

Plano Independent School District

Plano, Texas

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019

Prepared By

Angela Marks-Cosby
Director of Accounting

Randy McDowell
Chief Financial Officer

Teamwork for Excellence



P L A N O
Independent School District

Plano Independent School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019
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Certificate Of The Board

Plano Independent School District
Name of School District

Collin
County

043-910
County-District No.

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and ✓ approved _____ disapproved for the year ended June 30, 2019 at a meeting of the Board of Trustees of such school district on the 19 day of November, 2019.



Signature of Board President



Signature of Board Vice President

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

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Introductory Section

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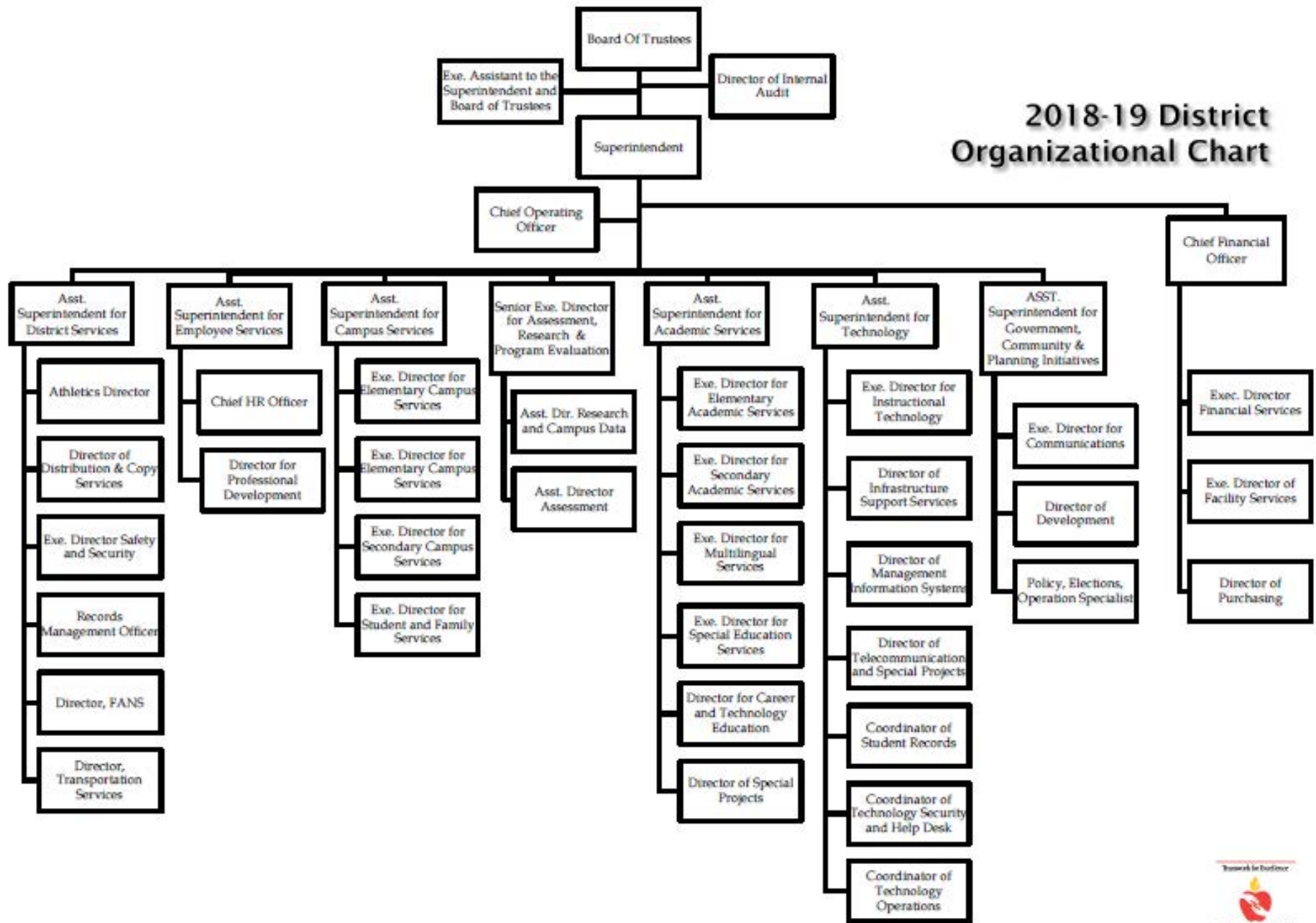
Board of Trustees

| Name | Length of Service | Term Expires | Occupations |
|----------------------------------|-------------------|--------------|--|
| Tammy Richards President | 9 Years | May 2021 | Nonprofit Chief Executive Officer |
| Angela Powell Vice President | 2 Years | May 2021 | Chief Executive Officer |
| Jeri Chambers Board Secretary | 2 Years | May 2021 | Nonprofit Development Officer |
| Nancy Humphrey Trustee | 9 Years | May 2021 | Nonprofit Executive Director |
| David Stolle Trustee | 8 Years | May 2023 | Attorney |
| Dr. Heather Wang Trustee | Newly Elected | May 2023 | Real Estate Broker and Community Volunteer |
| Cody Weaver Trustee | Newly Elected | May 2023 | Real Estate Broker |

Administrative Officials

| Name | Position | Length of District Service |
|----------------------|---|----------------------------|
| Sara Bonser | Superintendent *total school district experience 29 years | 2 Years* |
| Dr. Theresa Williams | Chief Operating Officer *total school district experience 26 years | 1 Year* |
| Randy McDowell | Chief Financial Officer *total school district experience 27 years | 2 Years* |
| Dr. Katrina Hasley | Assistant Superintendent for Academic Services *total school district experience 28 years | 2 Years* |
| Susan Modisette | Assistant Superintendent for Campus Services *total school district experience 36 years | 32 Years* |
| Dr. Kary Cooper | Assistant Superintendent for District Services | 31 Years |
| Dr. Beth Brockman | Assistant Superintendent for Employee Services *total school district experience 26 years | 2 Years* |
| Karla Oliver | Assistant Superintendent for Government, Community and Planning Initiatives *total school district experience 29 years | 15 Years* |
| Dan Armstrong | Assistant Superintendent for Technology Services | 29 Years |
| Dr. Dash Weerasinghe | Senior Exec. Director, Assessment, Research & Program Evaluation *total school district experience 24 years | 11 Years* |

2018-19 District Organizational Chart





November 19, 2019
Board of School Trustees
Plano Independent School District
2700 W. 15th Street
Plano, Texas 75075

Members of the Board:

The Comprehensive Annual Financial Report (CAFR) of the Plano Independent School District (District) for the year ended June 30, 2019, is submitted herewith. This report was prepared by the District's Financial Services Department. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and the results of operations of the District as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. This report includes all funds of the District. The District discusses in greater detail its financial position in the narrative, introduction, overview and analysis sections of the Management's Discussion and Analysis (MD&A).

The CAFR for the year ended June 30, 2019 is presented in conformance with the reporting model adopted by the Governmental Accounting Standards Board ("GASB") in their Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, issued in June 1999.

GOVERNANCE

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

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

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

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

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

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

MISSION

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

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

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

As reflected in the District’s mission statement, activities of the District focus on learning opportunities for students. The District is providing educational services to approximately 53,050 students in state of the art facilities that include three early childhood schools for pre-kindergarten age students, 44 elementary schools with eleven offering pre-kindergarten classes, 23 secondary school programs and two special program centers. Included in the secondary schools are three academy programs – Health Science Academy as part of Williams High School and Plano East Senior High, International Baccalaureate World School as part of Plano East Senior High and the Academy High School an innovative 9th-12th grade learning community with an emphasis on science, technology, engineering, arts and mathematics (STEAM). The District has long maintained the philosophy of renovating and refurbishing its schools to ensure that all facilities continue to meet new building standards as well as curriculum and technology requirements.

ECONOMIC CONDITIONS AND OUTLOOK

Plano’s economic base consists of a wide range of services and products. Accelerated industrial and commercial development within the past 15 years in the City and immediate surrounding area has created a very sound, balanced economy. While a substantial economic base has been built on manufacturing and agriculture, retail and commercial development have made a steadily increasing contribution to the economic growth of the district. Situated in the heart of Texas and as an integral part of the Dallas/Fort Worth Metroplex, the City enjoys easy access to major transportation and shipping hubs in air, rail and trucking to any destination in the United States.

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

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

The District's latest multi-year bond program was successfully approved by the voters in May 2016. The purpose of this \$481 million program is to provide funding for eight major project areas with no increase to the tax rate. All Plano ISD campuses will be impacted by district-wide security updates, renovation and facility upgrades, as well as technology improvements. The program also provides funding for the purchase of property and construction of new facilities that will increase classroom capacity and expand program offerings for students along with the purchase of school buses. \$300 million of bonds (inclusive of bond premiums) were sold during the fiscal year ended June 30, 2017. The second bond issue of \$120.05 million (inclusive of bond premiums) were sold during the fiscal year ended June 30, 2018. The third bond issue of \$13.65 million (inclusive of bond premiums) were sold during the fiscal year ended June 30, 2019. A list of construction projects in progress is included in Note 5 to the financial statements.

The State funding formula continues to impact the District's financial operations. In its simplest form, this formula guarantees districts a revenue yield per student for each penny of the districts operating tax rate. The first dollar of tax rate is guaranteed to generate \$51.40 per penny for each student in weighted average daily attendance (WADA). Districts whose tax base generates less than this amount receive additional state funds to get to the guaranteed amount. Districts whose tax base generates more than the guaranteed amount have to send the excess local property tax collections to the state in the form of recapture. The next six pennies of tax effort are guaranteed to generate the same amount per WADA as Austin ISD's tax base does (\$106.28 in 2018-19). Districts below this level receive additional state aid. Districts above this level get to keep the excess of these (and only these) six pennies. The final 11 cents of the tax rate, which gets a district to the maximum total operating tax rate of \$1.17 and can only be reached with a tax ratification election (TRE), work just like the first \$1.00 of the tax rate, but the guaranteed yield per student per penny is reduced to \$31.95.

Since the funding formula is linked to property values, any growth in property values not offset by increases in the number of students results in a benefit to the State rather than to the local school districts. This occurs regardless of whether a district is "property wealthy" or "property poor". For "property wealthy" districts, property value growth results in a higher recapture payment to the State. For "property poor" districts, property value growth results in a reduction in state aid.

The District continues to see its property values grow, but the large majority of that growth accrues to the benefit of the State through increased recapture payments. The District is fortunate to have additional funding provided through a TRE in November 2013. The TRE, which took the operating tax rate to \$1.17, became necessary when the State only partially restored its \$59 million funding reduction to the District from the 2011-13 biennium. Since the passage of the District's TRE, the state formula has changed only slightly. The guaranteed yield for the first \$1.00 of effort has increased by only 3.8% since 2013-14, the Austin yield has grown by \$46.31 per student, and the yield on the final 11 cents of the tax rate has not changed. Absent legislative action, funding will remain an issue and property value growth will result in higher local tax bills with the increases primarily accruing to the State's budget.

During the 2017 legislative session, the only significant school finance change affecting the District was funding of an increase in the Austin yield from \$77.53 to \$99.85 per student for FY 2017-18, and \$106.28 for FY 2018-19. The impact of this increase is rather limited as it applies to only six cents of the \$1.17 operating tax rate.

State Funding Litigation

On seven occasions in the last thirty years, the Texas Supreme Court (the "Court") has issued decisions assessing the constitutionality of the Texas public school finance system (the "Finance System").

On May 13, 2016, the Court issued its opinion in the most recent school finance litigation, which was styled *Morath, et al v. The Texas Taxpayer and Student Fairness Coalition, et al.*, No. 14-0776 (Tex. May 13, 2016) (“*Morath*”). In its opinion, the Court held that “despite the imperfections of the current school funding regime, it meets minimum constitutional requirements.” The Court also noted that:

“Lawmakers decide if laws pass, and judges decide if those laws pass muster. But our lenient standard of review in the policy-laden area counsels modesty. The judicial role is not to second-guess whether our system is optimal, but whether it is constitutional. Our Byzantine school funding “system” is undeniably imperfect, with immense room for improvement. But it satisfies minimum constitutional requirements.”

There is currently no pending School Finance litigation in Texas.

2019-20 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 25, 2019. The budget is prepared by fund and function. Site based decisions are made throughout the year as campuses and departments manage their budgets. Budget transfers between functions, however, require approval from the Board of Trustees. The District operates a tightly controlled budget in all areas of operation while maintaining a high quality educational program.

On September 3, 2019 the District adopted a maintenance and operations tax rate of \$1.06835, the maximum rate approved by voters in the Tax Ratification Election in November 2013. The debt service tax rate of 26.9 cents remained constant and was also adopted.

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

OTHER INFORMATION

Controls

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

Independent Audit

State law and District policy require an annual audit of the accounts and financial records of the District by independent certified public accountants selected by the Board of Trustees. Weaver and Tidwell, L.L.P. has issued an unmodified opinion on the financial statements of Plano Independent School District for the year ended June 30, 2019. 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, 2018. The District received this prestigious award for the thirty sixth consecutive year in 2019.

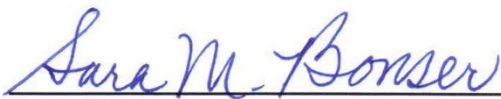
In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable 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, 2019 to GFOA to determine its eligibility for another certificate.

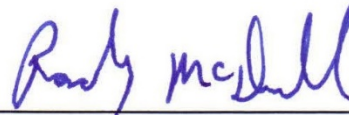
Acknowledgments

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

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



Sara Bonser
Superintendent



Randy McDowell
Chief Financial Officer



Government Finance Officers Association

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

Presented to

**Plano Independent School District
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

Financial Section

Teamwork for Excellence



P L A N O
Independent School District

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Plano Independent School District (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2019, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, General Fund budgetary comparison information, TRS pension and other postemployment benefits schedules, and the notes to the required supplementary information on pages 7 through 19, 74, 75 through 78, and 79 through 81, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

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

The Board of Trustees of
Plano Independent School District

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2019, 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 20, 2019

Teamwork for Excellence



P L A N O
Independent School District

Plano Independent School District
Management's Discussion and Analysis
For The Year Ended June 30, 2019
(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, 2019. It should be read in conjunction with the District's financial statements.

Financial Highlights

The District's total assets as presented on the government-wide Statement of Net Position exceeded total liabilities by \$323.2 million. The net assets of the District increased by \$67.5 million during the year ended June 30, 2019.

The District's governmental funds financial statements reported a combined ending fund balance of \$535.1 million. Of this amount, the General Fund has a total of \$249.5 million, of which \$915 thousand is nonspendable, \$5.8 million is assigned, and \$242.7 million is unassigned and available for spending at the District's discretion. Fund balance of \$261.9 million is restricted for use by the Debt Service Fund and Capital Projects Fund. The Special Revenue Funds have a fund balance of \$23.8 million that is either restricted, committed or nonspendable.

On May 7, 2016, the District held a successful bond election with voters approving \$481 million in authorized bonds. This new authorization combined with \$16,020,000 authorized in 2008 provides for a \$497,020,000 five year bond program. In September 2018, \$13,655,000 of Unlimited Tax School Building bonds were sold.

This amount leaves the District with \$62.9 million of authorized, but unissued bonds as of June 30, 2019.

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 liabilities, 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 nonmajor special revenue funds, the enterprise funds, the internal service funds and the agency funds.

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

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

| <i>Type of Statements</i> | Fund Statements | | | |
|---|--|--|---|--|
| | Government-wide | Governmental Funds | Proprietary Funds | Fiduciary Funds |
| <i>Scope</i> | All activities of the District (except fiduciary funds) | The activities of the district that are not proprietary or fiduciary | Activities the district operates similar to private businesses. | Instances in which the district is the trustee or agent for someone else's resources |
| <i>Required financial statements</i> | ♦ Statement of net assets | ♦ Balance sheet | ♦ Statement of net assets | ♦ Statement of fiduciary net assets |
| | ♦ Statement of activities | ♦ Statement of revenues, expenditures & changes in fund balances | ♦ Statement of revenues, expenses and changes in fund net assets ♦ Statement of cash flows | ♦ 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 \$323.2 million at June 30, 2019. The largest portion of Net Position, \$374.9 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, \$40.3 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.

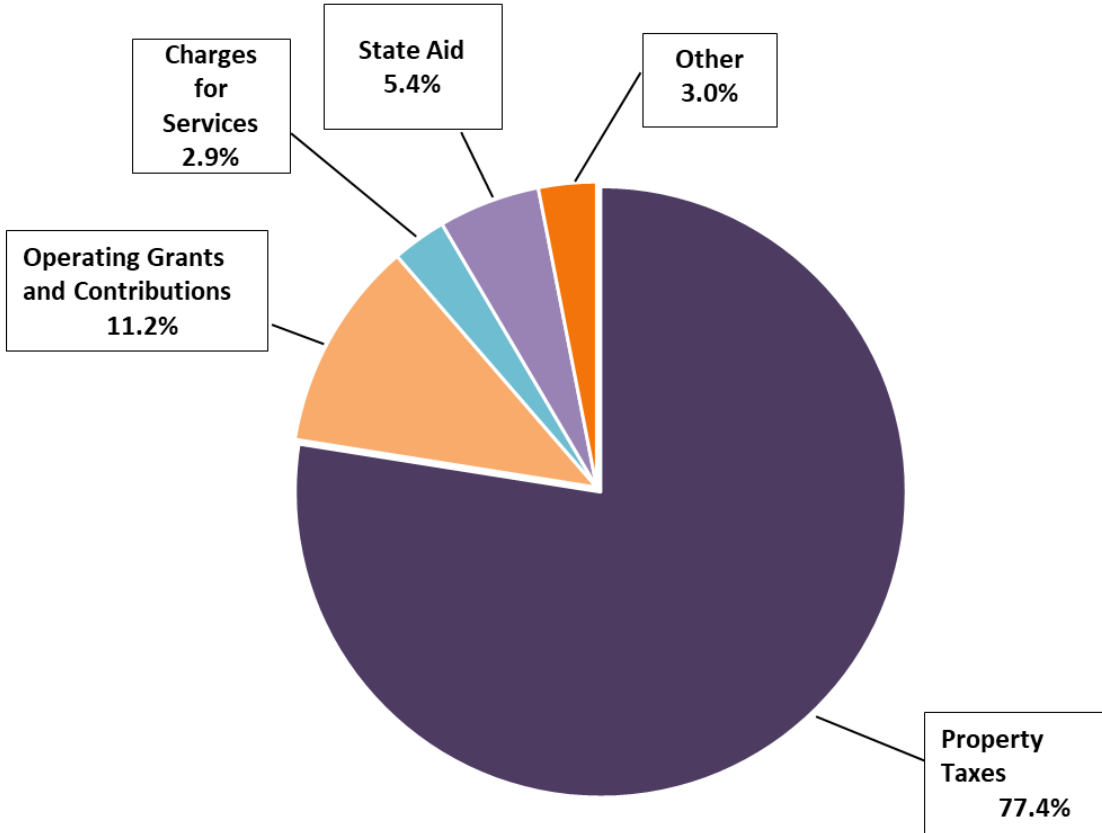
The District's Net Position

| | Governmental Activities As of June 30, 2019 | Governmental Activities As of June 30, 2018 | Business Type Activities As of June 30, 2019 | Business Type Activities As of June 30, 2018 |
|--------------------------------|--|--|---|---|
| Current and other assets | \$ 707,249,602 | \$ 776,681,616 | \$ 656,323 | \$ 605,307 |
| Capital assets | 1,077,254,291 | 1,023,193,699 | 7,924 | 9,245 |
| Total assets | 1,784,503,893 | 1,799,875,315 | 664,247 | 614,552 |
| Deferred outflows of resources | 139,275,957 | 59,269,008 | - | - |
| Current liabilities | 177,753,936 | 175,525,410 | 525,232 | 434,730 |
| Long term liability | 1,345,131,945 | 1,335,782,719 | - | - |
| Total liabilities | 1,522,885,881 | 1,511,308,129 | 525,232 | 434,730 |
| Deferred inflows of resources | 77,817,800 | 92,286,190 | - | - |
| Net position: | | | | |
| Net investment in | | | | |
| capital assets | 374,870,485 | 302,391,732 | 7,924 | 9,245 |
| Restricted | 40,257,564 | 33,742,610 | - | - |
| Unrestricted | (92,051,880) | (80,584,338) | 131,091 | 170,577 |
| Total net position | \$ 323,076,169 | \$ 255,550,004 | \$ 139,015 | \$ 179,822 |

Changes in net position. The District's total revenues were \$987.5 million. The most significant portion (77.4%) of the District's revenue comes from property taxes. (See Figure 1), operating grants and contributions equaled 11.2%, state aid comprised 5.4% and charges for service equaled 2.9%. All remaining sources combined for the remaining 3%. The total cost of all programs and services was \$920 million.

Figure 1 graphically depicts the sources of revenue for the fiscal year ending June 30, 2019. 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.

Figure 1
Revenue by Source for the fiscal year ended June 30, 2019



Government-Wide Activities

The total cost of all government-wide activities for the year ended June 30, 2019 was \$920 million. Funding for these government-wide 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* for the year was \$912.4 million.
- Some of the *governmental activities* cost was funded by program revenues directly attributable to specific activities. These program revenues amounted to \$128.7 million.
- The remaining cost of *governmental activities* not directly funded by program revenues was \$783.7 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

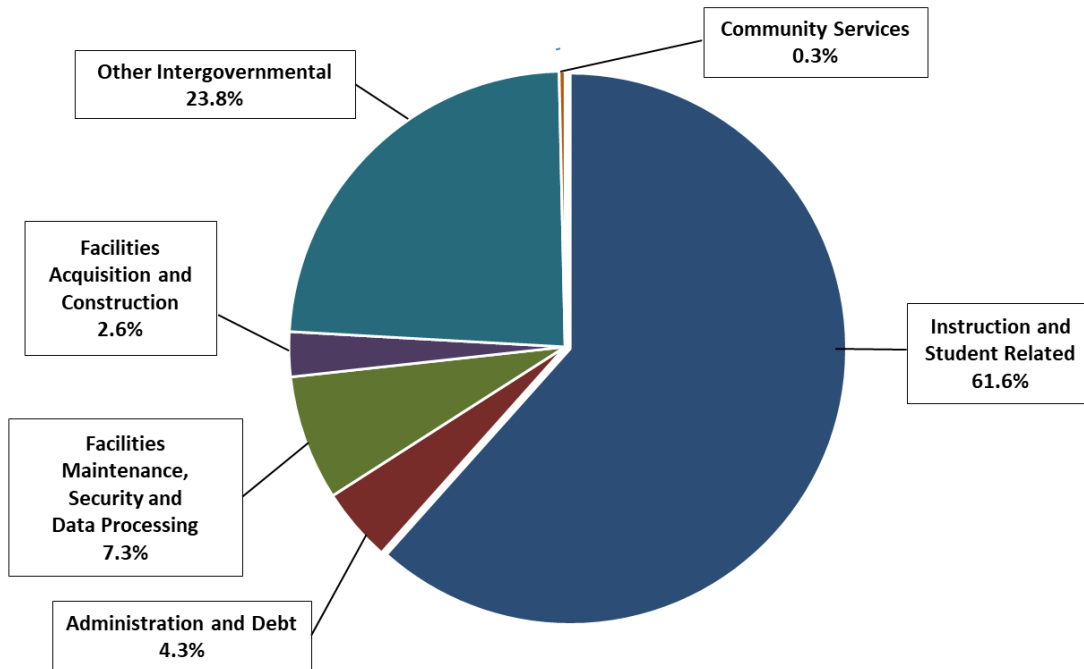
(in millions of dollars)

| | <u>Total Cost of Services</u> | <u>Net Cost of Services</u> |
|---|-------------------------------|-----------------------------|
| Instruction | \$404.3 | \$328.2 |
| Contracted instructional services between schools | 211.2 | 211.2 |
| Facilities maintenance & operations | 54.5 | 52.5 |
| Debt service interest on long term debt | 27.8 | 27.8 |
| School leadership | 32.7 | 28.8 |
| Food services | 29.0 | 4.0 |

Change in Net Position

| | <u>Governmental Activities FY 6/30/19</u> | <u>Governmental Activities FY 6/30/18</u> | <u>Business-Type Activities FY 6/30/19</u> | <u>Business-Type Activities FY 6/30/18</u> |
|--|---|---|--|--|
| Revenue | | | | |
| Program revenues | | | | |
| Charges for services | \$ 18,526,551 | \$ 19,072,578 | \$ 9,912,307 | \$ 10,232,322 |
| Operating grants and contributions | 110,187,543 | (10,067,886) | - | - |
| General revenues | | | | |
| Property taxes | 765,410,728 | 709,226,576 | - | - |
| State aid - formula | 53,157,077 | 34,442,260 | - | - |
| Interest income | 16,209,114 | 11,051,271 | 54,219 | 41,330 |
| Other | 14,037,082 | 9,814,035 | - | - |
| Total revenues | <u>977,528,095</u> | <u>773,538,834</u> | <u>9,966,526</u> | <u>10,273,652</u> |
| Expenses | | | | |
| Instruction and Instructional - related services | 425,772,445 | 271,708,390 | - | - |
| Instructional and school leadership | 37,195,670 | 23,615,680 | - | - |
| Support services - student | 98,903,775 | 67,026,339 | - | - |
| Administrative support services | 11,720,645 | 8,892,969 | - | - |
| Support services - nonstudent based | 66,933,402 | 61,652,197 | - | - |
| Ancillary services - community service | 3,145,502 | 1,395,322 | - | - |
| Debt service | 27,899,732 | 31,474,562 | - | - |
| Other facility costs | 23,914,408 | 27,888,685 | - | - |
| Intergovernmental charges | 216,908,422 | 162,880,469 | - | - |
| Concessions | - | - | 218,613 | 249,429 |
| Employee child care | - | - | 1,828,605 | 1,503,704 |
| After school care | - | - | 5,568,044 | 5,958,494 |
| Total expenses | <u>912,394,001</u> | <u>656,534,613</u> | <u>7,615,262</u> | <u>7,711,627</u> |
| Excess (Deficiency) before transfers | <u>65,134,094</u> | <u>117,004,221</u> | <u>2,351,264</u> | <u>2,562,025</u> |
| Transfers in (out) | <u>2,392,071</u> | <u>2,628,907</u> | <u>(2,392,071)</u> | <u>(2,628,907)</u> |
| Change in net position | <u>67,526,165</u> | <u>119,633,128</u> | <u>(40,807)</u> | <u>(66,882)</u> |
| Beginning net position | <u>255,550,004</u> | <u>452,663,005</u> | <u>179,822</u> | <u>246,703</u> |
| Cumulative effect of change in accounting principle | <u>-</u> | <u>(316,746,129)</u> | <u>-</u> | <u>-</u> |
| Ending net position | <u>\$ 323,076,169</u> | <u>\$ 255,550,004</u> | <u>\$ 139,015</u> | <u>\$ 179,821</u> |

Figure 2
Governmental Activities Expenses by Source for the fiscal year ended June 30, 2019



The increase in the ending net position for Governmental Activities of \$67.5 million is due to a combination of several factors. Revenue for Governmental Activities increased by \$204 million during fiscal year 2019.

