms were made effective September 1, 2017 by the 85th Texas Legislature.

Other changes

For Measurement Date August 31, 2020 – Net OPEB Liability:

- The participation rate for post-65 retirees was lowered from 50% to 40%.
- The ultimate health care trend rate assumption decreased to reflect the repeal of the excise (Cadillac) tax on high-cost employer health plans.

For Measurement Date August 31, 2019 – Net Pension Liability:

- With the enactment of SB3 by the 2019 Texas Legislature, an assumption was 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.

For Measurement Date August 31, 2019 – Net OPEB Liability:

- The participation rate for pre-65 retirees was lowered from 70% to 65%. The participation rate for post-65 retirees was lowered from 75% to 50%. 25% of pre-65 retirees are assumed to discontinue their coverage at age 65.
- The trend rates were reset to better reflect the plan's anticipated experience.
- The percentage of retirees who are assumed to have two-person coverage was lowered from 20% to 15%. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20% to 10%.

For Measurement Date August 31, 2018 – Net OPEB Liability:

- Adjustments were made for retirees that were known to have discontinued their health care coverage in fiscal year 2018.
- The health care trend rate assumption was updated to reflect the anticipated return of the Health Insurer Fee (HIF) in 2020.

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, 2022

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	\$ 162,003,488	\$ 162,003,488	\$ 159,196,572	\$ (2,806,916)
5800	Total state revenues	977,643	977,643	711,629	(266,014)
5020	Total revenues	162,981,131	162,981,131	159,908,201	(3,072,930)
EXPENDITURES					
Debt service:					
0071	Debt service - principal on long term debt	132,927,957	132,927,957	133,430,000	(502,043)
0072	Debt service - interest on long term debt	30,008,174	30,008,174	30,008,174	-
0073	Debt service - bond issuance cost and fees	45,000	45,000	26,635	18,365
6030	Total expenditures	162,981,131	162,981,131	163,464,809	(483,678)
1100	Deficiency of revenues under expenditures	-	-	(3,556,608)	(3,556,608)
1200	Net change in fund balances	-	-	(3,556,608)	(3,556,608)
0100	Fund balance - July 1 (beginning)	33,201,383	33,201,383	33,201,383	-
3000	FUND BALANCE - JUNE 30 (ENDING)	\$ 33,201,383	\$ 33,201,383	\$ 29,644,775	\$ (3,556,608)

Plano Independent School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

<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	\$ 12,775,687	\$ 28,394	\$ -
1240	Due from other governments	142,614	13,327,027	43,878
1250	Accrued interest	1,303	-	-
1290	Other receivables	20,436	-	-
1300	Inventories	406,026	-	-
1000	TOTAL ASSETS	\$ 13,346,066	\$ 13,355,421	\$ 43,878
LIABILITIES AND FUND BALANCES				
Liabilities:				
2110	Accounts payable	\$ 402,336	\$ 363,117	\$ -
2160	Accrued wages payable	272,575	3,450,790	10,509
2170	Due to other funds	-	9,453,919	33,369
2180	Due to other governments	-	-	-
2300	Unearned revenues	1,432,149	87,595	-
2440	Other Payables	-	-	-
2000	Total liabilities	2,107,060	13,355,421	43,878
Fund balances:				
Non spendable				
3410	Investments in inventory	406,026	-	-
Restricted				
3450	Food services	10,832,980	-	-
3450	State special revenue	-	-	-
Committed				
3545	Local special revenue	-	-	-
3000	Total fund balances	11,239,006	-	-
4000	TOTAL LIABILITIES AND FUND BALANCES	\$ 13,346,066	\$ 13,355,421	\$ 43,878

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
\$ 1,936,473	\$ 249,734	\$ 159,851	\$ 9,493,266	\$ 24,643,405
4,477,386	36,232	691,714	-	18,718,851
-	-	-	140	1,443
-	-	-	570	21,006
-	-	-	-	406,026
<u>\$ 6,413,859</u>	<u>\$ 285,966</u>	<u>\$ 851,565</u>	<u>\$ 9,493,976</u>	<u>\$ 43,790,731</u>
\$ 857,721	\$ 2,044	\$ 1,036	\$ 421,473	\$ 2,047,727
-	910	563,671	34,665	4,333,120
-	31,733	-	-	9,519,021
-	-	-	2,116	2,116
4,477,386	-	286,858	-	6,283,988
-	-	-	5,871	5,871
<u>5,335,107</u>	<u>34,687</u>	<u>851,565</u>	<u>464,125</u>	<u>22,191,843</u>
-	-	-	-	406,026
-	-	-	-	10,832,980
1,078,752	251,279	-	-	1,330,031
-	-	-	9,029,851	9,029,851
<u>1,078,752</u>	<u>251,279</u>	<u>-</u>	<u>9,029,851</u>	<u>21,598,888</u>
<u>\$ 6,413,859</u>	<u>\$ 285,966</u>	<u>\$ 851,565</u>	<u>\$ 9,493,976</u>	<u>\$ 43,790,731</u>

Plano Independent School District

Combining Statement of Revenues, Expenditures And Changes In Fund Balances – Nonmajor Governmental Funds Year Ended June 30, 2022

<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	\$ 2,374,253	\$ 2,170	\$ -
5800	State program revenues	609,808	-	-
5900	Federal program revenues	27,404,647	52,716,859	195,192
5020	Total revenues	30,388,708	52,719,029	195,192
EXPENDITURES				
Current:				
0011	Instruction	-	38,630,229	185,077
0012	Instructional resources and media services	-	114,767	-
0013	Curriculum and instructional staff development	-	3,854,116	-
0021	Instructional leadership	-	414,314	-
0023	School leadership	-	834,564	-
0031	Guidance, counseling and evaluation services	-	1,542,639	-
0032	Social work services	-	221,021	-
0033	Health services	-	211,671	-
0034	Student (pupil) transportation	-	423,751	-
0035	Food services	22,776,880	953,332	-
0036	Extracurricular activities	-	35,856	-
0041	General administration	-	129,711	-
0051	Facilities maintenance and operations	-	3,892,901	-
0052	Security and monitoring services	-	25,971	-
0053	Data processing services	-	53,336	-
0061	Community services	-	946,178	10,115
0071	Debt service - principal on long term debt	1,276	-	-
0081	Facilities acquisition and construction	-	7,618	-
Intergovernmental:				
0093	Payments to fiscal agent/member districts of SSA	-	818,160	-
6030	Total expenditures	22,778,156	53,110,135	195,192
1100	Excess (deficiency) of revenues over (under) expenditures	7,610,552	(391,106)	-
OTHER FINANCING SOURCES				
7915	Transfers in	-	391,106	-
7080	Total other financing sources	-	391,106	-
1200	Net change in fund balance	7,610,552	-	-
0100	Fund balance - July 1 (beginning)	3,628,454	-	-
3000	FUND BALANCE - JUNE 30 (ENDING)	\$ 11,239,006	\$ -	\$ -

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
\$ 42,383	\$ -	\$ 2,557	\$ 6,675,123	\$ 9,096,486
4,300,195	212,426	4,279,442	-	9,401,871
-	-	-	-	80,316,698
4,342,578	212,426	4,281,999	6,675,123	98,815,055
4,437,351	117,572	3,898,737	768,304	48,037,270
-	7	-	112,375	227,149
-	6,044	3,536	54,144	3,917,840
-	145	164,818	3,121	582,398
-	-	-	416,836	1,251,400
-	67,037	-	763,035	2,372,711
-	-	-	-	221,021
-	193	79	2,036	213,979
-	-	-	-	423,751
-	-	-	734	23,730,946
-	-	50,049	4,205,776	4,291,681
-	-	-	32,832	162,543
-	1,031	-	65,412	3,959,344
-	-	-	224,571	250,542
-	-	-	33,476	86,812
-	14,163	164,740	10,722	1,145,918
-	-	40	2,142	3,458
-	-	-	-	7,618
-	-	-	-	818,160
4,437,351	206,192	4,281,999	6,695,516	91,704,541
(94,773)	6,234	-	(20,393)	7,110,514
-	-	-	44	391,150
-	-	-	44	391,150
(94,773)	6,234	-	(20,349)	7,501,664
1,173,525	245,045	-	9,050,200	14,097,224
\$ 1,078,752	\$ 251,279	\$ -	\$ 9,029,851	\$ 21,598,888

