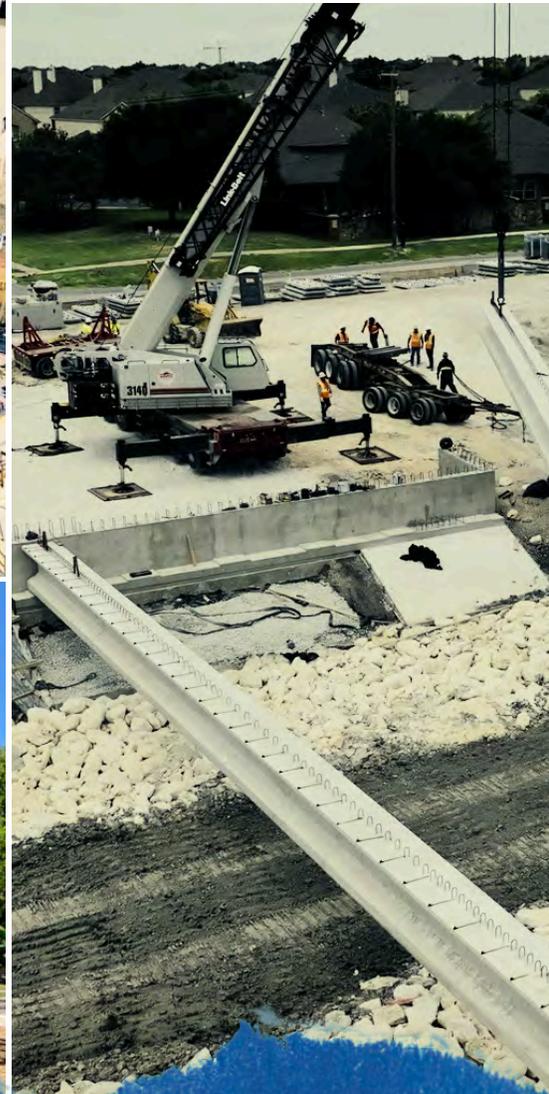


# Annual Comprehensive Financial Report



# **City of Pflugerville, Texas**

Annual Comprehensive Financial Report  
For the Fiscal Year Ended September 30, 2025

**Prepared by:  
Department of Finance**

**City of Pflugerville, Texas**  
 Annual Comprehensive Financial Report  
 For the Fiscal Year Ended September 30, 2025  
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# Introductory Section



February 23, 2026

Honorable Mayor and City Council,  
and Citizens of Pflugerville, Texas:

The Annual Comprehensive Financial Report (ACFR) of the City of Pflugerville, Texas, for the fiscal year ended September 30, 2025, including the independent auditor's report, is hereby submitted. State law requires that every municipality should have its records and accounts audited annually and should have an annual financial statement prepared based on the audit. The City of Pflugerville Charter also requires that at the close of each fiscal year, the Council shall call for an independent audit of all City accounts to be conducted by a certified public accountant. This report is published to fulfill those requirements for the fiscal year ended September 30, 2025.

Additionally, this report is published to provide City Council Members, our citizens, City bondholders, representatives of financial institutions, and other interested persons, with detailed information concerning the financial condition of the City government.

The City's Finance Department has prepared this report and assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Weaver and Tidwell, L.L.P., Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Pflugerville's financial statements for the year ended September 30, 2025. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

### **Profile of the City**

The City of Pflugerville, Texas, incorporated in 1965, is located 15.6 miles northeast of downtown Austin, the State Capital of Texas. This location places the City of Pflugerville within three hours of driving time of ninety percent of the population of the State of Texas. As with much of the Central Texas region, the population of Pflugerville continues to grow. For the fiscal year 2025, the City has an estimated total population of 82,222. This growth is expected to continue.

The City of Pflugerville is empowered to levy a property tax on real property located within its boundaries. It is also empowered by state statutes to extend its corporate limits by annexation, which it has done from time to time.

The City of Pflugerville became a home rule city in 1993 and operates under the council-manager form of government. Policy-making and legislative authority are vested in a governing council (Council) consisting of the mayor and six council members, all elected on a non-partisan, at-large basis. The Council appoints the City Manager, who in turn appoints the managers of the various departments. Council members and the mayor serve three-year terms, with two members elected each year.

## **Profile of the City** (continued)

The City of Pflugerville provides a full range of municipal services including general government, public safety, the construction and maintenance of streets and other infrastructure, recreational and cultural activities, animal welfare, water and wastewater service utilities, planning and development. Solid Waste services are provided by the City but are privately contracted.

Economic development activities are provided through a legally separate corporation, Pflugerville Community Development Corporation, reported separately within the City of Pflugerville's financial statements as a discrete component unit. Additional information on this component unit can be found in the notes to the financial statements (See Note 1).

The Council is required to adopt a balanced budget no later than September 30, for the fiscal year beginning on October 1. This annual budget serves as the foundation for the City of Pflugerville's financial planning and control. The budget is prepared by fund and department. The legal level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the department level within an individual fund.

## **Strategic Action Plan**

The Strategic Action Plan is the guiding document that outlines key focus areas, identified as strategic pillars, and action items for the City of Pflugerville. City Council identified six Strategic Pillars to serve as the foundation of the 2026-2030 Strategic Action Plan. These Strategic Pillars are: Community Social Fabric & Neighborhood Character; Mobility Infrastructure & Connectivity; Community Amenities & Events; Residential & Node Development; Economic & Business Development; and Brand & Reputation.

### **Six Strategic Pillars**

1. Community Social Fabric & Neighborhood Character:

There are strong neighborhood identities that reflect an overall Pflugerville character and feel, which is inclusive and welcoming.

2. Mobility Infrastructure & Connectivity

The community has great mobility infrastructure built with an expanded and enhanced trail system, providing increased connectivity across the city within the transportation system.

3. Community Amenities & Events

There is investment in high-quality community amenities, including parks, trails and green spaces. These complement a vibrant events and festivals scene.

4. Residential & Node Development

Pflugerville guides new development to create the desired density, diversity and character of housing, and build key commercial and retail nodes.

5. Economic & Business Development

There is a focus on building the local business and economic base, as well as leveraging the geographic position to attract iconic investments.

6. Brand & Reputation

Pflugerville builds a unique brand and reputation that reflects its character and community vision for the future.

Each of the Strategic Pillars are supported by a series of key actions that can be achieved in the short to medium term and will produce long-term results. They are intended to produce systemic and catalytic shifts that will drive future economic growth, community experience, and the reputation and character of Pflugerville. These actions were established based on extensive community engagement and have been designed to build the future pathway for the City.

### **Local economy**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Pflugerville operates.

According to the U.S. Census, the City's population increased from 46,936 in 2010 to an estimated 65,191 in 2020, a 29% increase over the ten-year period. The City currently estimates the population at 82,222 as of January 1, 2025, and anticipates growth to continue at a rate of approximately 3% each year for the next several years. This growth is reflective of the population increase seen in the entire Central Texas (Austin-Round Rock MSA) region and by the amount of housing currently under development in Pflugerville.

The City of Pflugerville was originally established as a farming community which later developed into a bedroom community, that established a reliance on residential property tax revenues to support the general fund operating and debt service expenditures. Pflugerville is now an urban suburb that supports a growing commercial environment and attracts a greater diversity of housing. The City's proximity to major employers such as Dell, Samsung, The University of Texas, and the State of Texas has allowed for rapid growth in the housing market and contributed to a growing commercial market.

As the region continues to see record job growth to the east and north of downtown Austin, the SH45 and SH130 corridors, as well as the proximity to Austin Executive Airport, have positioned Pflugerville with direct access to current and planned employers such as Amazon, Tesla, Samsung, Apple, Dell, and IBM and other local business parks in the Pflugerville area. This proximity has established Pflugerville as a location attractive to employers that support the region's business industry. The business growth within Pflugerville is most reflective of the recent addition of approximately 1.3 million square feet of employment space that includes companies like PepsiCo, Wisenbaker, and EOS IT solutions.

#### **130 Business Park**

Located at SH 130 and Pecan Drive, the 1.5 million square feet development provides approximately 1,400 jobs and is home to the following headquarters and commercial properties: EOS, REE Automotive, LifeLast, Community Impact, Exaco, Cerris Builders, Cortec Precision Manufacturing, Flooring Services South West, Regional FedEx, MoboTrex, Cumberland Additive, WGNstar & Edwards Vacuum, 8TWELVE WHEELS, FS Builder Resources, FloWorks, D-Bat, Thin-Nology, PCDC, Best Western Plus, and Courtyard by Marriott.

#### **Typhoon Texas**

Located at Town Center Drive and FM685, this development opened a new restaurant in FY22 and employs over 350 students and residents in the summer months.

#### **Amazon Distribution Center**

Located at East Pecan Street and SH 130, this development covers 94 acres, including a 3.8 million square feet facility for distribution and logistics. Amazon provides over 1,000 local jobs.

#### **Stone Hill Town Center**

Located at SH130 and SH45, this development hosts over 1,031,626 square feet of retail space, restaurants, hotels, a movie theater, a fitness center, and other services. Stone Hill was rated #2 most-visited shopping center within 50 miles by Placer in 2021 and is in the top 5 largest shopping center in the Austin area.

#### **Springbrook Corporate Center**

Located at Meister Lane and Schultz Lane and Springbrook Road and New Meister Lane, this development consists of nine buildings used for light industrial. The development covers just over 49 acres with the buildings occupying 948 thousand square feet of space.

## **Local Economy** (continued)

### **SH 130 & Pecan Street**

Industrial development totaling more than one million square feet is in its final phase at the northeast corner of SH130 and Pecan Street, reinforcing the area's role as a regional employment and logistics hub. The project accommodates advanced manufacturing, warehousing, and distribution uses, benefiting from excellent highway access and proximity to labor and supplier networks and includes companies such as Applied Materials, EOS IT Solutions and Wisenbaker. This development has supported job creation, expanded the local tax base, and strengthened the community's competitive position in the broader industrial market.

### **Tax Abatements**

The City utilizes its authority under Chapter 380 of the Texas Local Government Code to incentivize targeted economic development that would not otherwise occur without strategic public participation. Through five active agreements rebating portions of sales tax, property tax, and hotel occupancy tax revenues, the City has successfully attracted private investment, expanded the local tax base, and generated new economic activity. Even during the rebate period, the City realizes net positive revenue from projects that would not have materialized absent the incentive. Over the long term, once the rebate terms expire, the City will retain the full value of the expanded tax base—resulting in an estimated additional \$2 million in annual revenue available for public safety, infrastructure, parks, and other community priorities. This approach balances short-term incentives with long-term fiscal sustainability, positioning the City for continued economic growth and financial stability.

### **Long-term Financial Planning**

At the end of the fiscal year 2025, the unassigned fund balance in the general fund was 30% of total general fund operating expenditures for the year. This percentage meets the policy guidelines set by the Council for budgetary and planning purposes that require at least 25% of total general fund expenditures. Using a five-year budget planning cycle, the development of the general fund pro forma for the next five years includes maintaining the fund balance at a 28% target level. The City maintains long-range vision plans and five-year forecasts for all major funds.

### **Aspire Pflugerville 2040 Comprehensive Plan**

In 2022, the City Council adopted the [Aspire Pflugerville 2040 Comprehensive Plan](#). This was a project that began in September 2020, and outlines where Pflugerville is today and aspires to be by the year 2040. The Aspire Pflugerville 2040 Comprehensive Plan outlines the goals, policies, and action items necessary to meet the community's vision for Pflugerville by the year 2040.

### **2040 Vision Statement**

"Pflugerville thrives as a modern and charming community. Its diverse culture and heritage, atmosphere of inclusion, first-rate parks, vital infrastructure, employment opportunities, and entertainment options make Pflugerville a desirable place. These elements create a vibrant city with a high quality of life that fosters an environment appealing to people from all backgrounds."

### **Six Guiding Principles:**

#### **1. Diverse and Equitable**

Facilitates an achievable quality of life regardless of race, ethnicity, age, gender, disability, income, and background. Acknowledge and celebrate the diverse cultures that make up the City. Pflugerville prides itself on being a city with a diverse population. The community recognizes how special this is and wants to celebrate the diverse cultures today and remain inclusive in the future. The welcoming atmosphere and equitable policies will ensure all people have an opportunity not just to survive but to thrive here.

#### **2. Community Oriented**

Provide events, programming and gathering places that serve a diverse population and provide for a family-friendly environment. Pflugerville desires to maintain its community-oriented environment. Many people and families are drawn to Pflugerville because of its welcoming and friendly atmosphere. There are places for residents and all types of families to gather for events, programs, or just to spend time together.

### 3. **Fiscally Responsible**

Make sound decisions and prioritize budgets to prepare the City for the future. The foundation of the City is based on collaborative stakeholder input toward responsible management of the City's resources by fostering transparent, open communication of fiscal decisions. It is beneficial to ensure stakeholders gain an understanding of how tax dollars are allocated.

### 4. **Environmentally Sustainable**

Protect and preserve the environment, including air quality and water quality for future generations. The community cherishes its natural environment and seeks to preserve it for the future. The parks, nature preserves, creeks, and Lake Pflugerville are community assets that enhance Pflugerville's quality of life and will need to be managed appropriately to protect them for future generations.

### 5. **Safe and Healthy**

People feel safe and secure throughout the community. Pflugerville sees the importance of being active and engaged. The community values its trails, sidewalks, and parks that provide respite from the busy city. The greenspaces help improve the community's physical and mental health. Pflugerville fosters an environment where residents and visitors can feel comfortable and secure as a foundation for thriving within the community.

### 6. **Economic Opportunities for All**

The City welcomes new businesses and supports existing businesses. Pflugerville supports the development of businesses and people through continuous workforce development to sustain the growth of businesses that represent our diverse community.