- The most significant reduction was in Program Revenue for Operating Grants due to the impact of GASB 75 entries that resulted in a \$120.3 million increase.
- Property taxes increased \$56.1 million due to an 8.4% increase in taxable property values.
- State Aid increased by \$18.7 million due in part to an increase of \$279 per daily attendance funding from the Available School Fund Program in the second year of the biennium. State Aid for Homestead Exemption declined by \$261,760 along with an increase of \$10.3 million in the Instructional Materials Allotment due to the textbook funding allocation being significantly higher in the previous fiscal year.
- Investment earnings increased \$5.2 million due to an active investment program along with increases in interest rates throughout the fiscal year.

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 increase of \$255.9 million due to impact of pension and OPEB expenses, as well as, increased incremental costs associated with Chapter 41. All functional categories except Debt Service and Other Facility Costs had large increases due to the increase of expenses with the change in assumptions associated with the net pension liability and Other Post Employment Benefit (OPEB) liability. The most significant increases are listed below:

- Instruction and Instructional Related Services increased \$154.1 million, Instructional and School Leadership increased \$13.6 million, and Support Services for Students increased \$31.9 million. Increases in these categories included a 3% raise, as well as, increases in the District's proportional cost of the State operated Teacher Retirement System (TRS) and the Texas Public School Retired Employees Group Insurance Program (TRS-Care).

- As a direct result of the increase in property tax revenue, Contracted Instructional Services Between Schools (Recapture) increased by \$54.1 million. The school finance system in Texas is equalized through an equalized wealth limit that requires excess property wealth per weighted average daily attendance (WADA) to be returned to the State.

Business-Type Activities The net position of the District's business-type activities decreased by \$40,807. This decrease is primarily due to changes within two of the business type activities.

- During fiscal year 2019, a third Employee Child Care Center was fully operational. The Employee Child Care Center enterprise fund had expenditures that exceeded revenues by \$439,878 which resulted in an interfund transfer of \$431,199 from the General Fund.
- Concessions saw a decrease in net position of \$39,913 due to reduced revenues.

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 \$928.9 million for the year ended June 30, 2019. Property taxes were the largest source of revenue received by the District. The increase in property tax revenue accounted for the majority of the \$88.1 million increase in Local Revenue.

- The total property tax rate for the district remained constant at \$1.439 for fiscal year 2019. The Maintenance and Operating (M&O) tax rate was \$1.17 with the Debt Service rate at \$0.269. Net taxable property value grew by 8.4%. While the tax rate was constant, when applied against the increased property value the result was an increase in M&O tax revenue of \$45.8 million and Debt Service tax revenue of \$10.5 million for a total increase in tax revenue of \$56.3 million. Note, the increase in M&O tax revenue as compared to the increase in the District's recapture payment to the State of \$52.8 million.

State revenue increased by \$22.8 million.

- State Aid increased due to an increase of approximately \$279 per average daily attendance funding from the Available School Fund Program in the second year of the biennium for a total increase of \$14.0 million. State revenue received to hold districts harmless from a state mandated increase in the Homestead Exemption declined by \$261,760. Additional decreases were seen in State revenue in Other Funds due to an increase in funding for the Instructional Materials Allotment of \$10.3 million along with a \$1.2 million decrease in other state program revenue.

Federal revenues increased by \$4.1 million.

- An increase in SHARS Medicaid revenue resulted in the majority of the overall increase. Increases and decreases occurred in several federal grants. Increases in Title IV- Summer School LEP and National School Lunch & Breakfast programs along with a decrease in Title III - Language Instruction primarily account for reduction in federal revenues.

Expenditures for general governmental operations totaled \$1 billion during fiscal year 2018 for an increase of \$91.7 million.

- Contracted Instructional Services between Schools (Recapture) increased by \$52.8 million as previously discussed.
- Facilities, Acquisition and Construction expenditures increased by \$10 million as the District continued the implementation of the Bond Program authorized in May 2016.
- Debt Service principal and interest payments increased \$13.7 million due to recent bond issuances in 2016, 2017 and 2018.
- Most other areas realized increases due primarily to a 3% salary increase and additional positions added in Instruction associated with expansion of the District's Pre-Kindergarten program, Special Education Staffing and additional substitute teachers to allow for expanded teacher planning time.

The governmental funds reported a combined fund balance of \$535.1 million. Out of the combined fund balances, \$242.7 million constitutes unassigned fund balance available for the general operations of the District. The remainder of the fund balance is nonspendable, restricted, committed by board action or assigned. Fund balance classifications as of June 30, 2019 consist of:

| | <u>As of 6/30/19</u> | <u>As of 6/30/18</u> |
|---------------------------|------------------------------|------------------------------|
| Nonspendable | | |
| Inventories | \$ 1,171,158 | \$ 1,327,988 |
| Prepaid items | 4,666 | 4,555 |
| Restricted | | |
| Debt service | 38,981,369 | 41,226,830 |
| Capital projects | 222,894,881 | 308,165,254 |
| Food service | 7,769,149 | 7,493,658 |
| State special revenue | 7,150,268 | 761,962 |
| Committed | | |
| Local special revenue | 8,582,306 | 9,412,278 |
| Assigned | | |
| Purchases on order | 5,826,658 | 15,302,688 |
| Unassigned | <u>242,718,107</u> | <u>226,358,260</u> |
| Total Fund Balance | <u><u>\$ 535,098,562</u></u> | <u><u>\$ 610,053,473</u></u> |

The General Fund is the primary operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$242.7 million. Encumbrances in the amount of \$5.8 million were assigned. Unassigned fund balance available for the general operations of the District represents 34.4% of the total general fund expenditures while total fund balance represents 35.3% of the same amount.

The Capital Project Fund has a total fund balance of \$222.9 million. This entire amount is restricted for future construction. The fund balance decreased by \$85.3 million as a result of the expenditures from increased construction project activity.

The Debt Service fund balance decreased by \$2.2 million. As of June 30, 2019, the August 2019 payment is neither expended nor accrued.

The Special Revenue Funds have a total fund balance of \$23.8 million. Nonspendable fund balance of \$260,834 is invested in inventory. Fund balance is restricted for food service in the amount of \$7.8 million, for state special revenue in the amount of \$7.2 with the remaining balance of \$8.6 million committed for local special revenue funds. Approximately 36.1% of the total fund balance is from activity in several local special revenue funds. Of the remaining balance, 32.7% is restricted for use by food service with 30.1% 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, 2019 was \$139,015. Net position for the 2019 year decreased by \$40,807. The decrease is primarily due to decreases in Net Position for Concessions operations of \$39,913.

Net Position in the Internal Service Funds as of June 30, 2019 was approximately \$2.6 million. The majority of this amount is unrestricted to be used for future expenses in the Print Shop, Health Benefits, Unemployment and Sign Shop internal service funds. Net Position decreased by \$361,499 during fiscal year 2019. This decrease is attributable to the combination of decreases in net position for Health Benefits, Unemployment, Sign Shop and Insurance Claims that was offset by increases in the Print Shop and Workers' Compensation internal service funds.

- The Worker's Compensation Fund was funded for six months of the year, which resulted in the increase in net position of \$32,193.
- The Unemployment Internal Service Fund has not been funded since fiscal year 2012. Annual operating expenses continue to draw down the net position each year with the decrease for 2019 being \$39,408.
- The Insurance Claims Internal Service Fund received a transfer in of \$200,000 during fiscal year 2017 to fund multiple repairs that were under the insurance deductible. In fiscal year 2019, no such transfer was made which resulted in the decrease in net position of \$56,591.
- The Health Benefits Internal Service Fund Net Position decreased by \$499,044 due to no transfer in from the General Fund to cover overhead cost exceeding net operating loss.
- The Print Shop Internal Service Fund Net Position increased \$209,007 due to an increase in operating revenues as a result of a price increase for services during fiscal year 2019.

General Fund Budgetary Highlights

The school finance system in Texas is equalized through an equalized wealth limit that requires excess property wealth per weighted average daily attendance (WADA) to be returned to the State. The equalized state funding formula is directly impacted by an increase in local property values. As local tax revenue increases due to higher property values the State share of revenue decreases. The 2017 Texas Legislature made no change to the basic allotment per WADA for the 2017–19 biennium.

The only increase benefitting the District from the 2017 Legislative session was an increase in the guaranteed yield for Tier II, Level 1 funding as the six pennies in this funding level are not subject to the State equalization formula. The District adopted its 2018-19 budget on June 12, 2018. The 2018-19 General Fund budget was adopted with appropriations and other uses of \$700.7 million exceeding revenue and other sources of \$697.7 million by \$3.0 million. Revenue and Other Sources increased by \$71.1 million when compared to the 2017-18 adopted budget. This overall net increase was the result of increases in property tax revenues of \$59.2 million due to increased property values, a \$3.5 million increase in investment revenue due to higher interest rates, and an increase of \$8.2 million in state aid.

Appropriations and other uses reflected an increase of \$67.3 million. The appropriations budget included \$7.6 million in increased payroll costs associated with increased instructional and campus administrator staffing along with a 2% compensation increase. Recapture payments to the state included a budgeted \$57.4 million increase due to the increased property values. Transportation increased \$1.3 million related to fuel costs and staffing shortage.

The district operates a tightly controlled budget in all areas of operation while maintaining a high quality educational program.

Over the course of the fiscal year, the District revised its budget several times. In the General Fund, revenue overall increased by \$6.1 million. Local revenue increased by \$1.4 million with the increase due to certified values exceeding preliminary values on which the budget was adopted. Investment earnings primarily account for the remaining increase with \$2.6 million due to increased interest rates. State revenue increased in total by \$4.6 million due to increased Foundation School Program revenue received through the State Finance formula.

Final results indicate actual expenditures were \$23.7 million below final budgeted amounts. Essentially, the entire positive variance was seen in the Facilities Acquisition and Construction function due to timing of the numerous roof replacements and repairs related to the hail storm damages from storms in the Spring of 2016. Staffing is budgeted at the full employment level throughout the entire year. Budget amounts for vacant positions throughout the year are not eligible for budget revisions and contribute to the variance between budgeted salaries and actual salaries. The budgeted appropriation for payments due to the State in Contracted Instructional Services between Schools (Recapture) was below the amount due by \$3.3 million. With the exclusion of the unusual occurrence in Facilities Acquisition and Construction function, the budget would have been aligned.

Capital Assets and Debt Administration

Capital Assets As of June 30, 2019, the District had invested \$1,077,262,215 net of depreciation, in a broad range of capital assets, including land, equipment, buildings, and Construction in Progress. This amount represents a net increase (including additions, retirements and depreciation) of \$54.1 million over last year.

| | As of 6/30/19 | As of 6/30/18 |
|----------------------------------|-------------------------|-------------------------|
| Land and improvements | \$ 148,366,871 | \$ 146,049,745 |
| Buildings and improvements | 1,436,922,601 | 1,340,749,558 |
| Construction in progress | 64,132,038 | 71,164,605 |
| Furniture, equipment, & vehicles | 122,780,399 | 118,682,478 |
| Totals | 1,772,201,909 | 1,676,646,386 |
| Total accumulated depreciation | (694,939,694) | (653,443,442) |
| Net capital assets | <u>\$ 1,077,262,215</u> | <u>\$ 1,023,202,944</u> |

This year's major capital asset additions include completion of renovations at Shepton High School, Ag Barn Center, Solomon Transition Center, additions at Plano East Senior High School and Jasper High School, and refurbishments at Wilson Middle School, Gullledge Elementary, Miller Elementary, and Barkdsale Elementary. Additionally, roof projects at Williams High School, Plano West Senior High School, Haun Elementary, Hickey Elementary and Wyatt Elementary; and flooring projects at Frankford Middle School, Hickey Elementary, McCall Elementary, Boggess Elementary and Pearson Early Childhood were completed. HVAC upgrades were completed at the Transportation Center, Williams High School, Haggard Middle School, and Renner Middle School and scoreboard replacement and upgrades were performed at Clark Stadium and Kimbrough Stadium due to hail damage. Several building improvements and land improvement projects are in progress at fiscal year-end. 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, 2019, the District had total bonded debt outstanding of \$940.8. The ratio of net general bonded debt to assessed valuation and the amount of net bonded debt per capita are useful indicators of the District's debt position. Data presented in the statistical section indicate both of these indicators increased due to the issuance of \$13,855,000 of Series 2018 Unlimited Tax School Building Bonds in September 2018. Net bonded debt per capita was \$2,933 and the ratio of net bonded debt to assessed value was 1.75 percent.

The District has authorized unissued bonds as of June 30, 2019 in the amount of \$62,920,000. During the year, the District issued \$13,655,000 of Series 2018 Unlimited Tax School Building Bonds. The bonds were issued at with a \$484,280 premium. The District continues to enjoy excellent bond ratings. Rating agency reviews were conducted in the summer of 2018 in conjunction with the issuance of the Series 2018 Unlimited Tax School Building Bonds issued on September 15, 2018. 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, 2019, there was a liability for arbitrage rebate in the amount of \$567,553.

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

Economic Factors and Next Year's Budgets And Rates

The local economy continues to be very favorable. Certified taxable property values reported in the summer of 2019 grew by \$3.6 billion (6.5%) from 2018 and now totals \$58.8 billion. Of this growth, \$1.09 billion was for new construction. The balance reflects increases in value of existing property. In the last three years, Plano has created a new central business district in North Texas with the \$3.2 billion, 255-acre Legacy West development. Toyota opened its North American headquarters on July 6, 2017. Other headquarters that recently opened include Liberty Mutual Insurance with 5,000 employees, JPMorgan Chase & Co with 6,000 employees, FedEx with 1,200 employees along with the Renaissance Hotel with 304 rooms. Overall, Legacy West is on track to match downtown Dallas in employment. According to the Plano Economic Development board, daytime workforce is up to around 100,000 currently.

In the South central section of the district, the \$1.5 billion, 186-acre CityLine mixed-use development is home to State Farm Insurance, the key corporate anchor of the development Raytheon now fully occupies its new regional office within the development. Upon completion, CityLine will have 6 million square feet of office space, almost 4,000 apartments, two hotels and 300,000 square feet of retail space. Although property value growth has minimal impact on net general fund revenue due to the equalization provisions of the state funding formula, it does enhance debt service fund revenues and ultimately reduces the tax rate necessary to service existing debt payments.

With the passage of the tax ratification election in November 2013, the District has capacity to provide competitive salaries and continue support for a broad spectrum of academic offerings for the next several years. By working through the District's strong education foundation, local donations continue to be secured to assist with the support and development of academy program offerings for the students of Plano Independent School District.

On May 13, 2016, the Texas Supreme Court issued its opinion in the most recent school finance litigation that began February 4, 2013. The plaintiffs and interveners in the case had alleged that the Finance System, as modified by the Texas Legislature in 2015 in response to prior decisions of the Court, violated two articles of the Texas Constitution. In its latest opinion, the Court held that "despite the imperfections of the current school funding regime, it meets minimum constitutional requirements." The court also noted that, "our Byzantine school funding system is undeniably imperfect, with immense room for improvement, but it satisfies minimum constitutional requirements."

The District adopted its 2019-20 budget on June 25, 2019 calculating revenues and expenditures based on 2018-19 school finance formulas and amended the budget to House Bill 3 formulas at the Board Meeting on August 6, 2019. The 2019-20 General Fund budget was originally adopted with revenues and other sources of \$720.6 million, appropriations and other uses of \$755.8 million, thus resulting in a \$33.6 million deficit budget. As a result of the sweeping changes to Texas School Finance enacted with House Bill 3, that significantly reduced M&O property taxes by compressing the tax rate from \$1.17 to \$1.06835 and reducing recapture payments to TEA, the revenues were reduced by \$75.0 million and expenditures were reduced by \$92.4 million. The result of the budget amendment decreased the budget deficit from \$33.5 million to \$16.2 million. The change in appropriations from the 2018-2019 budget to the 2019-2020 amended budget is primarily due to the following:

- Increase in salary and benefits of \$9.4 million due to a 2.5% pay raise for teachers, nurses, librarians and counselors with less than 6 years of experience; and a 3% pay raise for teachers, nurses, librarians and counselors with 6 or more years of experience; a 2% pay raise for all other staff; a \$21 per month increase to insurance costs and increased staffing primarily targeted to high need campuses/students.
- Recapture payments to TEA were reduced from \$214.5 million for FY 2019 to \$159.5 million in FY 2020.

On September 3, 2019 the District adopted a maintenance and operations tax rate of \$1.06835 per \$100 of taxable assessed value which is the maximum rate approved by voters in the Tax Ratification Election in November 2013. The District also adopted a debt service tax rate of 26.9 cents, the same rate adopted in 2018-19. Due to the favorable interest rates and increase in property values, the District is able to maintain the same debt service tax rate even with the issuance of \$13,045,000 Series 2019 Unlimited Tax Bonds on November 12, 2019. The debt service fund has a balanced budget of \$143.9 in revenue and appropriations for 2019-20.

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
June 30, 2019

Exhibit A-1

| Data Control Codes | | 1 | 2 | 3 |
|--------------------------------|--|--------------------|------------|----------------|
| | | Primary Government | | |
| | | Governmental | Business | |
| | | Activities | Type | Total |
| | | Activities | Activities | Total |
| ASSETS | | | | |
| 1110 | Cash and investments | \$ 680,779,505 | \$ 601,465 | \$ 681,380,970 |
| 1220 | Property taxes receivable (delinquent) | 10,756,362 | - | 10,756,362 |
| 1230 | Allowance for uncollectible taxes | (3,734,230) | - | (3,734,230) |
| 1240 | Due from other governments | 17,640,822 | - | 17,640,822 |
| 1250 | Accrued interest | 91,510 | - | 91,510 |
| 1290 | Other receivables, net | 351,914 | 54,858 | 406,772 |
| 1300 | Inventories | 1,171,158 | - | 1,171,158 |
| 1410 | Deferred expenses | 192,561 | - | 192,561 |
| | Non-current assets: | | | |
| | Capital assets: | | | |
| 1510 | Land | 90,486,698 | - | 90,486,698 |
| 1520 | Buildings, net | 865,906,069 | - | 865,906,069 |
| 1530 | Furniture and equipment, net | 26,212,287 | 7,924 | 26,220,211 |
| 1540 | Other capital assets, net | 30,517,199 | - | 30,517,199 |
| 1580 | Construction in progress | 64,132,038 | - | 64,132,038 |
| 1000 | Total assets | 1,784,503,893 | 664,247 | 1,785,168,140 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| 1701 | Deferred charge for refunding | 15,540,419 | - | 15,540,419 |
| 1705 | Related to the TRS pension | 99,940,707 | - | 99,940,707 |
| 1706 | Related to the TRS OPEB | 23,794,831 | - | 23,794,831 |
| 1700 | Total deferred outflows of resources | 139,275,957 | - | 139,275,957 |
| LIABILITIES | | | | |
| 2110 | Accounts payable | 39,906,407 | 230,589 | 40,136,996 |
| 2140 | Interest payable | 15,233,546 | - | 15,233,546 |
| 2150 | Payroll deduction and withholdings | 3,649,353 | - | 3,649,353 |
| 2160 | Accrued wages payable | 53,181,288 | 147,822 | 53,329,110 |
| 2180 | Due to other governments | 60,969,883 | - | 60,969,883 |
| 2200 | Accrued expenses | 2,722,291 | - | 2,722,291 |
| 2300 | Unearned revenues | 2,091,168 | 146,821 | 2,237,989 |
| | Non-current liabilities: | | | |
| 2501 | Due within one year | 101,547,222 | - | 101,547,222 |
| 2502 | Due in more than one year | 843,871,281 | - | 843,871,281 |
| 2540 | Net pension liability (District's share) | 187,292,777 | - | 187,292,777 |
| 2545 | OPEB liability (District's share) | 212,420,665 | - | 212,420,665 |
| 2000 | Total liabilities | 1,522,885,881 | 525,232 | 1,523,411,113 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| 2605 | Related to the TRS pension | 10,645,269 | - | 10,645,269 |
| 2606 | Related to the TRS OPEB | 67,172,531 | - | 67,172,531 |
| 2600 | Total deferred inflows of resources | 77,817,800 | - | 77,817,800 |
| NET POSITION | | | | |
| 3200 | Net investment in capital assets | 374,870,485 | 7,924 | 374,878,409 |
| | Restricted for: | | | |
| 3820 | Restricted for state programs | 7,150,268 | - | 7,150,268 |
| 3840 | Restricted for food service | 8,029,983 | - | 8,029,983 |
| 3850 | Restricted for debt service | 25,077,313 | - | 25,077,313 |
| 3900 | Unrestricted net position | (92,051,880) | 131,091 | (91,920,789) |
| 3000 | TOTAL NET POSITION | \$ 323,076,169 | \$ 139,015 | \$ 323,215,184 |

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

Plano Independent School District
Statement of Activities
Year Ended June 30, 2019

| Data Control Codes | | | Program Revenues | | |
|--------------------------|---|-----------------------|------------------------|---|--|
| | | | 3 | 4 | 5 |
| | | Expenses | Charges of Services | Operating Grant and Contributions | Capital Grants and Contributions |
| | Primary Government | | | | |
| | GOVERNMENTAL ACTIVITIES | | | | |
| 11 | Instruction | \$ 404,319,194 | \$ 3,617,467 | \$ 72,542,585 | \$ - |
| 12 | Instructional resources and media services | 8,414,294 | - | 938,354 | - |
| 13 | Curriculum and instructional staff development | 13,038,957 | 6,028 | 3,533,526 | - |
| 21 | Instructional leadership | 4,479,215 | - | 827,619 | - |
| 23 | School leadership | 32,716,455 | - | 3,890,505 | - |
| 31 | Guidance, counseling and evaluation services | 25,735,926 | - | 3,955,774 | - |
| 32 | Social work services | 2,521,872 | - | 320,808 | - |
| 33 | Health services | 6,750,232 | - | 874,300 | - |
| 34 | Student (pupil) transportation | 18,466,674 | - | 1,751,444 | - |
| 35 | Food services | 28,978,707 | 12,269,754 | 12,750,799 | - |
| 36 | Extracurricular activities | 16,450,364 | 1,305,691 | 2,633,669 | - |
| 41 | General administration | 11,720,645 | 48,131 | 1,292,504 | - |
| 51 | Facilities maintenance and operations | 54,453,299 | 1,264,931 | 714,846 | - |
| 52 | Security and monitoring services | 4,490,470 | - | 433,776 | - |
| 53 | Data processing services | 7,989,633 | - | 866,334 | - |
| 61 | Community services | 3,145,502 | 14,549 | 2,169,341 | - |
| 72 | Debt service - interest on long term debt | 27,790,779 | - | - | - |
| 73 | Debt service - bond issuance costs and fees | 108,953 | - | - | - |
| 81 | Other facility costs | 23,914,408 | - | 10,023 | - |
| 91 | Contracted instructional services between schools | 211,183,179 | - | - | - |
| 92 | Incremental costs associated with Chapter 41 | 28,116 | - | - | - |
| 93 | Payment to fiscal agent/member districts of SSA | 733,836 | - | 681,336 | - |
| 95 | Payments to juvenile justice alternative ed. prg. | 60,419 | - | - | - |
| 99 | Other intergovernmental charges | 4,902,872 | - | - | - |
| TG | Total governmental activities | 912,394,001 | 18,526,551 | 110,187,543 | - |
| | BUSINESS-TYPE ACTIVITIES | | | | |
| 01 | Employee child care | 1,828,605 | 1,396,085 | - | - |
| 02 | After school care | 5,568,044 | 8,337,827 | - | - |
| 03 | Concessions | 218,613 | 178,395 | - | - |
| TB | Total business-type activities | 7,615,262 | 9,912,307 | - | - |
| TP | TOTAL PRIMARY GOVERNMENT | \$ 920,009,263 | \$ 28,438,858 | \$ 110,187,543 | \$ - |
| | 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 |
| \$ (328,159,142) | \$ - | \$ (328,159,142) |
| (7,475,940) | - | (7,475,940) |
| (9,499,403) | - | (9,499,403) |
| (3,651,596) | - | (3,651,596) |
| (28,825,950) | - | (28,825,950) |
| (21,780,152) | - | (21,780,152) |
| (2,201,064) | - | (2,201,064) |
| (5,875,932) | - | (5,875,932) |
| (16,715,230) | - | (16,715,230) |
| (3,958,154) | - | (3,958,154) |
| (12,511,004) | - | (12,511,004) |
| (10,380,010) | - | (10,380,010) |
| (52,473,522) | - | (52,473,522) |
| (4,056,694) | - | (4,056,694) |
| (7,123,299) | - | (7,123,299) |
| (961,612) | - | (961,612) |
| (27,790,779) | - | (27,790,779) |
| (108,953) | - | (108,953) |
| (23,904,385) | - | (23,904,385) |
| (211,183,179) | - | (211,183,179) |
| (28,116) | - | (28,116) |
| (52,500) | - | (52,500) |
| (60,419) | - | (60,419) |
| (4,902,872) | - | (4,902,872) |
| (783,679,907) | - | (783,679,907) |
| - | (432,520) | (432,520) |
| - | 2,769,783 | 2,769,783 |
| - | (40,218) | (40,218) |
| - | 2,297,045 | 2,297,045 |
| \$ (783,679,907) | \$ 2,297,045 | \$ (781,382,862) |
| 622,385,669 | - | 622,385,669 |
| 143,025,059 | - | 143,025,059 |
| 53,157,077 | - | 53,157,077 |
| 16,209,114 | 54,219 | 16,263,333 |
| 14,037,082 | - | 14,037,082 |
| 2,392,071 | (2,392,071) | - |
| 851,206,072 | (2,337,852) | 848,868,220 |
| 67,526,165 | (40,807) | 67,485,358 |
| 255,550,004 | 179,822 | 255,729,826 |
| \$ 323,076,169 | \$ 139,015 | \$ 323,215,184 |

Plano Independent School District
Balance Sheet
Governmental Funds
June 30, 2019

| Data Control Codes | 10 General Fund | 50 Debt Service Fund | 60 Capital Project |
|--|--------------------------------|-------------------------------------|-----------------------------------|
| ASSETS | | | |
| 1110 Cash and investments | \$ 360,718,113 | \$ 39,008,757 | \$ 247,596,282 |
| 1220 Property taxes - delinquent | 8,650,776 | 2,105,586 | - |
| 1230 Allowance for uncollectible taxes (credit) | (2,958,134) | (776,096) | - |
| 1240 Due from other governments | 9,872,960 | - | - |
| 1250 Accrued interest | 36 | 3 | 91,470 |
| 1260 Due from other funds | 3,963,904 | - | - |
| 1290 Other receivables | 260,583 | - | - |
| 1300 Inventories | 910,324 | - | - |
| 1410 Prepaid expenditures | 4,666 | - | - |
| 1000 Total assets | <u>\$ 381,423,228</u> | <u>\$ 40,338,250</u> | <u>\$ 247,687,752</u> |
| LIABILITIES | | | |
| 2110 Accounts payable | \$ 11,621,422 | \$ - | \$ 24,791,422 |
| 2150 Payroll deductions and withholdings payable | 3,649,353 | - | - |
| 2160 Accrued wages payable | 50,046,505 | - | 1,449 |
| 2170 Due to other funds | - | - | - |
| 2180 Due to other governments | 60,940,404 | 27,391 | - |
| 2300 Unearned revenues | 12,038 | - | - |
| 2000 Total liabilities | <u>126,269,722</u> | <u>27,391</u> | <u>24,792,871</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| 2601 Unavailable revenue - property taxes | <u>5,693,751</u> | <u>1,329,490</u> | <u>-</u> |
| 2600 Total deferred inflows of resources | <u>5,693,751</u> | <u>1,329,490</u> | <u>-</u> |
| FUND BALANCES | | | |
| Nonspendable | | | |
| 3410 Investments in inventory | 910,324 | - | - |
| 3430 Prepaid expenditures | 4,666 | - | - |
| Restricted | | | |
| 3480 Debt service | - | 38,981,369 | - |
| 3470 Capital projects | - | - | 222,894,881 |
| 3450 Food service | - | - | - |
| 3450 State special revenue | - | - | - |
| Committed | | | |
| 3545 Local special revenue | - | - | - |
| Assigned | | | |
| 3590 Purchases on order | 5,826,658 | - | - |
| 3600 Unassigned | 242,718,107 | - | - |
| Total fund balances | <u>249,459,755</u> | <u>38,981,369</u> | <u>222,894,881</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES | <u>\$ 381,423,228</u> | <u>\$ 40,338,250</u> | <u>\$ 247,687,752</u> |

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

| Other Funds | Total Governmental Funds |
|----------------------|--------------------------------|
| \$ 28,297,370 | \$ 675,620,522 |
| - | 10,756,362 |
| - | (3,734,230) |
| 7,767,862 | 17,640,822 |
| 1 | 91,510 |
| - | 3,963,904 |
| 84,910 | 345,493 |
| 260,834 | 1,171,158 |
| - | 4,666 |
| <u>\$ 36,410,977</u> | <u>\$ 705,860,207</u> |
| | |
| \$ 3,479,224 | \$ 39,892,068 |
| - | 3,649,353 |
| 3,124,074 | 53,172,028 |
| 3,963,904 | 3,963,904 |
| 2,088 | 60,969,883 |
| 2,079,130 | 2,091,168 |
| | |
| 12,648,420 | 163,738,404 |
| | |
| - | 7,023,241 |
| | |
| - | 7,023,241 |
| | |
| 260,834 | 1,171,158 |
| - | 4,666 |
| | |
| - | 38,981,369 |
| - | 222,894,881 |
| 7,769,149 | 7,769,149 |
| 7,150,268 | 7,150,268 |
| | |
| 8,582,306 | 8,582,306 |
| | |
| - | 5,826,658 |
| - | 242,718,107 |
| | |
| 23,762,557 | 535,098,562 |
| | |
| <u>\$ 36,410,977</u> | <u>\$ 705,860,207</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, 2019****TOTAL FUND BALANCES - GOVERNMENTAL FUNDS**

\$ 535,098,562

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 \$1,772,155,845, and the accumulated depreciation associated with the capital assets is \$694,909,769.