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, 2022

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	\$ 3,919,304	\$ 3,919,304	\$ 2,374,253	\$ (1,545,051)
5800	State program revenues	575,000	575,000	609,808	34,808
5900	Federal program revenues	23,282,576	23,282,576	27,404,647	4,122,071
5020	Total revenues	27,776,880	27,776,880	30,388,708	2,611,828
EXPENDITURES					
0035	Food services	27,143,746	27,142,475	22,776,880	4,365,595
0051	Facilities maintenance and operations	10,000	10,000	-	10,000
0071	Debt service - principal on long term debt	-	-	1,276	(1,276)
6030	Total expenditures	27,153,746	27,152,475	22,778,156	4,374,319
1100	Excess (deficiency) of revenues over expenditures	623,134	624,405	7,610,552	6,986,147
0100	Fund balance - July 1 (beginning)	3,628,454	3,628,454	3,628,454	-
3000	FUND BALANCE - JUNE 30 (ENDING)	\$ 4,251,588	\$ 4,252,859	\$ 11,239,006	\$ 6,986,147

Plano Independent School District
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2022

Exhibit H-5

	Employee Child Care	After School Care	Concessions	Photography	Total Nonmajor Enterprise Funds
ASSETS					
Current assets:					
Cash and investments	\$ 338,382	\$ 1,545,935	\$ 93,110	\$ 20,001	\$ 1,997,428
Accrued interest	-	-	-	2	2
Other receivables	-	26,480	-	-	26,480
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total current assets	338,382	1,572,415	93,110	20,003	2,023,910
Noncurrent assets:					
Capital assets:					
Furniture and equipment	9,245	-	5,445	-	14,690
Right-to-use leased equipment	3,223	3,223	-	-	6,446
Depreciation and amortization on furniture and equipment	(6,368)	(1,085)	(5,445)	-	(12,898)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total noncurrent assets	6,100	2,138	-	-	8,238
Total assets	344,482	1,574,553	93,110	20,003	2,032,148
LIABILITIES					
Current liabilities:					
Accounts payable	3,650	400,243	337	-	404,230
Accrued wages payable	92,990	39,700	4,169	-	136,859
Unearned revenues	13,653	47,629	-	-	61,282
Noncurrent liabilities					
Due in more than one year	2,138	2,138	-	-	4,276
Due within one year	1,085	1,085	-	-	2,170
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	113,516	490,795	4,506	-	608,817
NET POSITION					
Investments in capital assets	2,877	-	-	-	2,877
Unrestricted net position	228,089	1,083,758	88,604	20,003	1,420,454
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL NET POSITION	\$ 230,966	\$ 1,083,758	\$ 88,604	\$ 20,003	\$ 1,423,331

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, 2022

	<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	\$ 1,592,922	\$ 3,589,521	\$ 248,720	\$ -	\$ 5,431,163
Total operating revenues	1,592,922	3,589,521	248,720	-	5,431,163
OPERATING EXPENSES					
Payroll costs	1,253,620	2,316,145	60,614	-	3,630,379
Professional and contracted services	95,156	26,785	1,390	-	123,331
Supplies and materials	18,405	51,404	65,622	-	135,431
Depreciation and amortization	2,406	1,085	-	-	3,491
Other operating costs	192,369	414,445	32,716	-	639,530
Total operating expenses	1,561,956	2,809,864	160,342	-	4,532,162
Operating income (loss)	30,966	779,657	88,378	-	899,001
NON OPERATING REVENUES (EXPENSES)					
Earnings from temporary deposits and investments	-	4,101	226	66	4,393
Total non operating revenues (expenses)	-	4,101	226	66	4,393
Income (loss) before transfers	30,966	783,758	88,604	66	903,394
Transfers in	200,000	300,000	-	-	500,000
Change in net position	230,966	1,083,758	88,604	66	1,403,394
Total net position - July 1 (beginning)	-	-	-	19,937	19,937
TOTAL NET POSITION - JUNE 30 (ENDING)	\$ 230,966	\$ 1,083,758	\$ 88,604	\$ 20,003	\$ 1,423,331

Plano Independent School District
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended June 30, 2022

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	\$ 1,594,110	\$ 3,604,804	\$ 248,720	\$ -	\$ 5,447,634
Cash payments to employees for services	(1,260,645)	(2,296,440)	(60,434)	-	(3,617,519)
Cash payments for suppliers	(114,923)	147,148	(67,163)	-	(34,938)
Cash payments for other operating expenses	(192,370)	(414,445)	(32,716)	-	(639,531)
Net cash provided by (used for) operating activities	26,172	1,041,067	88,407	-	1,155,646
CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES					
Transfers in	200,000	300,000	-	-	500,000
Net cash provided by (used for) non-capital financing activities	200,000	300,000	-	-	500,000
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sales and maturities of investments	-	-	-	1,465	1,465
Purchase of Investment Securities	-	(112,576)	(5,415)	-	(117,991)
Interest and dividends on investments	-	4,101	226	69	4,396
Net cash provided by (used for) investing activities	-	(108,475)	(5,189)	1,534	(112,130)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS					
	226,172	1,232,592	83,218	1,534	1,543,516
Cash and cash equivalents at beginning of the year	112,210	178,782	1,652	16,453	309,097
Cash and cash equivalents at the end of the year	338,382	1,411,374	84,870	17,987	1,852,613
Temporary investment not in cash equivalents	-	134,561	8,240	2,014	144,815
Cash on statement of net position	\$ 338,382	\$ 1,545,935	\$ 93,110	\$ 20,001	\$ 1,997,428
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES					
Operating income (loss)	\$ 30,966	\$ 779,657	\$ 88,378	\$ -	\$ 899,001
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	-	3,466	-	-	3,466
Increase (decrease) in accounts payable	(1,362)	225,337	(151)	-	223,824
Increase (decrease) in accrued wages payable	(7,025)	19,705	180	-	12,860
Increase (decrease) in unearned revenues	1,188	11,817	-	-	13,005
Increase (decrease) in noncurrent liabilities	2,405	1,085	-	-	3,490
Net cash provided by (used for) operating activities	\$ 26,172	\$ 1,041,067	\$ 88,407	\$ -	\$ 1,155,646

Plano Independent School District
Combining Statement of Net Position
Internal Service Funds
June 30, 2022

	752	753
	<u>Print Shop</u>	<u>Health Benefits</u>
ASSETS		
Current assets:		
Cash and investments	\$ 265,884	\$ 873,255
Accrued interest	26	86
Other receivables	2,801	-
Prepaid expenses	-	325,522
	<hr/>	<hr/>
Total current assets	268,711	1,198,863
Noncurrent assets:		
Capital assets:		
Furniture and equipment	14,944	-
Right-to-use leased equipment	871,908	-
Depreciation and amortization on furniture and equipment	(367,216)	-
	<hr/>	<hr/>
Total noncurrent assets	519,636	-
Total assets	788,347	1,198,863
LIABILITIES		
Current liabilities		
Accounts payable	6,411	244
Accrued wages payable	9,557	-
Accrued expenses	-	67,207
Unearned revenue	-	-
Non-current liabilities		
Due in more than one year	519,636	-
Due within one year	352,272	-
	<hr/>	<hr/>
Total liabilities	887,876	67,451
NET POSITION		
Investments in capital assets	(352,272)	-
Unrestricted net position	252,743	1,131,412
	<hr/>	<hr/>
TOTAL NET POSITION	<u>\$ (99,529)</u>	<u>\$ 1,131,412</u>