## **Parks, Recreation, and Open Space Master Plan**

The [Parks, Recreation, and Open Space Master Plan](#) was adopted on September 26, 2023, and expands upon the goals, policies, and action items within the Aspire 2040 Comprehensive Plan and provides for park facility concepts and standards, an inventory of park amenities for each park, needs assessment and identification, and plan implementation and identification. The Parks, Recreation, and Open Space Master Plan is the overarching visioning plan for the development of the City's park system, which addresses existing and future parks.

## **Mobility Master Plan**

The [Mobility Master Plan](#) was approved on May 27, 2025, and provides a consolidated update to the Master Transportation Plan and Trails Master Plan. By combining the two plans, the City of Pflugerville is looking to the future to implement the ten-minute neighborhoods envisioned in the Aspire Pflugerville 2040 Comprehensive Plan, and being Pflugerville Pforward with the ways we navigate our community for transportation and recreation.

## **Water Master Plan**

The [Water Master Plan](#) was adopted on September 23, 2025, and serves as a guide for the strategic expansion and management of the City's water system through 2030 and 2035 horizons, and for the ultimate buildout within the water certificate of convenience and necessity (CCN) boundary.

## **Wastewater Master Plan**

The [Wastewater Master Plan](#) was adopted on September 23, 2025, and serves as a guide for the strategic expansion and management of the City's wastewater system through 2030 and 2035 horizons, and for the ultimate buildout within the wastewater certificate of convenience and necessity (CCN) boundary.

## **Reclaimed Water Master Plan**

The [Reclaimed Water Master Plan](#) was adopted on August 22, 2023, to ensure infrastructure resiliency in accordance with the Adopted City of Pflugerville Strategic Plan. The plan aims to put a plan in place to expand the reclaimed water system and mitigate continuing potable water demand strains.

## **Drainage Master Plan**

The [Drainage Master Plan](#) was adopted on September 12, 2023, and includes a prioritized drainage CIP project list and operation and maintenance items that will aid in reducing flooding through the City. The Plan also includes a Drainage Utility Fee Feasibility Study for the City to consider implementing as a funding source for operating and maintaining drainage infrastructure and funding drainage CIP projects.

## **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting. To be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized Annual Comprehensive Financial Report (ACFR) that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City received this certificate for the Fiscal Year 2024 ACFR. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

## **Conclusion**

The preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the departments who assisted and contributed to its presentation. Additionally, we would like to express our appreciation to the staff at Weaver and Tidwell, L.L.P. for their assistance and input in the preparation of this document.

We would also like to thank the City Manager, Deputy City Manager, Mayor, and City Council for their unfailing support in maintaining the highest standards of professionalism in the management of the City of Pflugerville's finances. The preparation of this report would not be possible without their leadership and support.

Respectfully submitted,



Tracy Waldron  
Finance Director

**City of Pflugerville, Texas**  
Principal City Officials  
September 30, 2025

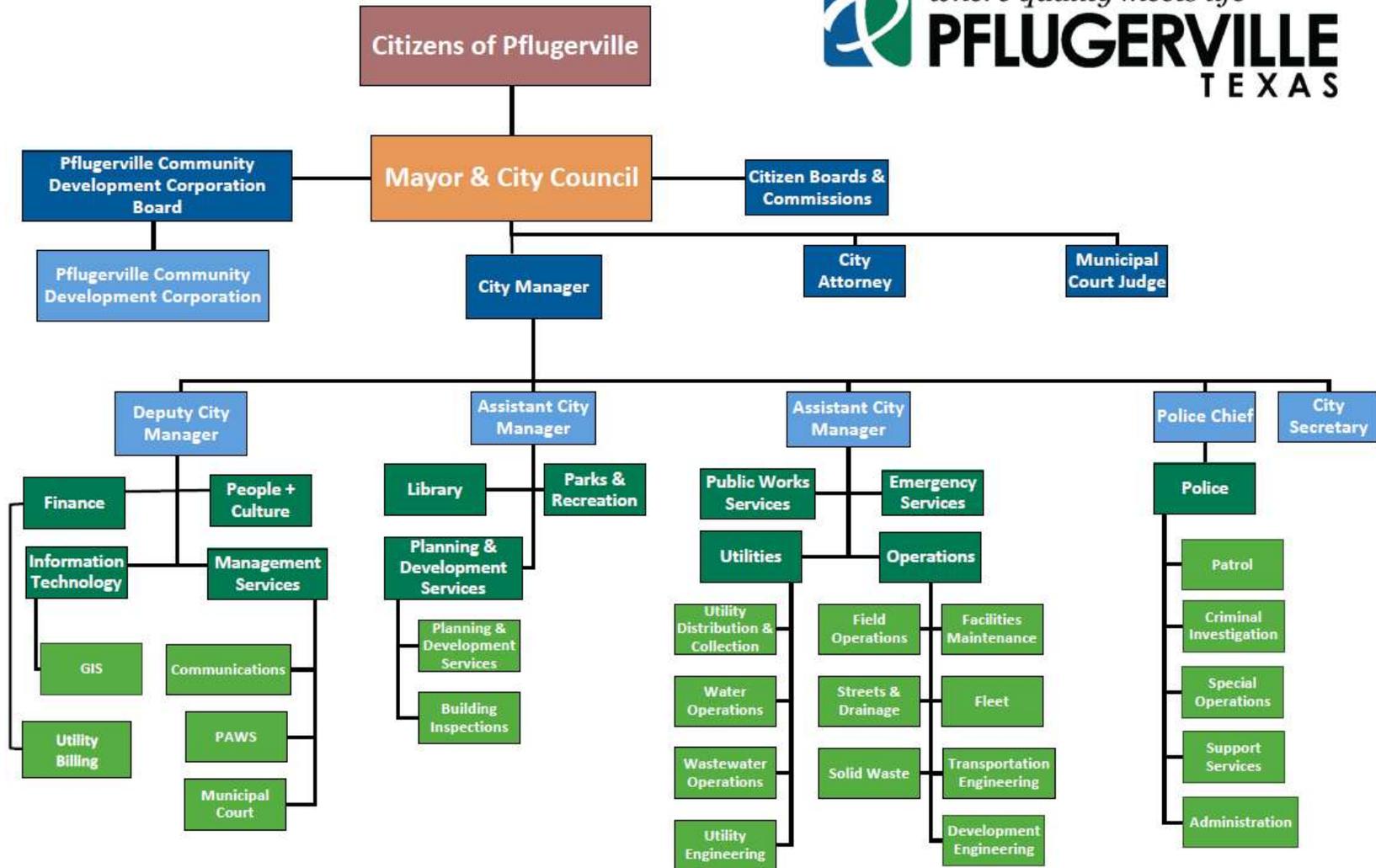
**Elected Officials**

Victor Gonzales ..... Mayor  
Doug Weiss ..... Mayor Pro Tem / Place 1  
Ceasar Ruiz.....Place 2  
Kimberly Holiday .....Place 3  
Rudy Metayer .....Place 4  
Melody Ryan .....Place 5  
David Rogers.....Place 6

**City Management**

Sereniah Breland ..... City Manager  
James Hartshorn .....Deputy City Manager  
Emily Barron .....Assistant City Manager  
Thomas Hunter .....Assistant City Manager  
Tracy Waldron.....Finance Director  
Jason O'Malley.....Police Chief  
Trista Evans ..... City Secretary

City of Pflugerville, Texas  
Organizational Chart





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Pflugerville  
Texas**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2024

*Christopher P. Morill*

Executive Director/CEO

# Financial Section

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## Independent Auditor's Report

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

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Pflugerville, Texas (the City), as of and for the year ended September 30, 2025, and the respective changes in related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

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

#### Responsibilities of Management for the Financial Statements

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to this required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Combining Statements and Budgetary Schedules, as listed in the table of contents, and Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining Statements and Budgetary Schedules and 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 Statements and Budgetary Schedules and Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information Included in the Annual Comprehensive Financial Report**

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2026 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Austin, Texas  
February 23, 2026

## Management's Discussion and Analysis

As management of the City of Pflugerville, Texas (City), we present this overview and analysis of the City's financial activities for the fiscal year ended September 30, 2025. Readers are encouraged to review this information alongside the letter of transmittal, which can be found on pages vi - xi of this report.

### Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources as of September 30, 2025, by \$546,144,735 (net position). Of this amount, \$89,459,844 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$490,091,377, a decrease of \$5,219,209 in comparison with the prior year. Most of this decrease can be attributed to the spending down of cash on capital projects.
- At the end of the fiscal year 2025, unassigned fund balance in the general fund was \$19,496,702 or 30% of general fund operating expenditures. The City Charter requires a fund balance equivalent to 25% of operating expenditure each fiscal year. For fiscal year 2025, that amount was \$16.4 million.
- The City's total bonded debt increased \$175,694,406 (18.5%) during the current fiscal year as a result of debt issuances and payments made during the year.

### Overview of the Financial Statements

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

### Government - wide Financial Statements

The government - wide financial statements report information about the City as a whole, using accounting methods similar to those used by private - sector companies. The *statement of net position* presents information on all the City's assets and deferred outflows of resources less liabilities and deferred inflows of resources to arrive at net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial situation of the City is improving or deteriorating. To assess the overall health of the City, one needs to consider other non - financial factors such as changes in the City's property tax base and the condition of the City's infrastructure.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both government - wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business type activities*). The governmental activities of the City include general government, public safety, public works and streets, and culture and recreation. The business - type activities of the City include water, wastewater, and solid waste services. Fees charged to customers fund the costs of providing these services.

The government - wide financial statements can be found on pages 16 - 18 of this report.

## **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance - related legal requirements. All the funds of the City can be divided into two categories: governmental funds and proprietary funds. The fund financial statements provide more detailed information about the City's most significant funds and will be more familiar to traditional users of government financial statements. The focus is on major funds rather than fund types.

**Governmental Funds** – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government - wide financial statements. However, unlike the government - wide financial statements, governmental fund financial statements focus on near - term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near - term financing requirements.

The governmental funds statements provide a 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 City's programs. Because this information does not encompass the additional long-term focus of the government - wide statements, additional information is provided with the governmental fund financial statements that explain the reconciliation between the fund statements and the government - wide statements.

The City maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the debt service fund, the capital projects fund, and the nonmajor governmental fund, which are considered to be major funds.

The City adopts an annual appropriated budget for all major funds and most nonmajor governmental funds. A budgetary comparison statement has been provided for each fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 19 - 24 of this report.

**Proprietary Funds** – Services for which the City charges fees and rates that intend to fully recover the cost of providing the service are reported in proprietary funds. Two types of proprietary funds are allowed in governmental accounting: enterprise funds and internal service funds. These funds, like the government - wide statements, provide both long - term and short - term financial information. The City has two enterprise funds (and no internal service funds).

The City's enterprise funds are substantially the same as its business - type activities, but the fund financial statements provide more detail and additional information, such as cash flows. The City utilizes the enterprise funds to account for its water, wastewater, and solid waste services. The basic proprietary fund financial statements can be found on pages 25 - 29 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government - wide and fund financial statements. The notes to the financial statements can be found on pages 31-68.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information including this discussion and analysis and information concerning the City's progress in funding its obligations to provide pension and other postemployment benefits to its employees. Required supplementary information can be found on pages 69-77.

## Financial Analysis of the City as a Whole

### Statement of Net Position

The following table reflects the condensed Statement of Net Position:

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 568,466,266	\$ 567,712,057	\$ 127,680,720	\$ 196,623,760	\$ 696,146,986	\$ 764,335,817
Capital assets	489,911,684	339,661,024	730,542,356	494,915,429	1,220,454,040	834,576,453
Total assets	<u>1,058,377,950</u>	<u>907,373,081</u>	<u>858,223,076</u>	<u>691,539,189</u>	<u>1,916,601,026</u>	<u>1,598,912,270</u>
Total deferred outflows of resources	10,871,544	11,919,256	2,357,621	3,156,874	13,229,165	15,076,130
Long-term liabilities outstanding	706,318,694	627,908,471	523,815,690	406,935,066	1,230,134,384	1,034,843,537
Other liabilities	45,994,049	37,162,253	68,018,140	52,669,253	114,012,189	89,831,506
Total liabilities	<u>752,312,743</u>	<u>665,070,724</u>	<u>591,833,830</u>	<u>459,604,319</u>	<u>1,344,146,573</u>	<u>1,124,675,043</u>
Total deferred inflows of resources	37,701,570	39,359,883	1,837,313	225,123	39,538,883	39,585,006
Net position:						
Net investment in capital assets	218,815,729	158,949,554	198,517,903	217,708,012	417,333,632	376,657,566
Restricted	32,086,982	14,263,202	7,264,277	4,705,656	39,351,259	18,968,858
Unrestricted	28,332,470	41,648,974	61,127,374	12,452,953	89,459,844	54,101,927
<b>Total net position</b>	<u>\$ 279,235,181</u>	<u>\$ 214,861,730</u>	<u>\$ 266,909,554</u>	<u>\$ 234,866,621</u>	<u>\$ 546,144,735</u>	<u>\$ 449,728,351</u>

A portion of the City's net position, \$39,351,259 (7%), represents resources that are subject to external restrictions on how they may be used. The unrestricted net position, \$89,459,844 (16%), may be used to meet the City's ongoing obligations to citizens and creditors.

Net investment in capital assets increased due primarily to the high number of capital projects that were completed or started during the fiscal year. Long-term debt increased as a result of current year debt issuances to support the Capital Improvement Plan.

Current assets and long-term liabilities increased in the business-type activities due to current year debt issuances.

At the end of the current fiscal year, the City can report positive balances in all categories of net position, both for the City as a whole, as well as for its governmental activities. This status was also true for the prior fiscal year.