1,077,246,076

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.

7,023,241

The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The assets and liabilities of the internal service funds (including net capital assets of 8,215) are included in governmental activities in the statement of net assets. The net effect of this consolidation is to increase net position.

2,615,624

Long-term liabilities of \$945,418,503 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 \$15,540,419, is reflected as a deferred outflow of resources on the Statement of Net Position.

(929,878,084)

Interest payable is not due and payable in the current period and therefore is not reported as a liability in the governmental funds.

(15,233,546)

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 \$187,292,777, a deferred inflow of resources related to TRS in the amount of \$10,645,269, and a deferred outflow of resources related to TRS in the amount of \$99,940,707. This resulted in a decrease in net position.

(97,997,339)

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 \$212,420,665, a deferred inflow of resources related to TRS in the amount of \$67,172,531, and a deferred outflow of resources related to TRS in the amount of \$23,794,831. This resulted in a decrease in net position.

(255,798,365)**NET POSITION OF GOVERNMENTAL ACTIVITIES**\$ 323,076,169

Plano Independent School District
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
Year Ended June 30, 2019

| Data Control Codes | | 10 General Fund | 50 Debt Service Fund | 60 Capital Project |
|---------------------------------------|---|--------------------------------|-------------------------------------|-----------------------------------|
| REVENUES | | | | |
| 5700 | Total local and intermediate sources | \$ 635,998,653 | \$ 143,649,907 | \$ 6,752,143 |
| 5800 | State program revenues | 63,992,235 | 1,172,042 | - |
| 5900 | Federal program revenues | 10,854,211 | - | - |
| 5020 | Total revenues | 710,845,099 | 144,821,949 | 6,752,143 |
| EXPENDITURES | | | | |
| Current: | | | | |
| 0011 | Instruction | 311,203,703 | - | - |
| 0012 | Instructional resources and media services | 7,086,243 | - | - |
| 0013 | Curriculum and instructional staff development | 9,148,525 | - | - |
| 0021 | Instructional leadership | 3,647,365 | - | - |
| 0023 | School leadership | 27,930,008 | - | - |
| 0031 | Guidance, counseling and evaluation services | 21,602,378 | - | - |
| 0032 | Social work services | 2,296,092 | - | - |
| 0033 | Health services | 5,797,131 | - | - |
| 0034 | Student (pupil) transportation | 15,618,276 | - | - |
| 0035 | Food services | 156,693 | - | - |
| 0036 | Extracurricular activities | 7,817,570 | - | - |
| 0041 | General administration | 10,959,738 | - | - |
| 0051 | Facilities maintenance and operations | 53,230,913 | - | - |
| 0052 | Security and monitoring services | 4,888,563 | - | - |
| 0053 | Data processing services | 6,835,277 | - | - |
| 0061 | Community services | 1,439,918 | - | - |
| Debt service: | | | | |
| 0071 | Debt service - principal on long term debt | - | 102,320,000 | - |
| 0072 | Debt service - interest on long term debt | - | 44,727,737 | - |
| 0073 | Debt service - bond issuance cost and fees | - | 108,953 | - |
| Capital outlay: | | | | |
| 0081 | Facilities acquisition and construction | - | - | 115,330,753 |
| Intergovernmental: | | | | |
| 0091 | Contracted instructional services between schools | 211,183,179 | - | - |
| 0092 | Incremental costs associated with Chapter 41 | 28,116 | - | - |
| 0093 | Payments to fiscal agent/member districts of SSA | 52,500 | - | - |
| 0095 | Payments to juvenile justice alternative ed. prg. | 60,419 | - | - |
| 0099 | Other intergovernmental charges | 4,902,872 | - | - |
| 6030 | Total expenditures | 705,885,479 | 147,156,690 | 115,330,753 |
| 1100 | Excess (deficiency) of revenues over (under) expenditures | 4,959,620 | (2,334,741) | (108,578,610) |
| OTHER FINANCING SOURCES (USES) | | | | |
| 7911 | Capital related debt issued | - | - | 13,655,000 |
| 7915 | Transfers in | 2,823,270 | 89,280 | - |
| 7916 | Premium or discount on issuance of bonds | - | - | 484,280 |
| 7919 | Insurance recoveries | - | - | 9,258,237 |
| 8911 | Transfers out (use) | (1,078,174) | - | (89,280) |
| 7080 | Total other financing sources (uses) | 1,745,096 | 89,280 | 23,308,237 |
| 1200 | Net change in fund balances | 6,704,716 | (2,245,461) | (85,270,373) |
| 0100 | Fund balance - July 1 (beginning) | 242,755,039 | 41,226,830 | 308,165,254 |
| 3000 | FUND BALANCE - JUNE 30 (ENDING) | \$ 249,459,755 | \$ 38,981,369 | \$ 222,894,881 |

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

| Other Funds | Total Governmental Funds |
|----------------|--------------------------------|
| \$ 21,807,761 | \$ 808,208,464 |
| 15,904,508 | 81,068,785 |
| 28,740,236 | 39,594,447 |
| 66,452,505 | 928,871,696 |
| 24,790,838 | 335,994,541 |
| 117,647 | 7,203,890 |
| 2,436,656 | 11,585,181 |
| 362,200 | 4,009,565 |
| 213,498 | 28,143,506 |
| 1,030,619 | 22,632,997 |
| 917 | 2,297,009 |
| 101,439 | 5,898,570 |
| 50,990 | 15,669,266 |
| 24,162,568 | 24,319,261 |
| 5,419,499 | 13,237,069 |
| 280,835 | 11,240,573 |
| 185,009 | 53,415,922 |
| 334,502 | 5,223,065 |
| - | 6,835,277 |
| 944,720 | 2,384,638 |
| - | 102,320,000 |
| - | 44,727,737 |
| - | 108,953 |
| - | 115,330,753 |
| - | 211,183,179 |
| - | 28,116 |
| 681,336 | 733,836 |
| - | 60,419 |
| - | 4,902,872 |
| 61,113,273 | 1,029,486,195 |
| 5,339,232 | (100,614,499) |
| - | 13,655,000 |
| 516,975 | 3,429,525 |
| - | 484,280 |
| - | 9,258,237 |
| - | (1,167,454) |
| 516,975 | 25,659,588 |
| 5,856,207 | (74,954,911) |
| 17,906,350 | 610,053,473 |
| \$ 23,762,557 | \$ 535,098,562 |

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, 2019

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ (74,954,911)

Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which capital outlays of \$96,500,656 exceeded depreciation of \$42,418,816 in the current period including dispositions of \$19,605 (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.)

54,062,235

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

| | | | |
|--|----|------------------|-------------|
| Principal payment | \$ | 102,320,000 | |
| Amortization of premium | | 17,051,131 | |
| Amortization of loss on bond refunding | | (1,543,314) | |
| Addition of Arbitrage | | <u>(567,553)</u> | 117,260,264 |

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

2,225,083

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

1,429,141

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.

187,559

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.

(361,499)

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

(14,139,280)

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 increase in the deferred outflow of resources related to TRS of \$45,904,295, a decrease in the deferred inflow of resources related to TRS of \$21,772,613, and an increase in the net pension liability of \$83,179,749.

(15,502,841)

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 a increase in the deferred outflow of resources related to TRS-OPEB of \$19,634,596, a decrease in the deferred inflow of resources related to TRS-OPEB of \$8,707,152, and an increase in the OPEB liability of \$31,021,334.

(2,679,586)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 67,526,165

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, 2019

Exhibit D-1

| | Business-Type Activities | Governmental Activities |
|---|------------------------------|------------------------------------|
| | Total Enterprise Funds | Total Internal Service Funds |
| ASSETS | | |
| Current assets | | |
| Cash and investments | \$ 601,465 | \$ 5,158,983 |
| Other receivables | 54,858 | 6,421 |
| Prepaid expenses | - | 187,895 |
| Total current assets | 656,323 | 5,353,299 |
| Noncurrent assets | | |
| Capital assets | | |
| Furniture and equipment | 13,369 | 31,374 |
| Depreciation on furniture and equipment | (5,445) | (23,159) |
| Total noncurrent assets | 7,924 | 8,215 |
| TOTAL ASSETS | 664,247 | 5,361,514 |
| LIABILITIES | | |
| Current liabilities | | |
| Accounts payable | 230,589 | 14,339 |
| Accrued wages payable | 147,822 | 9,260 |
| Accrued expenses | - | 2,722,291 |
| Unearned revenues | 146,821 | - |
| TOTAL LIABILITIES | 525,232 | 2,745,890 |
| NET POSITION | | |
| Investments in capital assets | 7,924 | 8,215 |
| Unrestricted net position | 131,091 | 2,607,409 |
| TOTAL NET POSITION | \$ 139,015 | \$ 2,615,624 |

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, 2019

| | Business-Type Activities | Governmental Activities |
|--|------------------------------|------------------------------------|
| | Total Enterprise Funds | Total Internal Service Funds |
| OPERATING REVENUES | | |
| Local and intermediate sources | \$ 9,912,307 | \$ 40,763,595 |
| Total operating revenues | 9,912,307 | 40,763,595 |
| OPERATING EXPENSES | | |
| Payroll costs | 5,918,098 | 1,278,063 |
| Professional and contracted services | 137,588 | 2,550,814 |
| Supplies and materials | 266,849 | 431,981 |
| Depreciation | - | 1,643 |
| Other operating costs | 1,292,727 | 37,169,577 |
| Total operating expenses | 7,615,262 | 41,432,078 |
| Operating income (loss) | 2,297,045 | (668,483) |
| NON OPERATING REVENUES (EXPENSES) | | |
| Earnings from temporary deposits and investments | 54,219 | 77,177 |
| Insurance recovery | - | 99,807 |
| Total non operating revenue | 54,219 | 176,984 |
| Income before transfers | 2,351,264 | (491,499) |
| Transfers in | 431,199 | 130,000 |
| Transfers out | (2,823,270) | - |
| Change in net position | (40,807) | (361,499) |
| Net position - July 1 (beginning) | 179,822 | 2,977,123 |
| TOTAL NET POSITION - JUNE 30 (ENDING) | \$ 139,015 | \$ 2,615,624 |

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, 2019

Exhibit D-3

| | Business-Type Activities | Governmental Activities |
|--|---------------------------------------|---|
| | Total Enterprise Funds | Total Internal Service Funds |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash received from user charges | \$ 9,938,294 | \$ 40,757,259 |
| Cash payments to employees for services | (5,904,112) | (1,276,219) |
| Cash payments for insurance claims | - | (2,025,133) |
| Cash payments for suppliers | (370,191) | (1,308,612) |
| Cash payments for other operating expenses | (1,291,406) | (36,528,423) |
| Net cash provided by (used for) operating activities | 2,372,585 | (381,128) |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES | | |
| Transfers in | 431,199 | 130,000 |
| Transfers out | (2,823,270) | - |
| Insurance proceeds | - | 99,807 |
| Net cash provided by (used for) non-capital financing activities | (2,392,071) | 229,807 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from sales and maturities of securities | 60,609 | 1,227,897 |
| Purchase of investment securities | (3) | - |
| Interest and dividends on investments | 54,721 | 82,443 |
| Net cash provided by (used for) investing activities | 115,327 | 1,310,340 |
| Net increase (decrease) in cash and cash equivalents | 95,841 | 1,159,019 |
| Cash and cash equivalents at beginning of year | 463,212 | 3,969,806 |
| Cash and cash equivalents at end of year | 559,053 | 5,128,825 |
| Temporary investment not in cash equivalents | 42,412 | 30,158 |
| CASH ON BALANCE SHEET | \$ 601,465 | \$ 5,158,983 |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES | | |
| Operating income (loss) | \$ 2,297,045 | \$ (668,483) |
| Adjustments to reconcile operating income (loss) to net Cash provided by (used for) operating activities: | | |
| Depreciation | - | 1,643 |
| Effect of increases and decreases in current assets and liabilities: | | |
| Decrease (increase) in receivables | (16,284) | (6,336) |
| Decrease (increase) in prepaid expenses | 1,321 | 13,136 |
| Increase (decrease) in accounts payable | 34,246 | 4,549 |
| Increase (decrease) in accrued wages payable | 13,986 | 1,844 |
| Increase (decrease) in unearned revenues | 42,271 | - |
| Increase (decrease) in accrued expenses | - | 272,519 |
| Net cash provided by (used for) operating activities | \$ 2,372,585 | \$ (381,128) |

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

Plano Independent School District
Statement of Assets and Liabilities
Agency Fund
June 30, 2019

Exhibit E-1

| | Agency Fund |
|--------------------------|------------------------|
| ASSETS | |
| Cash and investments | \$ 473,726 |
| Other receivables | 915,538 |
| | <hr/> |
| TOTAL ASSETS | \$ 1,389,264 |
| | <hr/> <hr/> |
| LIABILITIES | |
| Accounts payable | \$ 31,071 |
| Due to other groups | 1,017,925 |
| Due to student groups | 340,268 |
| | <hr/> |
| TOTAL LIABILITIES | \$ 1,389,264 |
| | <hr/> <hr/> |

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

Plano Independent School District

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies

Reporting Entity

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

Government-Wide and Fund Financial Statements

The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the District. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

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

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

Plano Independent School District

Notes to the Basic Financial Statements

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-wide Financial Statements

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

Fund Financial Statements

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

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

Funds

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

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

Governmental Funds

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

The following are the District's major governmental funds:

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

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

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

Plano Independent School District

Notes to the Basic Financial Statements

Other governmental funds include:

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

Proprietary Funds

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

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

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's proprietary funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fiduciary Funds

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

Agency Funds

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

Assets, Liabilities and Net Position or Equity

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

Plano Independent School District

Notes to the Basic Financial Statements

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

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

All trade and property tax receivables are shown net of allowance for uncollectible. The property tax receivable allowance is 34.7% of outstanding property taxes at June 30, 2019.

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, 2019. The cost of governmental fund type prepaid balances are recorded as an expenditure when consumed rather than when purchased.

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

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

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

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

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

Plano Independent School District

Notes to the Basic Financial Statements

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

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

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

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

Deferred outflows/inflows of resources are amortized as follows:

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

Compensated Absences. Employees of the District are granted vacation and sick leave annually. Teachers do not receive paid vacations but are paid only for the number of days they are required to work each year. Full-time employees in positions that require 12 months of service are eligible for two weeks of vacation on July 1 following the first full year of employment. Full-time employees who have not been employed one full year as of July 1 are eligible to take accrued days after July 1 of that year but shall not be eligible for the full two weeks until July 1 of the following year. Full-time employees who have completed five years of service in the District are granted three weeks of vacation per year. Employees in positions that require 12 months of service may extend accrued vacation time to September 30 each year. Vacation days not used by September 30 may be carried over, with a maximum accrual of 40 days. As of June 30, 2019, the District recorded \$4,031,844 in the government-wide financial statements for accrued vacation liabilities. Employees are allowed to accrue five days of state personal leave and seven days of local sick leave each year without limit.

Plano Independent School District

Notes to the Basic Financial Statements

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

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

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

Fund Balances and Net Position

Government-wide Financial Statements

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

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

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

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

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

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

Governmental Fund Financial Statements

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

Plano Independent School District

Notes to the Basic Financial Statements

The District classifies governmental fund balances as follows:

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

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

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

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

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

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

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

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

The amount of state foundation revenue a school district earns for a year can and does vary until the time when final values for each of the factors in the formula become available. Availability can be as late as midway into the next fiscal year. It is possible that the foundation revenue estimate as of June 30, 2019 will change.

Plano Independent School District

Notes to the Basic Financial Statements

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

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

Note 2. Cash and Investments

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

As of June 30, 2019, the carrying amount of the District's cash deposits were \$907,686 and the bank balance was \$11,047.

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 \$10,031,393.
- c) Highest cash, savings and time deposits combined account balances amount was \$7,138,934 and occurred on December 5, 2018.
- 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, 2019, the carrying amount and bank balance of these deposits were \$10,755,116. The District's cash deposits at June 30, 2019 were entirely covered by FDIC insurance or by pledged collateral held by the District's bank in the District's name.

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

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

Plano Independent School District

Notes to the Basic Financial Statements

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

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

| | June 30, 2019 | 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 | \$ 11,662,802 | \$ - | \$ - | \$ - | | |
| Total cash and cash equivalents | 11,662,802 | - | - | - | | |
| Investments measured at amortized cost: | | | | | | |
| Investment pools: | | | | | | |
| Texpool | 116,957,109 | - | - | - | 17.47% | 0.0030 |
| Investments measured at Net asset value (NAV), fair value: | | | | | | |
| Investment pools: | | | | | | |
| Lone Star | 95,177,100 | - | - | - | 14.22% | 0.0030 |
| TexasCLASS | 181,353,031 | - | - | - | 27.09% | 0.0030 |
| TexStar | 132,943,276 | - | - | - | 19.86% | 0.0030 |
| Investments by fair value level: | | | | | | |
| U.S. government agency securities: | | | | | | |
| Federal Home Loan Mortgage Corp. | 9,991,924 | - | 9,991,924 | - | 1.49% | 0.5210 |
| Fannie Mae | 11,487,318 | - | 11,487,318 | - | 1.72% | 0.1098 |
| Commercial Paper | 121,492,416 | - | 121,492,416 | - | 18.15% | 0.2857 |
| Total investments | 669,402,174 | - | 142,971,658 | - | | |
| Total cash and investments | \$ 681,064,976 | \$ - | \$ 142,971,658 | \$ - | | |
| Portfolio Weighted Average Maturity | | | | | | 0.0537 |

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

Plano Independent School District

Notes to the Basic Financial Statements

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

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

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

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

The fair value of investments is \$789,720 more than the book value reported by the District. As required by GASB Statement No. 31, the District recognizes the net unrealized gain/loss on investments with a maturity date greater than one year from the acquisition date and investments that are callable.

Interest Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

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

Plano Independent School District

Notes to the Basic Financial Statements

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

| Commercial Paper Investment Description | Percentage of Investments | S&P Rating | Moody Rating | Fitch Rating |
|--|---------------------------------|---------------|-----------------|-----------------|
| JP Morgan Sec | 3.13% | A-1 | P-1 | F1+ |
| Royal Bank of Canada | 3.81% | A-1+ | P-1 | F1+ |
| Toyota Motor Corp. | 3.64% | A-1+ | P-1 | N/A |
| MUFG Bank | 2.93% | A-1 | P-1 | N/A |

Custodial Credit Risk – Deposits

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

Custodial Credit Risk – Investments

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

Note 3. Property Taxes and State Aid Revenue

Property Taxes

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

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

The District is permitted to levy taxes up to \$1.17 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 \$1.439 per \$100 of assessed valuation. The maintenance and debt service portions of such rate are \$1.17 and \$0.269, respectively. The 2019 assessed valuation was \$ 55,276,539,669 resulting in a tax levy of \$ 763,333,684 for the current fiscal year. The 2019 tax levy reflects an adjustment of \$31,720,520 of 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, 2019 are as follows:

| | Delinquent Taxes Receivable, Gross | Allowance for Uncollectible Taxes | Delinquent Taxes Receivable, net |
|-------------------|---------------------------------------|--------------------------------------|-------------------------------------|
| General fund | \$ 8,650,776 | \$ 2,958,134 | \$ 5,692,642 |
| Debt service fund | 2,105,586 | 776,096 | 1,329,490 |
| Total | \$ 10,756,362 | \$ 3,734,230 | \$ 7,022,132 |

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 | \$ 24,653,915 |
| Foundation fund revenues | 16,762,884 |
| Instructional materials allotment | 10,842,724 |
| State aid for homestead exemption | 1,172,042 |
| TRS on behalf | 23,070,711 |
| Other state revenues | 4,566,472 |
| Total state program revenues | \$ 81,068,748 |

Note 4. Receivables

Receivables due from other governments, as of June 30, 2019 for the District's individual major funds and non-major, internal service and fiduciary funds in the aggregate are as follows:

| | General Fund | Non-Major Other Funds | Total |
|---------------------------------|---------------------|-----------------------------|----------------------|
| Due from the State of Texas | \$ 9,872,960 | \$ 7,389,264 | \$ 17,262,224 |
| Due from the federal government | - | 378,598 | 378,598 |
| Total receivables | \$ 9,872,960 | \$ 7,767,862 | \$ 17,640,822 |

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, 2019 follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|----------------------|---------------|---------------|-------------------|
| Governmental activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 90,506,303 | \$ - | \$ 19,605 | \$ 90,486,698 |
| Construction in progress | 71,164,605 | 91,457,602 | 98,490,169 | 64,132,038 |
| Total capital assets not being depreciated | 161,670,908 | 91,457,602 | 98,509,774 | 154,618,736 |
| Capital assets being depreciated: | | | | |
| Land improvements | 55,543,442 | 2,336,731 | - | 57,880,173 |
| Buildings and improvements | 1,340,749,558 | 96,173,043 | - | 1,436,922,601 |
| Furniture, equipment and vehicles | 118,636,414 | 5,023,449 | 925,528 | 122,734,335 |
| Total capital assets being depreciated | 1,514,929,414 | 103,533,223 | 925,528 | 1,617,537,109 |
| Total capital assets | 1,676,600,322 | 194,990,825 | 99,435,302 | 1,772,155,845 |
| Less accumulated depreciation for: | | | | |
| Land improvements | 24,408,868 | 2,954,106 | - | 27,362,974 |
| Buildings and improvements | 537,135,879 | 33,880,653 | - | 571,016,532 |
| Furniture, equipment and vehicles | 91,871,734 | 5,584,057 | 925,528 | 96,530,263 |
| Total accumulated depreciation | 653,416,481 | 42,418,816 | 925,528 | 694,909,769 |
| Governmental funds capital assets, net | 1,023,183,841 | 152,572,009 | 98,509,774 | 1,077,246,076 |
| Internal service funds: | | | | |
| Furniture, equipment and vehicles | 31,374 | - | - | 31,374 |
| Less accumulated depreciation | 21,516 | 1,643 | - | 23,159 |
| Internal service funds capital assets, net | 9,858 | (1,643) | - | 8,215 |
| Governmental activities capital assets, net | \$ 1,023,193,699 | \$152,570,366 | \$ 98,509,774 | \$1,077,254,291 |
| Business activities: | | | | |
| Furniture, equipment and vehicles | \$ 14,690 | \$ - | \$ - | \$ 14,690 |
| Less accumulated depreciation | 5,445 | 1,321 | - | 6,766 |
| Business activities capital assets, net | 9,245 | (1,321) | - | 7,924 |
| Total capital assets, net | \$ 1,023,202,944 | \$152,569,045 | \$ 98,509,774 | \$1,077,262,215 |

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 | \$ 28,401,268 |
| Instructional resources and media services | 1,888,010 |
| Curriculum development and instructional staff development | 210,256 |
| Instructional leadership | 25,745 |
| School leadership | 1,152,237 |
| Guidance, counseling, and evaluation services | 302,629 |
| Health services | 116,897 |
| Student transportation | 1,813,977 |
| Food services | 2,477,590 |
| Co-curricular/extracurricular activities | 2,636,534 |
| General administration | 198,701 |
| Plant maintenance and operations | 1,726,765 |
| Security and monitoring services | 357,484 |
| Data processing services | 900,167 |
| Community services | 201,893 |
| Facilities acquisition and construction | 10,306 |
| | <hr/> |
| | \$ 42,420,459 |

Construction Commitments

The District had several active construction projects as of June 30, 2019. Projects included additions to buildings and renovation of existing facilities. Fiscal year 2019 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 2019 no new buildings were purchased. In 2017 the district purchased property for a new Fine Arts facility and construction continued for this project during 2019.

Building Renovation/Upgrades. The district continued work on the renovation of Robinson Middle School and security access building upgrades at Plano Senior High School, Plano West Senior High School and Plano East Senior High School. Refurbishment projects at Bowman Middle School, Skaggs Elementary and Haun Elementary started during the year. Fine Arts additions at Armstrong Middle School, Frankford Middle School, Renner Middle School and Rice Middle School started during the year, along with upgrades to the art area at Vines High School. HVAC projects at Saigling Elementary and Stinson Elementary began, along with roofing upgrades at Saigling Elementary. Lastly, the district continued to work on minor capital project improvements at several campuses.

Completed Projects. During fiscal year 2019 the district completed the renovations at Shepton High School, Ag Barn Center, Solomon Transition Center, additions at Plano East Senior High School and Jasper High School, and refurbishments at Wilson Middle School, Gullledge Elementary, Miller Elementary and Barksdale Elementary. Additionally, roof projects at Williams High School, Plano West High School, Haun Elementary, Hickey Elementary and Wyatt Elementary and flooring projects at Frankford Middle School, Hickey Elementary, McCall Elementary, and Boggess Elementary and Pearson Early Childhood School were completed. HVAC upgrades were completed at the Transportation Center, Williams High School, Haggard Middle School, and Renner Middle School and scoreboard replacement and upgrades at Clark Stadium and Kimbrough Stadium due to hail damage. Lastly, several other minor capital project improvements were completed.