772 Workers' Compensation Self-Funded	773 Unemployment Self-Funded	775 Sign Shop	786 Insurance Claims Self-Funded	Total Internal Service Funds
\$ 3,822,692	\$ 544,741	\$ 255,932	\$ 337,146	\$ 6,099,650
377	54	25	-	568
-	-	-	878	3,679
-	-	-	-	325,522
3,823,069	544,795	255,957	338,024	6,429,419
-	-	16,430	-	31,374
-	-	-	-	871,908
-	-	(13,144)	-	(380,360)
-	-	3,286	-	522,922
3,823,069	544,795	259,243	338,024	6,952,341
15,730	-	-	6,530	28,915
-	-	-	-	9,557
2,246,000	432,459	-	50,000	2,795,666
-	-	-	878	878
-	-	-	-	519,636
-	-	-	-	352,272
2,261,730	432,459	-	57,408	3,706,924
-	-	3,286	-	(348,986)
1,561,339	112,336	255,957	280,616	3,594,403
<u>\$ 1,561,339</u>	<u>\$ 112,336</u>	<u>\$ 259,243</u>	<u>\$ 280,616</u>	<u>\$ 3,245,417</u>

Plano Independent School District

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

Internal Service Funds

Year Ended June 30, 2022

	752	753
	<u>Print Shop</u>	<u>Health Benefits</u>
OPERATING REVENUES		
Local and intermediate services	\$ 1,022,450	\$ 35,742,504
Total operating revenues	<u>1,022,450</u>	<u>35,742,504</u>
OPERATING EXPENSES		
Payroll costs	314,339	325,975
Professional and contracted services	352,099	138,469
Supplies and materials	268,860	9,526
Depreciation and amortization	352,272	-
Debt service	4,670	-
Other operating costs	-	35,685,839
Total operating expenses	<u>1,292,240</u>	<u>36,159,809</u>
Operating income (loss)	<u>(269,790)</u>	<u>(417,305)</u>
NON OPERATING REVENUES (EXPENSES)		
Earnings from temporary deposits and investments	790	-
Insurance recovery	-	-
Total non operating revenues (expenses)	<u>790</u>	<u>-</u>
Income (loss) before transfers	(269,000)	(417,305)
Transfers in	-	1,000,000
Total transfers	-	1,000,000
Change in net position	(269,000)	582,695
Total net position - July 1 (beginning)	<u>169,471</u>	<u>548,717</u>
TOTAL NET POSITION - JUNE 30 (ENDING)	<u><u>\$ (99,529)</u></u>	<u><u>\$ 1,131,412</u></u>

772 Workers' Compensation Self-Funded	773 Unemployment Self-Funded	775 Sign Shop	786 Insurance Claims Self-Funded	Total Internal Service Funds
\$ 2,049,124	\$ -	\$ 1,735	\$ 701	\$ 38,816,514
2,049,124	-	1,735	701	38,816,514
159,873	-	-	-	800,187
1,047,337	-	-	1,163,732	2,701,637
630	-	-	145,649	424,665
-	-	1,643	-	353,915
-	-	-	-	4,670
487,705	-	-	-	36,173,544
1,695,545	-	1,643	1,309,381	40,458,618
353,579	-	92	(1,308,680)	(1,642,104)
11,998	527	837	36	14,188
-	-	-	561,135	561,135
11,998	527	837	561,171	575,323
365,577	527	929	(747,509)	(1,066,781)
-	500,000	-	1,000,000	2,500,000
-	500,000	-	1,000,000	2,500,000
365,577	500,527	929	252,491	1,433,219
1,195,762	(388,191)	258,314	28,125	1,812,198
\$ 1,561,339	\$ 112,336	\$ 259,243	\$ 280,616	\$ 3,245,417

Plano Independent School District
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2022

	752	753
	<u>Print Shop</u>	<u>Health Benefits Self-Funded</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Cash received from user charges	\$ 1,019,757	\$ 35,714,946
Cash payments to employees for services	(315,988)	(328,735)
Cash payments for insurance claims	-	-
Cash payments for suppliers	(615,068)	(147,995)
Cash payments for other operating expenses	(4,670)	(35,675,052)
	<u>84,031</u>	<u>(436,836)</u>
Net cash provided by (used for) operating activities		
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Transfers in	-	1,000,000
	<u>-</u>	<u>1,000,000</u>
Net cash provided by (used for) non-capital financing activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale and maturities of securities	16,532	19,097
Purchase of investment securities	-	-
Interest and dividends on investments	809	(8)
	<u>17,341</u>	<u>19,089</u>
Net cash provided by (used for) investing activities		
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS:	101,372	582,253
Cash and cash equivalents at beginning of the year	<u>141,446</u>	<u>214,772</u>
Cash and cash equivalents at the end of the year	242,818	797,025
Temporary investment not in cash equivalents	<u>23,066</u>	<u>76,230</u>
CASH ON STATEMENT OF NET POSITION	<u>\$ 265,884</u>	<u>\$ 873,255</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:		
Operating income (loss)	\$ (269,790)	\$ (417,305)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities		
Depreciation	352,272	-
Effect of increases and decreases in current assets and liabilities		
Decrease (increase) in receivables	(2,693)	1,134
Decrease (increase) in prepaid expenses	-	10,787
Increase (decrease) in accounts payable	5,891	-
Increase (decrease) in accrued wages payable	(1,649)	(2,760)
Increase (decrease) in accrued expenses	-	(28,692)
	<u>\$ 84,031</u>	<u>\$ (436,836)</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		

772	773	775	786	
Workers' Compensation Self - Funded	Unemployment Self-Funded	Sign Shop	Insurance Claims Self-Funded	Total Internal Service Funds
\$ 2,007,124	\$ -	\$ 1,735	\$ 701	\$ 38,744,263
(159,873)	-	-	-	(804,596)
-	(267,541)	-	-	(267,541)
(1,044,278)	-	-	(1,326,795)	(3,134,136)
(487,705)	-	-	561,135	(35,606,292)
<u>315,268</u>	<u>(267,541)</u>	<u>1,735</u>	<u>(764,959)</u>	<u>(1,068,302)</u>
-	500,000	-	1,000,000	2,500,000
-	500,000	-	1,000,000	2,500,000
13,795	14,666	16,784	-	80,874
-	-	-	(22,942)	(22,942)
12,497	551	875	43	14,767
<u>26,292</u>	<u>15,217</u>	<u>17,659</u>	<u>(22,899)</u>	<u>72,699</u>
341,560	247,676	19,394	212,142	1,504,397
3,147,853	249,771	214,430	95,882	4,064,154
3,489,413	497,447	233,824	308,024	5,568,551
333,279	47,294	22,108	29,122	531,099
<u>\$ 3,822,692</u>	<u>\$ 544,741</u>	<u>\$ 255,932</u>	<u>\$ 337,146</u>	<u>\$ 6,099,650</u>
\$ 353,579	\$ -	\$ 92	\$ (747,545)	\$ (1,080,969)
-	-	1,643	-	353,915
-	-	-	-	(1,559)
-	-	-	-	10,787
3,689	-	-	(17,414)	(7,834)
-	-	-	-	(4,409)
(42,000)	(267,541)	-	-	(338,233)
<u>\$ 315,268</u>	<u>\$ (267,541)</u>	<u>\$ 1,735</u>	<u>\$ (764,959)</u>	<u>\$ (1,068,302)</u>

Teamwork for Excellence



P L A N O
Independent School District

**Required
Texas Education Agency
Report Section**

Plano Independent School District
 Schedule of Delinquent Taxes Receivable
 Year Ended June 30, 2022