The following table provides a summary of the City's operations for the year ended September 30, 2025.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 4,673,015	\$ 5,674,738	\$ 63,173,290	\$ 57,898,504	\$ 67,846,305	\$ 63,573,242
Operating grants and contributions	9,636,577	8,818,069	1,104,159	-	10,740,736	8,818,069
Capital grants and contributions	48,151,522	14,171,097	24,228,280	10,293,644	72,379,802	24,464,741
General revenues:						
Taxes	95,296,306	86,914,372	-	-	95,296,306	86,914,372
Investment earnings	24,039,374	28,802,963	1,026,196	8,160,523	25,065,570	36,963,486
Miscellaneous	1,841,831	1,735,118	694,493	607,815	2,536,324	2,342,933
<b>Total revenues</b>	<b>183,638,625</b>	<b>146,116,357</b>	<b>90,226,418</b>	<b>76,960,486</b>	<b>273,865,043</b>	<b>223,076,843</b>
<b>Expenses</b>						
General government	24,184,459	25,692,421	-	-	24,184,459	25,692,421
Public safety	25,924,243	22,095,470	-	-	25,924,243	22,095,470
Public works and streets	21,125,779	23,239,204	-	-	21,125,779	23,239,204
Culture and recreation	14,400,403	11,810,634	-	-	14,400,403	11,810,634
Interest on long-term debt	33,630,290	30,853,686	-	-	33,630,290	30,853,686
Water/Wastewater	-	-	51,761,339	42,545,706	51,761,339	42,545,706
Solid Waste	-	-	6,422,146	5,541,764	6,422,146	5,541,764
<b>Total expenses</b>	<b>119,265,174</b>	<b>113,691,415</b>	<b>58,183,485</b>	<b>48,087,470</b>	<b>177,448,659</b>	<b>161,778,885</b>
Increase (decrease) in net position before transfers	64,373,451	32,424,942	32,042,933	28,873,016	96,416,384	61,297,958
Transfers	-	3,798,800	-	(3,798,800)	-	-
Change in net position	64,373,451	36,223,742	32,042,933	25,074,216	96,416,384	61,297,958
Net position - beginning	214,861,730	178,637,988	234,866,621	209,792,405	449,728,351	388,430,393
<b>Net position - ending</b>	<b>\$ 279,235,181</b>	<b>\$ 214,861,730</b>	<b>\$ 266,909,554</b>	<b>\$ 234,866,621</b>	<b>\$ 546,144,735</b>	<b>\$ 449,728,351</b>

## Revenues

Property tax revenue, including penalties and interest, increased 12% (\$7,097,542) during this fiscal year. This was due to an increase in appraised value on new and existing property in the City and the adoption of the voter approval rate along with a slight increase in the debt rate. Property tax revenue accounts for 48% of total revenues for governmental activities. The ad valorem tax rate for fiscal year 2025 was \$0.5428 per \$100 of assessed valuation. This was an increase from \$0.5362 compared to the previous year.

Sales tax revenue was \$19.8 million for fiscal year 2025, an increase of 4.7% over the prior year. Sales tax revenue constitutes 14% of the total revenue for governmental activities.

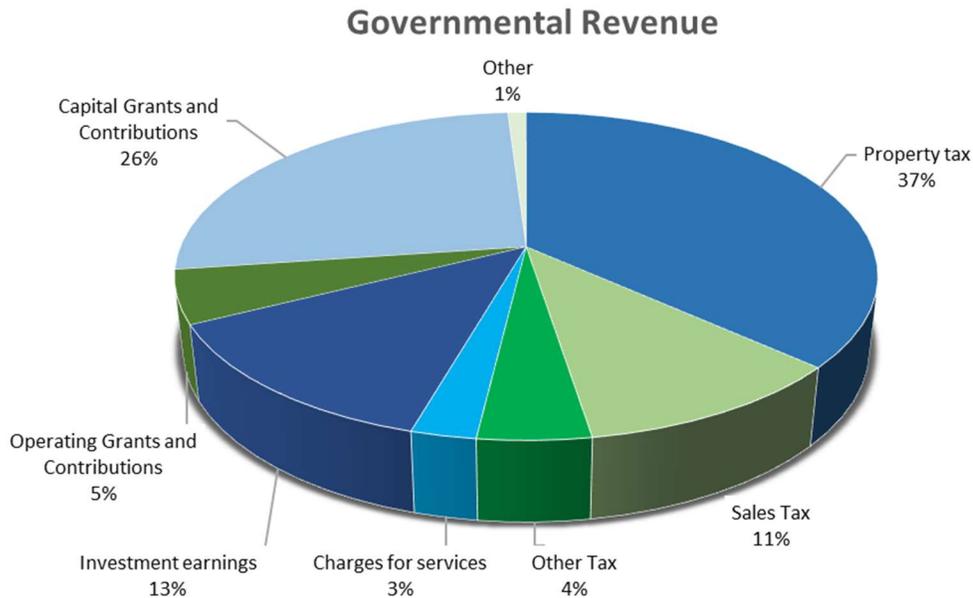
Other taxes, which include franchise, mixed beverage and hotel occupancy taxes, totaled \$8.1 million.

Program revenue is derived from the program itself and reduces the cost of the function to the City. Total program revenue for both governmental and business - type activities is described on the following page.

- **Governmental activities program revenue** was \$62.4 million. Capital grants and contributions are the largest component of this revenue category. These are comprised primarily of developer contributions of infrastructure.
- **Business - type activities program revenue** totaled \$88.5 million. The majority of these revenues are reported in the category charges for services, which represents receipts from utility customers for water, wastewater, and solid waste services. Capital contributions, which include infrastructure contributed by developers and impact fees, accounted for \$24.2 million of revenue during fiscal year 2025.

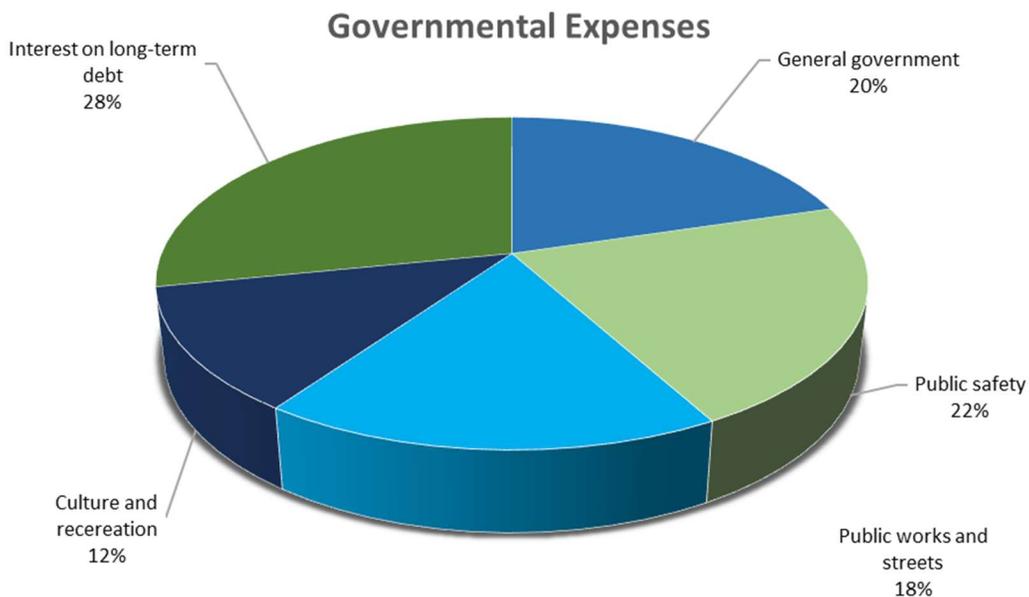
**Governmental Activities Revenues**

Graphic presentations of selected data from the summary tables follow to assist in the analysis of the City's activities.



**Expenses**

**Governmental activities.** The expenses in the chart below include depreciation expense through all functions. Depreciation expense totaled \$21,255,984. Removing depreciation expense, the operating expenditures for governmental activities increased by 7.6% in fiscal year 2025. The variance is related to an increase in annual contracts, specifically in Parks and Recreation and Police departments, and an increase in interest on long-term debt.



**Business - type activities.** Business - type activities increased the City's net position by \$32 million. This increase in net position was composed primarily of increased water and wastewater revenue due to rate increases and growth, and increased capital contributions (water and wastewater infrastructure donations) from developers. Charges for services for business - type activities increased 9% during fiscal year 2025 due to rate increases and growth within the City.

## Financial Analysis of the City's Funds

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

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

As of the end of fiscal year 2025, the City's governmental funds reported a combined ending fund balance of \$490,091,377, a decrease of \$5,219,209 in comparison with the fiscal year beginning fund balance. The City increased the amount spent on capital outlay as they implement the projects informed by the Capital Improvement Plan. Approximately 4% of this total amount (\$19.5 million) constitutes unassigned fund balance, which is available for spending at the City's discretion. Funds have been restricted, by law or outside sources, to pay for capital projects (\$432,153,884); debt service (\$10,954,579); and specific programs in the special revenue fund (\$25,260,096).

In addition, funds have been assigned by the City Council (\$1,495,627) for the subsequent year's budget deficit. The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance in the general fund was \$19,496,702. As a measure of the general fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. Unassigned fund balance represents 30% of total general fund operating expenditure.

The fund balance of the City's general fund decreased by \$3,789,059 during fiscal year 2025. General fund property tax revenue increased 7% from fiscal year 2024 due to higher average residential value within the City and growth from new construction. Sales tax revenue increased 4.7% during fiscal 2025 to \$19.8 million. This is better than the 1.7% increase experienced in the prior year.

The fund balance of the City's debt service fund increased by \$445,307 during fiscal year 2025. The increase in fund balance is attributed to excess investment earnings over budgeted amounts and a positive refunding transaction.

The non-major governmental funds are used to account for the proceeds of specific revenue sources that are legally or contractually restricted to be expended for specified purposes. These include funds received from various federal and State of Texas agencies for the City's equitable share of proceeds from seized and forfeited property, fees for child safety, fees for training and technology, fees for Public, Educational, and Governmental (PEG) access channels, hotel occupancy tax (HOT) received, property tax received from a Tax Increment Reinvestment Zone (TIRZ#1), public improvement districts, and reimbursements for the Community Development Block Grant (CDBG). The largest portion of revenues from these funds come from property taxes received from the TIRZ and Public Improvement Districts (PID). The largest portion of expenditures from these funds comes from Hotel Occupancy Tax-related expenditures, Meadowlark PID and American Rescue Plan expenditures. The fund balance in these funds increased by \$17,885,691 during fiscal year 2025. Most of this increase is attributed to the issuance of bonds for the Meadowlark PID.

Nonmajor governmental funds were spent on equipment for the police department, school crossing guard services, upgrading PFTV media equipment and street improvements approved through CDBG. Transfers to debt service for TIRZ contractual obligations are also included. The debt service fund is used to account for the accumulation of resources for, and payment of, general long-term debt principal and interest. On September 30, 2025, this fund had a total ending fund balance of \$10,954,579.

The capital projects fund is used to account for financial resources dedicated to the acquisition or construction of major capital facilities other than those financed by the proprietary fund. Expenditures for construction projects include Kelly Lane Phase 2, Colorado Sands Drive, Justice Center parking lot, Wilbarger Creek Park Phase 2, several Street Reconstruction packages, and the partial construction of the new City Hall, Multi-generational Recreation Center and a Public Works Complex.

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

Unrestricted net position of the water/wastewater fund at the end of the year amounted to \$62,466,778. The total growth in net position was \$32,666,366. This increase in net position was comprised primarily of increased revenues in water and wastewater sales due to growth and rate increases.

The Solid Waste fund had a decrease in net position of \$623,433. The fund had an adjustment to accounts payable that increased the expenses during this fiscal year.

**General Fund Budgetary Highlights**

The following is a brief review of the budgetary changes from the original to the final budget. The City approved multiple sets of general fund budget amendments during fiscal year 2025. These amendments increased the overall budgeted expenditures by \$9,775,112 from the original budget, an increase of 14%. The majority if this increase relates to carryovers from fiscal year 2024 for services and equipment not received until fiscal year 2025. There were amendments to the revenue budget of \$1,710,007 that covered a portion of these expenditure increases.

Total revenues were short budget by \$3,941,098. The largest variance was in development fees, which was short budget by \$2.1 million. Expenditures came in \$3,935,575 under budgeted amounts. The largest variance in expenditures occurred in information technology, which came in \$1,131,540 under budget and capital outlay which came in \$1,925,303 under budget. There were expenses budgeted under City wide software that at year end, were reclassified to subscriptions and equipment ordered but not received by fiscal year end.

**Capital Asset and Debt Administration**

**Capital assets.** The City's investment in capital assets for its governmental and business - type activities as of September 30, 2025, amounts to \$1,220,454,040, net of depreciation. This investment in capital assets includes land, buildings, machinery and equipment, software, park facilities, streets, water and wastewater facilities, and infrastructure.