Plano Independent School District

Notes to the Basic Financial Statements

Current projects include the following:

| Project | Estimated Total Cost | Expenditures Incurred to June 30, 2019 | Estimated Future Expenditures |
|---|-------------------------|--|-------------------------------------|
| Building improvement projects: | | | |
| Plano Senior High School Security | \$ 744,202 | \$ 595,863 | \$ 148,339 |
| Williams High School Refurbishment | 4,033,322 | 25,100 | 4,008,222 |
| Vines Fine Arts Addition | 3,289,660 | 984,665 | 2,304,995 |
| Clark High School Flooring Upgrades | 37,000 | 5,500 | 31,500 |
| Plano East Senior High School Security | 533,708 | 498,611 | 35,097 |
| Plano West Senior High School Security | 514,738 | 463,219 | 51,519 |
| Bowman Middle School Refurbishment | 10,039,891 | 2,720,458 | 7,319,433 |
| Wilson Middle School Fire Alarm Upgrades | 117,797 | 41,328 | 76,469 |
| Haggard Middle School Special Ed. Classroom Upgrades | 19,558 | 6,697 | 12,861 |
| Armstrong Middle School Fine Arts Addition | 5,122,832 | 1,789,691 | 3,333,141 |
| Schimpelfenig Middle School FANS | 405,384 | 160 | 405,224 |
| Renner Middle School Fine Arts | 5,707,718 | 2,328,700 | 3,379,018 |
| Robinson Middle School Renovation | 28,620,137 | 23,779,675 | 4,840,462 |
| Frankford Middle School Fine Arts/Flooring | 5,804,432 | 570,091 | 5,234,341 |
| Rice Middle School Fine Arts Addition | 6,327,076 | 2,729,788 | 3,597,288 |
| Shepard Elementary FANS | 197,950 | 160 | 197,790 |
| Saigling Elementary Roof/HVAC | 1,835,328 | 909,171 | 926,157 |
| Skaggs Elementary Refurbishment/HVAC | 6,905,475 | 3,643,815 | 3,261,660 |
| Haun Elementary Refurbishment | 7,176,056 | 4,521,560 | 2,654,496 |
| Hightower Elementary HVAC | 1,040,000 | 49,920 | 990,080 |
| Stinson Elementary HVAC | 676,280 | 631,639 | 44,641 |
| Andrews Elementary FANS | 197,950 | 160 | 197,790 |
| Hickey Elementary FANS | 197,950 | 160 | 197,790 |
| Wyatt Elementary Roof/HVAC | 1,018,701 | 522,900 | 495,801 |
| New Fine Arts Facility | 50,910,750 | 17,174,436 | 33,736,314 |
| Land improvement projects: | | | |
| Plano Senior High School Baseball/Softball Bleachers | 326,416 | 2,936 | 323,480 |
| Vines High School Art Addition | 20,000 | 2,850 | 17,150 |
| Plano East Senior High School Baseball/Softball Bleachers | 314,170 | 3,126 | 311,044 |
| Shepton High School Athletic Field | 250,000 | 42,677 | 207,323 |
| Plano East Senior High School Baseball/Softball Bleachers | 198,875 | 196 | 198,679 |
| Armstrong Middle School Fine Arts Addition | 20,000 | 2,400 | 17,600 |
| Renner Middle School Fine Arts Addition | 20,000 | 5,075 | 14,925 |
| Frankford Middle School Fine Arts Addition | 20,000 | 5,725 | 14,275 |
| Robinson Middle School Renovation | 420,168 | 14,733 | 405,435 |
| Rice Middle School Fine Arts Addition | 20,000 | 5,008 | 14,992 |
| Solomon Transition Center | 34,581 | 10,862 | 23,719 |
| New Fine Arts Facility | 47,790 | 42,983 | 4,807 |
| | <u>\$ 143,165,895</u> | <u>\$ 64,132,038</u> | <u>\$ 79,033,857</u> |

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, 2019, is as follows:

| | Receivable | Payable |
|--------------------------|---------------------|---------------------|
| General fund | \$ 3,963,904 | \$ - |
| Other governmental funds | - | 3,963,904 |
| Totals | \$ 3,963,904 | \$ 3,963,904 |

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, 2019:

| Transfers Out | Transfers In | | | | | Total |
|-----------------------|---------------------|----------------------|---------------------------------|---------------------|------------------------------|---------------------|
| | General Fund | Debt Service Fund | Other Government al Funds | Enterprise Funds | Internal Service Funds | |
| General fund | \$ - | \$ - | \$ 516,975 | \$ 431,199 | \$ 130,000 | \$ 1,078,174 |
| Capital projects fund | - | 89,280 | - | - | - | 89,280 |
| Enterprise funds | 2,823,270 | - | - | - | - | 2,823,270 |
| | <u>\$ 2,823,270</u> | <u>\$ 89,280</u> | <u>\$ 516,975</u> | <u>\$ 431,199</u> | <u>\$ 130,000</u> | <u>\$ 3,990,724</u> |

The transfers made during the period consisted of the following:

| From | To | Amount | Description |
|------------------------|--------------------------|----------------------------|--|
| General fund | Other governmental funds | \$ 516,975 | 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 | Internal service fund | 130,000 | To finance costs in excess of user fees in the Workers Compensation Fund. |
| General Fund | Enterprise Fund | 431,199 | To finance cost in excess of user fees to the Employee Child Care. |
| Capital projects fund | Debt service fund | 89,280 | To transfer excess premium received on bond issue to debt service for bond cost. |
| Enterprise fund | General fund | 2,823,270 | To transfer revenues in excess of costs from the After School Care Program. |
| Total transfers | | <u>\$ 3,990,724</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, 2019:

| | Obligations Outstanding July 1, 2018 | New Obligations Incurred | Obligations Retired or Refunded and Accretion | Obligations Outstanding June 30, 2019 | Obligations Due Within One Year |
|----------------------------------|--|--------------------------------|--|---|---------------------------------------|
| General obligation bonds payable | \$ 943,970,000 | \$ 13,655,000 | \$ (102,320,000) | \$ 855,305,000 | \$ 100,950,000 |
| Premium on bond issuance | 102,080,957 | 484,280 | (17,051,131) | 85,514,106 | - |
| Compensated absences | 4,219,403 | 437,445 | (625,004) | 4,031,844 | 597,222 |
| Arbitrage liability | - | 567,553 | - | 567,553 | - |
| Total | <u>\$ 1,050,270,360</u> | <u>\$ 15,144,278</u> | <u>\$ (119,996,135)</u> | <u>\$ 945,418,503</u> | <u>\$ 101,547,222</u> |

Debt Payable-Governmental Activities

Bonds payable at June 30, 2019, are composed of the following individual issues:

| Description | Interest Rate Payable | Amounts Original Issue | Bonds Outstanding at July 1, 2018 | Issued (Retired) | Bonds Outstanding at June 30, 2019 |
|--|-----------------------------|------------------------------|---|---------------------|--|
| School Building Unlimited Tax Bonds Series 2009B | 4.04% to 6.27% | 87,390,000 | 83,605,000 | (1,405,000) | 82,200,000 |
| School Building Unlimited Tax Bonds Series 2009C | 1.00% | 31,900,000 | 16,905,000 | (3,225,000) | 13,680,000 |
| Unlimited Tax Refunding Bonds Series 2010 | 3.00% to 5.00% | 108,815,000 | 24,430,000 | (6,495,000) | 17,935,000 |
| School Building Unlimited Tax Bonds Series 2012 | 2.50% to 5.00% | 92,840,000 | 72,860,000 | (2,690,000) | 70,170,000 |
| Unlimited Tax Refunding Bonds Series 2012 | 4.00% to 5.00% | 46,115,000 | 36,630,000 | (2,595,000) | 34,035,000 |
| Unlimited Tax Refunding Bonds Series 2012A | 2.00% to 4.00% | 27,805,000 | 12,680,000 | (950,000) | 11,730,000 |
| School Building Unlimited Tax Bonds Series 2013 | 3.38% to 5.50% | 53,740,000 | 41,375,000 | (3,415,000) | 37,960,000 |

(continued)

Plano Independent School District
Notes to the Basic Financial Statements

| Description | Interest Rate Payable | Amounts Original Issue | Bonds Outstanding at July 1, 2018 | Issued (Retired) | Bonds Outstanding at June 30, 2019 |
|---|-----------------------------|------------------------------|---|------------------------|--|
| School Building Refunding Bonds Series 2015 | 2.00% to 5.00% | 43,250,000 | 38,585,000 | (2,195,000) | 36,390,000 |
| School Building Refunding Bonds Series 2016A | 2.00% to 5.00% | 199,950,000 | 194,930,000 | (11,460,000) | 183,470,000 |
| School Building Refunding Bonds Series 2016B | 2.00% to 5.00% | 103,410,000 | 80,660,000 | (25,105,000) | 55,555,000 |
| School Building Unlimited Tax Bonds Series 2016 | 4.15% to 5.15% | 257,210,000 | 245,800,000 | (17,220,000) | 228,580,000 |
| School Building Unlimited Tax Bonds Series 2017 | 3.00% to 5.00% | 108,020,000 | 95,510,000 | (18,185,000) | 77,325,000 |
| School Building Unlimited Tax Bonds Series 2018 | 5.00% | 13,655,000 | - | 6,275,000 | 6,275,000 |
| Totals | | | <u>\$ 943,970,000</u> | <u>\$ (88,665,000)</u> | <u>\$ 855,305,000</u> |

The following table summarizes the annual debt service requirements of the outstanding debt issues at June 30, 2019, to maturity:

| | Bond Principal | Bond Interest | Totals |
|-----------|-----------------------|-----------------------|-------------------------|
| 2020 | \$ 100,950,000 | \$ 40,286,022 | \$ 141,236,022 |
| 2021 | 109,840,000 | 35,397,931 | 145,237,931 |
| 2022 | 70,105,000 | 30,055,191 | 100,160,191 |
| 2023 | 63,305,000 | 26,668,082 | 89,973,082 |
| 2024 | 58,935,000 | 23,637,318 | 82,572,318 |
| 2025-2029 | 248,945,000 | 79,758,967 | 328,703,967 |
| 2030-2034 | 143,820,000 | 29,813,824 | 173,633,824 |
| 2035-2039 | 59,405,000 | 3,920,474 | 63,325,474 |
| | <u>\$ 855,305,000</u> | <u>\$ 269,537,809</u> | <u>\$ 1,124,842,809</u> |

On September 2018, the District issued "Plano Independent School District Unlimited Tax School Building Bonds, Series 2018" totaling \$13,655,000 for the construction, renovation, acquisition, and equipping of school building, the purchase of necessary sites for school buildings, and the purchase of new school buses for the District. These bonds incur an average cost over the life of the bonds at a rate of 5.00% and mature annually with semi-annual interest payments. The bonds will fully mature in 2023. The bonds were issued at a premium.

Plano Independent School District

Notes to the Basic Financial Statements

As of June 30, 2019, the District had zero defeased bonds outstanding. Original losses on refunding were \$22.8 million of which \$15.5 million is unamortized and reported in the Statement of Net Position as a deferred outflow of resources. Unamortized bond premiums of \$85.5 million are reported in the Statement of Net Position as an increase in the long-term debt.

As of June 30, 2019, \$62,920,000 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, 2019, amounted to \$567,553.

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 \$187,559 over the prior fiscal year represents the recorded decrease in the liability due to employees' using accumulated vacation pay and not allowing days to accumulate. The general fund and special revenue funds are used to liquidate compensated absences.

Plano Independent School District

Notes to the Basic Financial Statements

Note 8. Encumbrances

At June 30, 2019, 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 | \$ 502,153 | \$ - | \$ - | \$ 54,908 | \$ 8,980,357 | \$ 463,286 | \$ 10,000,704 |
| Instructional resources | 22,894 | - | - | - | - | 2,266 | 25,160 |
| Curriculum and instructional staff development | 24,691 | - | - | 123,534 | 525 | 23,614 | 172,364 |
| Technology | 170,278 | - | - | - | - | - | 170,278 |
| Instructional leadership | 8,399 | - | - | 11,340 | - | 300 | 20,039 |
| School leadership | 10,710 | - | - | - | - | 4,736 | 15,446 |
| Guidance, counseling and evaluation services | 34,178 | - | - | 18,256 | - | - | 52,434 |
| Health services | 40 | - | - | - | - | - | 40 |
| Student transportation | 436,487 | - | - | - | - | - | 436,487 |
| Food services | - | - | 67,261 | 13,972 | - | 29 | 81,262 |
| Co-curricular/ extracurricular activities | 184,319 | - | - | - | - | 134,966 | 319,285 |
| General administration | 33,695 | - | - | 5,250 | - | 5,317 | 44,262 |
| Plant maintenance and operations | 4,301,070 | - | - | - | - | 27,398 | 4,328,468 |
| Security and monitoring services | 19,488 | - | - | - | - | - | 19,488 |
| Data processing services | 76,963 | - | - | - | - | - | 76,963 |
| Community services | 1,293 | - | - | 61,307 | - | - | 62,600 |
| Facilities acquisition and construction | - | 97,373,404 | - | - | - | - | 97,373,404 |
| Total encumbrances by fund type | \$ 5,826,658 | \$ 97,373,404 | \$ 67,261 | \$ 288,567 | \$ 8,980,882 | \$ 661,912 | \$ 113,198,684 |

Note 9. Risk Management

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

Workers' Compensation

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

An accrual for incurred but not reported claims in the amount of \$2,300,000 has been recorded in the fund as of June 30, 2019. Claims payable, including an estimate of claims incurred but not reported, was actuarially determined based on the District's historical claims experience and an estimate of the remaining liability on known claims.

Plano Independent School District

Notes to the Basic Financial Statements

Workers' Compensation Fund changes in claims payable for the years ended 2019 and 2018:

| | June 30, 2019 | June 30, 2018 |
|--|---------------------|---------------------|
| Account balance, beginning of fiscal year | \$ 1,972,000 | \$ 1,753,000 |
| Incurring claims and claim adjustment expenses | 2,246,815 | 1,856,016 |
| Claim payments during the year | (1,918,815) | (1,637,016) |
| Account balance, end of fiscal year | \$ 2,300,000 | \$ 1,972,000 |

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, 2019, the District funded benefit credits of \$279 per month per participating employee to the health insurance internal service fund.

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

Property, Casualty, General Liability and Professional Liability

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

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

An accrual for incurred but not reported claims in the amount of \$53,176 has been recorded as of June 30, 2019. Property and Liability changes in claims payable for the years ended June 30, 2019 and 2018:

| | June 30, 2019 | June 30, 2018 |
|--|------------------|------------------|
| Account balance, beginning of fiscal year | \$ 53,176 | \$ 53,176 |
| Incurring claims and claim adjustment expenses | 163,152 | 93,113 |
| Claim payments during the year | (163,152) | (93,113) |
| Account balance, end of fiscal year | \$ 53,176 | \$ 53,176 |

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 \$288,834 has been recorded as of June 30, 2019.

Plano Independent School District

Notes to the Basic Financial Statements

Changes in unemployment claims payable for the years ended June 30, 2019 and 2018:

| | June 30, 2019 | June 30, 2018 |
|---|-------------------|-------------------|
| Account balance, beginning of fiscal year | \$ 288,834 | \$ 288,834 |
| Incurred claims and claim adjustment expenses | 50,837 | 49,026 |
| Claim payments during the year | (50,837) | (49,026) |
| Account balance, end of fiscal year | \$ 288,834 | \$ 288,834 |

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

Medicare Part D

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the years ended June 30, 2019 and 2018, these on-behalf payments were \$1,162,999 and \$1,649,496, respectively, and were recorded as equal revenues and expenditures in the General Fund.

Note 10. Employees' Retirement Plan and Retiree Health Plan

Plan Description

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

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

Pension Plan Fiduciary Net Position

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

Benefits Provided

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

Plano Independent School District

Notes to the Basic Financial Statements

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

Contributions

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

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. The 84th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2018 and 2019.

| | Contribution Rates | |
|--|--------------------|---------------|
| | 2018 | 2019 |
| Member | 7.7% | 7.7% |
| Non-employer Contributing Entity (State) | 6.8% | 6.8% |
| Employers | 6.8% | 6.8% |
| 2019 Employer Contributions | | \$ 11,462,830 |
| 2019 Member Contributions | | 27,901,741 |
| 2019 NECE On-behalf Contributions | | 16,987,850 |

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

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.

Plano Independent School District

Notes to the Basic Financial Statements

- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

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

- When employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- When a school district or charter school does not contribute to the Federal Old-Age, Survivors and Disability Insurance (OASDI) **Program** for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

Actuarial Assumptions

The total pension liability in the August 31, 2017 actuarial valuation rolled forward to August 31, 2018 was determined using the following actuarial assumptions:

| | |
|--|---|
| Valuation date | August 31, 2017 rolled forward to August 31, 2018 |
| Actuarial method normal | Individual Entry Age Normal |
| Asset valuation method | Market Value |
| Single discount rate | 6.907% |
| Long-term expected investment rate of return | 7.25% |
| Municipal Bond Rate as of August 2018 | 3.69%. Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index." |
| Last year ending August 31 in | |
| Projection Period (100 years) | 2116 |
| Inflation | 2.30% |
| Salary increases including inflation | 3.05% to 9.05% including inflation |
| Payroll growth rate | 2.50% |
| Ad hoc post-employment benefit changes | None |

The actuarial methods and assumptions are based primarily on a study of actual experience for the three year period ending August 31, 2017 and adopted in July 2018.

Plano Independent School District

Notes to the Basic Financial Statements

Discount Rate

The single discount rate used to measure the total pension liability was 6.907%. The Discount Rate can be found in the 2018 TRS CAFR on page 77. The single discount rate was based on the expected rate of return on pension plan investments of 7.25 percent and a municipal bond rate of 3.69 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan 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 pension plan's fiduciary net position was sufficient to finance the benefit payments until the year 2069. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2069, and the municipal bond rate was applied to all benefit payments after that date.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2018 are summarized below:

| Asset Class | Target Allocation | Real Return Geometric Basis | Long-Term Expected Portfolio Real Rate of Return * |
|-------------------------------|-------------------|-----------------------------|--|
| Global Equity | | | |
| U.S. | 18.00% | 5.70% | 1.04% |
| Non-U.S. Developed | 13.00% | 6.90% | 0.90% |
| Emerging Markets | 9.00% | 8.95% | 0.80% |
| Directional Hedge Funds | 4.00% | 3.53% | 0.14% |
| Private Equity | 13.00% | 10.18% | 1.32% |
| Stable Value | | | |
| U.S. Treasuries | 11.00% | 1.11% | 0.12% |
| Absolute Return | 0.00% | 0.00% | 0.00% |
| Stable Value Hedge Funds | 4.00% | 3.09% | 0.12% |
| Cash | 1.00% | -0.30% | 0.00% |
| Real Return | | | |
| Global Inflation Linked Bonds | 3.00% | 0.70% | 0.02% |
| Real Assets | 14.00% | 5.21% | 0.73% |
| Energy and Natural Resources | 5.00% | 7.48% | 0.37% |
| Commodities | 0.00% | 0.00% | 0.00% |
| Risk Party | | | |
| Risk Party | 5.00% | 3.70% | 0.18% |
| Inflation Expectation | | | 2.30% |
| Alpha | | | -0.79% |
| Total | 100.00% | | 7.25% |

* The Expected Contribution to Returns incorporates the volatility drag resulting from the conversion between Arithmetic and Geometric mean returns.

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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 (6.907%) in measuring the Net Pension Liability:

| | 1% Decrease in Discount Rate (5.907%) | Discount Rate (6.907%) | 1% Increase in Discount Rate (7.907%) |
|--|---|---------------------------|---|
| Proportionate share of the net pension liability: | \$ 282,669,712 | \$ 187,292,777 | \$ 110,079,492 |

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

At June 30, 2019, the District reported a liability of \$187,292,777 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 | \$ 187,292,777 |
| State's proportionate share that is associated with the District | 277,739,751 |
| Total | \$ 465,032,528 |

The net pension liability was measured as of August 31, 2017 and rolled forward to August 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2017 rolled forward to August 31, 2018. 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, 2017 thru August 31, 2018.

At August 31, 2018 the District's proportion of the collective net pension liability was 0.3402698%, which was an increase of 0.0146583% from its proportion measured as of August 31, 2017.

Changes since the Prior Actuarial Valuation

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

- The Total Pension Liability as of August 31, 2018 was developed using a roll-forward method from the August 31, 2017 valuation.
- Demographic assumptions including post-retirement mortality, termination rates, and rates of retirement were updated based on the experience study performed for TRS for the period ending August 31, 2017.
- Economic assumptions including rates of salary increase for individual participants was updated based on the same experience study.
- The discount rate changed from 8.0 percent as of August 31, 2017 to 6.907 percent as of August 31, 2018.
- The long-term assumed rate of return changed from 8.0 percent to 7.25 percent.
- The change in the long-term assumed rate of return combined with the change in the single discount rate was the primary reason for the increase in the Net Pension Liability.

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

Plano Independent School District

Notes to the Basic Financial Statements

For the year ended June 30, 2019, the District recognized pension expense of \$42,991,674 and revenue of \$27,488,833 for support provided by the State.

At June 30, 2019, 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 | \$ 1,167,430 | \$ 4,595,425 |
| Changes in actuarial assumptions | 67,528,068 | 2,110,254 |
| Differences between projected and actual investment earnings | - | 3,553,747 |
| Changes in proportion and differences between the employer's contributions and the proportionate share of contributions | 21,357,209 | 385,843 |
| Contributions paid to TRS subsequent to the measurement date | 9,888,002 | - |
| Total | \$ 99,940,709 | \$ 10,645,269 |

\$9,888,002 was reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the measurement year ending August 31, 2019 (i.e. recognized in the District's financial statements for the year ended June 30, 2019).

The net amounts of the employer's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense (income) as follows:

| | Pension Expense (Income) |
|-----------------------|-----------------------------|
| Year ended August 31: | |
| 2020 | \$ 20,995,895 |
| 2021 | 13,517,284 |
| 2022 | 11,420,063 |
| 2023 | 13,028,324 |
| 2024 | 12,540,037 |
| Thereafter | 7,905,835 |
| Total | \$ 79,407,438 |

Note 11. Defined Other Post-Employment Benefit Plan

Plan Description

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

OPEB Plan Fiduciary Net Position

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

Plano Independent School District

Notes to the Basic Financial Statements

Benefits Provided

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

Eligible retirees and their dependents not enrolled in Medicare may pay premiums to participate in one of two optional insurance plans with more comprehensive benefits (TRS-Care 2 and TRS-Care 3). Eligible retirees and dependents enrolled in Medicare may elect to participate in one of the two Medicare health plans for an additional fee. 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-employment benefit changes; including automatic COLAs.

The premium rates for the optional health insurance are based on years of service of the member. The schedule below shows the monthly rates for a retiree with and without Medicare coverage:

TRS-Care Monthly Premium Rates
Effective January 1, 2018-December 31, 2018

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

*or surviving spouse

Contributions

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

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

| | 2018 | 2019 |
|---|-------|-------|
| Active employee | 0.65% | 0.65% |
| Non-employer contribution entity (state) | 1.25% | 1.25% |
| Employers/District | 0.75% | 0.75% |
| Federal/private funding remitted by Employers | 1.25% | 1.25% |

Plano Independent School District

Notes to the Basic Financial Statements

The contribution amounts for the District's fiscal year 2018 are as follows:

| | | |
|--------------------------------------|----|-----------|
| District contributions | \$ | 2,934,853 |
| Member contributions | | 2,355,342 |
| NECE on-behalf contributions (state) | | 4,335,886 |

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 \$182.6 million in fiscal year 2018. The 85th Texas Legislature, House Bill 30 provided an additional \$212 million in one-time, supplemental funding for the FY2018-19 biennium to continue to support the program. This was also received in FY2018 bringing the total appropriations received in fiscal year 2018 to \$394.6 million.

Actuarial Assumptions

The total OPEB liability in the August 31, 2017 was rolled forward to August 31, 2018. The actuarial valuation was determined using the following actuarial assumptions:

| | |
|---|--|
| Rates of mortality | General inflation |
| Rates of retirement | Wage inflation |
| Rates of termination | Expected payroll growth |
| Rates of disability incidence | |
| Additional Actuarial Methods and Assumptions: | |
| Valuation date | August 31, 2017, rolled forward to August 31, 2018 |
| Actuarial cost method | Individual entry age normal |
| Inflation | 2.50% |
| Single discount rate | 3.69%. 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, 2018. |
| Aging factors | Based on plan specific experience |
| Expenses | Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs. |
| Payroll growth rate | 2.50% |
| Projected salary increases | 3.50% to 9.50% including inflation |
| Election rates | Normal retirement 70% participation prior to age 65 and 75% participation after age 65 |
| Ad hoc post-employment benefit changes | None |

Plano Independent School District

Notes to the Basic Financial Statements

Discount Rate

A single discount rate of 3.69% was used to measure the total OPEB liability. There was a change of 27 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 3.69% in measuring the Net OPEB Liability:

| | 1% Decrease (2.69%) | Current Discount Rate (3.69%) | 1% Increase (4.69%) |
|--|------------------------|-------------------------------------|------------------------|
| District's proportionate share of the net OPEB liability | \$ 252,853,574 | \$ 212,420,665 | \$ 180,435,628 |

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 7.50% | Current Healthcare Cost Trend Rate 8.50% | 1% Increase 9.50% |
|--|----------------------|---|----------------------|
| District's proportionate share of the net OPEB liability | \$ 176,418,822 | \$ 212,420,665 | \$ 259,835,871 |

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

At June 30, 2019, the District reported a liability of \$212,420,665 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 | \$ 212,420,665 |
| State's proportionate share of the net OPEB liability associated with the District | 314,273,430 |
| Total | \$ 526,694,095 |

The Net OPEB Liability was measured as of August 31, 2017 and rolled forward to August 31, 2018 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, 2017 thru August 31, 2018.

Plano Independent School District

Notes to the Basic Financial Statements

At August 31, 2018 the employer's proportion of the collective Net OPEB Liability was 0.4254291% which was an increase of 0.0082873% from its the same proportion measured as of August 31, 2017.

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

1. Adjustments were made for retirees that were known to have discontinued their health care coverage in fiscal year 2018. This change increased the Total OPEB Liability.
2. The health care trend rate assumption was updated to reflect the anticipated return of the Health Insurer Fee (HIF) in 2020. This change increased the Total OPEB Liability.
3. Demographic and economic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2017. This changed increased the Total OPEB Liability.
4. The discount rate was changed from 3.42 percent as of August 31, 2017 to 3.69 percent as of August 31, 2018. This change lowered the Total OPEB Liability \$2.3 billion.
5. Change of Benefit Terms Since the Prior Measurement Date – Please see the 2018 TRS CAFR, page 68, section B. for a list of changes made effective September 1, 2017 by the 85th Texas Legislature.

For the year ended August 31, 2018, the District recognized OPEB expense of \$37,905,798 and revenue of \$11,431,381 for support provided by the State.