Last 10 Years Ended June 30	Tax Rates		Assessed/Appraised Value for School Tax Purposes	Beginning Balance July 1, 2021
	Maintenance	Debt Service		
2013 and prior years	1.0400	0.3334	\$ 34,842,341,548	\$ 1,282,640
2014	1.1700	0.2830	36,441,999,880	362,758
2015	1.1700	0.2780	38,873,800,924	441,815
2016	1.1700	0.2690	41,496,244,736	434,257
2017	1.1700	0.2690	45,916,580,666	553,347
2018	1.1700	0.2690	51,009,463,132	757,676
2019	1.1700	0.2690	55,276,539,669	929,340
2020	1.0684	0.2690	58,604,964,303	1,333,361
2021	1.0548	0.2690	60,154,332,387	5,360,644
2022	1.0518	0.2690	61,587,926,710	-
TOTALS				\$ 11,455,838

Exhibit J-1

Current Year's Total Levy	Maintenance Collections	Debt Service Collections	Entire Year's Adjustments	Ending Balance June 30, 2022
\$ -	\$ 76,593	\$ 19,944	\$ (193,381)	\$ 992,723
-	17,882	4,325	(78)	340,473
-	43,431	10,320	21,752	409,816
-	64,905	14,923	21,549	375,978
-	(19,065)	(4,383)	(116,924)	459,871
-	172,240	39,601	33,070	578,905
-	101,959	23,442	(138,737)	665,202
-	54,253	13,660	(385,866)	879,582
-	962,809	245,552	(3,152,162)	1,000,121
782,016,818	619,679,731	158,288,504	1,641,464	5,690,047
\$ 782,016,818	\$ 621,154,739	\$ 158,655,887	\$ (2,269,313)	\$ 11,392,717
	Ending balance 6/30/2022			\$ 11,392,717
	Add - county education district taxes receivable			464
	Total delinquent taxes receivable 6/30/2022			11,393,181
	Less reserve for uncollectible taxes:			
	General fund			(3,576,846)
	Debt service fund			(910,010)
	NET DELINQUENT BALANCE 6/30/2022			\$ 6,906,325

Plano Independent School District
 Use of Funds Report – Selected State Allotment Programs
 Year Ended June 30, 2022

Exhibit J-4

<u>Data Codes</u>		<u>Responses</u>
Section A: Compensatory Education Programs		
AP1	Did your LEA expend any state compensatory education program state allotment funds during the District's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the District's fiscal year.	\$ 25,245,120
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30, 34)	\$ 13,968,013
Section B: Bilingual Education Programs		
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	\$ 6,027,197
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25, 35)	\$ 3,768,406

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.	116
Revenue Capacity	
These schedules contain information to help the reader assess the District's most significant local revenue source, property taxes.	121
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.	128
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.	131
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.	134

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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Governmental Activities										
Net investment in capital assets	\$ 97,719	\$ 120,499	\$ 159,052	\$ 216,679	\$ 257,190	\$ 302,392	\$ 374,870	\$ 452,250	\$ 532,042	\$ 616,276
Restricted	26,912	29,242	31,230	31,349	35,304	33,742	40,258	29,051	28,239	34,586
Unrestricted	169,663	180,980	131,642	136,396	160,169	(80,584)	(92,052)	(100,950)	(99,632)	(82,575)
Total Governmental Net Assets	<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>	<u>\$ 460,649</u>	<u>\$ 568,287</u>
Business Type Activities										
Net investment in capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9	\$ 8	\$ 7	\$ 5	\$ 8
Unrestricted	98	129	257	195	247	171	131	89	15	1,415
Total Business Type Activities	<u>\$ 98</u>	<u>\$ 129</u>	<u>\$ 257</u>	<u>\$ 195</u>	<u>\$ 247</u>	<u>\$ 180</u>	<u>\$ 139</u>	<u>\$ 96</u>	<u>\$ 20</u>	<u>\$ 1,423</u>
Total Primary Government										
Net investment in capital assets	\$ 97,719	\$ 120,499	\$ 159,052	\$ 216,679	\$ 257,190	\$ 302,401	\$ 374,878	\$ 452,257	\$ 532,047	\$ 616,284
Restricted	26,912	29,242	31,230	31,349	35,304	33,742	40,258	29,051	28,239	34,586
Unrestricted	169,761	181,109	131,899	136,591	160,416	(80,413)	(91,921)	(100,861)	(99,617)	(81,160)
Total Primary Government	<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>	<u>\$ 460,669</u>	<u>\$ 569,710</u>

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
Instruction	\$ 308,433	\$ 316,344	\$ 333,944	\$ 356,164	\$ 350,044	\$ 257,538	\$ 404,319	\$ 421,601	\$ 395,194	\$ 367,960
Instructional Resources & Media Services	8,761	8,882	9,195	9,632	9,436	6,368	8,414	10,571	9,543	9,410
Curriculum & Instructional Staff Development	8,252	7,440	8,412	8,558	9,826	7,803	13,039	12,382	12,446	11,546
Instructional Leadership	3,652	3,383	3,818	3,990	3,934	2,858	4,479	6,176	5,871	5,160
School Leadership	23,870	24,812	26,673	28,508	28,586	20,758	32,716	34,269	32,834	29,766
Guidance, Counseling & Evaluation Services	18,353	18,481	19,459	21,460	21,670	15,505	25,736	26,789	25,826	25,543
Social Work Services	868	914	1,008	1,103	1,650	1,248	2,522	2,923	2,748	1,826
Health Services	5,145	5,306	5,791	6,059	5,991	4,253	6,750	7,330	6,707	6,228
Student (Pupil) Transportation	9,373	14,222	13,327	14,050	11,882	11,970	18,467	18,964	14,331	17,458
Food Services	23,900	24,492	26,341	26,748	27,428	20,423	28,979	27,051	20,229	24,847
Cocurricular/Extracurricular Activities	14,104	13,817	14,470	13,891	15,092	13,628	16,450	12,899	10,339	13,922
General Administration	9,864	9,803	10,179	10,822	10,727	8,893	11,721	12,407	11,488	11,332
Plant Maintenance & Operations	43,143	39,577	40,207	46,844	55,405	51,573	54,453	44,141	45,305	45,166
Security & Monitoring Services	3,505	3,390	3,475	3,795	3,722	3,618	4,490	5,223	5,225	5,775
Data Processing Services	5,318	5,332	5,825	5,652	4,175	6,461	7,990	8,316	7,022	7,509
Community Services	2,097	1,826	2,330	2,544	2,607	1,395	3,146	3,944	3,798	3,569
Debt Service - Interest on Long Term Debt	41,082	38,771	42,035	30,990	29,550	31,147	27,791	27,246	21,369	14,333
Debt Service - Bond Issuance Cost and Fees	33	308	192	3,893	553	327	109	160	411	27
Facilities Acquisition & Construction	18,431	13,684	13,728	16,046	18,346	27,889	23,914	10,449	11,113	16,538
Contracted Instructional Services Between Schools	24,960	36,016	46,604	60,149	104,686	157,110	211,183	166,112	192,059	211,044
Incremental Costs Associated with Chapter 41	600	600	600	400	584	1,249	28	-	26	28
Payments to Fiscal Agent/Member Districts of SSA	755	999	1,000	993	1,060	1,119	734	947	757	818
Payments to Juvenile Justice Alternative Ed. Prg.	212	118	49	88	28	70	60	33	3	12
Payments to Tax Increment Fund	2,978	1,875	3,378	597	-	-	-	-	-	-
Other Intergovernmental Charges	2,388	2,632	2,823	3,301	3,558	3,332	4,903	5,213	5,184	5,390
Total governmental activities expenses	580,077	593,024	634,863	676,277	720,540	656,535	912,393	865,146	839,828	835,207
Business-type activities:										
Employee Child Care	1,194	1,219	1,226	1,375	1,381	1,504	1,829	1,719	1,963	1,562
After School Care	4,814	4,966	5,644	5,779	5,945	5,958	5,568	5,060	2,661	2,810
Concessions	231	211	325	297	270	249	219	243	150	162
Photography	44	42	34	31	-	-	-	-	-	-
Total business-type activities expenses	6,283	6,438	7,229	7,482	7,596	7,711	7,616	7,022	4,774	4,534
Total primary government expenses	\$ 586,360	\$ 599,462	\$ 642,092	\$ 683,759	\$ 728,136	\$ 664,246	\$ 920,009	\$ 872,168	\$ 844,602	\$ 839,741