	Governmental Activities		Business-type Activities		Total Primary Government (restated)	
	2025	2024	2025	2024	2025	2024
Land	\$ 24,151,913	\$ 23,348,180	\$ 10,753,211	\$ 10,753,211	\$ 34,905,124	\$ 34,101,391
Water rights	-	-	9,843,758	9,843,758	9,843,758	9,843,758
Construction in progress	186,251,949	72,323,863	430,801,011	208,864,488	617,052,960	281,188,351
Buildings and improvements	47,144,225	48,372,981	1,932,153	2,156,101	49,076,378	50,529,082
Machinery and equipment	7,458,859	6,061,173	18,410,627	19,554,096	25,869,486	25,615,269
Software	532,149	599,368	-	-	532,149	599,368
Infrastructure	215,046,924	184,160,208	257,891,794	242,742,564	472,938,718	426,902,772
Right-to-use asset - leases	5,468,376	3,290,157	700,996	666,982	6,169,372	3,957,139
Right-to-use asset - subscriptions	3,857,289	1,505,094	208,806	334,229	4,066,095	1,839,323
<b>Total</b>	<b>\$ 489,911,684</b>	<b>\$ 339,661,024</b>	<b>\$ 730,542,356</b>	<b>\$ 494,915,429</b>	<b>\$ 1,220,454,040</b>	<b>\$ 834,576,453</b>

Major capital asset events during the current fiscal year included the following:

- City intersections
- Partial construction of a new City Hall, Multi-generational Recreation Center, and Public Works Complex
- Replacement of vehicles and equipment
- Street & drainage infrastructure with three street reconstruction packages
- New and continued construction on Immanuel Road, Kelly Lane, Colorado Sands Drive
- Park improvements including Wilbarger Creek Phase 2
- Partial construction of the Wilbarger wastewater treatment plant, water treatment plant expansion, Colorado River raw waterline replacement, among various other utility improvements.

The City's financial policies mandate maintenance and repair of the City's capital assets and infrastructure. The City budgets for ongoing street maintenance projects in addition to staff costs and other maintenance costs of the street department. Water and wastewater infrastructure maintenance is budgeted within the utility fund. Additional information on the City's capital assets can be found in Note 3 to the financial statements.

**Long - term Debt.** As of September 30, 2025, the City had total bonded debt outstanding of \$1,124,821,473 secured by the full faith and credit of the City.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
General obligation bonds	\$ 184,076,052	\$ 188,308,719	\$ 41,873,947	\$ 41,116,281	\$ 225,949,999	\$ 229,425,000
Certificates of obligation	347,856,606	276,875,054	169,360,395	124,219,947	517,217,001	401,095,001
Revenue bonds	-	-	285,574,473	222,302,066	285,574,473	222,302,066
Bond issuance premiums	39,004,208	37,308,455	19,516,120	17,809,278	58,520,328	55,117,733
Bond issuance discounts	(134,701)	-	(2,898,969)	(3,004,781)	(3,033,670)	(3,004,781)
Limited tax notes	96,080,000	96,305,000	-	-	96,080,000	96,305,000
Notes payable	370,364	436,406	-	458,161	370,364	894,567
Arbitrage	13,568,075	7,099,369	6,411,112	-	19,979,187	7,099,369
Leases	5,533,982	3,333,416	722,608	668,201	6,256,590	4,001,617
Subscriptions	3,361,140	1,443,514	118,283	232,061	3,479,423	1,675,575
Compensated absences	1,916,888	1,501,596	340,373	220,150	2,257,261	1,721,746
Net pension liability	13,571,488	14,194,527	2,585,045	2,703,719	16,156,533	16,898,246
OPEB liability	1,114,592	1,102,415	212,303	209,983	1,326,895	1,312,398
<b>Total</b>	<b>\$ 706,318,694</b>	<b>\$ 627,908,471</b>	<b>\$ 523,815,690</b>	<b>\$ 406,935,066</b>	<b>\$ 1,230,134,384</b>	<b>\$ 1,034,843,537</b>

The City's total debt outstanding increased by \$175,694,406 (18.5%) during the current fiscal year as a result of debt issuances during the year.

The State of Texas limits the legal amount of the tax levy available for general obligation debt service to \$1.50 per \$100 valuation. The City's 2025 debt levy equaled \$0.2898 per \$100 assessed valuation, or 19.3% of the maximum allowed.

Additional information about the City's long-term debt is presented in Note 3 to the financial statements.

### Economic Factors and Next Year's Budget and Rates

The development of the City's budget is guided by several factors including the Council's Strategic Plan, prevailing economic conditions, and the continuing need to provide basic and improved customer services for a growing population. The fiscal year 2026 budget adopted by the City Council adheres to the City's financial policies and preserves the City's strong financial position while providing excellent levels of service. The driving factor of the fiscal year 2026 budget was a focus on the Strategic Plan with six themes: community social fabric and neighborhood character, mobility infrastructure and connectivity, community amenities and events, residential and node development, economic and business development, and brand reputation.

The City's economy is expected to generate approximately \$20.3 million in sales tax revenue for fiscal year 2026. The City of Pflugerville's continued growth in the diversity of retail establishments and area population has contributed to steady increases in the sales tax revenue base over the past several years. As the South-central region of Texas continues to experience record growth and strong economic conditions.

Ad valorem property tax revenue remains the largest funding source in the General Fund at \$29.2 million, or 45% of the funds' revenue. Year-over-year the General Fund will realize a 3.6% increase in property tax revenue as values continue to increase. The adopted tax rate for the City increased to \$.5350 per \$100 of valuation. This increase was only a .008% over the previous fiscal year.

In alignment with City Council strategic plan to support infrastructure, the water and wastewater operations of the City will continue to make significant capital investments. As the capital plans are implemented in the water treatment plant, securing water rights, and expansion of wastewater treatment plants the impact to operations has been reflected in the five-year forecast. Operating revenues in the five-year forecast reflect the following assumptions: Water/wastewater revenues reflect increases ranging from 4 to 12%. The water and wastewater rates charged to our customers are determined by rigorous rate modeling processes. The rate modeling process determines the revenue required to meet all debt service and operating and maintenance needs. Other revenues reflect historical growth trends.

### **Contacting the City's Financial Management**

This report is designed to provide the City Council, citizens, customers, bond rating agencies, investors, and creditors with a general overview of the City's finances. If you have questions about this report or need additional financial information, contact:

Finance Department  
City of Pflugerville  
100 East Main, Suite 100  
Pflugerville, TX 78660

(512) 990 - 6100  
[www.pflugervilletx.gov](http://www.pflugervilletx.gov)  
[finance@pflugervilletx.gov](mailto:finance@pflugervilletx.gov)

# **Basic Financial Statements**

# City of Pflugerville, Texas

## Statement of Net Position

September 30, 2025

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Cash and investments	\$ 526,361,732	\$ 79,482,907	\$ 605,844,639	\$ 18,827,854
Restricted cash and cash equivalents	-	38,177,766	38,177,766	-
Receivables (net of allowance):				
Taxes	4,381,811	-	4,381,811	1,643,493
Utility System (net of allowance for uncollectibles)	-	9,636,728	9,636,728	-
Leases	350,920	-	350,920	12,225,030
Interest	371,042	-	371,042	-
Other	745,008	-	745,008	-
Due from component unit	78,725	-	78,725	-
Inventory	40,026	381,604	421,630	-
Prepaid items	690,463	1,715	692,178	23,654
Land held for sale	-	-	-	5,846,436
Notes receivable	35,446,539	-	35,446,539	-
Capital assets not being depreciated:				
Land and improvements	24,151,913	10,753,211	34,905,124	33,044,258
Water rights	-	9,843,758	9,843,758	-
Construction in progress	186,251,949	430,801,011	617,052,960	1,340,556
Capital assets being depreciated:				
Buildings and improvements	120,826,436	3,490,269	124,316,705	6,462,715
Machinery and equipment	21,689,222	25,837,617	47,526,839	11,367,323
Software	1,110,978	-	1,110,978	-
Infrastructure	497,882,780	348,496,699	846,379,479	-
Right-to-use asset - leases	7,921,677	1,050,372	8,972,049	431,209
Right-to-use asset - subscriptions	6,132,265	489,007	6,621,272	-
Accumulated depreciation and amortization	(376,055,536)	(100,219,588)	(476,275,124)	(11,535,094)
Total assets	1,058,377,950	858,223,076	1,916,601,026	79,677,434
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refunding	4,409,728	1,126,799	5,536,527	-
Deferred outflows from notes payable	-	-	-	35,446,539
Deferred outflows from pension activities	6,252,215	1,190,898	7,443,113	-
Deferred outflows from OPEB activities - retiree health plan	93,424	17,795	111,219	-
Deferred outflows from OPEB activities - TMRS supplemental death benefit	116,177	22,129	138,306	-
Total deferred outflows of resources	10,871,544	2,357,621	13,229,165	35,446,539
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	17,504,507	45,413,614	62,918,121	512,107
Wages payable	4,489,857	19,207,252	23,697,109	-
Accrued interest payable	4,552,329	2,889,596	7,441,925	1,356,042
Escrow payable	17,368,885	-	17,368,885	-
Customer deposits	-	476,005	476,005	-
Due to primary government	-	-	-	78,725
Unearned revenue	2,078,471	31,673	2,110,144	-
Long-term liabilities, current portion				
Long-term debt	17,271,979	12,851,714	30,123,693	4,436,669
Arbitrage rebate liability	1,570,414	-	1,570,414	-
Lease liability	1,744,861	201,681	1,946,542	71,757
Subscription liability	903,135	59,769	962,904	-
Compensated absences	427,770	74,382	502,152	4,022
OPEB liability - retiree health plan	15,903	1,800	17,703	-
OPEB liability - TMRS supplemental death benefit	29,051	2,891	31,942	-
Total current liabilities	\$ 67,957,162	\$ 81,210,377	\$ 149,167,539	\$ 6,459,322

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

**City of Pflugerville, Texas**  
Statement of Net Position - Continued  
September 30, 2025

	<b>Primary Government</b>			<b>Component Units</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	
Noncurrent liabilities:				
Long-term liabilities, noncurrent portion				
Long-term debt	\$ 649,980,550	\$ 500,574,252	\$ 1,150,554,802	\$ 67,199,870
Arbitrage rebate liability	11,997,661	6,411,112	18,408,773	-
Lease liability	3,789,121	520,927	4,310,048	85,680
Subscription liability	2,458,005	58,514	2,516,519	-
Compensated absences	1,489,118	265,991	1,755,109	16,089
Net pension liability	13,571,488	2,585,045	16,156,533	-
OPEB liability - retiree health plan	340,449	66,076	406,525	-
OPEB liability - TMRS supplemental death benefit	729,189	141,536	870,725	-
<b>Total noncurrent liabilities</b>	<b>684,355,581</b>	<b>510,623,453</b>	<b>1,194,979,034</b>	<b>67,301,639</b>
<b>Total liabilities</b>	<b>752,312,743</b>	<b>591,833,830</b>	<b>1,344,146,573</b>	<b>73,760,961</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred gain on refunding	-	1,469,828	1,469,828	-
Deferred inflows from pension activities	1,234,231	235,092	1,469,323	-
Deferred inflows from OPEB activities - retiree health plan	430,816	82,060	512,876	-
Deferred inflows from OPEB activities - TMRS supplemental death benefit	264,246	50,333	314,579	-
Deferred inflows from lease activities	325,738	-	325,738	12,091,859
Deferred inflows from notes receivable	35,446,539	-	35,446,539	-
<b>Total deferred inflows of resources</b>	<b>37,701,570</b>	<b>1,837,313</b>	<b>39,538,883</b>	<b>12,091,859</b>
<b>NET POSITION</b>				
Net investment in capital assets	218,815,729	198,517,903	417,333,632	4,763,530
Restricted for:				
Debt service	6,826,886	-	6,826,886	-
Capital projects	-	7,264,277	7,264,277	-
Municipal court	245,080	-	245,080	-
Police	301,647	-	301,647	-
Public Education & Government fees	180,900	-	180,900	-
Tourism (HOT)	1,108,114	-	1,108,114	-
Public improvement districts	15,749,353	-	15,749,353	-
Tax increment zone improvements	7,514,623	-	7,514,623	-
Federal and state grant programs	160,379	-	160,379	-
Economic development	-	-	-	24,483,969
Unrestricted	28,332,470	61,127,374	89,459,844	23,654
<b>TOTAL NET POSITION</b>	<b>\$ 279,235,181</b>	<b>\$ 266,909,554</b>	<b>\$ 546,144,735</b>	<b>\$ 29,271,153</b>

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

**City of Pflugerville, Texas**  
Statement of Activities  
For the Fiscal Year Ended September 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
<b>PRIMARY GOVERNMENT</b>								
Governmental activities:								
General government	\$ 24,184,459	\$ 310,128	\$ 9,192,691	\$ -	\$ (14,681,640)	\$ -	\$ (14,681,640)	\$ -
Public safety	25,924,243	1,139,972	13,941	-	(24,770,330)	-	(24,770,330)	-
Public works and streets	21,125,779	2,200,240	314,650	48,151,522	29,540,633	-	29,540,633	-
Culture and recreation	14,400,403	1,022,675	115,295	-	(13,262,433)	-	(13,262,433)	-
Interest on long-term debt	33,630,290	-	-	-	(33,630,290)	-	(33,630,290)	-
Total governmental activities	119,265,174	4,673,015	9,636,577	48,151,522	(56,804,060)	-	(56,804,060)	-
Business-type activities:								
Water/Wastewater	51,761,339	57,103,073	1,104,159	24,228,280	-	30,674,173	30,674,173	-
Solid Waste	6,422,146	6,070,217	-	-	-	(351,929)	(351,929)	-
Total business-type activities	58,183,485	63,173,290	1,104,159	24,228,280	-	30,322,244	30,322,244	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 177,448,659</b>	<b>\$ 67,846,305</b>	<b>\$ 10,740,736</b>	<b>\$ 72,379,802</b>	(56,804,060)	30,322,244	(26,481,816)	-
<b>COMPONENT UNITS</b>								
Pflugerville Economic Development Corporation	\$ 9,752,490	\$ 912,603	\$ -	\$ -				(8,839,887)
<b>TOTAL COMPONENT UNITS</b>	<b>\$ 9,752,490</b>	<b>\$ 912,603</b>	<b>\$ -</b>	<b>\$ -</b>				
General revenues:								
Property taxes					67,392,318	-	67,392,318	-
Sales and use taxes					19,809,973	-	19,809,973	9,890,172
Mixed beverage taxes					197,552	-	197,552	-
Hotel occupancy taxes					1,165,416	-	1,165,416	-
Franchise taxes					6,731,047	-	6,731,047	-
Unrestricted investment earnings					24,039,374	1,026,196	25,065,570	1,425,863
Miscellaneous revenue					1,606,600	694,493	2,301,093	-
Gain on disposal of assets					235,231	-	235,231	-
Total general revenues and transfers					121,177,511	1,720,689	122,898,200	11,316,035
Change in net position					64,373,451	32,042,933	96,416,384	2,476,148
Net position - beginning					214,861,730	234,866,621	449,728,351	26,795,005
<b>NET POSITION - ENDING</b>					<b>\$ 279,235,181</b>	<b>\$ 266,909,554</b>	<b>\$ 546,144,735</b>	<b>\$ 29,271,153</b>