At June 30, 2019, the District reported the District's contribution after the measurement date and its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual economic experience | \$ 11,272,375 | \$ 3,352,310 |
| Changes of assumptions | 3,544,725 | 63,820,221 |
| Net difference between projected and actual earnings on OPEB investments | 37,150 | - |
| Changes in proportion and differences between district contributions and proportionate share of contributions (cost-sharing plan) | 4,539,159 | - |
| District contributions after measurement date | 4,401,422 | - |
| Totals | \$ 23,794,831 | \$ 67,172,531 |

\$4,401,422 was reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability for the measurement year ending August 31, 2019 (i.e. recognized in the District's financial statements for the year ended June 30, 2019).

Plano Independent School District
Notes to the Basic Financial Statements

The net amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense (income) as follows:

| Year Ending June 30, | | |
|-------------------------|----|---------------------|
| | | |
| 2020 | \$ | (7,795,697) |
| 2021 | | (7,795,697) |
| 2022 | | (7,795,697) |
| 2023 | | (7,802,723) |
| 2024 | | (7,806,741) |
| Thereafter | | (8,782,567) |
| | \$ | <u>(47,779,122)</u> |

Note 12. Recapture Payment

Intergovernmental Charges include an amount of \$211,231,150 representing recapture payments made in accordance with the state school finance law.

The state school finance law has capped the amount of property value per student that can be retained by local districts based on the following:

| | Tax Effort | 2018-19 Wealth per WADA |
|----------------------------|----------------|----------------------------|
| 1st Equalized wealth level | \$ 1.00 | \$ 514,000 |
| 2nd Equalized wealth level | 0.06 | Unlimited |
| 3rd Equalized wealth level | 0.11 | \$ 319,500 |
| | <u>\$ 1.17</u> | |

The District's property value of \$783,813 per weighted average daily attendance is significantly higher than the state mandated limit. The amount of tax revenue generated by the excess property value over the state mandated limit is recaptured by the state. The formula for this expense is based on prior taxable value using current year tax collections and current year WADA (weighted average daily attendance). The District's recapture payment for 2018-2019 of \$211,231,150 increased \$54 million due to increased property values.

Plano Independent School District

Notes to the Basic Financial Statements

Note 13. Commitments and Contingencies

The District received financial resources from numerous federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements, subject to audit by the grantor agencies and the Texas Education Agency. Any disallowed claims resulting from such audits could become a liability of the General Fund. However, in the opinion of management, any such disallowed claims, if any, will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District at June 30, 2019.

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

The District is party to several operating leases for the rental of copier machines and portable buildings. These leases are for various terms with expiration dates through 2022. Payments under the leases for the year ended June 30, 2019 totaled \$1,419,248. Future obligations under the leases are as follows:

| | | |
|------|----|-----------|
| 2020 | \$ | 660,646 |
| 2021 | | 837,523 |
| 2022 | | 730,055 |
| 2023 | | 724,573 |
| | | <hr/> |
| | \$ | 2,952,797 |
| | | <hr/> |

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, McKinney ISD, Melissa ISD, Princeton ISD, Prosper ISD, Richardson ISD and Wylie ISD.

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

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

Plano Independent School District

Notes to the Basic Financial Statements

Expenditures billed to the SSA members as of June 30, 2019 are summarized below:

| | |
|-----------------------|---------------------|
| Allen ISD | \$ 109,816 |
| Anna ISD | 64,500 |
| Blue Ridge ISD | - |
| Celina ISD | - |
| Community ISD | 15,889 |
| Coppell ISD | - |
| Farmersville ISD | 24,102 |
| Frisco ISD | 345,390 |
| Imagine International | 1,264 |
| McKinney ISD | 211,530 |
| Melissa ISD | 35,574 |
| Plano ISD | 681,336 |
| Princeton ISD | 16,344 |
| Prosper ISD | 75,145 |
| Richardson ISD | 405,855 |
| Wylie ISD | 113,085 |
| Total | \$ 2,099,830 |

Note 15. Evaluation of Subsequent Events

The District has evaluated subsequent events through November 20, 2019, the date which the financial statements were available to be issued.

In November 2019, the District issued \$13,045,000 Series 2019 Unlimited Tax School Building and Refunding Bonds. The proceeds from the issuance shall be for the purpose of construction, renovation, acquisition and equipment of school buildings, the purchase of necessary sites for school buildings, and the purchase of new school buses for the District.

Note 16. New Accounting Pronouncements

The GASB pronouncements effective in fiscal years 2019 and 2020 are listed as follows:

The GASB issued Statement No. 83, Certain Asset Retirement Obligations, in November 2016. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations. This standard became effective for the District in fiscal year 2019. The implementation had no effect on the District's financial statements.

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

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

Plano Independent School District

Notes to the Basic Financial Statements

The GASB issued Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements, in April 2018. This Statement improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. This standard became effective for the District in fiscal year 2019. The implementation had no effect on the District's financial statements.

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

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

The GASB issued Statement No. 91, Conduit Debt Obligations, in May 2019 2018. This Statement's objective is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This standard becomes effective for the District in fiscal year 2022. The District has not yet determined the impact of this statement.

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, 2019

Exhibit G-1

| Data Control Codes | | Budgeted Amounts | | Actual Amounts | Variance With |
|--------------------------------|---|------------------|----------------|----------------|---|
| | | Original | Final | (GAAP BASIS) | Final Budget Positive or (Negative) |
| REVENUES | | | | | |
| 5700 | Total local and intermediate sources | \$ 631,172,558 | \$ 632,537,961 | \$ 635,998,653 | \$ 3,460,692 |
| 5800 | State program revenues | 58,247,620 | 62,928,422 | 63,992,235 | 1,063,813 |
| 5900 | Federal program revenues | 6,027,000 | 6,075,400 | 10,854,211 | 4,778,811 |
| 5020 | Total revenues | 695,447,178 | 701,541,783 | 710,845,099 | 9,303,316 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| 0011 | Instruction | 316,727,983 | 316,314,404 | 311,203,703 | 5,110,701 |
| 0012 | Instructional resources and media services | 7,364,056 | 7,373,037 | 7,086,243 | 286,794 |
| 0013 | Curriculum and instructional staff development | 9,429,428 | 9,458,903 | 9,148,525 | 310,378 |
| 0021 | Instructional leadership | 3,909,071 | 3,815,211 | 3,647,365 | 167,846 |
| 0023 | School leadership | 28,766,265 | 28,322,811 | 27,930,008 | 392,803 |
| 0031 | Guidance, counseling and evaluation services | 21,728,825 | 21,779,312 | 21,602,378 | 176,934 |
| 0032 | Social work services | 2,058,590 | 2,391,538 | 2,296,092 | 95,446 |
| 0033 | Health services | 5,854,641 | 5,953,176 | 5,797,131 | 156,045 |
| 0034 | Student (pupil) transportation | 13,763,865 | 15,060,700 | 15,618,276 | (557,576) |
| 0035 | Food services | 64,615 | 235,215 | 156,693 | 78,522 |
| 0036 | Extracurricular activities | 8,300,429 | 7,918,395 | 7,817,570 | 100,825 |
| 0041 | General administration | 10,844,990 | 11,602,370 | 10,959,738 | 642,632 |
| 0051 | Facilities maintenance and operations | 42,604,077 | 64,744,125 | 53,230,913 | 11,513,212 |
| 0052 | Security and monitoring services | 5,604,036 | 5,475,174 | 4,888,563 | 586,611 |
| 0053 | Data processing services | 7,320,618 | 7,363,915 | 6,835,277 | 528,638 |
| 0061 | Community services | 1,615,333 | 1,686,796 | 1,439,918 | 246,878 |
| Intergovernmental: | | | | | |
| 0091 | Contracted instructional services between schools | 207,972,349 | 214,472,350 | 211,183,179 | 3,289,171 |
| 0092 | Incremental costs associated with Chapter 41 | 600,000 | 70,000 | 28,116 | 41,884 |
| 0093 | Payments to fiscal agent/member district of SSA | 270,000 | 270,000 | 52,500 | 217,500 |
| 0095 | Payments to juvenile justice alternative ed. prg. | 160,000 | 160,000 | 60,419 | 99,581 |
| 0099 | Other intergovernmental charges | 4,444,800 | 5,174,526 | 4,902,872 | 271,654 |
| 6030 | Total expenditures | 699,403,971 | 729,641,958 | 705,885,479 | 23,756,479 |
| 1100 | Excess (deficiency) of revenues over (under) expenditures | (3,956,793) | (28,100,175) | 4,959,620 | 33,059,795 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| 7915 | Transfers in | 2,273,817 | 2,273,817 | 2,823,270 | 549,453 |
| 7919 | Insurance recoveries | - | 9,258,237 | - | (9,258,237) |
| 8911 | Transfers out (use) | (1,322,366) | (1,322,366) | (1,078,174) | 244,192 |
| 7080 | Total other financing sources (uses) | 951,451 | 10,209,688 | 1,745,096 | (8,464,592) |
| 1200 | Net change in fund balances | (3,005,342) | (17,890,487) | 6,704,716 | 24,595,203 |
| 0100 | Fund balance - July 1 (beginning) | 242,755,039 | 242,755,039 | 242,755,039 | - |
| 3000 | FUND BALANCE - JUNE 30 (ENDING) | \$ 239,749,697 | \$ 224,864,552 | \$ 249,459,755 | \$ 24,595,203 |

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 Five Fiscal Years

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

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

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

Exhibit G-3

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

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

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

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

| | 2019 | 2018 |
|--|----------------|----------------|
| District's proportion of the net OPEB liability | 0.4254291% | 0.4171418% |
| District's proportionate share of the net OPEB liability | \$ 212,420,665 | \$ 181,399,331 |
| District's covered payroll | \$ 362,360,271 | \$ 352,238,059 |
| District's proportionate share of the net OPEB liability as a percentage of its covered payroll | 58.62% | 51.50% |
| Plan fiduciary net position as a percentage of the total OPEB liability | 1.57% | 0.91% |

*The amounts presented for the fiscal years were determined as of the Plan's fiscal year end, August 31 of the prior year.
Ten years of data is not available.

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

Exhibit G-5

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

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

Ten years of data is not available

Plano Independent School District

Notes to the Required Supplementary Information
Year Ended June 30, 2019

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 coordinator 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, 2019

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 | \$ 58,247,620 | \$ 62,928,422 | \$ 4,680,802 |
| Student (pupil) transportation | 13,763,865 | 15,060,700 | 1,296,835 |
| Facilities maintenance and operations | 42,604,077 | 64,744,125 | 22,140,048 |
| Contracted instructional services between schools | 207,972,349 | 214,472,350 | 6,500,001 |
| Insurance recoveries | - | 9,258,237 | 9,258,237 |

State program revenue budget increased due to increases in per capita apportionment and foundation school fund revenue.

Student (pupil) transportation budget increased due to increased fuel costs and overtime charged.

Facilities maintenance and operations budget was increased for expenditures related to the repairs of roof and other property damaged by the 2016 hail storms.

Contracted Instructional Services between Schools budget was increased due to final changes in the school finance formula and the final weighted average daily attendance.

Insurance recoveries budget was increased due to the receipt of Insurance Proceeds related to damages to district property in the 2016 hail storms.

Excess Expenditures

The Budgetary Comparison Schedule for the General Fund indicated no areas with an excess of expenditures over appropriations for the year ended June 30, 2019.

Total expenditures did not exceed the budget.

Pension Liability

Pension Changes of Benefit Terms

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

Pension Changes of Assumptions

Assumptions, methods, and plan changes, which are specific to the Pension Trust Fund, were updated from the prior year's report. The Net Pension Liability increased significantly since the prior measurement date due to a change in the following actuarial assumptions:

- The total pension liability as of August 31, 2018, was developed using a roll-forward method from the August 31, 2017 valuation.
- Demographic assumptions, including post-retirement mortality, termination rates, and rates of retirement were updated based on the experience study performed for TRS for the period ending August 31, 2017.
- Economic assumptions, including rates of salary increase for individual participants, were updated based on the same experience study.
- The discount rate changed from 8.0 percent as of August 31, 2017, to 6.907 percent as of August 31, 2018.

Plano Independent School District

Notes to the Required Supplementary Information

Year Ended June 30, 2019

- The long-term assumed rate of return changed from 8.0 percent to 7.25 percent.
- The change in the long-term assumed rate of return combined with the change in the single discount rate was the primary reason for the increase in the net pension liability.

Other Post Employment Benefits

OPEB Changes of Benefit Terms

The 85th Legislature, Regular Session, passed the following statutory changes, which became effective on September 1, 2017:

- Created a high-deductible health plan that provides a zero cost for generic prescriptions for certain preventive drugs and provides a zero premium for disability retirees who retired as a disability retiree on or before January 1, 2017, and are not eligible to enroll in Medicare.
- Created a single Medicare Advantage plan and Medicare prescription drug plan for all Medicare-eligible participants.
- Allowed the System to provide other, appropriate health benefit plans to address the needs of enrollees eligible for Medicare.
- Allowed eligible retirees and their eligible dependents to enroll in TRS-Care when the retiree reaches 65 years of age, rather than waiting for the next enrollment period.
- Eliminated free coverage under TRS-Care, except for certain disability retirees enrolled during Plan Years 2018 through 2021, requiring members to contribute \$200 per month toward their health insurance premiums.

OPEB Changes In Assumptions

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

- Adjustments were made for retirees that were known to have discontinued their healthcare coverage in fiscal year 2018. This change increased the Total OPEB Liability.
- The healthcare trend rate assumption was updated to reflect the anticipated return of the Health Insurer Fee (HIF) in 2020. This change increased the Total OPEB Liability.
- Demographic and economic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2017. This change increased the Total OPEB Liability.
- The discount rate changed from 3.42 percent as of August 31, 2017, to 3.69 percent as of August 31, 2018. This change lowered the Total OPEB Liability \$2.3 billion.

In this valuation, the impact of the Cadillac Tax has been calculated as a portion of the trend assumption. Assumptions and methods used to determine the impact of the Cadillac Tax include:

- 2018 thresholds of \$850/\$2,292 were indexed annually by 2.50 percent.
- Premium data submitted was not adjusted for permissible exclusions to the Cadillac Tax.
- There were no special adjustments to the dollar limit other than those permissible for non-Medicare retirees over 55.

Results indicate that the value of the excise tax would be reasonably represented by a 25 basis point addition to the long-term trend rate assumption.

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, 2019

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 | \$ 142,687,351 | \$ 144,267,378 | \$ 143,649,907 | \$ (617,471) |
| 5800 | Total state revenues | 1,172,042 | 1,172,042 | 1,172,042 | - |
| 5020 | Total revenues | 143,859,393 | 145,439,420 | 144,821,949 | (617,471) |
| EXPENDITURES | | | | | |
| Debt service: | | | | | |
| 0071 | Debt service - principal on long term debt | 94,940,000 | 102,320,000 | 102,320,000 | - |
| 0072 | Debt service - interest on long term debt | 48,894,393 | 44,894,393 | 44,727,737 | 166,656 |
| 0073 | Debt service - bond issuance cost and fees | 25,000 | 125,000 | 108,953 | 16,047 |
| 6030 | Total expenditures | 143,859,393 | 147,339,393 | 147,156,690 | 182,703 |
| 1100 | Deficiency of revenues under expenditures | - | (1,899,973) | (2,334,741) | (434,768) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| 7915 | Transfers in | - | 89,280 | 89,280 | - |
| 7080 | Total other financing sources (uses) | - | 89,280 | 89,280 | - |
| 1200 | Net change in fund balances | - | (1,810,693) | (2,245,461) | (434,768) |
| 0100 | Fund balance - July 1 (beginning) | 41,226,830 | 41,226,830 | 41,226,830 | - |
| 3000 | FUND BALANCE - JUNE 30 (ENDING) | \$ 41,226,830 | \$ 39,416,137 | \$ 38,981,369 | \$ (434,768) |

Plano Independent School District

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

| Data Control Codes | | 240 National Breakfast and Lunch Program | 289 Other Federal Special Revenue Funds | 379 Other Federal SSA Special Revenue Funds |
|--------------------------------------|--|---|--|--|
| ASSETS | | | | |
| 1110 | Cash and investments | \$ 8,920,704 | \$ 28,323 | \$ - |
| 1240 | Due from other governments | 61,214 | 5,584,570 | 81,018 |
| 1250 | Accrued interest | 1 | - | - |
| 1290 | Other receivables | 20,531 | - | - |
| 1300 | Inventories | 260,834 | - | - |
| 1000 | TOTAL ASSETS | \$ 9,263,284 | \$ 5,612,893 | \$ 81,018 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| 2110 | Accounts payable | \$ 324,533 | \$ 141,577 | \$ - |
| 2160 | Accrued wages payable | 274,690 | 2,138,944 | 30,534 |
| 2170 | Due to other funds | - | 3,260,923 | 50,484.00 |
| 2180 | Due to other governments | - | - | - |
| 2300 | Unearned revenues | 634,078 | 71,449 | - |
| 2000 | Total liabilities | 1,233,301 | 5,612,893 | 81,018 |
| Fund balances: | | | | |
| Non spendable | | | | |
| 3410 | Investments in inventory | 260,834 | - | - |
| Restricted | | | | |
| 3450 | Food services | 7,769,149 | - | - |
| 3450 | State special revenue | - | - | - |
| Committed | | | | |
| 3545 | Local special revenue | - | - | - |
| 3000 | Total fund balances | 8,029,983 | - | - |
| 4000 | TOTAL LIABILITIES AND FUND BALANCES | \$ 9,263,284 | \$ 5,612,893 | \$ 81,018 |

| 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 |
|--|--|--|--|--|
| \$ 9,711,811 | \$ 231,298 | \$ - | \$ 9,405,234 | \$ 28,297,370 |
| 1,206,037 | 2,804 | 832,219 | - | 7,767,862 |
| - | - | - | - | 1 |
| - | - | - | 64,379 | 84,910 |
| - | - | - | - | 260,834 |
| <u>\$ 10,917,848</u> | <u>\$ 234,102</u> | <u>\$ 832,219</u> | <u>\$ 9,469,613</u> | <u>\$ 36,410,977</u> |
| | | | | |
| \$ 2,792,003 | \$ 835 | \$ 4,276 | \$ 216,000 | \$ 3,479,224 |
| - | - | 632,823 | 47,083 | 3,124,074 |
| - | 2,807.00 | 108,664 | 541,026 | 3,963,904 |
| - | - | - | 2,088 | 2,088 |
| 1,206,037 | - | 86,456 | 81,110 | 2,079,130 |
| <u>3,998,040</u> | <u>3,642</u> | <u>832,219</u> | <u>887,307</u> | <u>12,648,420</u> |
| | | | | |
| - | - | - | - | 260,834 |
| - | - | - | - | 7,769,149 |
| 6,919,808 | 230,460 | - | - | 7,150,268 |
| - | - | - | 8,582,306 | 8,582,306 |
| <u>6,919,808</u> | <u>230,460</u> | <u>-</u> | <u>8,582,306</u> | <u>23,762,557</u> |
| | | | | |
| <u>\$ 10,917,848</u> | <u>\$ 234,102</u> | <u>\$ 832,219</u> | <u>\$ 9,469,613</u> | <u>\$ 36,410,977</u> |

Plano Independent School District

Combining Statement of Revenues, Expenditures And Changes In
Fund Balances – Nonmajor Governmental Funds
Year Ended June 30, 2019

| <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 | \$ 12,431,226 | \$ 1,845 | \$ 16 |
| 5800 | State program revenues | 606,065 | - | - |
| 5900 | Federal program revenues | 11,303,490 | 17,143,730 | 293,016 |
| 5020 | Total revenues | 24,340,781 | 17,145,575 | 293,032 |
| EXPENDITURES | | | | |
| Current: | | | | |
| 0011 | Instruction | - | 12,635,211 | 209,822 |
| 0012 | Instructional resources and media services | - | - | - |
| 0013 | Curriculum and instructional staff development | - | 2,058,154 | - |
| 0021 | Instructional leadership | - | 320,201 | - |
| 0023 | School leadership | - | 21,817 | - |
| 0031 | Guidance, counseling and evaluation services | - | 837,165 | 73,024 |
| 0032 | Social work services | - | 325 | - |
| 0033 | Health services | - | 99,497 | - |
| 0034 | Student (pupil) transportation | - | 49,447 | - |
| 0035 | Food services | 24,065,438 | 79,950 | - |
| 0036 | Extracurricular activities | - | 45,791 | - |
| 0041 | General administration | - | 28,961 | - |
| 0051 | Facilities maintenance and operations | 6,128 | - | - |
| 0052 | Security and monitoring services | - | 574 | - |
| 0061 | Community services | - | 686,542 | 10,186 |
| Intergovernmental: | | | | |
| 0093 | Payments to fiscal agent/member districts of SSA | - | 681,336 | - |
| 6030 | Total expenditures | 24,071,566 | 17,544,971 | 293,032 |
| 1100 | Excess (deficiency) of revenues over (under) expenditures | 269,215 | (399,396) | - |
| OTHER FINANCING SOURCES | | | | |
| 7915 | Transfers in | 28,658 | 399,396 | - |
| 7080 | Total other financing sources | 28,658 | 399,396 | - |
| 1200 | Net change in fund balance | 297,873 | - | - |
| 0100 | Fund balance - July 1 (beginning) | 7,732,110 | - | - |
| 3000 | FUND BALANCE - JUNE 30 (ENDING) | \$ 8,029,983 | \$ - | \$ - |

| 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 |
|--|--|--|--|--|
| \$ 42,622 | \$ - | \$ 142,405 | \$ 9,189,647 | \$ 21,807,761 |
| 10,842,724 | 59,904 | 4,395,815 | - | 15,904,508 |
| - | - | - | - | 28,740,236 |
| 10,885,346 | 59,904 | 4,538,220 | 9,189,647 | 66,452,505 |
| 4,511,110 | 20,062 | 4,121,165 | 3,293,468 | 24,790,838 |
| - | 151 | - | 117,496 | 117,647 |
| - | 21,726 | 82,665 | 274,111 | 2,436,656 |
| - | - | 37,602 | 4,397 | 362,200 |
| - | 21 | - | 191,660 | 213,498 |
| - | - | 36,034 | 84,396 | 1,030,619 |
| - | - | - | 592 | 917 |
| - | - | - | 1,942 | 101,439 |
| - | - | - | 1,543 | 50,990 |
| - | - | - | 17,180 | 24,162,568 |
| - | - | 45,186 | 5,328,522 | 5,419,499 |
| - | - | - | 251,874 | 280,835 |
| - | - | - | 178,881 | 185,009 |
| - | - | - | 333,928 | 334,502 |
| - | 3,874 | 215,568 | 28,550 | 944,720 |
| - | - | - | - | 681,336 |
| 4,511,110 | 45,834 | 4,538,220 | 10,108,540 | 61,113,273 |
| 6,374,236 | 14,070 | - | (918,893) | 5,339,232 |
| - | - | - | 88,921.00 | 516,975 |
| - | - | - | 88,921 | 516,975 |
| 6,374,236 | 14,070 | - | (829,972) | 5,856,207 |
| 545,572 | 216,390 | - | 9,412,278 | 17,906,350 |
| \$ 6,919,808 | \$ 230,460 | \$ - | \$ 8,582,306 | \$ 23,762,557 |

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, 2019

| Data Control Codes | | Budgeted Amounts | | Actual Amounts (GAAP BASIS) | Variance With Final Budget Positive or (Negative) |
|--------------------------|---|------------------|---------------|--------------------------------|--|
| | | Original | Final | | |
| REVENUES | | | | | |
| 5700 | Total local and intermediate sources | \$ 13,537,906 | \$ 13,537,906 | \$ 12,431,226 | \$ (1,106,680) |
| 5800 | State program revenues | 604,000 | 604,000 | 606,065 | 2,065 |
| 5900 | Federal program revenues | 10,851,221 | 10,851,221 | 11,303,490 | 452,269 |
| 5020 | Total revenues | 24,993,127 | 24,993,127 | 24,340,781 | (652,346) |
| EXPENDITURES | | | | | |
| 0035 | Food services | 26,018,685 | 27,864,472 | 24,065,438 | 3,799,034 |
| 0041 | General administration | 37,637 | 37,637 | - | 37,637 |
| 0051 | Facilities maintenance and operations | 485,000 | 499,974 | 6,128 | 493,846 |
| 6030 | Total expenditures | 26,541,322 | 28,402,083 | 24,071,566 | 4,330,517 |
| 1100 | Excess (deficiency) of revenues over expenditures | (1,548,195) | (3,408,956) | 269,215 | 3,678,171 |
| OTHER FINANCING SOURCES | | | | | |
| 7915 | Transfers in | - | - | 28,658 | 28,658 |
| 7080 | Total other financing sources | - | - | 28,658 | 28,658 |
| 1200 | Net change in fund balances | (1,548,195) | (3,408,956) | 297,873 | 3,706,829 |
| 0100 | Fund balance - July 1 (beginning) | 7,732,110 | 7,732,110 | 7,732,110 | - |
| 3000 | FUND BALANCE - JUNE 30 (ENDING) | \$ 6,183,915 | \$ 4,323,154 | \$ 8,029,983 | \$ 3,706,829 |

Plano Independent School District
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2019

Exhibit H-5

| | Employee Child Care | After School Care | Concessions | Photography | Total Nonmajor Enterprise Funds |
|--|------------------------|----------------------|------------------|------------------|--|
| ASSETS | | | | | |
| Current assets: | | | | | |
| Cash and investments | \$ 164,126 | \$ 368,423 | \$ 49,378 | \$ 19,538 | \$ 601,465 |
| Other receivables | - | 54,858 | - | - | 54,858 |
| Total current assets | 164,126 | 423,281 | 49,378 | 19,538 | 656,323 |
| Noncurrent assets: | | | | | |
| Capital assets: | | | | | |
| Furniture and equipment | 7,924 | - | 5,445 | - | 13,369 |
| Depreciation on furniture and equipment | - | - | (5,445) | - | (5,445) |
| Total noncurrent assets | 7,924 | - | - | - | 7,924 |
| Total assets | 172,050 | 423,281 | 49,378 | 19,538 | 664,247 |
| LIABILITIES | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | 4,259 | 225,980 | 350 | - | 230,589 |
| Accrued wages payable | 93,626 | 50,480 | 3,716 | - | 147,822 |
| Unearned revenues | - | 146,821 | - | - | 146,821 |
| Total liabilities | 97,885 | 423,281 | 4,066 | - | 525,232 |
| NET POSITION | | | | | |
| Investments in capital assets | 7,924 | - | - | - | 7,924 |
| Unrestricted net position | 66,241 | - | 45,312 | 19,538 | 131,091 |
| TOTAL NET POSITION | \$ 74,165 | \$ - | \$ 45,312 | \$ 19,538 | \$ 139,015 |