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	\$ 3,889	\$ 3,761	\$ 3,768	\$ 3,536	\$ 3,658	\$ 3,614	\$ 3,617	\$ 2,520	\$ 1,100	\$ 2,207
Food Service	13,013	13,659	13,357	13,315	13,612	12,909	12,270	9,008	897	2,424
Cocurricular/Extracurricular Activities	1,554	1,612	1,793	1,618	1,568	1,451	1,312	1,052	754	1,421
Plant Maintenance & Operations	957	979	1,069	1,080	1,085	1,016	1,265	963	758	803
Community Services	33	11	6	5	6	15	15	7	18	36
Other	150	142	97	64	83	68	48	26	44	-
Operating Grants and Contributions	62,621	68,323	84,554	82,106	70,958	(10,068)	110,188	116,591	108,137	117,013
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-

Total governmental activities program revenues 82,217 88,487 104,644 101,724 90,970 9,005 128,715 130,167 111,708 123,904

Business-type activities:

Charges for services:

Employee Child Care	1,095	1,273	1,355	1,383	1,413	1,435	1,396	1,198	1,415	1,593
After School Care	7,207	7,542	8,165	7,968	8,346	8,559	8,338	5,986	2,112	3,589
Concessions	262	228	347	263	290	238	178	200	132	249
Photography	64	56	40	2	-	-	-	-	-	-

Total business-type activities program revenues 8,628 9,099 9,907 9,616 10,049 10,232 9,912 7,384 3,659 5,431

Total primary government program revenues \$ 90,845 \$ 97,586 \$ 114,551 \$ 111,340 \$ 101,019 \$ 19,237 \$ 138,627 \$ 137,551 \$ 115,367 \$ 129,335

Net (Expense) Revenue

Governmental activities	\$ (497,860)	\$ (504,537)	\$ (530,219)	\$ (574,553)	\$ (629,569)	\$ (647,530)	\$ (783,678)	\$ (734,979)	\$ (728,120)	\$ (711,303)
Business-type activities	2,328	2,661	2,678	2,134	2,453	2,521	2,296	362	(1,115)	897
Total primary government net expense	<u>\$ (495,532)</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>	<u>\$ (729,235)</u>	<u>\$ (710,406)</u>

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Net (Expense) Revenue										
Governmental activities	\$ (497,860)	\$ (504,537)	\$ (530,219)	\$ (574,553)	\$ (629,569)	\$ (647,530)	\$ (783,678)	\$ (734,979)	\$ (728,120)	\$ (711,303)
Business-type activities	2,345	2,661	2,678	2,134	2,453	2,521	2,296	362	(1,115)	897
Total primary government net expense	<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>	<u>\$ (729,235)</u>	<u>\$ (710,406)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property taxes levied for general purposes	351,218	412,190	439,832	475,671	520,714	576,691	622,386	600,670	611,147	623,126
Property taxes levied for debt service	114,865	101,575	106,235	109,451	119,707	132,536	143,025	151,179	155,742	159,084
Unrestricted grants and contributions	38,658	25,148	33,279	32,576	38,967	34,442	53,157	27,621	41,092	33,857
Investment earnings	868	623	622	1,465	4,377	11,051	16,209	9,906	589	2,313
Miscellaneous	1,987	2,687	2,659	15,683	11,621	9,814	14,037	2,444	886	1,064
Gain (Loss) on disposition of capital assets	-	-	386	-	-	-	-	-	-	-
Transfers	2,296	2,632	2,553	2,207	2,423	2,629	2,392	434	(1,039)	(500)
Total governmental activities	<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>	<u>\$ 808,417</u>	<u>\$ 818,944</u>
Business-type activities:										
Investment earnings	2	2	3	9	22	41	54	29	-	6
Transfers	(2,296)	(2,632)	(2,552)	(2,206)	(2,423)	(2,629)	(2,392)	(434)	1,039	500
Total business-type activities	<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>	<u>1,039</u>	<u>506</u>
Total primary government	<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>	<u>\$ 809,456</u>	<u>\$ 819,450</u>
Change in Net Position										
Governmental activities	\$ 12,032	\$ 40,318	\$ 55,347	\$ 62,500	\$ 68,239	\$ 119,633	\$ 67,528	\$ 57,275	\$ 80,297	\$ 107,641
Business-type activities	52	31	129	(63)	52	(67)	(42)	(43)	(76)	1,403
Total primary government	<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>	<u>\$ 80,221</u>	<u>\$ 109,044</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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Fund										
Nonspendable	\$ 2,121	\$ 2,044	\$ 1,296	\$ 1,998	\$ 1,172	\$ 1,094	\$ 915	\$ 1,172	\$ 1,772	\$ 1,739
Assigned	19,870	12,884	9,515	17,619	11,332	15,303	5,827	223,384	232,709	249,692
Unassigned	132,178	154,251	167,771	174,700	214,765	226,358	242,718	42,108	41,909	17,752
Total general fund	<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>	<u>\$ 276,390</u>	<u>\$ 269,183</u>
All Other Governmental Funds										
Nonspendable	\$ 211	\$ 185	\$ 270	\$ 313	\$ 255	\$ 238	\$ 261	\$ 624	\$ 67	\$ 406
Restricted										
Debt Service	35,188	34,925	33,138	30,575	40,104	41,227	38,981	36,215	33,201	29,644
Capital Projects	112,315	64,007	35,596	43,304	288,931	308,165	222,895	156,070	111,640	82,448
Food Service	6,952	6,968	6,970	7,144	6,760	7,494	7,769	3,179	3,561	10,833
State Special Revenue	770	1,247	2,856	693	2,556	762	7,150	608	1,419	1,330
Committed	8,840	9,189	9,596	10,340	9,613	9,412	8,582	10,309	9,050	9,030
Total all other governmental funds	<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>	<u>\$ 158,938</u>	<u>\$ 133,691</u>
Total governmental funds	<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>	<u>\$ 435,328</u>	<u>\$ 402,874</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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Federal sources:										
Federal grants	\$ 23,114	\$ 21,888	\$ 24,065	\$ 22,981	\$ 25,384	\$ 24,506	\$ 28,740	\$ 26,781	\$ 36,238	\$ 80,317
Food services	8,963	9,396	9,963	10,313	10,680	11,025	10,854	8,980	7,986	9,610
Total federal sources	<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>	<u>44,224</u>	<u>89,927</u>
State sources:										
State education finance program	50,928	39,537	47,626	47,641	54,123	51,295	63,992	45,995	59,570	51,178
State grants and other	5,285	11,409	8,325	12,054	10,332	7,000	17,076	8,736	11,745	10,113
Total state sources	<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>	<u>71,315</u>	<u>61,291</u>
Local sources:										
Ad valorem taxes	466,582	512,921	544,873	589,230	640,635	707,121	769,700	749,610	769,243	779,015
Food service sales	13,012	13,661	13,356	13,332	13,610	13,017	12,431	8,987	388	2,361
Interest and other income	872	635	631	1,507	4,510	11,236	16,701	10,468	54	1,839
Other revenue	21,529	19,886	20,966	15,241	16,239	15,605	9,376	11,778	7,099	14,195
Total local sources	<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>	<u>776,784</u>	<u>797,410</u>
Total revenues	<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>	<u>\$ 892,323</u>	<u>\$ 948,628</u>

Plano Independent School District

Governmental Funds, Expenditures And Debt Service Ratio

Last Ten Fiscal Years

(Unaudited)

(Modified Accrual Basis of Accounting)