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

**City of Pflugerville, Texas**  
 Balance Sheet - Governmental Funds  
 September 30, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and investments	\$ 23,145,064	\$ 10,965,925	\$ 464,566,820	\$ 27,683,923	\$ 526,361,732
Receivables (net):					
Taxes	3,968,521	413,290	-	-	4,381,811
Leases	350,920	-	-	-	350,920
Interest	-	-	371,042	-	371,042
Other	397,779	-	94,114	253,115	745,008
Due from other funds	93,629	-	-	687	94,316
Due from component unit	78,725	-	-	-	78,725
Notes receivable	-	35,446,539	-	-	35,446,539
Inventory	40,026	-	-	-	40,026
Prepaid assets	686,559	-	-	3,904	690,463
<b>TOTAL ASSETS</b>	<b>\$ 28,761,223</b>	<b>\$ 46,825,754</b>	<b>\$ 465,031,976</b>	<b>\$ 27,941,629</b>	<b>\$ 568,560,582</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 4,294,954	\$ -	\$ 12,682,008	\$ 527,545	\$ 17,504,507
Wages payable and accrued liabilities	1,662,715	-	2,827,142	-	4,489,857
Due to other funds	630	-	57	93,629	94,316
Unearned revenue	22,016	-	-	2,056,455	2,078,471
Escrow payable	-	-	17,368,885	-	17,368,885
<b>Total liabilities</b>	<b>5,980,315</b>	<b>-</b>	<b>32,878,092</b>	<b>2,677,629</b>	<b>41,536,036</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	467,884	424,636	-	-	892,520
Unavailable revenue - court fines	268,372	-	-	-	268,372
Unavailable revenue - notes	-	35,446,539	-	-	35,446,539
Unavailable revenue - leases	325,738	-	-	-	325,738
<b>Total deferred inflows of resources</b>	<b>1,061,994</b>	<b>35,871,175</b>	<b>-</b>	<b>-</b>	<b>36,933,169</b>
<b>FUND BALANCES</b>					
Nonspendable:					
Inventory	40,026	-	-	-	40,026
Prepaid items	686,559	-	-	3,904	690,463
Restricted:					
Debt service	-	10,954,579	-	-	10,954,579
Capital projects	-	-	432,153,884	-	432,153,884
Specific programs	-	-	-	25,260,096	25,260,096
Assigned	1,495,627	-	-	-	1,495,627
Unassigned	19,496,702	-	-	-	19,496,702
<b>Total fund balances</b>	<b>21,718,914</b>	<b>10,954,579</b>	<b>432,153,884</b>	<b>25,264,000</b>	<b>490,091,377</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 28,761,223</b>	<b>\$ 46,825,754</b>	<b>\$ 465,031,976</b>	<b>\$ 27,941,629</b>	<b>\$ 568,560,582</b>

# City of Pflugerville, Texas

## Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position September 30, 2025

**TOTAL FUND BALANCES - GOVERNMENTAL FUNDS** \$ 490,091,377

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The governmental capital assets at year-end consist of:

Governmental capital assets costs	\$ 865,967,220	
Accumulated depreciation of governmental capital assets	(376,055,536)	489,911,684

Some receiv ables w hich will be collected subsequent to year-end, are not available soon enough to pay expenditures of the current period and, therefore, are deferred in the funds.

Unavailable revenue - property taxes	\$ 892,520	
Unavailable revenue - court fines	268,372	1,160,892

Long-term liabilities, including certificates of obligation, general obligation bonds, compensated absences, OPEB, and net pension liability are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Liabilities at year end related to such items consist of:

Bonds payable	\$ (628,012,658)	
Notes payable	(370,364)	
Premiums on bond issuances	(38,869,507)	
Accrued interest	(4,552,329)	
Arbitrage rebate liability	(13,568,075)	
Leases	(5,533,982)	
Subscription liability	(3,361,140)	
Compensated absences	(1,916,888)	
Net pension liability	(13,571,488)	
OPEB liability - retiree health plan	(356,352)	
OPEB liability - TMRS supplemental death benefit	(758,240)	(710,871,023)

Deferred gains and losses on issuance of refunding bonds and the deferred outflows and inflows of resources related to the net pension liability and the total OPEB liability are recognized on the statement of net position:

Deferred charge on refunding	\$ 4,409,728	
Deferred outflows from pension activities	6,252,215	
Deferred outflows from OPEB activities - retiree health plan	93,424	
Deferred outflows from OPEB activities - TMRS supplemental death benefit	116,177	
Deferred inflows from pension activities	(1,234,231)	
Deferred inflows from OPEB activities - retiree health plan	(430,816)	
Deferred inflows from OPEB activities - TMRS supplemental death benefit	(264,246)	8,942,251

**NET POSITION OF GOVERNMENTAL ACTIVITIES** \$ 279,235,181

# City of Pflugerville, Texas

## Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds For the Fiscal Year Ended September 30, 2025

	General	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes:					
Property taxes	\$ 28,045,801	\$ 32,212,144	\$ -	\$ 7,081,741	\$ 67,339,686
Sales and use taxes	19,809,973	-	-	-	19,809,973
Hotel occupancy taxes	-	-	-	1,165,416	1,165,416
Franchise taxes	6,731,047	-	-	-	6,731,047
Mixed beverage tax	197,552	-	-	-	197,552
Fines and forfeitures	741,321	-	-	329,705	1,071,026
Licenses and permits	2,502,231	-	-	-	2,502,231
Charges for services	1,108,264	-	-	-	1,108,264
Intergovernmental	1,970,347	4,658,473	4,600,725	3,007,757	14,237,302
Deutschen Pfest income	40,460	-	-	-	40,460
Investment earnings	1,452,231	1,160,091	20,486,189	940,863	24,039,374
Miscellaneous	268,000	-	975,388	51,786	1,295,174
	<u>62,867,227</u>	<u>38,030,708</u>	<u>26,062,302</u>	<u>12,577,268</u>	<u>139,537,505</u>
<b>EXPENDITURES</b>					
Current:					
General government	18,764,653	-	-	2,776,559	21,541,212
Public safety	23,577,008	-	-	261,652	23,838,660
Public works and streets	8,359,865	-	-	-	8,359,865
Culture and recreation	11,276,768	-	-	23,261	11,300,029
Debt service:					
Principal	3,732,060	14,438,214	-	-	18,170,274
Interest and other charges	49,898	25,107,317	568,143	1,508,543	27,233,901
Capital outlay	8,259,224	-	114,403,393	2,795,742	125,458,359
	<u>74,019,476</u>	<u>39,545,531</u>	<u>114,971,536</u>	<u>7,365,757</u>	<u>235,902,300</u>
Excess (deficiency) of revenues over (under) expenditures	(11,152,249)	(1,514,823)	(88,909,234)	5,211,511	(96,364,795)
<b>OTHER FINANCING SOURCES (USES)</b>					
Issuance of bonds	-	-	65,574,900	14,772,000	80,346,900
Issuance of refunding bonds	-	8,974,000	-	-	8,974,000
Premiums	-	742,390	3,573,243	-	4,315,633
Discounts	-	-	-	(137,216)	(137,216)
Payment to bond escrow	-	(9,604,353)	-	-	(9,604,353)
Leases	3,742,833	-	-	-	3,742,833
Subscriptions	3,001,592	-	-	-	3,001,592
Proceeds from sale of assets	235,231	-	-	-	235,231
Insurance recoveries	270,966	-	-	-	270,966
Transfers in	112,568	1,848,093	-	57	1,960,718
Transfers out	-	-	(57)	(1,960,661)	(1,960,718)
	<u>7,363,190</u>	<u>1,960,130</u>	<u>69,148,086</u>	<u>12,674,180</u>	<u>91,145,586</u>
Net change in fund balances	(3,789,059)	445,307	(19,761,148)	17,885,691	(5,219,209)
Fund balances, beginning	<u>25,507,973</u>	<u>10,509,272</u>	<u>451,915,032</u>	<u>7,378,309</u>	<u>495,310,586</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 21,718,914</u>	<u>\$ 10,954,579</u>	<u>\$ 432,153,884</u>	<u>\$ 25,264,000</u>	<u>\$ 490,091,377</u>

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

# City of Pflugerville, Texas

## Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Fiscal Year Ended September 30, 2025

<b>NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS</b>		\$ (5,219,209)
<p>Some revenues will not be collected for several months after the City's fiscal year end and are not considered "available" revenues and, therefore, are deferred in the governmental funds. Deferred tax, grant, and court revenues increased (decreased) by this amount this year.</p>		
Unavailable revenue - property taxes	\$ 52,632	
Unavailable revenue - court fines	(8,506)	44,126
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay	\$ 128,391,023	
Depreciation expense	(21,255,984)	107,135,039
<p>The net effect of miscellaneous transactions involving capital assets (transfers, adjustments and dispositions) is an increase (decrease) to net position.</p>		
		(435,176)
<p>Capital assets contributed or donated to the City are not recognized in governmental funds since they do not provide current financial resources, but are recognized in the statement of activities as program revenues.</p>		
		43,550,797
<p>The issuance of long term debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of bond premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The effect of these differences in the treatment of long-term debt and related items was:</p>		
Proceeds from issuance of bonds	\$ (80,346,900)	
Proceeds from issuance of refunding	(8,974,000)	
Issuance of leases	(3,742,833)	
Issuance of subscriptions	(3,001,592)	
Premiums on bonds issued	(4,315,633)	
Discounts on bonds issued	137,216	
Principal paid on bonds and other debt	25,489,290	(74,754,452)
<p>Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due, and includes amortization of related long-term debt accounts. The (increase) decrease in interest expense reported in the statement of activities consist of the following:</p>		
Accrued interest on bonds payable decreased (increased)	\$ (496,787)	
Arbitrage rebate liability decreased (increased)	(6,468,706)	
Amortization of deferred charge on refunding	237,076	
Amortization of bond premium	2,617,365	(4,111,052)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds, as follows:</p>		
Compensated absences liability decreased (increased)		(415,292)
<p>The net change in net pension liability, deferred outflows, and deferred inflows is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. The net change consists of the following:</p>		
Deferred outflows increased (decreased)	\$ (1,167,593)	
Deferred inflows (increased) decreased	(882,998)	
Net pension liability (increased) decreased	623,039	(1,427,552)
<p>The net change in OPEB liability, deferred outflows, and deferred inflows is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. The net change consists of the following:</p>		
Deferred outflows increased (decreased)	\$ (117,195)	
Deferred inflows (increased) decreased	135,594	
OPEB liability (increased) decreased	(12,177)	6,222
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>		<b>\$ 64,373,451</b>

# City of Pflugerville, Texas

## Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual General Fund For the Fiscal Year Ended September 30, 2025

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes:				
Property taxes	\$ 28,517,000	\$ 28,517,000	\$ 28,045,801	\$ (471,199)
Sales and use taxes	20,365,250	20,365,250	19,809,973	(555,277)
Franchise taxes	6,022,300	6,022,300	6,731,047	708,747
Mixed beverage tax	197,660	197,660	197,552	(108)
Fines and forfeitures	626,500	626,500	741,321	114,821
Licenses and permits	4,615,500	4,615,500	2,502,231	(2,113,269)
Charges for services	1,040,000	1,040,000	1,108,264	68,264
Intergovernmental	1,462,108	3,172,115	1,970,347	(1,201,768)
Deutschen Pfest income	80,000	80,000	40,460	(39,540)
Investment earnings	2,000,000	2,000,000	1,452,231	(547,769)
Miscellaneous	172,000	172,000	268,000	96,000
Total revenues	65,098,318	66,808,325	62,867,227	(3,941,098)
<b>EXPENDITURES</b>				
Current:				
General government				
Administration	4,030,895	4,030,895	3,704,303	326,592
Legal	477,263	477,263	538,411	(61,148)
Information technology	4,525,808	4,425,808	3,294,268	1,131,540
Development services administration	939,294	959,294	808,003	151,291
Planning	2,535,824	2,535,824	1,989,947	545,877
Court	477,269	477,269	406,318	70,951
Fleet maintenance	1,194,613	1,311,298	1,201,047	110,251
City Manager's office	2,239,895	2,347,312	2,343,501	3,811
People & culture	1,391,753	1,391,753	1,383,325	8,428
Finance	1,810,516	1,745,516	1,712,426	33,090
Communications	838,053	838,053	784,817	53,236
Geographic information system (GIS)	596,376	596,376	598,287	(1,911)
Public safety				
Building	1,272,742	1,272,742	905,252	367,490
Animal welfare services	1,411,639	1,419,639	1,329,254	90,385
Police	20,757,272	21,133,597	21,342,502	(208,905)
Public works and streets				
CIP engineering	3,199,129	2,940,129	2,156,019	784,110
Streets and drainage	4,990,754	5,010,754	4,924,434	86,320
Facilities and maintenance	946,394	1,199,410	1,279,412	(80,002)
Culture and recreation				
Library	2,128,015	2,128,015	2,193,121	(65,106)
Parks and recreation	9,589,715	9,602,193	9,083,647	518,546
Debt service:				
Principal	-	1,927,384	3,732,060	(1,804,676)
Interest and other charges	-	-	49,898	(49,898)
Capital outlay:	2,826,720	10,184,527	8,259,224	1,925,303
Total expenditures	68,179,939	77,955,051	74,019,476	3,935,575
Excess (deficiency) of revenues over expenditures	(3,081,621)	(11,146,726)	(11,152,249)	(5,523)