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, 2019

| | Employee Child Care | After School Care | Concessions | Photography | Total Nonmajor Enterprise Funds |
|---|------------------------|----------------------|------------------|------------------|--|
| OPERATING REVENUES | | | | | |
| Local and intermediate sources | \$ 1,396,085 | \$ 8,337,827 | \$ 178,395 | \$ - | \$ 9,912,307 |
| Total operating revenues | 1,396,085 | 8,337,827 | 178,395 | - | 9,912,307 |
| OPERATING EXPENSES | | | | | |
| Payroll costs | 1,512,025 | 4,306,363 | 99,710 | - | 5,918,098 |
| Professional and contracted services | 107,380 | 29,353 | 855 | - | 137,588 |
| Supplies and materials | 74,976 | 103,936 | 87,937 | - | 266,849 |
| Other operating costs | 134,224 | 1,128,392 | 30,111 | - | 1,292,727 |
| Total operating expenses | 1,828,605 | 5,568,044 | 218,613 | - | 7,615,262 |
| Operating income (loss) | (432,520) | 2,769,783 | (40,218) | - | 2,297,045 |
| NON OPERATING REVENUES (EXPENSES) | | | | | |
| Earnings from temporary deposits and investments | - | 53,487 | 305 | 427 | 54,219 |
| Total non operating revenues (expenses) | - | 53,487 | 305 | 427 | 54,219 |
| Income (loss) before transfers | (432,520) | 2,823,270 | (39,913) | 427 | 2,351,264 |
| Transfers in | 431,199 | - | - | - | 431,199 |
| Transfers out | - | (2,823,270) | - | - | (2,823,270) |
| Change in net position | (1,321) | - | (39,913) | 427 | (40,807) |
| Total net position - July 1 (beginning) | 75,486 | - | 85,225 | 19,111 | 179,822 |
| TOTAL NET POSITION - JUNE 30 (ENDING) | \$ 74,165 | \$ - | \$ 45,312 | \$ 19,538 | \$ 139,015 |

Plano Independent School District
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended June 30, 2019

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 | \$ 1,396,085 | \$ 8,363,814 | \$ 178,395 | \$ - | \$ 9,938,294 |
| Cash payments to employees for services | (1,493,342) | (4,313,604) | (97,166) | - | (5,904,112) |
| Cash payments for suppliers | (181,630) | (98,636) | (89,925) | - | (370,191) |
| Cash payments for other operating expenses | (132,903) | (1,128,392) | (30,111) | - | (1,291,406) |
| Net cash provided by (used for) operating activities | (411,790) | 2,823,182 | (38,807) | - | 2,372,585 |
| CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES | | | | | |
| Transfers in | 431,199 | - | - | - | 431,199 |
| Transfers out | - | (2,823,270) | - | - | (2,823,270) |
| Net cash provided by (used for) non-capital financing activities | 431,199 | (2,823,270) | - | - | (2,392,071) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Proceeds from sales and maturities of investments | - | 33,993 | 21,167 | 5,449 | 60,609 |
| Purchase of Investment Securities | (3) | - | - | - | (3) |
| Interest and dividends on investments | - | 53,862 | 409 | 450 | 54,721 |
| Net cash provided by (used for) investing activities | (3) | 87,855 | 21,576 | 5,899 | 115,327 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 19,406 | 87,767 | (17,231) | 5,899 | 95,841 |
| Cash and cash equivalents at beginning of the year | 144,717 | 238,786 | 66,609 | 13,100 | 463,212 |
| Cash and cash equivalents at the end of the year | 164,123 | 326,553 | 49,378 | 18,999 | 559,053 |
| Temporary investment not in cash equivalents | 3 | 41,870 | - | 539 | 42,412 |
| Cash on statement of net position | \$ 164,126 | \$ 368,423 | \$ 49,378 | \$ 19,538 | \$ 601,465 |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES | | | | | |
| Operating income (loss) | \$ (432,520) | \$ 2,769,783 | \$ (40,218) | \$ - | \$ 2,297,045 |
| 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 | - | (16,284) | - | - | (16,284) |
| Decrease (increase) in prepaid expenses | 1,321 | - | - | - | 1,321 |
| Increase (decrease) in accounts payable | 726 | 34,653 | (1,133) | - | 34,246 |
| Increase (decrease) in accrued wages payable | 18,683 | (7,241) | 2,544 | - | 13,986 |
| Increase (decrease) in unearned revenues | - | 42,271 | - | - | 42,271 |
| Net cash provided by (used for) operating activities | \$ (411,790) | \$ 2,823,182 | \$ (38,807) | \$ - | \$ 2,372,585 |

Plano Independent School District
Combining Statement of Net Position
Internal Service Funds
June 30, 2019

| | 752 | 753 |
|---|-------------------|---------------------|
| | Print Shop | Health Benefits |
| ASSETS | | |
| Current assets: | | |
| Cash and investments | \$ 437,622 | 1,393,451 |
| Other receivables | 6,054 | 367 |
| Unearned expenses | - | 187,895 |
| Total current assets | 443,676 | 1,581,713 |
| Noncurrent assets: | | |
| Capital assets: | | |
| Furniture and equipment | 14,944 | - |
| Depreciation on furniture and equipment | (14,944) | - |
| Total noncurrent assets | - | - |
| Total assets | 443,676 | 1,581,713 |
| LIABILITIES | | |
| Current liabilities | | |
| Accounts payable | 1,058 | 3,820 |
| Accrued wages payable | 9,100 | - |
| Accrued expenses | - | 80,281 |
| Total liabilities | 10,158 | 84,101 |
| NET POSITION | | |
| Investments in capital assets | - | - |
| Unrestricted net position | 433,518 | 1,497,612 |
| TOTAL NET POSITION | <u>\$ 433,518</u> | <u>\$ 1,497,612</u> |

| 772 Workers' Compensation Self-Funded | 773 Unemployment Self-Funded | 775 Sign Shop | 786 Insurance Claims Self-Funded | Total Internal Service Funds |
|--|------------------------------------|---------------------|---|------------------------------------|
| \$ 2,353,492 | \$ 635,221 | \$ 258,198 | \$ 80,999 | \$ 5,158,983 |
| - | - | - | - | 6,421 |
| - | - | - | - | 187,895 |
| 2,353,492 | 635,221 | 258,198 | 80,999 | 5,353,299 |
| - | - | 16,430 | - | 31,374 |
| - | - | (8,215) | - | (23,159) |
| - | - | 8,215 | - | 8,215 |
| 2,353,492 | 635,221 | 266,413 | 80,999 | 5,361,514 |
| 22 | 9,158 | - | 281 | 14,339 |
| 160 | - | - | - | 9,260 |
| 2,300,000 | 288,834 | - | 53,176 | 2,722,291 |
| 2,300,182 | 297,992 | - | 53,457 | 2,745,890 |
| - | - | 8,215 | - | 8,215 |
| 53,310 | 337,229 | 258,198 | 27,542 | 2,607,409 |
| \$ 53,310 | \$ 337,229 | \$ 266,413 | \$ 27,542 | \$ 2,615,624 |

Plano Independent School District

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

Internal Service Funds

Year Ended June 30, 2019

| | 752 | 753 |
|--|-------------------|---------------------|
| | Print Shop | Health Benefits |
| OPERATING REVENUES | | |
| Local and intermediate services | \$ 1,459,885 | \$ 36,441,117 |
| Total operating revenues | 1,459,885 | 36,441,117 |
| OPERATING EXPENSES | | |
| Payroll costs | 362,062 | 423,977 |
| Professional and contracted services | 552,791 | 142,063 |
| Supplies and materials | 343,807 | 10,362 |
| Depreciation | - | - |
| Other operating costs | - | 36,363,759 |
| Total operating expenses | 1,258,660 | 36,940,161 |
| Operating income (loss) | 201,225 | (499,044) |
| NON OPERATING REVENUES (EXPENSES) | | |
| Earnings from temporary deposits and investments | 7,782 | - |
| Insurance recovery | - | - |
| Total non operating revenues (expenses) | 7,782 | - |
| Income (loss) before transfers | 209,007 | (499,044) |
| Transfers in | - | - |
| Total transfers | - | - |
| Change in net position | 209,007 | (499,044) |
| Total net position - July 1 (beginning) | 224,511 | 1,996,656 |
| TOTAL NET POSITION - JUNE 30 (ENDING) | \$ 433,518 | \$ 1,497,612 |

| 772 Workers' Compensation Self-Funded | 773 Unemployment Self-Funded | 775 Sign Shop | 786 Insurance Claims Self-Funded | Total Internal Service Funds |
|--|------------------------------------|---------------------|---|------------------------------------|
| \$ 2,852,842 | \$ - | \$ 5,126 | \$ 4,625 | \$ 40,763,595 |
| 2,852,842 | - | 5,126 | 4,625 | 40,763,595 |
| 489,508 | - | 2,516 | - | 1,278,063 |
| 1,716,186 | - | - | 139,774 | 2,550,814 |
| 39,529 | - | 14,625 | 23,658 | 431,981 |
| - | - | 1,643 | - | 1,643 |
| 751,325 | 54,493 | - | - | 37,169,577 |
| 2,996,548 | 54,493 | 18,784 | 163,432 | 41,432,078 |
| (143,706) | (54,493) | (13,658) | (158,807) | (668,483) |
| 45,899 | 15,085 | 6,002 | 2,409 | 77,177 |
| - | - | - | 99,807 | 99,807 |
| 45,899 | 15,085 | 6,002 | 102,216 | 176,984 |
| (97,807) | (39,408) | (7,656) | (56,591) | (491,499) |
| 130,000 | - | - | - | 130,000 |
| 130,000 | - | - | - | 130,000 |
| 32,193 | (39,408) | (7,656) | (56,591) | (361,499) |
| 21,117 | 376,637 | 274,069 | 84,133 | 2,977,123 |
| \$ 53,310 | \$ 337,229 | \$ 266,413 | \$ 27,542 | \$ 2,615,624 |

Plano Independent School District
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2019

| | 752 | 753 |
|---|-------------------|-----------------------------------|
| | Print Shop | Health Benefits Self-Funded |
| CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Cash received from user charges | \$ 1,453,832 | \$ 36,440,834 |
| Cash payments to employees for services | (358,312) | (424,137) |
| Cash payments for insurance claims | - | (55,481) |
| Cash payments for suppliers | (899,569) | (149,007) |
| Cash payments for other operating expenses | - | (36,350,465) |
| Net cash provided by (used for) operating activities | 195,951 | (538,256) |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES: | | |
| Transfers in | - | - |
| Insurance proceeds | - | - |
| Net cash provided by (used for) non-capital financing activities | - | - |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from sale and maturities of securities | 56,093 | 464,338 |
| Interest and dividends on investments | 8,060 | 2,295 |
| Net cash provided by (used for) investing activities | 64,153 | 466,633 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS: | 260,104 | (71,623) |
| Cash and cash equivalents at beginning of the year | 177,518 | 1,465,074 |
| Cash and cash equivalents at the end of the year | 437,622 | 1,393,451 |
| Temporary investment not in cash equivalents | - | - |
| CASH ON STATEMENT OF NET POSITION | <u>\$ 437,622</u> | <u>\$ 1,393,451</u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES: | | |
| Operating income (loss) | \$ 201,225 | \$ (499,044) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities | | |
| Depreciation | - | - |
| Effect of increases and decreases in current assets and liabilities | | |
| Decrease (increase) in receivables | (6,053) | (283) |
| Decrease (increase) in prepaid expenses | - | 13,136 |
| Increase (decrease) in accounts payable | (2,971) | 3,576 |
| Increase (decrease) in accrued wages payable | 3,750 | (160) |
| Increase (decrease) in accrued expenses | - | (55,481) |
| NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES | <u>\$ 195,951</u> | <u>\$ (538,256)</u> |

| 772 | 773 | 775 | 786 | |
|---|-----------------------------|--------------------|------------------------------------|------------------------------------|
| Workers' Compensation Self - Funded | Unemployment Self-Funded | Sign Shop | Insurance Claims Self-Funded | Total Internal Service Funds |
| \$ 2,852,842 | \$ - | \$ 5,126 | \$ 4,625 | \$ 40,757,259 |
| (491,087) | - | (2,683) | - | (1,276,219) |
| (1,918,815) | (50,837) | - | - | (2,025,133) |
| (82,260) | - | (14,625) | (163,151) | (1,308,612) |
| (177,958) | - | - | - | (36,528,423) |
| <u>182,722</u> | <u>(50,837)</u> | <u>(12,182)</u> | <u>(158,526)</u> | <u>(381,128)</u> |
| 130,000 | - | - | - | 130,000 |
| - | - | - | 99,807 | 99,807 |
| <u>130,000</u> | <u>-</u> | <u>-</u> | <u>99,807</u> | <u>229,807</u> |
| 449,521 | 161,186 | 63,610 | 33,149 | 1,227,897 |
| 47,318 | 15,882 | 6,316 | 2,572 | 82,443 |
| <u>496,839</u> | <u>177,068</u> | <u>69,926</u> | <u>35,721</u> | <u>1,310,340</u> |
| 809,561 | 126,231 | 57,744 | (22,998) | 1,159,019 |
| <u>1,513,773</u> | <u>508,990</u> | <u>200,454</u> | <u>103,997</u> | <u>3,969,806</u> |
| 2,323,334 | 635,221 | 258,198 | 80,999 | 5,128,825 |
| <u>30,158</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>30,158</u> |
| <u>\$ 2,353,492</u> | <u>\$ 635,221</u> | <u>\$ 258,198</u> | <u>\$ 80,999</u> | <u>\$ 5,158,983</u> |
| \$ (143,706) | \$ (54,493) | \$ (13,658) | \$ (158,807) | \$ (668,483) |
| - | - | 1,643 | - | 1,643 |
| - | - | - | - | (6,336) |
| - | - | - | - | 13,136 |
| 7 | 3,656 | - | 281 | 4,549 |
| (1,579) | - | (167) | - | 1,844 |
| <u>328,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>272,519</u> |
| <u>\$ 182,722</u> | <u>\$ (50,837)</u> | <u>\$ (12,182)</u> | <u>\$ (158,526)</u> | <u>\$ (381,128)</u> |

Plano Independent School District
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
Year Ended June 30, 2019

Exhibit H-11

| | Balance July 1 2018 | Additions | Deductions | Balance June 30 2019 |
|--------------------------------|---------------------------|---------------------|---------------------|----------------------------|
| STUDENT ACTIVITY FUNDS | | | | |
| Assets: | | | | |
| Cash and temporary investments | \$ 304,162 | \$ 180,667 | \$ 147,825 | \$ 337,004 |
| Accrued interest | 200 | - | 200 | - |
| Other receivables | - | 3,264 | - | 3,264 |
| TOTAL ASSETS | \$ 304,362 | \$ 183,931 | \$ 148,025 | \$ 340,268 |
| Liabilities: | | | | |
| Accounts payable | \$ 273 | \$ 146,364 | \$ 146,637 | \$ - |
| Accrued wages | 369 | - | 369 | - |
| Due to student groups | 303,720 | 184,372 | 147,824 | 340,268 |
| TOTAL LIABILITIES | \$ 304,362 | \$ 330,736 | \$ 294,830 | \$ 340,268 |
| OTHER AGENCY FUNDS | | | | |
| Assets: | | | | |
| Cash and temporary investments | \$ 110,650 | \$ 1,583,108 | \$ 1,557,036 | \$ 136,722 |
| Other receivables | 85 | 912,274 | 85 | 912,274 |
| TOTAL ASSETS | \$ 110,735 | \$ 2,495,382 | \$ 1,557,121 | \$ 1,048,996 |
| Liabilities: | | | | |
| Accounts payable | \$ 450 | \$ 891,198 | \$ 860,577 | \$ 31,071 |
| Due to other groups | 110,285 | 1,798,838 | 891,198 | 1,017,925 |
| TOTAL LIABILITIES | \$ 110,735 | \$ 2,690,036 | \$ 1,751,775 | \$ 1,048,996 |
| TOTAL AGENCY FUNDS | | | | |
| Assets: | | | | |
| Cash and temporary investments | \$ 414,812 | \$ 1,763,775 | \$ 1,704,861 | \$ 473,726 |
| Accrued interest | 200 | - | - | - |
| Other receivables | 85 | 912,274 | 85 | 915,538 |
| TOTAL ASSETS | \$ 415,097 | \$ 2,676,049 | \$ 1,704,946 | \$ 1,389,264 |
| Liabilities: | | | | |
| Accounts payable | \$ 723 | \$ 1,037,562 | \$ 1,007,214 | \$ 31,071 |
| Accrued wages | 369 | - | - | - |
| Due to other groups | 110,285 | 1,798,838 | 891,198 | 1,017,925 |
| Due to student groups | 303,720 | 184,372 | 147,824 | 340,268 |
| TOTAL LIABILITIES | \$ 415,097 | \$ 3,020,772 | \$ 2,046,236 | \$ 1,389,264 |

**Required
Texas Education Agency
Report Section**

Plano Independent School District
Schedule of Delinquent Taxes Receivable
Year Ended June 30, 2019

| Last 10 Years Ended June 30 | Tax Rates | | Assessed/Appraised Value for School Tax Purposes | Beginning Balance July 1, 2018 |
|--------------------------------|-------------|--------------|--|--------------------------------------|
| | Maintenance | Debt Service | | |
| 2010 | | | | |
| and prior years | 1.0400 | 0.2884 | \$ 34,765,694,294 | \$ 1,313,834 |
| 2011 | 1.0400 | 0.3134 | 33,955,156,307 | 353,302 |
| 2012 | 1.0400 | 0.3334 | 34,342,959,439 | 407,256 |
| 2013 | 1.0400 | 0.3334 | 34,842,341,548 | 446,993 |
| 2014 | 1.1700 | 0.2830 | 36,441,999,880 | 527,157 |
| 2015 | 1.1700 | 0.2780 | 38,873,800,924 | 618,867 |
| 2016 | 1.1700 | 0.2690 | 41,496,244,736 | 632,588 |
| 2017 | 1.1700 | 0.2690 | 45,916,580,666 | 933,842 |
| 2018 | 1.1700 | 0.2690 | 51,009,463,132 | 4,991,831 |
| 2019 | 1.1700 | 0.2690 | 55,276,539,669 | - |
| TOTALS | | | | <u>\$ 10,225,670</u> |

Exhibit J-1

| Current Year's Total Levy | Maintenance Collections | Debt Service Collections | Entire Year's Adjustments | Ending Balance June 30, 2019 |
|--|----------------------------|-----------------------------|---------------------------------|------------------------------------|
| \$ - | \$ 16,433 | \$ 3,774 | \$ (258,541) | \$ 1,035,086 |
| - | 6,819 | 2,053 | (1) | 344,429 |
| - | 22,632 | 7,255 | (139) | 377,230 |
| - | 47,728 | 15,301 | (4,986) | 378,978 |
| - | 219,676 | 53,135 | 200,638 | 454,984 |
| - | 224,954 | 53,451 | 164,648 | 505,110 |
| - | 256,260 | 58,918 | 188,164 | 505,574 |
| - | 133,279 | 30,643 | (70,846) | 699,074 |
| - | 725,869 | 166,887 | (3,155,307) | 943,768 |
| <u>763,333,684</u> | <u>618,354,454</u> | <u>142,168,674</u> | <u>2,701,109</u> | <u>5,511,665</u> |
| <u>\$ 763,333,684</u> | <u>\$ 620,008,104</u> | <u>\$ 142,560,091</u> | <u>\$ (235,261)</u> | <u>\$ 10,755,898</u> |
| Ending balance 6/30/2019 | | | | \$ 10,755,898 |
| Add - county education district taxes receivable | | | | <u>464</u> |
| Total delinquent taxes receivable 6/30/2019 | | | | 10,756,362 |
| Less reserve for uncollectible taxes: | | | | |
| General fund | | | | (2,958,134) |
| Debt service fund | | | | <u>(776,096)</u> |
| NET DELINQUENT BALANCE 6/30/2019 | | | | <u><u>\$ 7,022,132</u></u> |

Teamwork for Excellence



P L A N O
Independent School District

Statistical Section

(Unaudited)

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

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

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

Teamwork for Excellence



P L A N O
Independent School District

Plano Independent School District

Net Position By Component

Last Ten Fiscal Years

(Unaudited)

(Accrual Basis of Accounting)

(Amounts Expressed in Thousands)

Exhibit S-1

| | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|
| Governmental Activities | | | | | | | | | | |
| Net investment in capital assets | \$ 26,482 | \$ 41,667 | \$ 74,007 | \$ 97,719 | \$120,499 | \$159,052 | \$ 216,679 | \$ 257,190 | \$ 302,392 | \$ 374,870 |
| Restricted | 29,443 | 29,387 | 27,478 | 26,912 | 29,242 | 31,230 | 31,349 | 35,304 | 33,742 | 40,258 |
| Unrestricted | 146,015 | 164,593 | 180,777 | 169,663 | 180,980 | 131,642 | 136,396 | 160,169 | (80,584) | (92,052) |
| Total Governmental Net Assets | <u>\$ 201,940</u> | <u>\$ 235,647</u> | <u>\$ 282,262</u> | <u>\$ 294,294</u> | <u>\$330,721</u> | <u>\$321,924</u> | <u>\$ 384,424</u> | <u>\$ 452,663</u> | <u>\$ 255,550</u> | <u>\$ 323,076</u> |
| Business Type Activities | | | | | | | | | | |
| Net investment in capital assets | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 9 | \$ 8 |
| Restricted | | | | | | | | | | |
| Unrestricted | 19 | 12 | 46 | 98 | 129 | 257 | 195 | 247 | 171 | 131 |
| Total Business Type Activities | <u>\$ 19</u> | <u>\$ 12</u> | <u>\$ 46</u> | <u>\$ 98</u> | <u>\$ 129</u> | <u>\$ 257</u> | <u>\$ 195</u> | <u>\$ 247</u> | <u>\$ 180</u> | <u>\$ 139</u> |
| Total Primary Government | | | | | | | | | | |
| Net investment in capital assets | \$ 26,482 | \$ 41,667 | \$ 74,007 | \$ 97,719 | \$120,499 | \$159,052 | \$ 216,679 | \$ 257,190 | \$ 302,401 | \$ 374,878 |
| Restricted | 29,443 | 29,387 | 27,478 | 26,912 | 29,242 | 31,230 | 31,349 | 35,304 | 33,742 | 40,258 |
| Unrestricted | 146,034 | 164,605 | 180,823 | 169,761 | 181,109 | 131,899 | 136,591 | 160,416 | (80,413) | (91,921) |
| Total Primary Government | <u>\$ 201,959</u> | <u>\$ 235,659</u> | <u>\$ 282,308</u> | <u>\$ 294,392</u> | <u>\$330,850</u> | <u>\$322,181</u> | <u>\$ 384,619</u> | <u>\$ 452,910</u> | <u>\$ 255,730</u> | <u>\$ 323,215</u> |

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

Exhibit S-2
Page 1 of 3

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Instruction | \$ 314,910 | \$ 318,948 | \$ 306,009 | \$ 308,433 | \$ 316,344 | \$ 333,944 | \$ 356,164 | \$ 350,044 | \$ 257,538 | \$ 404,319 |
| Instructional Resources & Media Services | 9,104 | 9,511 | 8,278 | 8,761 | 8,882 | 9,195 | 9,632 | 9,436 | 6,368 | 8,414 |
| Curriculum & Instructional Staff Development | 9,046 | 9,638 | 8,165 | 8,252 | 7,440 | 8,412 | 8,558 | 9,826 | 7,803 | 13,039 |
| Instructional Leadership | 4,275 | 4,147 | 3,652 | 3,652 | 3,383 | 3,818 | 3,990 | 3,934 | 2,858 | 4,479 |
| School Leadership | 23,860 | 24,110 | 23,056 | 23,870 | 24,812 | 26,673 | 28,508 | 28,586 | 20,758 | 32,716 |
| Guidance, Counseling & Evaluation Services | 18,222 | 18,272 | 17,093 | 18,353 | 18,481 | 19,459 | 21,460 | 21,670 | 15,505 | 25,736 |
| Social Work Services | 1,205 | 1,082 | 819 | 868 | 914 | 1,008 | 1,103 | 1,650 | 1,248 | 2,522 |
| Health Services | 4,992 | 5,111 | 5,024 | 5,145 | 5,306 | 5,791 | 6,059 | 5,991 | 4,253 | 6,750 |
| Student (Pupil) Transportation | 11,352 | 7,378 | 11,881 | 9,373 | 14,222 | 13,327 | 14,050 | 11,882 | 11,970 | 18,467 |
| Food Services | 21,279 | 22,352 | 23,671 | 23,900 | 24,492 | 26,341 | 26,748 | 27,428 | 20,423 | 28,979 |
| Cocurricular/Extracurricular Activities | 9,272 | 9,122 | 8,795 | 14,104 | 13,817 | 14,470 | 13,891 | 15,092 | 13,628 | 16,450 |
| General Administration | 10,007 | 9,240 | 8,862 | 9,864 | 9,803 | 10,179 | 10,822 | 10,727 | 8,893 | 11,721 |
| Plant Maintenance & Operations | 43,660 | 43,993 | 42,655 | 43,143 | 39,577 | 40,207 | 46,844 | 55,405 | 51,573 | 54,453 |
| Security & Monitoring Services | 2,792 | 2,245 | 3,462 | 3,505 | 3,390 | 3,475 | 3,795 | 3,722 | 3,618 | 4,490 |
| Data Processing Services | 8,163 | 5,272 | 6,496 | 5,318 | 5,332 | 5,825 | 5,652 | 4,175 | 6,461 | 7,990 |
| Community Services | 1,985 | 2,245 | 2,336 | 2,097 | 1,826 | 2,330 | 2,544 | 2,607 | 1,395 | 3,146 |
| Debt Service - Interest on Long Term Debt | 47,343 | 43,932 | 43,019 | 41,082 | 38,771 | 42,035 | 30,990 | 29,550 | 31,147 | 27,791 |
| Debt Service - Bond Issuance Cost and Fees | 34 | 490 | 35 | 33 | 308 | 192 | 3,893 | 553 | 327 | 109 |
| Facilities Acquisition & Construction | 23,492 | 23,308 | 15,960 | 18,431 | 13,684 | 13,728 | 16,046 | 18,346 | 27,889 | 23,914 |
| Contracted Instructional Services Between Schools | 34,752 | 28,998 | 39,584 | 24,960 | 36,016 | 46,604 | 60,149 | 104,686 | 157,110 | 211,183 |
| Incremental Costs Associated with Chapter 41 | 600 | 444 | 600 | 600 | 600 | 600 | 400 | 584 | 1,249 | 28 |
| Payments to Fiscal Agent/Member Districts of SSA | 709 | 834 | 634 | 755 | 999 | 1,000 | 993 | 1,060 | 1,119 | 734 |
| Payments to Juvenile Justice Alternative Ed. Prg. | 132 | 103 | 90 | 212 | 118 | 49 | 88 | 28 | 70 | 60 |
| Payments to Tax Increment Fund | 4,441 | 8,912 | 2,594 | 2,978 | 1,875 | 3,378 | 597 | - | - | - |
| Other Intergovernmental Charges | 2,248 | 2,450 | 2,247 | 2,388 | 2,632 | 2,823 | 3,301 | 3,558 | 3,332 | 4,903 |
| Total governmental activities expenses | 607,875 | 602,137 | 585,017 | 580,077 | 593,024 | 634,863 | 676,277 | 720,540 | 656,535 | 912,393 |
| Business-type activities: | | | | | | | | | | |
| Employee Child Care | 694 | 714 | 752 | 1,194 | 1,219 | 1,226 | 1,375 | 1,381 | 1,504 | 1,829 |
| After School Care | 5,040 | 4,932 | 4,804 | 4,814 | 4,966 | 5,644 | 5,779 | 5,945 | 5,958 | 5,568 |
| Concessions | 213 | 243 | 223 | 231 | 211 | 325 | 297 | 270 | 249 | 219 |
| Photography | 58 | 41 | 55 | 44 | 42 | 34 | 31 | - | - | - |
| Total business-type activities expenses | 6,005 | 5,930 | 5,834 | 6,283 | 6,438 | 7,229 | 7,482 | 7,596 | 7,711 | 7,616 |
| Total primary government expenses | \$ 613,880 | \$ 608,067 | \$ 590,851 | \$ 586,360 | \$ 599,462 | \$ 642,092 | \$ 683,759 | \$ 728,136 | \$ 664,246 | \$ 920,009 |