(Amounts Expressed in Thousands)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Expenditures:										
Instruction & Instructional-Related Services	\$ 297,559	\$ 305,883	\$ 316,046	\$ 329,496	\$ 334,252	\$ 346,277	\$ 354,784	\$ 355,574	\$ 354,595	\$ 370,723
Instructional & School Leadership	26,397	27,200	28,503	29,873	30,819	31,921	32,153	33,633	34,560	35,318
Support Services - Student	68,701	71,203	74,047	75,726	79,188	80,626	84,054	80,656	69,039	87,215
Administrative Support Services	9,408	9,641	9,761	10,157	10,374	10,718	11,241	10,684	10,595	11,659
Support Services - Nonstudent	50,233	47,394	47,884	54,896	63,971	63,734	65,474	52,782	52,781	54,861
Ancillary Services	1,965	1,682	2,069	2,109	2,391	2,510	2,385	2,417	3,093	3,664
Debt Service - Principal on long-term debt	70,215	56,610	65,715	73,210	76,765	87,755	102,320	114,955	125,600	133,892
Debt Service - Interest on long-term debt	45,878	43,632	41,817	38,150	36,918	45,347	44,727	40,217	34,622	30,008
Debt Service - Bond Issuance Costs and Fees	317	308	635	3,893	553	327	109	160	411	27
Facilities Acquisition & Construction	78,151	57,645	50,347	26,999	55,146	105,761	115,331	85,929	45,238	34,410
Intergovernmental Charges ¹	31,894	42,240	54,453	65,528	109,916	162,881	216,908	172,306	198,029	217,292
Total Expenditures	<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>	<u>928,563</u>	<u>979,069</u>
Capital Expenditures	\$ 66,635	\$ 46,794	\$ 42,925	\$ 15,018	\$ 44,498	\$ 83,463	\$ 96,481	\$ 77,963	\$ 38,317	\$ 21,978
Debt service as a percentage of noncapital expenditures	18.9%	16.3%	16.6%	16.0%	15.0%	15.6%	15.8%	17.8%	18.0%	17.1%

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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Excess of revenues over (under) expenditures	\$ (90,433)	\$ (34,105)	\$ (21,472)	\$ 2,262	\$ (24,780)	\$ (97,052)	\$ (100,614)	\$ (77,977)	\$ (36,241)	\$ (31,956)
Other financing sources (uses)										
Transfers In	3,085	11,838	24,940	37,232	4,773	3,334	3,429	1,508	1,302	4,391
Transfers Out	(1,588)	(9,706)	(22,957)	(35,625)	(3,150)	(1,405)	(1,167)	(1,225)	(3,769)	(7,391)
Bonds issued	53,740	-	-	-	257,210	108,020	-	13,045	-	-
Refunding bonds issued	27,805	74,750	43,250	303,360	-	-	13,655	10,325	62,720	-
Premiums on bonds issued	8,903	5,673	6,409	55,749	43,322	12,334	484	630	3,423	-
Payment to bond refunding agent	(30,132)	(81,699)	(49,496)	(358,425)	-	-	-	(10,840)	(65,775)	-
Insurance Proceeds	-	505	233	15,106	11,427	9,334	9,258	3,104	-	988
Sale of capital assets	-	-	400	19	-	-	-	-	-	-
Total other financing sources (uses)	<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>	<u>(2,099)</u>	<u>(2,012)</u>
Net change in fund balances	<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>	<u>\$ (38,340)</u>	<u>\$ (33,968)</u>

Plano Independent School District

Exhibit S-7

Assessed Value and Actual Value of Taxable Property

Last Ten Fiscal Years

(Unaudited)

(Modified Accrual Basis of Accounting)

(Amounts Expressed in Thousands)

Fiscal Year	Actual Value				Less: Exemptions	Total Assessed Value	Total District Rate ¹
	Residential Property	Industrial Property	Rural Property	Personal Property			
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
2021	33,974,656	28,126,534	666,825	5,863,457	8,477,140	60,154,332	1.3238
2022	35,583,090	28,469,071	702,649	5,692,923	8,859,806	61,587,927	1.3208

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)

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
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	1.4530	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	1.4480	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	0.3509	0.6251	0.8489
2018	1.1700	0.2690	1.4400	0.4686	0.1922	0.0798	0.5100	0.5997	0.7804	0.7046	0.3179	0.5000	0.3660	0.6251	0.7810
2019	1.1700	0.2690	1.4400	0.4603	0.1808	0.0812	0.4890	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	0.4890	0.5900	0.7766	0.7696	0.3032	0.4950	0.3660	0.6252	0.6885
2021	1.0548	0.2690	1.3238	0.4482	0.1725	0.0812	0.4850	0.5875	0.7763	0.7696	0.2998	0.4950	0.3660	0.6252	0.6720
2022	1.0518	0.2690	1.3208	0.4465	0.1681	0.0812	0.4700	0.5825	0.7733	0.7569	0.2884	0.4950	0.3660	0.6152	0.6438

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	2022			2013		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Texas Instruments, Inc	\$ 822,609,379	1	1.34 %	\$ 100,000,000	10	0.30 %
Corporate Properties Trust I SPE#1 LLC	714,253,292	2	1.16			
Texas Instruments, Inc	424,207,192	3	0.69			
Legacy West Investors LP	394,500,000	4	0.64			
Toyota Motor North America, Inc.	372,959,239	5	0.61			
Health Care Service Corporation	336,126,339	6	0.55	208,172,377	3	0.61
Oncor Electric Delivery Company	309,608,728	7	0.50	238,317,157	2	0.70
CCI-D 6501 Legacy Owners LLC	289,449,434	8	0.47			
Bank of America, NA	287,679,274	9	0.47	334,265,757	1	0.99
T-Mobile West LLC	230,771,269	10	0.37			
JCPenney Co Inc				156,070,625	4	0.46
Legacy Campus LP				152,500,000	5	0.45
IBM Credit LLC				106,096,803	6	0.31
KBSIII Legacy Town Center LLC				106,000,000	7	0.31
HSP of Texas Inc				105,338,347	8	0.31
Cisco Systems Sales & Services Inc				105,105,281	9	0.31
Total	\$ 4,182,164,146		6.79 %	\$ 1,611,866,347		4.76 %
Total Taxable Value	\$61,587,926,710			\$33,895,714,519		

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
2013	\$ 466,912,198	\$ (1,189,045)	\$ 465,723,153	\$ 461,906,257	98.93	\$ 3,471,149	\$ 465,377,406	99.93
2014	515,059,308	(427,234)	514,632,074	509,947,307	99.01	4,322,009	514,269,316	99.93
2015	546,185,299	(1,517,151)	544,668,148	540,145,891	98.89	4,080,442	544,226,333	99.92
2016	581,815,938	(678,834)	581,137,104	576,953,689	99.16	3,749,158	580,702,847	99.93
2017	639,881,781	(1,402,621)	638,479,160	634,181,327	99.11	3,744,486	637,925,813	99.91
2018	707,443,306	1,605,781	709,049,087	704,057,256	99.52	4,234,155	708,291,411	99.89
2019	763,333,684	2,701,109	766,034,793	760,523,128	99.63	4,582,325	765,105,453	99.88
2020	754,903,434	925,125	755,828,559	747,732,077	99.05	6,763,121	754,495,198	99.82
2021	786,299,819	1,135,600	787,435,419	764,074,775	97.17	18,000,000	782,074,775	99.32
2022	782,016,818	1,641,464	783,658,282	777,968,236	99.48	-	777,968,236	99.27