**City of Pflugerville, Texas**

Statement of Revenues, Expenditures,  
and Changes in Fund Balance – Budget and Actual - Continued  
General Fund  
For the Fiscal Year Ended September 30, 2025

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>OTHER FINANCING SOURCES (USES)</b>				
Leases	\$ -	\$ -	\$ 3,742,833	\$ 3,742,833
Subscriptions	-	5,670,217	3,001,592	(2,668,625)
Proceeds from sale of assets	-	-	235,231	235,231
Insurance recoveries	-	171,000	270,966	99,966
Transfers in	-	-	112,568	112,568
Transfers out	(1,000,000)	-	-	-
Total other financing sources (uses)	(1,000,000)	5,841,217	7,363,190	1,521,973
Net change in fund balance	(4,081,621)	(5,305,509)	(3,789,059)	1,516,450
Fund balance, beginning of year	25,507,973	25,507,973	25,507,973	-
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 21,426,352</b>	<b>\$ 20,202,464</b>	<b>\$ 21,718,914</b>	<b>\$ 1,516,450</b>

**City of Pflugerville, Texas**  
Statement of Net Position  
Proprietary Funds  
September 30, 2025

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Water/ Wastewater</b>	<b>Solid Waste</b>	<b>Totals</b>
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 78,896,772	\$ 586,135	\$ 79,482,907
Restricted cash and investments			
Bond accounts	32,667,114	-	32,667,114
Impact fees	5,510,652	-	5,510,652
Receivables, net of allowance for uncollectibles	8,657,668	979,060	9,636,728
Due from other funds	-	78,532	78,532
Inventory	381,604	-	381,604
Prepaid assets	1,715	-	1,715
<b>Total current assets</b>	<b>126,115,525</b>	<b>1,643,727</b>	<b>127,759,252</b>
Noncurrent assets:			
Capital assets:			
Land	10,753,211	-	10,753,211
Water rights	9,843,758	-	9,843,758
Buildings and improvements	3,490,269	-	3,490,269
Equipment	25,639,470	198,147	25,837,617
Infrastructure and system	348,496,699	-	348,496,699
Right-to-use asset - leases	1,050,372	-	1,050,372
Right-to-use asset - subscriptions	489,007	-	489,007
Construction in progress	430,801,011	-	430,801,011
Accumulated depreciation and amortization	(100,186,563)	(33,025)	(100,219,588)
<b>Total capital assets (net of accumulated depreciation and amortization)</b>	<b>730,377,234</b>	<b>165,122</b>	<b>730,542,356</b>
<b>Total noncurrent assets</b>	<b>730,377,234</b>	<b>165,122</b>	<b>730,542,356</b>
<b>TOTAL ASSETS</b>	<b>856,492,759</b>	<b>1,808,849</b>	<b>858,301,608</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	1,126,799	-	1,126,799
Deferred outflows from pension activities	1,190,898	-	1,190,898
Deferred outflows from OPEB activities - retiree health plan	17,795	-	17,795
Deferred outflows from OPEB activities - TMRS supplemental death benefit	22,129	-	22,129
<b>Total deferred outflows of resources</b>	<b>2,357,621</b>	<b>-</b>	<b>2,357,621</b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	45,040,756	372,858	45,413,614
Wages payable and accrued liabilities	19,204,866	2,386	19,207,252
Due to other funds	78,532	-	78,532
Accrued interest payable	2,889,596	-	2,889,596
Unearned revenue	31,673	-	31,673
Customer deposits	464,745	11,260	476,005
Long-term liabilities, current portion			
Bonds payable	12,851,714	-	12,851,714
Lease liability	201,681	-	201,681
Subscription liability	59,769	-	59,769
Compensated absences	74,382	-	74,382
OPEB liability - retiree health plan	1,800	-	1,800
OPEB liability - TMRS supplemental death benefit	2,891	-	2,891
<b>Total current liabilities</b>	<b>80,902,405</b>	<b>386,504</b>	<b>81,288,909</b>

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

**City of Pflugerville, Texas**  
Statement of Net Position - Continued  
Proprietary Funds  
September 30, 2025

	<u>Water/ Wastewater</u>	<u>Solid Waste</u>	<u>Totals</u>
Noncurrent liabilities:			
Long-term liabilities, noncurrent portion			
Bonds payable	\$ 500,574,252	\$ -	\$ 500,574,252
Arbitrage rebate liability	6,411,112	-	6,411,112
Lease liability	520,927	-	520,927
Subscription liability	58,514	-	58,514
Compensated absences	265,991	-	265,991
Net pension liability	2,585,045	-	2,585,045
OPEB liability - retiree health plan	66,076	-	66,076
OPEB liability - TMRS supplemental death benefit	141,536	-	141,536
Total noncurrent liabilities	<u>510,623,453</u>	<u>-</u>	<u>510,623,453</u>
Total liabilities	591,525,858	386,504	591,912,362
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred gain on refunding	1,469,828	-	1,469,828
Deferred inflows from pension activities	235,092	-	235,092
Deferred inflows from OPEB activities - retiree health plan	82,060	-	82,060
Deferred inflows from OPEB activities - TMRS supplemental death benefit	50,333	-	50,333
Total deferred inflows of resources	<u>1,837,313</u>	<u>-</u>	<u>1,837,313</u>
<b>NET POSITION</b>			
Net investment in capital assets	195,756,154	165,122	195,921,276
Restricted	7,264,277	-	7,264,277
Unrestricted	<u>62,466,778</u>	<u>1,257,223</u>	<u>63,724,001</u>
<b>TOTAL NET POSITION</b>	<u>\$ 265,487,209</u>	<u>\$ 1,422,345</u>	<u>\$ 266,909,554</u>

## City of Pflugerville, Texas

### Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds For the Fiscal Year Ended September 30, 2025

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Water/ Wastewater</b>	<b>Solid Waste</b>	<b>Totals</b>
<b>OPERATING REVENUES</b>			
Charges for services			
Water sales	\$ 34,295,545	\$ -	\$ 34,295,545
Wastewater sales	22,807,528	-	22,807,528
Solid waste sales	-	6,070,217	6,070,217
Other income	692,988	1,505	694,493
	<hr/>	<hr/>	<hr/>
Total operating revenues	57,796,061	6,071,722	63,867,783
<b>OPERATING EXPENSES</b>			
Utility administration	10,602,043	-	10,602,043
Water operations	10,586,459	-	10,586,459
Wastewater operations	6,965,273	-	6,965,273
Solid waste operations	-	6,402,331	6,402,331
Depreciation and amortization	7,895,156	19,815	7,914,971
	<hr/>	<hr/>	<hr/>
Total operating expenses	36,048,931	6,422,146	42,471,077
Operating income	21,747,130	(350,424)	21,396,706
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment income	976,150	50,044	1,026,194
Donation and grants	1,104,159	-	1,104,159
Interest expense and fees	(15,712,406)	-	(15,712,406)
	<hr/>	<hr/>	<hr/>
Total nonoperating revenues (expenses)	(13,632,097)	50,044	(13,582,053)
Income before contributions and transfers	8,115,033	(300,380)	7,814,653
<b>CONTRIBUTIONS AND TRANSFERS</b>			
Capital contributions	24,228,280	-	24,228,280
Transfers in	323,053	-	323,053
Transfers out	-	(323,053)	(323,053)
	<hr/>	<hr/>	<hr/>
Total contributions and transfers	24,551,333	(323,053)	24,228,280
Change in net position	32,666,366	(623,433)	32,042,933
Net position - beginning	232,820,843	2,045,778	234,866,621
	<hr/>	<hr/>	<hr/>
<b>NET POSITION - ENDING</b>	<b>\$ 265,487,209</b>	<b>\$ 1,422,345</b>	<b>\$ 266,909,554</b>

**City of Pflugerville, Texas**  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended September 30, 2025

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Water/ Wastewater</b>	<b>Solid Waste</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received for account services	\$ 57,533,847	\$ 6,187,657	\$ 63,721,504
Cash payments for operating expenses	(20,412,838)	(6,047,902)	(26,460,740)
Cash payments to employees for services	2,537,684	(59,055)	2,478,629
Net cash provided by operating activities	39,658,693	80,700	39,739,393
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers, net	323,053	(323,053)	-
Donations and grants	1,104,159	-	1,104,159
Net cash used in noncapital financing activities	1,427,212	(323,053)	1,104,159
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of capital assets	(212,141,407)	-	(212,141,407)
Proceeds from new debt	130,758,507	-	130,758,507
Principal paid on debt obligations	(21,879,411)	-	(21,879,411)
Interest and fees paid on capital debt	(7,946,800)	-	(7,946,800)
Net cash provided by (used in) capital and related financing activities	(111,209,111)	-	(111,209,111)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Earnings on investments	976,150	50,044	1,026,194
Net cash provided by investing activities	976,150	50,044	1,026,194
Net increase (decrease) in cash and cash equivalents	(69,147,056)	(192,309)	(69,339,365)
Cash and cash equivalents, beginning of year, including restricted cash	186,221,594	778,444	187,000,038
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 117,074,538</b>	<b>\$ 586,135</b>	<b>\$ 117,660,673</b>
<b>UNRESTRICTED CASH AND CASH EQUIVALENTS</b>	<b>\$ 78,896,772</b>	<b>\$ 586,135</b>	<b>\$ 79,482,907</b>
<b>RESTRICTED CASH AND CASH EQUIVALENTS</b>	<b>38,177,766</b>	<b>-</b>	<b>38,177,766</b>
<b>TOTAL</b>	<b>\$ 117,074,538</b>	<b>\$ 586,135</b>	<b>\$ 117,660,673</b>

**City of Pflugerville, Texas**  
Statement of Cash Flows - Continued  
Proprietary Funds  
For the Fiscal Year Ended September 30, 2025

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Water/ Wastewater</b>	<b>Solid Waste</b>	<b>Totals</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
Operating income	\$ 21,747,130	\$ (350,424)	\$ 21,396,706
Adjustments to reconcile operating income to cash provided by operating activities:			
Depreciation and amortization	7,895,156	19,815	7,914,971
(Increase) decrease in receivables	(67,251)	133,050	65,799
(Increase) decrease in inventory	(381,604)	-	(381,604)
(Increase) decrease in prepaid assets	(1,715)	-	(1,715)
(Increase) decrease in interfund balances	(273)	(78,532)	(78,805)
(Increase) decrease in deferred charge on refunding	554,532	-	554,532
(Increase) decrease in deferred outflows for pension and OPEB	244,721	-	244,721
Increase (decrease) in accounts payable	(2,783,207)	372,858	(2,410,349)
Increase (decrease) in accrued liabilities	9,716,045	1,048	9,717,093
Increase (decrease) in customer meter deposits	(198,039)	(17,115)	(215,154)
Increase (decrease) in unearned revenue	3,076	-	3,076
Increase (decrease) in accrued interest	1,314,063	-	1,314,063
Increase (decrease) in accrued compensated absences	120,223	-	120,223
Increase (decrease) in net pension liability and OPEB	(116,354)	-	(116,354)
Increase (decrease) in deferred inflows for pension and OPEB	1,612,190	-	1,612,190
Total adjustments	17,911,563	431,124	18,342,687
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$ 39,658,693</b>	<b>\$ 80,700</b>	<b>\$ 39,739,393</b>
<b>SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Capital contributions	\$ 24,228,280	\$ -	\$ 24,228,280
Capital asset acquisitions under leases / financed purchases	232,053	-	232,053
Capital asset purchases on account (accrued but not paid)	52,892,594	-	52,892,594

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## City of Pflugerville, Texas

### Notes to the Financial Statements

#### Note 1. Summary of Significant Accounting Policies

The City of Pflugerville, Texas (the City) was incorporated in 1965, under the provisions of the State of Texas. The City operates under a Council-Manager form of government and provides the following services: public safety (police and building inspection), streets, public improvements, general administrative services, culture and recreation, and water, wastewater, and solid waste services.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America (GAAP) applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB). The more significant accounting policies of the City are described below.

##### A. Reporting Entity

In evaluating the City as a reporting entity, management has addressed all potential component units for which the City may be financially accountable, and as such, should be included within the City's financial statements. The City (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization, or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the City.

The City also evaluated each legally separate, tax-exempt organization whose resources are used principally to provide support to the City to determine if its omission from the reporting entity would result in the financial statements that are misleading or incomplete. Generally accepted accounting principles require inclusion of such an organization as a component unit when: 1) the economic resources received or held by the organization are entirely or almost entirely for the direct benefit of the City, its component units or its constituents; and 2) the City or its component units are entitled to, or have the ability to otherwise access, a majority of the economic resources received or held by the organization; and 3) such economic resources are significant to the City.

Based on the criteria above, the City has the following discretely presented component unit:

##### The Pflugerville Community Development Corporation (PCDC)

The City adopted (through the election process) an optional ½ cent sales tax for economic development purposes. The PCDC is a nonprofit corporation specifically governed by Section 4B of the Development Corporation Act of 1979, as amended. The purpose of the PCDC is to promote economic development within the City. The seven-member Board of Directors is appointed by the City Council. The Board is regularly accountable to the City Council for all activities undertaken by them or on their behalf and the City can impose its will on the Board. Accordingly, the City accounts for the PCDC as a discretely presented component unit on the government-wide financial statements. The PCDC is audited as part of the City of Pflugerville. Separately issued financial statements are not available.