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

Exhibit S-2
Page 2 of 3

Program Revenues

Governmental activities:

Charges for Services:

| | | | | | | | | | | |
|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Instruction | \$ 4,357 | \$ 4,367 | \$ 4,433 | \$ 3,889 | \$ 3,761 | \$ 3,768 | \$ 3,536 | \$ 3,658 | \$ 3,614 | \$ 3,617 |
| Food Service | 12,614 | 12,682 | 12,931 | 13,013 | 13,659 | 13,357 | 13,315 | 13,612 | 12,909 | 12,270 |
| Cocurricular/Extracurricular Activities | 1,552 | 1,425 | 1,468 | 1,554 | 1,612 | 1,793 | 1,618 | 1,568 | 1,451 | 1,312 |
| Plant Maintenance & Operations | 878 | 928 | 935 | 957 | 979 | 1,069 | 1,080 | 1,085 | 1,016 | 1,265 |
| Community Services | 81 | 81 | 61 | 33 | 11 | 6 | 5 | 6 | 15 | 15 |
| Other | 183 | 144 | 124 | 150 | 142 | 97 | 64 | 83 | 68 | 48 |
| Operating Grants and Contributions | 77,525 | 86,767 | 61,521 | 62,621 | 68,323 | 84,554 | 82,106 | 70,958 | (10,068) | 110,188 |
| Capital Grants and Contributions | - | 615 | 11,500 | - | - | - | - | - | - | - |

| | | | | | | | | | | |
|--|---------------|----------------|---------------|---------------|---------------|----------------|----------------|---------------|--------------|----------------|
| Total governmental activities program revenues | <u>97,190</u> | <u>107,009</u> | <u>92,973</u> | <u>82,217</u> | <u>88,487</u> | <u>104,644</u> | <u>101,724</u> | <u>90,970</u> | <u>9,005</u> | <u>128,715</u> |
|--|---------------|----------------|---------------|---------------|---------------|----------------|----------------|---------------|--------------|----------------|

Business-type activities:

Charges for services:

| | | | | | | | | | | |
|---------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Employee Child Care | 687 | 726 | 776 | 1,095 | 1,273 | 1,355 | 1,383 | 1,413 | 1,435 | 1,396 |
| After School Care | 6,956 | 6,960 | 7,074 | 7,207 | 7,542 | 8,165 | 7,968 | 8,346 | 8,559 | 8,338 |
| Concessions | 199 | 234 | 252 | 262 | 228 | 347 | 263 | 290 | 238 | 178 |
| Photography | 48 | 43 | 60 | 64 | 56 | 40 | 2 | - | - | - |

| | | | | | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|--------------|
| Total business-type activities program revenues | <u>7,890</u> | <u>7,963</u> | <u>8,162</u> | <u>8,628</u> | <u>9,099</u> | <u>9,907</u> | <u>9,616</u> | <u>10,049</u> | <u>10,232</u> | <u>9,912</u> |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|--------------|

| | | | | | | | | | | |
|---|-------------------|-------------------|-------------------|------------------|------------------|-------------------|-------------------|-------------------|------------------|------------------|
| Total primary government program revenues | <u>\$ 105,080</u> | <u>\$ 114,972</u> | <u>\$ 101,135</u> | <u>\$ 90,845</u> | <u>\$ 97,586</u> | <u>\$ 114,551</u> | <u>\$ 111,340</u> | <u>\$ 101,020</u> | <u>\$ 19,237</u> | <u>\$ 19,237</u> |
|---|-------------------|-------------------|-------------------|------------------|------------------|-------------------|-------------------|-------------------|------------------|------------------|

Net (Expense) Revenue

| | | | | | | | | | | |
|--------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Governmental activities | \$ (510,685) | \$ (495,128) | \$ (492,045) | \$ (497,860) | \$ (504,537) | \$ (530,219) | \$ (574,553) | \$ (629,569) | \$ (647,530) | \$ (783,678) |
| Business-type activities | 1,885 | 2,033 | 2,328 | 2,345 | 2,661 | 2,678 | 2,134 | 2,453 | 2,521 | 2,296 |
| Total primary government net expense | <u>\$ (508,800)</u> | <u>\$ (493,095)</u> | <u>\$ (489,717)</u> | <u>\$ (495,515)</u> | <u>\$ (501,876)</u> | <u>\$ (527,541)</u> | <u>\$ (572,419)</u> | <u>\$ (627,116)</u> | <u>\$ (645,009)</u> | <u>\$ (781,382)</u> |

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

Exhibit S-2
Page 3 of 3

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Net (Expense) Revenue | | | | | | | | | | |
| Governmental activities | \$ (510,685) | \$ (495,128) | \$ (492,045) | \$ (497,860) | \$ (504,537) | \$ (530,219) | \$ (574,553) | \$ (629,569) | \$ (647,530) | \$ (783,678) |
| Business-type activities | 1,885 | 2,033 | 2,328 | 2,345 | 2,661 | 2,678 | 2,134 | 2,453 | 2,521 | 2,296 |
| Total primary government net expense | <u>\$ (508,800)</u> | <u>\$ (493,095)</u> | <u>\$ (489,717)</u> | <u>\$ (495,515)</u> | <u>\$ (501,876)</u> | <u>\$ (527,541)</u> | <u>\$ (572,419)</u> | <u>\$ (627,116)</u> | <u>\$ (645,009)</u> | <u>\$ (781,382)</u> |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property taxes levied for general purposes | 349,563 | 339,532 | 344,781 | 351,218 | 412,190 | 439,832 | 475,671 | 520,714 | 576,691 | 622,386 |
| Property taxes levied for debt service | 98,722 | 104,420 | 112,694 | 114,865 | 101,575 | 106,235 | 109,451 | 119,707 | 132,536 | 143,025 |
| Unrestricted grants and contributions | 56,590 | 75,038 | 71,575 | 38,658 | 25,148 | 33,279 | 32,576 | 38,967 | 34,442 | 53,157 |
| Investment earnings | 1,488 | 2,068 | 760 | 868 | 623 | 622 | 1,465 | 4,377 | 11,051 | 16,209 |
| Miscellaneous | 5,344 | 5,011 | 6,551 | 1,987 | 2,687 | 2,659 | 15,683 | 11,621 | 9,814 | 14,037 |
| Insurance recovery | - | - | - | - | - | - | - | - | - | - |
| Gain (Loss) on disposition of capital assets | - | 723 | - | - | - | 386 | - | - | - | - |
| Transfers | 1,908 | 2,043 | 2,298 | 2,296 | 2,632 | 2,553 | 2,207 | 2,423 | 2,629 | 2,392 |
| Total governmental activities | <u>\$ 513,615</u> | <u>\$ 528,835</u> | <u>\$ 538,659</u> | <u>\$ 509,892</u> | <u>\$ 544,855</u> | <u>\$ 585,566</u> | <u>\$ 637,053</u> | <u>\$ 697,809</u> | <u>\$ 767,163</u> | <u>\$ 851,206</u> |
| Business-type activities: | | | | | | | | | | |
| Investment earnings | 10 | 3 | 4 | 2 | 2 | 3 | 9 | 22 | 41 | 54 |
| Transfers | (1,908) | (2,043) | (2,298) | (2,296) | (2,632) | (2,552) | (2,206) | (2,423) | (2,629) | (2,392) |
| Total business-type activities | <u>(1,898)</u> | <u>(2,040)</u> | <u>(2,294)</u> | <u>(2,294)</u> | <u>(2,630)</u> | <u>(2,549)</u> | <u>(2,197)</u> | <u>(2,401)</u> | <u>(2,588)</u> | <u>(2,338)</u> |
| Total primary government | <u>\$ 511,717</u> | <u>\$ 526,795</u> | <u>\$ 536,365</u> | <u>\$ 507,598</u> | <u>\$ 542,225</u> | <u>\$ 583,017</u> | <u>\$ 634,856</u> | <u>\$ 695,408</u> | <u>\$ 764,575</u> | <u>\$ 848,868</u> |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | \$ 2,930 | \$ 33,707 | \$ 46,615 | \$ 12,032 | \$ 40,318 | \$ 55,347 | \$ 62,500 | \$ 68,239 | \$ 119,633 | \$ 67,528 |
| Business-type activities | (13) | (7) | 33 | 52 | 31 | 129 | (63) | 52 | (67) | (42) |
| Total primary government | <u>\$ 2,917</u> | <u>\$ 33,700</u> | <u>\$ 46,648</u> | <u>\$ 12,084</u> | <u>\$ 40,349</u> | <u>\$ 55,476</u> | <u>\$ 62,437</u> | <u>\$ 68,291</u> | <u>\$ 119,566</u> | <u>\$ 67,486</u> |

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

| | 2010 | 2011 ¹ | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|------------------------------------|------------------|-------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| General Fund | | | | | | | | | | |
| Nonspendable | \$ - | \$ 2,610 | \$ 2,703 | \$ 2,121 | \$ 2,044 | \$ 1,296 | \$ 1,998 | \$ 1,172 | \$ 1,094 | \$ 915 |
| Reserved | 2,620 | - | - | - | - | - | - | - | - | - |
| Assigned | - | 2,182 | 1,935 | 19,870 | 12,884 | 9,515 | 17,619 | 11,332 | 15,303 | 5,827 |
| Unreserved designated | 3,757 | - | - | - | - | - | - | - | - | - |
| Unassigned | - | 147,394 | 160,919 | 132,178 | 154,251 | 167,771 | 174,700 | 214,765 | 226,358 | 242,718 |
| Unreserved | 126,838 | - | - | - | - | - | - | - | - | - |
| Total general fund | <u>\$133,215</u> | <u>\$152,186</u> | <u>\$165,557</u> | <u>\$ 154,169</u> | <u>\$ 169,179</u> | <u>\$ 178,582</u> | <u>\$ 194,317</u> | <u>\$ 227,269</u> | <u>\$ 242,755</u> | <u>\$ 249,460</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Nonspendable | \$ - | \$ 284 | \$ 290 | \$ 211 | \$ 185 | \$ 270 | \$ 313 | \$ 255 | \$ 238 | \$ 261 |
| Reserved | 285 | - | - | - | - | - | - | - | - | - |
| Restricted | | | | | | | | | | |
| Debt Service | - | 37,435 | 35,999 | 35,188 | 34,925 | 33,138 | 30,575 | 40,104 | 41,227 | 38,981 |
| Capital Projects | - | 80,981 | 130,444 | 112,315 | 64,007 | 35,596 | 43,304 | 288,931 | 308,165 | 222,895 |
| Food Service | - | 8,217 | 7,185 | 6,952 | 6,968 | 6,970 | 7,144 | 6,760 | 7,494 | 7,769 |
| Federal Special Revenue | - | 7 | - | - | - | - | - | - | - | - |
| State Special Revenue | - | 365 | 818 | 770 | 1,247 | 2,856 | 693 | 2,556 | 762 | 7,150 |
| Committed | - | 5,840 | 6,772 | 8,840 | 9,189 | 9,596 | 10,340 | 9,613 | 9,412 | 8,582 |
| Unreserved designated | 77,783 | - | - | - | - | - | - | - | - | - |
| Unreserved, reported in | | | | | | | | | | |
| Special revenue funds | 12,538 | - | - | - | - | - | - | - | - | - |
| Capital projects funds | 115,331 | - | - | - | - | - | - | - | - | - |
| Debt service fund | 39,320 | - | - | - | - | - | - | - | - | - |
| Total all other governmental funds | <u>\$245,257</u> | <u>\$133,129</u> | <u>\$181,508</u> | <u>\$ 164,276</u> | <u>\$ 116,521</u> | <u>\$ 88,426</u> | <u>\$ 92,369</u> | <u>\$ 348,219</u> | <u>\$ 367,298</u> | <u>\$ 285,638</u> |
| Total governmental funds | <u>\$378,472</u> | <u>\$285,315</u> | <u>\$347,065</u> | <u>\$ 318,445</u> | <u>\$ 285,700</u> | <u>\$ 267,008</u> | <u>\$ 286,686</u> | <u>\$ 575,488</u> | <u>\$ 610,053</u> | <u>\$ 535,098</u> |

¹ Fiscal year 2011, the District implemented GASB 54 which changed the fund balance classifications to Nonspendable, Restricted, Committed, Assigned and Unassigned. See Note 1 to the Basic Financial Statements.

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>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|---------------------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Federal sources: | | | | | | | | | | |
| Federal grants | \$ 38,120 | \$ 48,515 | \$ 20,571 | \$ 23,114 | \$ 21,888 | \$ 24,065 | \$ 22,981 | \$ 25,384 | \$ 24,506 | \$ 28,740 |
| Food services | 7,496 | 8,008 | 8,355 | 8,963 | 9,396 | 9,963 | 10,313 | 10,680 | 11,025 | 10,854 |
| Total federal sources | <u>45,616</u> | <u>56,523</u> | <u>28,926</u> | <u>32,077</u> | <u>31,284</u> | <u>34,028</u> | <u>33,294</u> | <u>36,064</u> | <u>35,531</u> | <u>39,594</u> |
| State sources: | | | | | | | | | | |
| State education finance program | 75,535 | 91,954 | 87,367 | 50,928 | 39,537 | 47,626 | 47,641 | 54,123 | 51,295 | 63,992 |
| State grants and other | 9,582 | 9,908 | 12,190 | 5,285 | 11,409 | 8,325 | 12,054 | 10,332 | 7,000 | 17,076 |
| Total state sources | <u>85,117</u> | <u>101,862</u> | <u>99,557</u> | <u>56,213</u> | <u>50,946</u> | <u>55,951</u> | <u>59,695</u> | <u>64,455</u> | <u>58,295</u> | <u>81,068</u> |
| Local sources: | | | | | | | | | | |
| Ad valorem taxes | 448,529 | 446,091 | 457,022 | 466,582 | 512,921 | 544,873 | 589,230 | 640,635 | 707,121 | 769,700 |
| Food service sales | 12,611 | 12,721 | 12,929 | 13,012 | 13,661 | 13,356 | 13,332 | 13,610 | 13,017 | 12,431 |
| Interest and other income | 1,434 | 1,644 | 767 | 872 | 635 | 631 | 1,507 | 4,510 | 11,236 | 16,701 |
| Other revenue | 15,757 | 15,765 | 30,330 | 21,529 | 19,886 | 20,966 | 15,241 | 16,239 | 15,605 | 9,376 |
| Total local sources | <u>478,331</u> | <u>476,221</u> | <u>501,048</u> | <u>501,995</u> | <u>547,103</u> | <u>579,826</u> | <u>619,310</u> | <u>674,994</u> | <u>746,979</u> | <u>808,208</u> |
| Total revenues | <u>\$609,064</u> | <u>\$634,606</u> | <u>\$629,531</u> | <u>\$ 590,285</u> | <u>\$ 629,333</u> | <u>\$ 669,805</u> | <u>\$ 712,299</u> | <u>\$ 775,513</u> | <u>\$ 840,805</u> | <u>\$ 928,870</u> |

Plano Independent School District

Exhibit S-5

Governmental Funds, Expenditures And Debt Service Ratio

Last Ten Fiscal Years

(Unaudited)

(Modified Accrual Basis of Accounting)

(Amounts Expressed in Thousands)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------------|
| Expenditures: | | | | | | | | | | |
| Instruction & Instructional-Related Services | \$312,619 | \$318,959 | \$299,009 | \$297,559 | \$305,883 | \$316,046 | \$329,496 | \$334,252 | \$346,277 | \$354,784 |
| Instructional & School Leadership | 26,602 | 27,383 | 25,802 | 26,397 | 27,200 | 28,503 | 29,873 | 30,819 | 31,921 | 32,153 |
| Support Services - Student | 60,036 | 62,054 | 61,800 | 68,701 | 71,203 | 74,047 | 75,726 | 79,188 | 80,626 | 84,054 |
| Administrative Support Services | 8,812 | 8,948 | 8,625 | 9,408 | 9,641 | 9,761 | 10,157 | 10,374 | 10,718 | 11,241 |
| Support Services - Nonstudent | 49,887 | 50,344 | 49,626 | 50,233 | 47,394 | 47,884 | 54,896 | 63,971 | 63,734 | 65,474 |
| Ancillary Services | 1,987 | 2,128 | 2,227 | 1,965 | 1,682 | 2,069 | 2,109 | 2,391 | 2,510 | 2,385 |
| Debt Service - Principal on long-term debt | 58,918 | 58,165 | 67,180 | 70,215 | 56,610 | 65,715 | 73,210 | 76,765 | 87,755 | 102,320 |
| Debt Service - Interest on long-term debt | 48,048 | 48,354 | 47,692 | 45,878 | 43,632 | 41,817 | 38,150 | 36,918 | 45,347 | 44,727 |
| Debt Service - Bond Issuance Costs and Fees | 1,077 | 749 | 413 | 317 | 308 | 635 | 3,893 | 553 | 327 | 109 |
| Facilities Acquisition & Construction | 118,296 | 113,055 | 59,496 | 78,151 | 57,645 | 50,347 | 26,999 | 55,146 | 105,761 | 115,331 |
| Intergovernmental Charges ¹ | 42,882 | 41,741 | 45,749 | 31,894 | 42,240 | 54,453 | 65,528 | 109,916 | 162,881 | 216,908 |
| Total Expenditures | <u>\$729,164</u> | <u>\$731,880</u> | <u>\$667,619</u> | <u>\$680,718</u> | <u>\$663,438</u> | <u>\$691,277</u> | <u>\$710,037</u> | <u>\$800,293</u> | <u>\$937,857</u> | <u>\$1,029,486</u> |
| Capital Expenditures | \$103,874 | \$99,845 | \$47,012 | \$66,635 | \$46,794 | \$42,925 | \$15,018 | \$44,498 | \$83,463 | \$115,367 |
| Debt service as a percentage of noncapital expenditures | 17.1% | 16.9% | 18.5% | 18.9% | 16.3% | 16.6% | 16.0% | 15.0% | 15.6% | 16.1% |

¹ Intergovernmental charges include: Contracted Instructional Services Between Schools, Incremental Costs Associated with Chapter 41 (2004 first year) Payments to Fiscal Agent/Member Districts of SSA, Payments to Juvenile Justice Alternative Ed. Prg., Payment to Tax Increment Fund (2001 first year), and Appraisal District Costs (2009 first year). The Contracted Instructional Services Between Schools increased due to increases in tax revenue as a result of increases in appraised property values.

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)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|--------------|-------------|-------------|-------------|-------------|-------------|-----------|-------------|-------------|--------------|
| Excess of revenues over (under) expenditures | \$ (120,100) | \$ (97,274) | \$ (38,088) | \$ (90,433) | \$ (34,105) | \$ (21,472) | \$ 2,262 | \$ (24,780) | \$ (97,052) | \$ (100,614) |
| Other financing sources (uses) | | | | | | | | | | |
| Transfers In | 7,222 | 5,129 | 4,087 | 3,085 | 11,838 | 24,940 | 37,232 | 4,773 | 3,334 | 3,429 |
| Transfers Out | (4,694) | (3,086) | (2,589) | (1,588) | (9,706) | (22,957) | (35,625) | (3,150) | (1,405) | (1,167) |
| Bonds issued | 136,975 | - | 92,840 | 53,740 | - | - | - | 257,210 | 108,020 | - |
| Refunding bonds issued | - | 108,815 | 46,115 | 27,805 | 74,750 | 43,250 | 303,360 | - | - | 13,655 |
| Premiums on bonds issued | 1,952 | 14,304 | 14,023 | 8,903 | 5,673 | 6,409 | 55,749 | 43,322 | 12,334 | 484 |
| Payment to bond refunding agent | - | (122,845) | (54,638) | (30,132) | (81,699) | (49,496) | (358,425) | - | - | - |
| Insurance Proceeds | - | - | - | - | 505 | 233 | 15,106 | 11,427 | 9,334 | 9,258 |
| Sale of capital assets | - | 1,800 | - | - | - | 400 | 19 | - | - | - |
| Capital leases | - | - | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | 141,455 | 4,117 | 99,838 | 61,813 | 1,361 | 2,779 | 17,416 | 313,582 | 131,617 | 25,659 |
| Net change in fund balances | \$ 21,355 | \$ (93,157) | \$ 61,750 | \$ (28,620) | \$ (32,744) | \$ (18,693) | \$ 19,678 | \$ 288,802 | \$ 34,565 | \$ (74,955) |

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 | | | |
| 2010 | 21,413,933 | 12,963,822 | 700,207 | 3,288,254 | 3,600,522 | 34,765,694 | 1.3284 |
| 2011 | 21,160,719 | 12,375,683 | 646,350 | 3,392,571 | 3,620,167 | 33,955,156 | 1.3534 |
| 2012 | 21,035,458 | 12,695,096 | 615,652 | 3,670,761 | 3,674,008 | 34,342,959 | 1.3734 |
| 2013 | 20,862,110 | 13,649,389 | 610,530 | 3,784,459 | 4,064,146 | 34,842,342 | 1.3734 |
| 2014 | 21,371,538 | 14,582,130 | 656,452 | 4,090,340 | 4,258,460 | 36,442,000 | 1.4530 |
| 2015 | 22,967,911 | 15,757,170 | 574,224 | 4,430,713 | 4,856,217 | 38,873,801 | 1.4480 |
| 2016 | 25,110,122 | 18,790,166 | 564,137 | 4,581,515 | 7,549,695 | 41,496,245 | 1.4390 |
| 2017 | 28,178,305 | 20,594,652 | 607,644 | 4,944,571 | 8,408,591 | 45,916,581 | 1.4390 |
| 2018 | 30,487,769 | 23,655,232 | 633,748 | 5,001,069 | 8,768,355 | 51,009,463 | 1.4390 |
| 2019 | 33,755,800 | 27,261,634 | 647,081 | 5,717,656 | 8,591,142 | 58,791,029 | 1.3373 |

Source: Collin County Tax Assessor Collector - Tax Roll Summary

¹ Per \$100 of assessed value.

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

Exhibit S-8

| Fiscal Year | District Direct Rates | | | Overlapping Rates ¹ | | | | | | | | | | | |
|-------------|--------------------------|--------------|--------|--------------------------------|---------------|-------------------------------------|---------------|--------------------|----------------|-----------------|---------------|----------------|----------------|--------------------|---------------|
| | Maintenance & Operations | Debt Service | Total | City of Plano | Collin County | Collin Co. Community College (CCCC) | City of Allen | City of Carrollton | City of Dallas | City of Garland | City of Lucas | City of Murphy | City of Parker | City of Richardson | City of Wylie |
| 2010 | 1.0400 | 0.2884 | 1.3284 | 0.4735 | 0.2425 | 0.0863 | 0.5550 | 0.6179 | 0.7970 | 0.7046 | 0.3742 | 0.5384 | 0.3771 | 0.5752 | 0.8989 |
| 2011 | 1.0400 | 0.3134 | 1.3534 | 0.4886 | 0.2400 | 0.0863 | 0.5540 | 0.6176 | 0.7970 | 0.7046 | 0.3742 | 0.5650 | 0.3371 | 0.6352 | 0.8989 |
| 2012 | 1.0400 | 0.3334 | 1.3734 | 0.4886 | 0.2400 | 0.0863 | 0.5530 | 0.6179 | 0.7970 | 0.7046 | 0.3742 | 0.5650 | 0.3771 | 0.6352 | 0.8989 |
| 2013 | 1.0400 | 0.3334 | 1.3734 | 0.4886 | 0.2400 | 0.0863 | 0.5520 | 0.6179 | 0.7970 | 0.7046 | 0.3742 | 0.5700 | 0.3771 | 0.6352 | 0.8889 |
| 2014 | 1.1700 | 0.2830 | 1.4530 | 0.4886 | 0.2375 | 0.0836 | 0.5500 | 0.6179 | 0.7970 | 0.7046 | 0.3207 | 0.5700 | 0.3509 | 0.6352 | 0.8839 |
| 2015 | 1.1700 | 0.2830 | 1.4480 | 0.4886 | 0.2350 | 0.0819 | 0.5400 | 0.6153 | 0.7970 | 0.7046 | 0.3206 | 0.5500 | 0.3509 | 0.6351 | 0.8789 |
| 2016 | 1.1700 | 0.2690 | 1.4400 | 0.4886 | 0.2250 | 0.0819 | 0.5300 | 0.6128 | 0.7970 | 0.7046 | 0.3206 | 0.5300 | 0.3509 | 0.6351 | 0.8689 |
| 2017 | 1.1700 | 0.2690 | 1.4400 | 0.4786 | 0.2083 | 0.0812 | 0.5200 | 0.6037 | 0.7825 | 0.7046 | 0.3179 | 0.5100 | 0.3659 | 0.6251 | 0.8489 |
| 2018 | 1.1700 | 0.2690 | 1.4400 | 0.4686 | 0.1922 | 0.07981 | 0.5100 | 0.5997 | 0.7804 | 0.7046 | 0.3179 | 0.5000 | 0.365984 | 0.6251 | 0.7810 |
| 2019 | 1.1700 | 0.2690 | 1.4400 | 0.4603 | 0.1808 | 0.0812 | 0.4980 | 0.5950 | 0.7767 | 0.7046 | 0.3032 | 0.4900 | 0.3660 | 0.6251 | 0.7258 |

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

| <u>Taxpayer</u> | <u>2019</u> | | | <u>2010</u> | | |
|--|--------------------------|-------------|--|--------------------------|-------------|--|
| | <u>Taxable Value</u> | <u>Rank</u> | <u>Percentage of Total Taxable Value</u> | <u>Taxable Value</u> | <u>Rank</u> | <u>Percentage of Total Taxable Value</u> |
| Corporate Properties Trust I SPE#1 LLC | \$ 711,682,592 | 1 | 1.21 % | \$ - | | - % |
| Texas Instruments, Inc | 390,886,807 | 2 | 0.66 | 100,000,000 | 9 | |
| Legacy West Investors LP | 378,750,238 | 3 | 0.64 | 103,000,000 | 8 | |
| Toyota Motor North America, Inc. | 362,534,723 | 4 | 0.62 | - | | |
| Silos Harvesting Partners, LP | 339,874,569 | 5 | 0.58 | - | | |
| Health Care Service Corporation | 335,422,191 | 6 | 0.57 | - | | - |
| Bank of America, NA | 272,905,859 | 7 | 0.46 | 139,334,149 | 3 | |
| Oncor Electric Delivery Company | 259,945,686 | 8 | 0.44 | 219,763,021 | 1 | |
| SI DFW01 ABS LLC | 224,700,000 | 9 | 0.38 | - | | |
| QORVO Texas LLC | 196,551,827 | 10 | 0.33 | - | | - |
| JC Penny Co. Inc | | | | 159,256,063 | 2 | 0.47 |
| HP Enterprise Services, LLC/EDS | | | | 134,919,916 | 4 | 0.40 |
| Willow Bend Shopping Center LP | | | | 116,500,000 | 5 | 0.35 |
| IBM Credit LLC | | | | 114,837,389 | 6 | 0.34 |
| KDC/Galatyn Investments LLP | | | | 103,053,949 | 7 | 0.31 |
| Ericsson | | | | 95,432,199 | 10 | 0.28 |
| Total | <u>\$ 3,473,254,492</u> | | <u>5.91 %</u> | <u>\$ 1,286,096,686</u> | | <u>2.16 %</u> |
| | | | | | | |
| Total Taxable Value | \$58,791,029,761 | | | \$33,530,843,785 | | |