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							
2013	\$ 1,022,548	\$ -	\$ -	\$ 1,022,548	\$ 19,753	\$ 1,002,795	9%	\$ 3,119	2.70	\$ 3,059
2014	960,869	-	-	960,869	20,846	940,023	8%	2,897	2.38	2,834
2015	889,854	-	-	889,854	21,133	868,721	8%	2,626	2.06	2,564
2016	824,106	-	-	824,106	23,203	800,903	7%	2,406	2.42	2,338
2017	1,031,577	-	-	1,031,577	25,733	1,005,844	8%	2,968	2.22	2,894
2018	1,046,051	-	-	1,046,051	25,487	1,020,564	8%	3,000	1.77	2,927
2019	940,831	-	-	940,831	38,981	901,850	7%	2,686	1.42	2,575
2020	823,579	-	-	823,579	36,215	787,364	6%	2,274	1.34	2,174
2021	683,270	-	-	683,270	33,201	650,069	6%	1,873	1.08	1,782
2022	529,115	-	-	529,115	29,645	499,470	4%	1,445	0.81	1,364

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

Exhibit S-12

Direct And Overlapping Governmental Activities Debt

June 30, 2022

(Unaudited)

(Dollars in thousands, except per capita)

Governmental Unit	Gross Bonded Debt	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
City of Plano 1	\$ 513,078	80.03 %	\$ 410,616
Collin County Community College 1	575,747	42.25	243,253
Collin County 2	543,645	42.25	229,690
City of Allen 1	124,276	3.56	4,424
City of Carrollton 1	204,518	0.76	1,554
City of Dallas 1	1,871,224	3.84	71,855
City of Garland 1	280,355	0.17	477
City of Lucas 1	15,740	5.69	896
City of Murphy 1	34,745	71.22	24,745
City of Parker 1	1,672	72.20	1,207
City of Richardson 1	251,190	45.17	113,463
City of Wylie 1	51,020	1.89	964
			1,103,145
Subtotal, overlapping debt			1,103,145
District gross bonded debt			529,115
Total direct and overlapping debt			\$ 1,632,260

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 2021.

² Reported as of entity's fiscal year end 2022.

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>
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	5,228,069	13.03
2021	6,015,433	650,069	5,365,364	10.81
2022	6,158,793	499,470	5,659,323	8.11

Legal Debt Margin Calculation for Fiscal Year 2019

Assessed Value		\$ 61,587,927
Debt limit (10% of assessed value)		6,158,793
Total bonded debt	\$ 529,115	
Less reserve for retirement of debt	<u>29,645</u>	
Debt applicable to limit		<u>499,470</u>
Legal debt margin		<u>\$ 5,659,323</u>

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

Exhibit S-14

Fiscal Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate
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	362,178	13,640,613	37,663	7.20
2021	364,821	11,337,608	31,077	5.00
2022	366,202	14,044,953	38,353	3.30

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	2022			2013		
	Employees	Rank	Percentage Of Total District Employment	Employees	Rank	Percentage Of Total District Employment
JP Morgan Chase	8,108	1	4.77 %			
Capital One Finance	7,273	2	4.28	3,176	4	2.05
Plano ISD	6,854	3	4.04	6,840	2	4.42
Bank of America Home Loans	4,500	4	2.65	8,000	1	5.17
Toyota Motor North America, Inc.	4,018	5	2.37			
Liberty Mutual Insurance Company	2,519	6	1.48			
AT&T Foundry and Service	2,500	7	1.47			
Ericsson	2,457	8	1.45	2,650	7	1.71
Medical City Plano	2,332	9	1.37			
United Services Automobile Association	2,092	10	1.23			
HP Enterprise Services, LLC/EDS				4,500	3	2.91
J.C. Penney Company, Inc.				3,000	5	1.94
City of Plano				2,790	6	1.80
Alcatel-Lucent				2,500	8	1.62
Frito - Lay Inc.				2,400	9	1.55
Dell				2,250	10	1.45
Total	42,653		25.12 %	38,106		24.64

Sources:

Texas Workforce Commission provided total labor force numbers - 2022 (169,807); 2013 (154,641)

Plano Economic Development Corporation provided 2022 Principal Employers.

2013 data from PISD 2013 Annual Comprehensive Financial Report

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

Exhibit S-16

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Percent Change 2013 - 2022
Instruction											
Teachers	3,813	3,825	3,865	3,895	3,905	3,900	3,907	3,855	3,784	3,632	(5) %
Librarians	71	71	70	70	70	70	71	71	69	71	0
Educational Aides	573	559	568	581	609	628	624	637	630	628	10
Interpreters	13	17	14	14	15	16	16	12	14	12	(7)
Other Professionals (instructional)	153	159	171	175	195	195	210	212	210	206	34
	<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>4,707</u>	<u>4,549</u>	<u>(2)</u>
Campus Administration											
Principal	72	72	72	72	72	72	72	72	72	71	(1)
Assistant Principal	88	92	95	102	103	109	112	114	117	114	30
Instructional Officer	10	8	8	8	8	9	12	12	12	11	10
Athletic Director	3	3	3	3	3	3	3	3	3	3	3
	<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>204</u>	<u>199</u>	<u>15</u>
Student Services											
Counselor	143	146	148	157	161	162	162	162	160	159	11
Educational Diagnostician	30	33	34	35	35	37	38	38	39	39	29
School Nurse	71	71	72	72	72	71	71	70	72	71	1
LSSP/Psychologist	13	12	10	13	13	15	16	15	17	17	36
Social Worker	8	9	10	10	11	11	18	19	20	20	150
	<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>308</u>	<u>306</u>	<u>16</u>
Support and Administration											
Superintendent, Deputy, Assoc. & Assistant	6	6	7	7	8	8	9	9	8	8	33
Non-Campus Professionals	222	224	229	228	239	240	232	237	238	192	(13)
Auxiliary Staff	1,250	1,219	1,276	1,306	1,279	1,282	1,442	1,249	1,241	1,212	(3)
	<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>1,487</u>	<u>1,412</u>	<u>(4)</u>
Total	<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>6,706</u>	<u>6,466</u>	<u>(1) %</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 ¹</u>	<u>Operating Expenditures ²</u>	<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>
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) %	581,939,265	11,057	5.55 %	3,855	13.7	33 %
2021	50,154	723,307,016	14,421	1.46 %	531,248,317	10,592	(4.21) %	3,784	13.3	36 %
2022	49,400	781,202,187	15,814	9.66 %	570,158,387	11,542	8.96 %	3,632	13.6	35 %

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.

Notes: In FY 2022, Food Service had a waiver from USDA/TDA to operate under the Seamless Summer Option (SSO) program due to the COVID-19 Pandemic. This waiver allowed all students to have access to free federal meals regardless of eligibility. Due to this regulation, the Food Service department only performed direct certifications and accepted free and reduced meal price applications for Pandemic Eligibility Benefits Transfer (P-EBT) purposes. This waiver resulted in a lower free and reduced data percentage collected by Food Service. The District collected the free and reduced data through Student Services and calculated the true free and reduced rate to be 35%.

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>
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
2021	55,000	81,700	60,268	57,641
2022	56,000	84,075	62,980	58,887

Sources:
 Plano ISD 2021-2022 Compensation Plan Book
 TEA PEIMS Standard Reports

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Schools:										
Elementary										
Buildings	44	44	44	44	44	44	44	44	44	44
Square Feet	3,301,493	3,350,490	3,378,450	3,380,050	3,387,145	3,390,582	3,391,262	3,401,326	3,401,326	3,401,648
Enrollment	24,406	24,107	23,900	23,704	23,346	23,257	22,584	22,189	20,826	20,543
Middle School										
Buildings	13	13	13	13	13	13	13	13	13	13
Square Feet	1,980,339	1,980,339	1,980,479	1,980,479	1,980,479	1,981,439	2,020,911	2,027,081	2,027,081	2,027,081
Enrollment	12,730	12,621	12,447	12,498	12,429	12,328	12,141	12,182	11,860	11,413
High School										
Buildings	7	6	6	6	6	6	6	6	6	6
Square Feet	1,458,754	1,565,808	1,572,843	1,572,843	1,572,843	1,607,975	1,607,975	1,607,975	1,607,975	1,610,725
Enrollment	8,435	8,496	8,540	8,623	8,470	8,305	8,363	8,315	7,949	7,874
Senior High School										
Buildings	3	4	4	4	4	4	4	4	4	4
Square Feet	1,458,754	1,458,754	1,576,908	1,576,908	1,576,908	1,609,200	1,609,200	1,610,933	1,610,933	1,610,933
Enrollment	7,872	7,937	8,183	8,262	8,355	8,365	8,273	8,177	8,175	8,054
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	1,742	1,661	1,619	1,486	1,573	1,697	1,696	1,766	1,344	1,516
Total Schools										
Buildings	70	70	70	70	70	70	70	70	70	70
Square Feet	8,355,798	8,511,849	8,665,138	8,666,738	8,673,833	8,745,654	8,785,806	8,803,773	8,803,773	8,806,845
Enrollment	55,185	54,822	54,689	54,573	54,173	53,952	53,057	52,629	50,154	49,400