##### B. Basis of Presentation – Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

## City of Pflugerville, Texas

### Notes to the Financial Statements

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenue are reported instead as general revenue.

#### C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue 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 provider have been met.

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. For this purpose, the City considers revenue to be available if collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, sales taxes, hotel taxes, fines, certain charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following governmental funds:

#### Major Governmental Funds

The **General Fund** is the general operating fund of the City. It is used to account for all financial resources of the general government except those accounted for in another fund.

The **Debt Service Fund** is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

The **Capital Projects Fund** is used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by the proprietary fund types. Such resources are derived from proceeds of general obligation bonds or other sources of revenue specifically set aside for capital projects.

## City of Pflugerville, Texas

### Notes to the Financial Statements

#### Nonmajor Governmental Funds

**Special Revenue Funds** are used to account for the proceeds of specific revenue sources (other than major capital projects) that are restricted, committed or assigned to expenditures for specified purposes, such as the drug seizure funds, grant monies (including CDBG and ARPA), public improvement districts (PIDs), TIRZ #1, PEG funds and hotel occupancy taxes.

The City reports the following major proprietary funds:

The **Water/Wastewater Fund** accounts for the City's water and wastewater, utilities, including operations, maintenance of the infrastructure and expansion of the system within the City's service territory.

The **Solid Waste Fund** accounts for the City's solid waste utilities, including operations, maintenance of the infrastructure and expansion of the system within the City's service territory.

Amounts reported as 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. Internally dedicated resources are reported as general revenues rather than as program revenues.

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

#### **D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

##### **1. Cash and Cash Equivalents**

For purposes of the statement of cash flows for the proprietary fund types, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. The City's local government investment pools are recorded at amortized costs as permitted by GASB Statement No. 79, *Certain Investment Pools and Pool Participants*.

##### **2. Investments**

Investment pools are reported at the net asset value per share, which approximates fair value, even though it is calculated using the amortized cost method.

Fair value accounting requires characterization of the inputs used to measure fair value based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation of inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

##### **3. Restricted Assets**

Certain cash and investments are restricted by various legal and contractual obligations. Included in the restricted assets are capital recovery fees (impact fees) restricted by law for future capital improvements, customer deposits, and specific bond proceeds restricted for use.

# City of Pflugerville, Texas

## Notes to the Financial Statements

### 4. Receivables

All trade and property tax receivables are shown net of an allowance for uncollectibles. The allowance for uncollectibles is management's best estimate of the amount of credit losses based on account delinquencies and historical write-off expense.

Utility revenue is recorded when earned. Customers are billed monthly. The estimated value of services provided but unbilled has been included in the financial statements.

### 5. Interfund Activity

Interfund Activity results from loans, services provided, reimbursements, or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers in and transfers out are netted and presented as single "transfers" line on the government-wide statement of activities. Similarly, if applicable, interfund receivables and payables between governmental activities and business-type activities are netted and presented as a single "internal balance" line on the government-wide statement of net position.

### 6. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at their historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at their acquisition cost, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives are not capitalized.

Improvements which extend asset lives are capitalized and depreciated over the useful lives of the related assets, as applicable. Capital assets are capitalized if they have an expected useful life of over two years and an original cost of \$5,000 or more for equipment or \$25,000 for infrastructure, buildings, and improvements other than buildings. When property or equipment is retired from service or otherwise disposed of, the cost and related accumulated depreciation are removed, and any resulting gain or loss is reported in the statement of activities or in the proprietary fund financial statements.

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. No interest expense was capitalized in the enterprise fund during the 2025 fiscal year.

Infrastructure capital assets, such as streets, sidewalks, curbs and gutters, sewers, and drainage systems, built and/or acquired since fiscal year 1960 are included.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range as follows:

<u>Capital Asset Classes</u>	<u>Lives in yrs</u>
Building and improvements	15-30
Infrastructure	15-50
Equipment	10
Software	5-15
Utility distribution system	20-50

## City of Pflugerville, Texas

### Notes to the Financial Statements

#### **7. Subscription-Based Information Technology Arrangements (SBITAs)**

The City has noncancellable contracts with SBITA vendors for the right to use information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets). The City recognizes a subscription liability, reported with long-term debt, and a right-of-use subscription asset (an intangible asset), reported with other capital assets, in the government-wide and proprietary fund financial statements. The City recognizes lease liabilities where the cash outlay over the term of the lease is \$5,000 or more.

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

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

- The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The subscription term includes the noncancellable period of the SBITA.
- Subscription payments included in the measurement of the subscription liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, termination penalties if the City is reasonably certain to exercise such options, subscription contract incentives receivable from the SBITA vendor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

The City monitors changes in circumstances that would require a remeasurement of its SBITAs and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

#### **8. Leases**

##### Lessee

The City is a lessee for noncancellable leases of property and equipment. The City recognizes a lease liability, reported with long-term debt, and a right-to-use lease asset (lease asset), reported with other capital assets, in the government-wide and proprietary fund financial statements. The City recognizes lease liabilities where the cash outlay over the term of the lease is \$5,000 or more.

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

## City of Pflugerville, Texas

### Notes to the Financial Statements

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

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses the current interest rate on its Master Lease Agreement used for financed purchases as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, purchase option price that the City is reasonably certain to exercise, lease incentives receivable from the lessor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

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

#### Lessor

The City is a lessor for noncancellable leases of property and equipment. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide, governmental fund and proprietary fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

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

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

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflow of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

#### **9. Long-term Obligations**

The government-wide financial statements and proprietary fund type fund financial statements report long-term debt and other long-term obligations as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of applicable bond premiums or discounts.

The fund financial statements report bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources at par. Premiums (discounts) associated with the debt are reported as other financing uses.

## City of Pflugerville, Texas

### Notes to the Financial Statements

#### **10. Compensated Absences**

Employees accrue vacation monthly based on their length of service with a maximum number of accrued hours. All employees leaving the service of the City will be paid their unused accrued vacation leave.

Full-time employees accrue sick leave benefits at a rate of 8 hours per month. Part-time and temporary employees do not earn sick leave benefits. Unused accrued sick leave may be accrued and carried over into the succeeding calendar years. No sick leave shall be paid upon termination of employment.

Accumulated vacation and sick leave which are more likely than not to be used by employees within governmental funds that are not expected to be liquidated with expendable available financial resources are reported as a long-term liability on the statement of net position. No expenditure is reported for these amounts in the fund financial statements unless the benefits have matured. Accumulated vacation and sick leave of proprietary fund types are recorded as an expense and liability of those funds as the benefits accrue to employees.

#### **11. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Information regarding the City's net pension liability is obtained from TMRS through reports prepared for the City by the TMRS consulting actuary, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*.

#### **12. Other Postemployment Benefits**

##### TMRS Supplemental Death Benefits Fund

The City participates in the Texas Municipal Retirement System Supplemental Death Benefit Fund (TMRS SDBF), which is an optional single-employer defined benefit life insurance plan that is administered by TMRS. It provides death benefits to active and, if elected, retired employees of participating employers. Contribution rates are determined annually for each participating municipality as a percentage of that City's covered payroll. The death benefit for retirees is considered an other post-employment benefit (OPEB). The OPEB program is an unfunded trust because the SDBF trust covers both actives and retirees and is not segregated. The total OPEB liability of the plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. The City reports the total liability for this plan on the government-wide and proprietary fund financial statements.

Information regarding the City's total OPEB liability is obtained from TMRS through reports prepared for the City by the TMRS consulting actuary, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

#### **13. Deferred Outflows/Inflows of Resources**

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

## City of Pflugerville, Texas

### Notes to the Financial Statements

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 plans, except for projected and actual earnings differences on investments which are amortized on a closed basis over a 5-year period.
- City contributions to the pension and OPEB plans 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.
- Unavailable revenue – The governmental funds report unavailable revenues from property taxes, court fines, grants and leases. These amounts are deferred and recognized as inflows of resources in the period that the amounts become available.
- Deferred outflows/inflows from notes receivable are recognized as inflows and outflows of resources become available.

#### **14. Net Position Flow Assumption**

The City classifies governmental fund balance in accordance with Government Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions:

**Nonspendable fund balance** includes fund balance that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

**Restricted fund balance** includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

**Committed fund balance** is established and modified by a resolution from City Council, the City's highest level of decision-making authority, and can be used only for the specified purposes determined by the Council's resolution.

**Assigned fund balance** is intended to be used by the City for specific purposes but does not meet the criteria to be classified as restricted or committed. The Council has delegated the authority to assign fund balance to the City Manager or Finance Director.

**Unassigned fund balance** is the residual classification for the City's general fund and includes all spendable amounts not contained in the other classifications, as well as negative unassigned fund balance in other governmental funds.

**City of Pflugerville, Texas**  
Notes to the Financial Statements

As of September 30, 2025, the various fund balance purposes were as follows:

	General	Debt Service	Capital Projects	Nonmajor Governmental	Total Governmental
Nonspendable:					
Prepaid items	\$ 686,559	\$ -	\$ -	\$ 3,904	\$ 690,463
Total nonspendable	686,559	-	-	3,904	690,463
Restricted:					
Municipal court	-	-	-	245,584	245,584
Police	-	-	-	301,647	301,647
Public Education & Government	-	-	-	180,900	180,900
Tourism (HOT)	-	-	-	1,108,114	1,108,114
Public Improvement District	-	-	-	15,749,353	15,749,353
Tax increment zone improvements	-	-	-	7,514,623	7,514,623
Parks	-	-	-	-	-
Federal and state grant programs	-	-	-	159,875	159,875
Debt service	-	10,954,579	-	-	10,954,579
Capital projects	-	-	432,153,884	-	432,153,884
Total restricted	-	10,954,579	432,153,884	25,260,096	468,368,559
Assigned:					
Subsequent year's budget	1,495,627	-	-	-	1,495,627
Total assigned	1,495,627	-	-	-	1,495,627
Unassigned	19,536,728	-	-	-	19,536,728
<b>Total fund balance</b>	<b>\$ 21,718,914</b>	<b>\$ 10,954,579</b>	<b>\$ 432,153,884</b>	<b>\$ 25,264,000</b>	<b>\$ 490,091,377</b>

**15. General Fund Balance Policy**

The City's goal is to achieve and maintain an unassigned fund balance in the General Fund equal to 25% of budgeted operating expenditures per charter. If the unassigned fund balance is calculated to be less than the policy stipulates, the City shall plan to adjust budget resources in subsequent fiscal years to restore the balance.

If unassigned fund balance falls below 25% or if it is anticipated that at the completion of any fiscal year the projected fund balance will be less than the minimum requirement, the City Manager shall prepare and submit a plan to City Council to restore the minimum required level as soon as economic conditions allow. The plan shall detail the steps necessary for the replenishment of fund balance as well as an estimated timeline for achieving such.

**16. Utility Net Position Policy**

The City's goal is to achieve and maintain an unrestricted net position in the Utility Fund equal to 25% of budgeted operating expenses. If the unrestricted net position is calculated to be less than the policy stipulates, the City shall plan to adjust budget resources in subsequent fiscal years to restore the balance.

If unrestricted net position falls below 25% or if it is anticipated that at the completion of any fiscal year the projected net position will be less than the minimum requirement, the City Manager shall prepare and submit a plan to City Council to restore the minimum required level as soon as economic conditions allow. The plan shall detail the steps necessary for the replenishment of net position as well as an estimated timeline for achieving such.

## City of Pflugerville, Texas

### Notes to the Financial Statements

#### **E. Revenues and Expenditures/Expenses**

##### **1. Program Revenues**

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

##### **2. Property Taxes**

Property values are determined by the County Appraisal District as of July 25 of each year. Prior to October 1 of each year, the City sets its tax rate thus creating the tax levy. The taxes are levied and payable October 1 on property values assessed as of January 1. Taxes become delinquent February 1 of the following year and are subject to interest and penalty charges. The City is permitted by the State of Texas to levy taxes up to \$2.50 per \$100 of assessed valuation for general government services and for the payment of principal and interest on general long-term debt. The combined current tax rate to finance general government services, including debt service for the fiscal year ended September 30, 2025, was \$0.5428 per \$100 of assessed valuation.

Allowances for uncollectable tax receivables with the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the City is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

##### **3. Sales Taxes**

Revenue from a 1.5% sales tax with the City is considered available when received by the Comptroller of Public Accounts and is accrued on a monthly basis based on information provided by the Comptroller of Public Accounts. The City receives allocations on a monthly basis. The Comptroller for the State of Texas collects and distributes these amounts to the appropriate governmental organization with funding normally occurring within 60 days from the date of the underlying sale. The amount reported is net of a 2% collection and distribution service fee withheld by the state of Texas.

The sales tax collection is allocated to the General Fund and to the PCDC, the City's component unit. From the total imposed rate of 1.5% sales tax within the City, the City allocates 0.5% of the revenue to the PCDC.

##### **4. Revenues and Expenditures/Expenses**

In the fund financial statements revenues for governmental funds are recorded when they are determined to be both measurable and available. Generally, tax revenues, fees and non-tax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures for governmental funds are recorded when the related liability is incurred.

Revenues and expenses in the Government-wide Statement of Activities are recognized in essentially the same manner as used in commercial accounting.

##### **5. Proprietary Funds Operating and Nonoperating Revenues and Expenses**

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 water/wastewater fund and sanitation fund are charges to customers for sales and services. Operating expenses for the proprietary funds include the operating 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.

## City of Pflugerville, Texas

### Notes to the Financial Statements

#### F. Use of Estimates

The presentation of financial statements, in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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.