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 |
| 2010 | 452,088,944 | (1,291,954) | 450,796,990 | 445,745,911 | 98.60 | 4,015,993 | 449,761,904 | 99.77 |
| 2011 | 449,428,766 | (1,045,759) | 448,383,007 | 444,404,742 | 98.88 | 3,633,838 | 448,038,580 | 99.92 |
| 2012 | 459,298,341 | (2,141,722) | 457,156,619 | 453,398,398 | 98.72 | 3,380,991 | 456,779,389 | 99.92 |
| 2013 | 466,912,198 | (1,189,045) | 465,723,153 | 461,906,257 | 98.93 | 3,437,917 | 465,344,174 | 99.92 |
| 2014 | 515,059,308 | (427,234) | 514,632,074 | 509,947,307 | 99.01 | 4,229,783 | 514,177,090 | 99.91 |
| 2015 | 546,185,299 | (1,517,151) | 544,668,148 | 540,145,891 | 98.89 | 4,017,146 | 544,163,037 | 99.91 |
| 2016 | 581,815,938 | (678,834) | 581,137,104 | 576,953,689 | 99.16 | 3,677,841 | 580,631,530 | 99.91 |
| 2017 | 639,881,781 | (1,402,621) | 638,479,160 | 634,181,327 | 99.11 | 3,598,759 | 637,780,086 | 99.89 |
| 2018 | 707,443,306 | 1,605,781 | 709,049,087 | 704,057,256 | 99.52 | 4,048,063 | 708,105,319 | 99.87 |
| 2019 | 763,333,684 | 2,701,109 | 766,034,793 | 760,523,128 | 99.63 | - | 760,523,128 | 99.28 |

Plano Independent School District

Outstanding Debt By Type

Last Ten Fiscal Years

(Unaudited)

(Dollars in thousands, except per capita)

Exhibit S-11

| 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 | | | | | | | |
| 2010 | 1,068,831 | - | - | 1,068,831 | 21,598 | 1,047,233 | 10% | 3,299 | 3.01 | 3,233 |
| 2011 | 1,011,105 | - | - | 1,011,105 | 20,886 | 990,219 | 10% | 3,119 | 2.92 | 3,055 |
| 2012 | 1,039,226 | - | - | 1,039,226 | 20,002 | 1,019,224 | 10% | 3,187 | 2.97 | 3,126 |
| 2013 | 1,022,548 | - | - | 1,022,548 | 19,753 | 1,002,795 | 9% | 3,119 | 2.88 | 3,059 |
| 2014 | 960,869 | - | - | 960,869 | 20,846 | 940,023 | 8% | 2,897 | 2.58 | 2,834 |
| 2015 | 889,854 | - | - | 889,854 | 21,133 | 868,721 | 8% | 2,626 | 2.23 | 2,564 |
| 2016 | 824,106 | - | - | 824,106 | 23,203 | 800,903 | 7% | 2,406 | 1.93 | 2,338 |
| 2017 | 1,031,577 | - | - | 1,031,577 | 25,733 | 1,005,844 | 8% | 2,968 | 2.42 | 2,894 |
| 2018 | 1,046,051 | - | - | 1,046,051 | 25,487 | 1,020,564 | 8% | 3,010 | 2.46 | 2,936 |
| 2019 | 940,831 | - | - | 940,831 | 38,981 | 901,850 | 7% | 2,645 | 2.17 | 2,535 |

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, 2015

(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 | \$ 411,906 | 85.58 % | \$ 352,509 |
| Collin County Community College ¹ | 264,388 | 42.25 | 111,704 |
| Collin County ¹ | 392,565 | 42.25 | 165,859 |
| City of Allen ¹ | 95,095 | 3.56 | 3,385 |
| City of Carrollton ¹ | 184,737 | 0.68 | 1,256 |
| City of Dallas ² | 1,738,685 | 4.16 | 72,329 |
| City of Garland ¹ | 260,305 | 0.19 | 495 |
| City of Lucas ¹ | 18,222 | 5.69 | 1,037 |
| City of Murphy ¹ | 36,340 | 71.22 | 25,881 |
| City of Parker ¹ | 10,610 | 72.20 | 7,660 |
| City of Richardson ¹ | 319,470 | 38.90 | 124,274 |
| City of Wylie ¹ | 68,265 | 0.31 | 212 |
| Subtotal, overlapping debt | | | 866,601 |
| District gross bonded debt | | | <u>940,831</u> |
| Total direct and overlapping debt | | | <u><u>\$ 1,807,432</u></u> |

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 2018.

² Reported as of entity's fiscal year end 2019.

Plano Independent School District**Exhibit S-13**

Legal Debt Margin Information

Last Ten Fiscal Years

(Unaudited)

(Dollars in thousands)

| Fiscal Year | Debt Limit | Total Net Debt Applicable To Limit | Legal Debt Margin | Total Net Debt Applicable to the Limit as a Percentage of Debt Limit |
|------------------------|-----------------------|---|----------------------------------|---|
| 2010 | 3,476,569 | 1,029,514 | 2,447,055 | 29.61 |
| 2011 | 3,395,516 | 973,671 | 2,421,845 | 28.68 |
| 2012 | 3,434,296 | 1,003,229 | 2,431,067 | 29.21 |
| 2013 | 3,484,234 | 987,360 | 2,496,874 | 28.34 |
| 2014 | 3,644,200 | 925,944 | 2,718,256 | 25.41 |
| 2015 | 3,887,380 | 856,716 | 3,030,664 | 22.04 |
| 2016 | 4,149,625 | 793,531 | 3,356,094 | 19.12 |
| 2017 | 4,591,658 | 991,473 | 3,600,185 | 21.59 |
| 2018 | 5,100,946 | 1,004,824 | 4,096,122 | 19.70 |
| 2019 | 5,879,103 | 901,850 | 4,977,253 | 15.34 |

Legal Debt Margin Calculation for Fiscal Year 2018

| | | | |
|-------------------------------------|----|---------|------------|
| Assessed Value | | \$ | 58,791,029 |
| Debt limit (10% of assessed value) | | | 5,879,103 |
| Total bonded debt | \$ | 940,831 | |
| Less reserve for retirement of debt | | 38,981 | |
| Debt applicable to limit | | | 901,850 |
| Legal debt margin | | \$ | 4,977,253 |

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 |
|------------------------|-------------------|---|---|------------------------------|
| 2010 | 323,965 | 10,541,298 | 32,538 | 7.50 |
| 2011 | 324,169 | 9,984,522 | 30,800 | 7.60 |
| 2012 | 326,039 | 10,403,381 | 31,908 | 6.70 |
| 2013 | 327,830 | 10,934,607 | 33,355 | 6.00 |
| 2014 | 331,665 | 11,384,568 | 34,326 | 5.00 |
| 2015 | 338,849 | 11,625,338 | 34,308 | 3.70 |
| 2016 | 342,563 | 11,806,045 | 34,464 | 3.70 |
| 2017 | 347,580 | 12,185,621 | 35,058 | 3.60 |
| 2018 | 355,760 | 12,835,581 | 36,079 | 3.30 |
| 2019 | 350,273 | 12,835,581 | 36,645 | 3.10 |

Sources: Population estimates were provided by the District with the exception of 2010 which was obtained from the U.S. Census Bureau.
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 | 2019 | | | 2010 | | |
|---|---------------|------|---|---------------|------|---|
| | Employees | Rank | Percentage Of Total District Employment | Employees | Rank | Percentage Of Total District Employment |
| Plano ISD | 6,854 | 1 | 4.12 % | 6,766 | 2 | 4.57 |
| Capital One Finance | 5,003 | 2 | 3.01 | | | |
| Bank of America | 4,500 | 4 | 2.71 | 9,410 | 1 | 6.36 |
| Toyota Motor North America, Inc. | 3,859 | 5 | 2.32 | | | |
| Ericsson | 2,703 | 6 | 1.63 | 1,477 | 10 | 1.00 |
| Liberty Mutual Insurance Company | 2,661 | 7 | 1.60 | | | |
| City of Plano | 2,530 | 8 | 1.52 | | | |
| J.C. Penney Company, Inc. | 2,420 | 9 | 1.46 | 5,100 | 4 | 3.44 |
| NTT Data, Inc | 2,159 | 10 | 1.30 | | | |
| HP Enterprise Services, LLC/EDS | | | | 5,000 | 3 | 3.38 |
| Dell Perot Systems | | | | 2,950 | 5 | 1.99 |
| Frito-Lay Inc. | | | | 2,000 | 6 | 1.35 |
| CHC Acquisition Corp | | | | 2,000 | 7 | 1.35 |
| Alcatel USA/DSC Communications Corp. | | | | 1,830 | 8 | 1.24 |
| Texas Health Presbyterian Hospital of Plano | | | | 1,488 | 9 | 1.00 |
| Total | <u>32,689</u> | | <u>19.67 %</u> | <u>38,021</u> | | <u>25.68</u> |

Sources:

Texas Workforce Commission provided total labor force numbers - 2019 (166,178); 2010 (148,064)

Plano Economic Development Corporation provided 2019 Principal Employers.

2010 data from PISD 2010 CAFR

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

Exhibit S-16

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | Change 2010 - 2019 | Percent |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-----------------------|----------|
| Instruction | | | | | | | | | | | | |
| Teachers | 3,942 | 4,011 | 3,822 | 3,813 | 3,825 | 3,865 | 3,895 | 3,905 | 3,900 | 3,907 | (1) | % |
| Librarians | 70 | 73 | 71 | 71 | 71 | 70 | 70 | 70 | 70 | 71 | 1 | |
| Educational Aides | 629 | 622 | 580 | 573 | 559 | 568 | 581 | 609 | 628 | 624 | (1) | |
| Interpreters | 13 | 9 | 12 | 13 | 17 | 14 | 14 | 15 | 16 | 16 | 22 | |
| Other Professionals (instructional) | 141 | 162 | 159 | 153 | 159 | 171 | 175 | 195 | 195 | 210 | 49 | |
| | <u>4,795</u> | <u>4,877</u> | <u>4,644</u> | <u>4,623</u> | <u>4,631</u> | <u>4,688</u> | <u>4,735</u> | <u>4,794</u> | <u>4,809</u> | <u>4,828</u> | <u>1</u> | |
| Campus Administration | | | | | | | | | | | | |
| Principal | 68 | 71 | 71 | 72 | 72 | 72 | 72 | 72 | 72 | 72 | 6 | |
| Assistant Principal | 89 | 92 | 87 | 88 | 92 | 95 | 102 | 103 | 109 | 112 | 26 | |
| Instructional Officer | 10 | 10 | 10 | 10 | 8 | 8 | 8 | 8 | 9 | 12 | 20 | |
| Athletic Director | - | 2 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | |
| | <u>167</u> | <u>175</u> | <u>171</u> | <u>173</u> | <u>175</u> | <u>178</u> | <u>185</u> | <u>186</u> | <u>193</u> | <u>199</u> | <u>19</u> | |
| Student Services | | | | | | | | | | | | |
| Counselor | 146 | 152 | 138 | 143 | 146 | 148 | 157 | 161 | 162 | 162 | 11 | |
| Educational Diagnostician | 30 | 32 | 30 | 30 | 33 | 34 | 35 | 35 | 37 | 38 | 26 | |
| School Nurse | 72 | 73 | 73 | 71 | 71 | 72 | 72 | 72 | 71 | 71 | (2) | |
| LSSP/Psychologist | 14 | 14 | 14 | 13 | 12 | 10 | 13 | 13 | 15 | 16 | 11 | |
| Social Worker | 10 | 9 | 8 | 8 | 9 | 10 | 10 | 11 | 11 | 18 | 80 | |
| | <u>272</u> | <u>280</u> | <u>263</u> | <u>265</u> | <u>271</u> | <u>274</u> | <u>287</u> | <u>292</u> | <u>296</u> | <u>304</u> | <u>12</u> | |
| Support and Administration | | | | | | | | | | | | |
| Superintendent, Deputy, Assoc. & Assistant | 7 | 7 | 5 | 6 | 6 | 7 | 7 | 8 | 8 | 9 | 29 | |
| Non-Campus Professionals | 223 | 223 | 216 | 222 | 224 | 229 | 228 | 239 | 240 | 232 | 4 | |
| Auxiliary Staff | 1,301 | 1,342 | 1,239 | 1,250 | 1,219 | 1,276 | 1,306 | 1,279 | 1,282 | 1,442 | 11 | |
| | <u>1,531</u> | <u>1,572</u> | <u>1,460</u> | <u>1,478</u> | <u>1,449</u> | <u>1,512</u> | <u>1,541</u> | <u>1,526</u> | <u>1,530</u> | <u>1,683</u> | <u>10</u> | |
| Total | <u>6,765</u> | <u>6,904</u> | <u>6,538</u> | <u>6,538</u> | <u>6,526</u> | <u>6,652</u> | <u>6,748</u> | <u>6,798</u> | <u>6,828</u> | <u>7,015</u> | <u>4</u> | <u>%</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

| Fiscal Year | Enrollment ¹ | Operating Expenditures ² | Cost Per Pupil | Percentage Change | Expenditures Excluding Recapture | Cost Per Pupil | Percentage Change | Teaching Staff | Pupil Teacher Ratio | Percentage of Students Receiving Free or Reduced-Price Meals |
|--------------------|--------------------------------|--|-----------------------|--------------------------|---|-----------------------|--------------------------|-----------------------|----------------------------|---|
| 2010 | 54,939 | 503,313,863 | 9,161 | (10.04) % | 468,562,031 | 8,529 | 0.38 % | 3,942 | 13.9 | 25 % |
| 2011 | 55,570 | 511,557,078 | 9,206 | 0.48 % | 482,558,989 | 8,684 | 1.82 % | 4,011 | 13.9 | 26 % |
| 2012 | 55,659 | 492,837,819 | 8,855 | (3.81) % | 453,254,176 | 8,143 | (6.22) % | 3,822 | 14.6 | 27 % |
| 2013 | 55,185 | 486,157,034 | 8,810 | (0.51) % | 461,196,436 | 8,357 | 2.63 % | 3,813 | 14.5 | 28 % |
| 2014 | 54,822 | 505,830,681 | 9,227 | 4.74 % | 469,814,931 | 8,570 | 2.55 % | 3,825 | 14.3 | 29 % |
| 2015 | 54,689 | 532,762,942 | 9,742 | 5.58 % | 486,159,231 | 8,890 | 3.73 % | 3,865 | 14.1 | 31 % |
| 2016 | 54,573 | 567,799,620 | 10,404 | 6.80 % | 507,650,912 | 9,302 | 4.64 % | 3,895 | 14.0 | 31 % |
| 2017 | 54,173 | 631,440,924 | 11,656 | 12.03 % | 526,755,209 | 9,724 | 4.53 % | 3,905 | 13.9 | 31 % |
| 2018 | 53,952 | 698,670,555 | 12,950 | 11.10 % | 541,560,467 | 10,038 | 3.23 % | 3,900 | 13.8 | 34 % |
| 2019 | 53,057 | 766,998,752 | 14,456 | 11.63 % | 555,815,573 | 10,476 | 4.36 % | 3,907 | 13.6 | 33 % |

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

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

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

Exhibit S-18

| Fiscal Year | Minimum Salary | Maximum Salary | District Average Salary | Statewide Average Salary |
|------------------------|---------------------------|---------------------------|--|---|
| 2010 | 45,100 | 71,858 | 52,375 | 48,263 |
| 2011 | 46,150 | 71,858 | 51,741 | 48,639 |
| 2012 | 45,112 | 71,950 | 51,579 | 46,361 |
| 2013 | 46,700 | 73,137 | 52,245 | 48,821 |
| 2014 | 47,000 | 73,676 | 52,399 | 49,692 |
| 2015 | 48,500 | 74,003 | 53,800 | 50,715 |
| 2016 | 50,000 | 77,000 | 54,900 | 51,892 |
| 2017 | 51,000 | 78,499 | 56,180 | 52,525 |
| 2018 | 52,000 | 79,500 | 58,075 | 53,334 |
| 2019 | 53,000 | 81,502 | 58,204 | 54,122 |

Sources:

Plano ISD 2018-2019 Compensation Plan Book
TEA PEIMS Standard Reports

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

Exhibit S-19
Page 1 of 2

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Schools: | | | | | | | | | | |
| Elementary | | | | | | | | | | |
| Buildings | 44 | 44 | 44 | 44 | 44 | 44 | 44 | 44 | 44 | 44 |
| Square Feet | 3,204,030 | 3,234,785 | 3,253,327 | 3,301,493 | 3,350,490 | 3,378,450 | 3,380,050 | 3,387,145 | 3,390,582 | 3,391,262 |
| Enrollment | 25,005 | 24,941 | 24,721 | 24,406 | 24,107 | 23,900 | 23,704 | 19,813 | 23,257 | 22,584 |
| Middle School | | | | | | | | | | |
| Buildings | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 |
| Square Feet | 1,970,926 | 1,979,618 | 1,980,339 | 1,980,339 | 1,980,339 | 1,980,479 | 1,980,479 | 1,980,479 | 1,981,439 | 2,020,911 |
| Enrollment | 12,459 | 12,640 | 12,706 | 12,730 | 12,621 | 12,447 | 12,498 | 12,429 | 12,328 | 12,141 |
| High School | | | | | | | | | | |
| Buildings | 5 | 5 | 6 | 7 | 6 | 6 | 6 | 6 | 6 | 6 |
| Square Feet | 1,274,402 | 1,275,730 | 1,458,754 | 1,458,754 | 1,565,808 | 1,572,843 | 1,572,843 | 1,572,843 | 1,643,107 | 1,607,975 |
| Enrollment | 8,191 | 8,414 | 8,433 | 8,435 | 8,496 | 8,540 | 8,623 | 8,470 | 8,305 | 8,363 |
| Senior High School | | | | | | | | | | |
| Buildings | 3 | 3 | 3 | 3 | 4 | 4 | 4 | 4 | 4 | 4 |
| Square Feet | 1,328,045 | 1,369,618 | 1,369,618 | 1,458,754 | 1,458,754 | 1,576,908 | 1,576,908 | 1,576,908 | 1,641,492 | 1,609,200 |
| Enrollment | 7,440 | 7,604 | 7,806 | 7,872 | 7,937 | 8,183 | 8,262 | 8,355 | 8,365 | 8,273 |
| 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 | 1,844 | 1,971 | 1,993 | 1,742 | 1,661 | 1,619 | 1,486 | 1,619 | 1,697 | 1,696 |
| Total Schools | | | | | | | | | | |
| Buildings | 68 | 68 | 69 | 70 | 70 | 70 | 70 | 70 | 70 | 70 |
| Square Feet | 7,933,861 | 8,016,209 | 8,218,496 | 8,355,798 | 8,511,849 | 8,665,138 | 8,666,738 | 8,673,833 | 8,813,078 | 8,785,806 |
| Enrollment | 54,939 | 55,570 | 55,659 | 55,185 | 54,822 | 54,689 | 54,573 | 54,173 | 53,952 | 53,057 |

Source: District Records

Notes:

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

² Reduction is due to recalculations of square footage of several facilities, most notably the removal of the Annex portion of the Cox Building (which is not owned by PISD) and the transfer of the Academy High School to the High School Buildings portion of this exhibit.

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

Exhibit S-19
Page 2 of 2

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Other PISD Facilities: | | | | | | | | | | |
| Other Educational Facilities - | | | | | | | | | | |
| Buildings | 4 | 4 | 5 | 5 | 5 | 5 | 5 | 7 | 8 | 8 |
| Square Feet | 138,036 | 138,036 | 149,820 | 149,820 | 149,820 | 149,820 | 149,820 | 222,197 | 254,741 | 217,009 |
| Administrative | | | | | | | | | | |
| Buildings | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Square Feet | 223,271 | 223,271 | 223,271 | 204,199 | 204,199 | 204,199 | 204,199 | 204,199 | 204,199 | 212,448 |
| Facility Services | | | | | | | | | | |
| Buildings | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Square Feet | 148,662 | 148,662 | 148,662 | 148,662 | 148,662 | 148,662 | 148,662 | 148,662 | 148,662 | 148,662 |
| Athletics | | | | | | | | | | |
| Stadiums | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Running Tracks | 9 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Tennis Courts | 21 | 22 | 22 | 21 | 21 | 21 | 21 | 21 | 21 | 21 |
| Softball Fields | 3 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Baseball Fields | 7 | 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

² Reduction is due to recalculations of square footage of several facilities, most notably the removal of the Annex portion of the Cox Building (which is not owned by PISD) and the transfer of the Academy High School to the High School Buildings portion of this exhibit.

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, 2019, 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 20, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Board of Trustees
Plano Independent School District

Purpose of this Report

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

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
November 20, 2019

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

Board of Trustees
Plano Independent School District
Plano, Texas

Report on Compliance for Each Major Federal Program

We have audited Plano Independent School District's (the District) compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2019. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the District, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control over Compliance

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

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

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

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

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
November 20, 2019

Plano Independent School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

Exhibit K-1
Page 1 of 2

| Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title | Federal CFDA Number | Pass-Through Entity Identifying Number | Federal Expenditures |
|--|------------------------------------|---|---------------------------------|
| U.S. DEPARTMENT OF DEFENSE | | | |
| <u>Direct funding U.S. Department of Defense</u> | | | |
| Junior ROTC Program | 12.000 | | \$ 286,893 |
| Total direct funding U.S. Department of Defense | | | 286,893 |
| TOTAL U.S. DEPARTMENT OF DEFENSE | | | 286,893 |
| U.S. DEPARTMENT OF EDUCATION | | | |
| <u>Passed Through State Department of Education</u> | | | |
| ESEA Title I Part A - Improving Basic Programs | 84.010A | 18-610101043910 | 117,700 |
| ESEA Title I Part A - Improving Basic Programs | 84.010A | 19-610101043910 | 4,831,874 |
| ESEA Title I Part A - School Improvement | 84.010A | 18-610123043910 | 64,447 |
| ESEA Title I Part A - School Improvement | 84.010A | 19-610101043910 | 158,474 |
| Total Title I - Part A Cluster | | | 5,172,495 |
| Title IV IDEA - Part B, Formula | 84.027 | 18-6600010439106600 | 1,644,316 |
| Title IV IDEA - Part B, Formula | 84.027 | 19-6600010439106600 | 6,149,496 |
| Title IV IDEA - Part B, Preschool | 84.027 | 18-6610010439106610 | 124,077 |
| Title IV IDEA - Part B, Preschool | 84.027 | 19-6610010439106610 | 153,040 |
| Title IV IDEA - Part B, High Cost Risk | 84.027 | 18-66001715 | 34,415 |
| Title IV IDEA - Part B, High Cost Risk | 84.027 | 19-66001906 | 357,941 |
| Title IV IDEA - Evaluation Capacity Grant | 84.027 | 226543191028 | 58,702 |
| SSA - IDEA - Part B, Discretionary | 84.027 | 18-6600110439106673 | 7,526 |
| SSA - IDEA - Part B, Discretionary | 84.027 | 19-6600110439106673 | 275,304 |
| Total Special Education Cluster | | | 8,804,817 |
| Vocational Education - Basic Grant | 84.048 | 18-420006043910 | 2,148 |
| Vocational Education - Basic Grant | 84.048 | 19-420006043910 | 471,455 |
| Total Vocational Education - Basic Grant | | | 473,603 |
| SSA - IDEA, Part C - Early Intervention (Deaf) | 84.181A | 19-3911010439103911 | 10,186 |
| Title III, Language Instruction LEP | 84.365 | 18-671001043910 | 96,457 |
| Title III, Language Instruction LEP | 84.365 | 19-671001043910 | 846,924 |
| Total Title III | | | 943,381 |
| ESEA Title II, Part A, Teacher and Principal Training | 84.367A | 18-694501043910 | 137,060 |
| ESEA Title II, Part A, Teacher and Principal Training | 84.367A | 19-694501043910 | 803,420 |
| Total Title II, Part A | | | 940,480 |
| (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, 2019

Exhibit K-1
Page 2 of 2

| Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title | Federal CFDA Number | Pass-Through Entity Identifying Number | Federal Expenditures |
|--|------------------------------------|---|---------------------------------|
| Title IV Part A Summer School LEP | 84.369 | 19-69551802 | 66,336 |
| Title IV Part A Subpart 1 | 84.424 | 18-680101043910 | 2,583 |
| Title IV Part A Subpart 1 | 84.424 | 19-680101043910 | 291,278 |
| Total Title IV | | | 360,196 |
| Total passed through State Department of Education | | | 16,705,158 |
| TOTAL U.S. DEPARTMENT OF EDUCATION | | | 16,705,158 |
| U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | |
| Direct funding U.S. Department <u>of Health and Human Services</u> | | | |
| Head Start | 93.600 | 06CH7199-04/05 | 1,074,110 |
| Total direct funding U.S. Department of Health and Human Services | | | 1,074,110 |
| TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | 1,074,110 |
| U.S. DEPARTMENT OF AGRICULTURE | | | |
| <u>Passed Through the State Department of Agriculture</u> | | | |
| National School Breakfast Program | 10.553 | 19-043910 | 1,971,201 |
| National School Lunch Program | 10.555 | 19-043910 | 8,008,341 |
| Commodity Food Distribution | 10.555 | 19-043910 | 1,497,603 |
| Summer Feeding Program | 10.559 | 18-043910 | 11,819 |
| Summer Feeding Program | 10.559 | 19-043910 | 69,174 |
| Total Child Nutrition Cluster | | | 11,558,138 |
| Child and Adult Care Food Program | 10.558 | 19-043910 | 321,946 |
| Total passed through the State Department of Agriculture | | | 11,880,084 |
| TOTAL U.S. DEPARTMENT OF AGRICULTURE | | | 11,880,084 |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | \$ 29,946,246 |

(Concluded)

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, 2019 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

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

| | |
|---|----------------------|
| Total expenditures of federal awards per Exhibit K-1 | \$ 29,946,246 |
| Reimbursements received from the federal school health and related services | 7,999,838 |
| Rebates received from the federal government for Build America Bonds | 1,648,363 |
| | <hr/> |
| Total federal program revenues per Exhibit C-3 | \$ 39,594,447 |

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, 2019

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 |
|---|-----------|-----------------|

Identification of major programs:

| | |
|---------------------------|----------------|
| Special Education Cluster | 84.027, 84.173 |
|---------------------------|----------------|

| | |
|--|------------------|
| The dollar threshold used to distinguish between Type A and Type B program?. | <u>\$898,388</u> |
|--|------------------|

| | | |
|--|------------------|----------|
| Auditee qualified as a low-risk auditee? | <u> X </u> Yes | _____ No |
|--|------------------|----------|

Plano Independent School District

Schedule of Findings and Questioned Costs

Year Ended June 30, 2019

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, 2019

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

None