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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Other PISD Facilities:										
Other Educational Facilities -										
Buildings	5	5	5	5	7	8	8	8	9	8
Square Feet	149,820	149,820	149,820	149,820	222,197	254,741	217,009	217,009	299,209	299,209
Administrative										
Buildings	6	6	6	6	6	6	6	6	6	6
Square Feet	204,199	204,199	204,199	204,199	204,199	212,448	212,448	212,448	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	143,062
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	21	21	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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 21, 2022.

Report on 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) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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

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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
November 21, 2022

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

Opinion on Each Major Federal Program

We have audited Plano Independent School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the 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, 2022. 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.

In our opinion, the District's 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, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal 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.

Board of Trustees
Plano Independent School District

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

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

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

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
November 21, 2022

Plano Independent School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Exhibit K-1
Page 1 of 2

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Assistance Listing 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	N/A	\$ 333,486
Total direct funding U.S. Department of Defense			333,486
<u>Passed Through State Department of Education</u>			
Startalk	12.900	H98230-20-1-0192	947
Total Passed Through State Department of Education			947
TOTAL U.S. DEPARTMENT OF DEFENSE			334,433
U.S. DEPARTMENT OF TREASURY			
<u>Passed Through Texas Division of Emergency Management</u>			
Winter Storm	97.036	3645860008844	75,000
TOTAL U.S. DEPARTMENT OF EDUCATION			75,000
U.S. DEPARTMENT OF EDUCATION			
<u>Passed Through State Department of Education</u>			
ESEA Title I Part A - Improving Basic Programs	84.010A	20-610101043910	1,635
ESEA Title I Part A - Improving Basic Programs	84.010A	21-610101043910	143,394
ESEA Title I Part A - Improving Basic Programs	84.010A	22-610101043910	6,166,290
Total ESEA Title I Part A			6,311,318
Title IV IDEA - Part B, Formula	84.027A	20-6600010439106600	428,964
Title IV IDEA - Part B, Formula	84.027A	21-6600010439106600	132,971
Title IV IDEA - Part B, Formula	84.027A	22-6600010439106600	7,173,568
Title IV IDEA - Part B, Preschool	84.173A	21-6610010439106610	7,728
Title IV IDEA - Part B, Preschool	84.173A	22-6610010439106610	262,241
Title IV IDEA - Part B, High Cost Risk	84.027A	22-66002906	488,096
COVID 19- Title IV IDEA - Part B, Formula ARP	84.027A	22-5350010439105000	323,500
SSA - IDEA - Part B, Discretionary	84.027A	21-6600110439106673	24,035
SSA - IDEA - Part B, Discretionary	84.027A	22-6600110439106673	161,041
Total Special Education Cluster			9,002,146
Vocational Education - Basic Grant	84.048A	22-420006043910	46,410
Vocational Education - Basic Grant	84.048A	21-420006043910	497,120
Total Vocational Education - Basic Grant			543,530
SSA - IDEA, Part C - Early Intervention (Deaf)	84.181A	22-3911010439103911	10,115
Title III, Language Instruction LEP	84.365A	20-671001043910	12,852
Title III, Language Instruction LEP	84.365A	21-671001043910	73,916
Title III, Language Instruction LEP	84.365A	22-671001043910	949,823
Title III, Language Instruction Immigrant	84.365A	20-671003043910	1,272
Title III, Language Instruction Immigrant	84.365A	21-671003043910	14,884
Title III, Language Instruction Immigrant	84.365A	22-671003043910	172,726
Title III, Homeless Children and Youth	84.196A	22-4600057110023	11,205
Total Title III Language Instruction			1,236,676
ESEA Title II, Part A, Teacher & Principal Training	84.367A	20-694501043910	2,793
ESEA Title II, Part A, Teacher & Principal Training	84.367A	21-694501043910	144,876
ESEA Title II, Part A, Teacher & Principal Training	84.367A	22-694501043910	1,150,131
ESEA Title II, Teacher Leadership	84.367A	21-6945797110025	1,277
Total ESEA Title II, Part A, Teacher & Principal Training			1,299,078

(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, 2022

Exhibit K-1
Page 2 of 2

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
Title IV Part A Summer School LEP	84.369A	22-680101043910	39,813
Title IV Part A Subpart 1	84.424A	20-680101043910	44,281
Title IV Part A Subpart 1	84.424A	21-680101043910	29,672
Title IV Part A Subpart 1	84.424A	22-680101043910	475,725
Total Title IV			589,491
COVID-19 Elementary and Secondary School Emergency Relief (ESSER) I	84.425D	20-521001043910	2,645,016
COVID-19 Elementary and Secondary School Emergency Relief (ESSER) II - CRRSA	84.425R	21-521001043910	3,967,842
COVID-19 Elementary and Secondary School Emergency Relief (ESSER) III	84.425U	21-528001043910	19,178,530
Total ESSER			25,791,388
Total passed through State Department of Education			44,783,742
TOTAL U.S. DEPARTMENT OF EDUCATION			44,783,742
FEDERAL COMMUNICATION COMMISSION			
<u>Direct Funding Federal Communication Commission</u>			
Emergency Connectivity Funds	32.009	N/A	7,683,000
FEDERAL COMMUNICATION COMMISSION			7,683,000
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Direct funding U.S. Department of Health and Human Services</u>			
Head Start	93.600	U6CHU1144 / -U1 06CHE00040701C5/6	1,245,153
Total direct funding U.S. Department of Health and Human Services			1,245,153
<u>Passed Through State Department of Education</u>			
COVID-19 School Health Support	93.323	393352201	426,563
Total passed through the State Department of Education			426,563
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			1,671,716
U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through the State Department of Agriculture</u>			
National School Breakfast Program	10.553	20-043910	4,036,048
National School Lunch Program	10.555	20-043910	21,593,662
Food Distribution - NSLP - Noncash assistance	10.555	20-043910	2,167,286
Summer Feeding Program	10.559	21-043910	499,078
Total Child Nutrition Cluster			28,296,074
Total passed through the State Department of Agriculture			28,296,074
TOTAL U.S. DEPARTMENT OF AGRICULTURE			28,296,074
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 82,843,965

(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, 2022 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	\$ 82,843,965
Reimbursements received from the federal school health and related services	5,524,399
Rebates received from the federal government for Build America Bonds	1,558,223
	<hr/>
Total federal program revenues per Exhibit C-3	\$ 89,926,587
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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, 2022

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:

Special Education Cluster	84.027 and 84.173
ESSER	84.425D, 84.425R, and 84.425U
Emergency Connectivity Fund	32.009

The dollar threshold used to distinguish between Type A and Type B program?.	<u>\$2,485,319</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 - Continued

Year Ended June 30, 2022

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, 2022

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

None

Plano Independent School District
 Schedule of Required Responses to Selected
 School FIRST Indicators (Unaudited)
 For the Fiscal Year Ended June 30, 2022

Exhibit L-1

<u>Data Codes</u>		<u>Responses</u>
SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year-end?	No
SF3	Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?	Yes
SF4	Was the school district issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the school district is considered to have been issued a warrant hold.	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end	\$ -