#### G. New Accounting Pronouncements

Governmental Accounting Standards Board (GASB) pronouncements which have been implemented:

GASB Statement No. 101, *Compensated Absences* (GASB 101), improves the information needs of financial statements users by updating the recognition and measurement guidance for compensated absences under a unified model and amending certain previously required disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2023, with earlier application encouraged. GASB 101 was implemented in the City's fiscal year 2025 financial statements with no impact to amounts or disclosures previously reported.

GASB Statement No. 102, *Certain Risk Disclosures* (GASB 102), improves financial reporting by providing users of financial statements with essential information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. The requirements of this statement are effective for reporting periods beginning after June 15, 2024, with earlier application encouraged. GASB 102 was implemented in the City's fiscal year 2025 financial statements with no impact to amounts or disclosures previously reported.

The following GASB pronouncements will become effective in future reporting periods. City management has not determined their impact:

GASB Statement No. 103, *Financial Reporting Model Improvements* (GASB 103), improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain application issues. The requirements of this statement are effective for reporting periods beginning after June 15, 2025, with earlier application encouraged. GASB 103 will be implemented in the City's fiscal year 2026 financial statements and the impact has not yet been determined.

GASB Statement No. 104, *Disclosure of Certain Capital Assets* (GASB 104), establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures. It also establishes requirements for capital assets held for sale, including additional disclosures for those capital assets. The requirements of this statement are effective for reporting periods beginning after June 15, 2025, with earlier application encouraged. GASB 104 will be implemented in the City's fiscal year 2026 financial statements and the impact has not yet been determined.

GASB Statement No. 105, *Subsequent Events* (GASB 105), improves financial reporting related to subsequent events by 1) clarifying the subsequent events time frame and the subsequent events that constitute recognized and non-recognized events and 2) specifies the information items that are required to be disclosed about subsequent events. The requirements of this statement are effective for reporting periods beginning after June 15, 2026, with earlier application encouraged. GASB 105 will be implemented in the City's fiscal year 2027 financial statements and the impact has not yet been determined.

**City of Pflugerville, Texas**  
Notes to the Financial Statements

**Note 2. Stewardship, Compliance and Accountability**

**A. Budgetary Information**

The City Council follows these procedures in establishing the budgets reflected in the financial statements:

On or before the first day of August each year, the City Manager submits to the City Council a proposed budget for the fiscal year beginning on the following October 1. The operating budget includes proposed expenditures and the means of financing them. Work sessions are conducted to obtain Council Members' comments, and public hearings are conducted to obtain citizens' comments. The budget is legally enacted by the City Council through the adoption of an ordinance prior to the beginning of the fiscal year.

The budgets for the General Fund and Special Revenue Funds (except as noted in the following paragraph) are adopted on a basis consistent with generally accepted accounting principles. Formal budget integration is employed as a management control device during the year for the General Fund and Special Revenue Fund. The City Manager is authorized to transfer budgeted amounts of operation and maintenance line items within a department. Any revisions that alter the total expenditures or the capital outlays of any fund must be approved by the City Council.

Annually appropriated budgets are not adopted for all Special Revenue Funds. The Community Development Block Grant, Grant, Meadowlark PID, Municipal Court Youth Diversion, Police National Night Out, and Parks do not have legally adopted budgets. Accordingly, budget and actual comparisons do not include these funds.

**Note 3. Detailed Notes on All Funds**

**A. Cash and Investments**

At September 30, 2025, the carrying amount of the City's cash and investments were as follows:

	Carrying Value / Fair Value
<b>Primary government</b>	
Cash in bank	\$ 87,676,959
Local government investment pools	333,483,265
Investments by fair value level	222,862,181
	<hr/>
<b>Total primary government</b>	<b>\$ 644,022,405</b>
	<hr/>
<b>Discretely presented component unit</b>	
Cash in bank	\$ 6,363,684
Local government investment pools	4,981,251
Investments	7,482,919
	<hr/>
<b>Total discretely presented component unit</b>	<b>\$ 18,827,854</b>
	<hr/> <hr/>

The City's cash deposits as of and for the year ended September 30, 2025 were entirely covered by FDIC insurance or by pledged collateral held by the agent bank in the City's name.

## City of Pflugerville, Texas

### Notes to the Financial Statements

#### Investments

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. Among other things, it requires the City to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity; (2) portfolio diversification; (3) allowable investments; (4) acceptable risk levels; (5) expected rates of return; (6) maximum allowable stated maturity of portfolio investments; (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio; (8) investment staff quality and capabilities; and (9) competitive bidding processes where applicable. Statutes authorize the City to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit; (3) certain municipal securities; (4) money market savings accounts; (5) repurchase agreements; (6) bankers acceptances; (7) mutual funds; (8) investment pools; (9) guaranteed investment contracts; and (10) common trust test procedures related to investment practices as provided by the Act. The City is in substantial compliance with the requirements of the Act and with local policies.

Certain investment types are not required to be measured at fair value; these include certain investment pools in which the underlying portfolio is measured at amortized cost. Other investment pools, in which underlying portfolio investments are measured at fair value, are reported by the City at the net asset value (NAV) determined by the pool, which approximates fair value.

The Texas Cooperative Liquid Assets Securities System Trust (Texas CLASS) was created in accordance with the requirements contained in section 2256.016 of the Public Funds Investment Act (PFIA). The Texas CLASS Trust Agreement is an agreement of indefinite term regarding the investment, reinvestment, and withdrawal of local government funds. The parties to the Trust Agreement are Texas local government entities that choose to participate in the Trust (the Participants), Public Trust Advisors, LLC (Public Trust) as Program Administrator, and UMB Bank, N.A. as Custodian.

Texas CLASS is an external investment pool measured at fair value, i.e. net asset value. The investment pool's strategy is to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short term marketable securities. There are no unfunded commitments related to the investment pool. Texas CLASS has a redemption notice period of one day and may redeem daily. The investment pool's 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. The Texas CLASS portfolio consists of U.S. Government securities; collateralized repurchase and reverse repurchase agreements; AAA rated money market mutual funds; and commercial paper. Texas CLASS is currently rated at AAAm by Standard and Pools.

TexPool Prime is duly chartered and overseen by the State Comptroller's Office, administered and managed by Federated Investors, Inc. State Street Bank serves as the custodial bank. The portfolio consists of U.S. Government securities, collateralized repurchase and reverse repurchase agreements, AAA rated money market mutual funds, commercial paper and certificates of deposit.

TexPool Prime transacts at a net asset value of \$1.00 per share, has a weighted average maturity of 60 days or less and weighted average life of 120 days or less, investments held are highly rated by a nationally recognized statistical rating organization, have no more than 5% of portfolio with one issuer excluding US government securities), and can meet reasonably foreseeable redemptions. The investment pool has a redemption notice period of one day and no maximum transaction amounts. The investment pool 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 liquidity.

## City of Pflugerville, Texas

### Notes to the Financial Statements

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

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

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement. The Level 2 investments below represent approximate fair value of the City's commercial paper based on quoted market prices or alternative pricing sources and models utilizing observable inputs.

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

Investment Type	September 30, 2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Observable Inputs (Level 3)	Weighted Average Maturity (Days)
<b>Primary government</b>					
Investments not subject to fair value (NAV)					
Texas Class	\$ 333,483,265	\$ -	\$ -	\$ -	36
Investments by fair value level					
CD Investments	-	162,364,143	-	-	205
U.S. Agency Securities	-	20,001,201	-	-	322
U.S. Treasury Bonds	-	40,496,837	-	-	166
<b>Total primary government</b>	<b>\$ 333,483,265</b>	<b>\$ 222,862,181</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Discretely presented component unit</b>					
Investments not subject to fair value (amortized cost)					
TexPool Prime	\$ 4,981,251	\$ -	\$ -	\$ -	38
Investments by fair value level					
CD Investments	-	7,482,919	-	-	133
<b>Total discretely presented component unit</b>	<b>\$ 4,981,251</b>	<b>\$ 7,482,919</b>	<b>\$ -</b>	<b>\$ -</b>	

#### Interest Rate Risk

Interest rate risk is the risk that changes in interest rates may adversely affect the value of the investments. The City monitors interest rate risk utilizing weighted average maturity analysis. In accordance with its investment policy, the City reduces its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to interest-bearing accounts and certificates of deposit with bank depository.

# City of Pflugerville, Texas

## Notes to the Financial Statements

### Concentration of Credit Risk

The risk is the risk of loss attributed to the magnitude of a City's investment in a single issuer. The City's investment policy does not limit an investment in any one issuer.

### Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. At September 30, 2025, the City's deposits were held at various depository banks. Deposit balances held at the depository banks were insured and collateralized with securities held by the City's or the bank's agent in the City's name. However, the PCDC's bank balance was exposed to custodial credit risk because they were not fully insured and collateralized. The PCDC's depository bank balances decreased shortly thereafter to cure this exposure.

### Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City is not exposed to custodial risk as the cash equivalents and certificates of deposit at bank depository are insured or registered in the City's name or the investments are held by the City or its agent.

## B. Lease Receivables

### Primary Government

On August 12, 2022, the City entered into a 25-year lease as the lessor for the use of 901 Old Austin Hutto Road. The lessee has 4 extension options, each for 5 years. An initial lease receivable was recorded in the amount of \$372,461. As of fiscal year-end, the value of the lease receivable is \$350,920. The lessee is required to make monthly fixed payments of \$1,500. The lease has an interest rate of 3.074%. The value of the deferred inflow of resources as of fiscal year-end was \$325,738.

For the year ended September 30, 2025, payments were as follows:

	Fixed Payments
<b>Governmental activities:</b>	
Rent	\$ 7,094
Interest revenue	10,906
<b>Total governmental activities</b>	<b>\$ 18,000</b>

### Discretely Presented Component Unit

In January 2022, the PCDC entered into a 17-year lease as the lessor for the use of its Water and Adventure Park. An initial lease receivable was recorded in the amount of \$15,514,083. As of fiscal year-end, the value of the lease receivable is \$12,225,030. The lessee is required to make annual fixed payments of \$1,246,704. The lease has an interest rate of 4.2950%. The value of the deferred inflow of resources as of fiscal year-end was \$12,091,859.

For the year ended September 30, 2025, payments were as follows:

	Fixed Payments
<b>Discretely presented component unit:</b>	
Rent	\$ 691,950
Interest revenue	554,754
<b>Total Discretely presented component unit</b>	<b>\$ 1,246,704</b>

**City of Pflugerville, Texas**  
Notes to the Financial Statements

**C. Interfund Activity**

**Receivables/Payables**

The composition of interfund balances as of September 30, 2025 is as follows:

Receivable Fund	Payable Fund	Amount
General	Non-major special revenue	\$ 93,629
Non-major special revenue	General	630
Non-major special revenue	Capital Projects	57
Solid Waste	Water/Wastewater	78,532
		<u>\$ 172,848</u>

The receivable balance in the General Fund represents reimbursement for cost reimbursement grant expenditures. Other interfund balances are the result of timing differences between the dates that interfund goods and services were provided or reimbursable expenditures occurred and when payments between funds were made.

**Transfers To and From Other Funds**

Interfund transfers are defined as “flows of assets without equivalent flow of assets in return and without a requirement for repayment.” Transfers are funds collected in one fund and are transferred to finance various programs accounted for in other funds. The following is a summary of the City’s transfers for the year ended September 30, 2025.

Transfer In	Transfer Out	Amount
General	Non-major special revenue	\$ 112,568
Non-major special revenue	Capital Projects	57
Debt Service	Non-major special revenue	1,848,093
Water/Wastewater	Solid Waste	323,053
		<u>\$ 2,283,771</u>

Transfers from the nonmajor governmental funds to the General Fund were administrative transfers per the adopted budget. Transfers from the Solid Waste Fund to the Water/Wastewater fund were administrative transfers. Transfers from capital projects fund to the nonmajor governmental funds were for grant expenditure reimbursements. Transfers from the nonmajor governmental funds to debt service fund were budgeted transfers for annual debt service.

**City of Pflugerville, Texas**  
Notes to the Financial Statements

**D. Capital Assets**

**Primary Government**

Capital asset activity for the year ended September 30, 2025 is as follows:

	Beginning Balance	Increases	Decreases	Adjustments and Transfers	Ending Balance
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 23,348,180	\$ 803,733	\$ -	\$ -	\$ 24,151,913
Construction in progress	72,323,863	115,239,260	-	(1,311,174)	186,251,949
<b>Total capital assets, not being depreciated</b>	<b>95,672,043</b>	<b>116,042,993</b>	<b>-</b>	<b>(1,311,174)</b>	<b>210,403,862</b>
<b>Depreciable assets:</b>					
Buildings and improvements	117,799,983	1,715,279	-	1,311,174	120,826,436
Equipment	19,098,453	2,619,740	(28,971)	-	21,689,222
Software	1,110,978	-	-	-	1,110,978
Infrastructure	454,266,893	43,615,887	-	-	497,882,780
Right of Use Asset - Buildings	508,699	-	(508,699)	-	-
Right of Use Asset - Vehicles	4,027,385	4,061,177	(166,885)	-	7,921,677
Right of Use Asset - Software	2,471,199	3,886,744	(225,678)	-	6,132,265
<b>Total depreciable assets</b>	<b>599,283,590</b>	<b>55,898,827</b>	<b>(930,233)</b>	<b>1,311,174</b>	<b>655,563,358</b>
<b>Less accumulated depreciation for:</b>					
Buildings and improvements	(69,427,002)	(4,255,209)	-	-	(73,682,211)
Equipment	(13,037,280)	(1,193,083)	-	-	(14,230,363)
Software	(511,610)	(67,219)	-	-	(578,829)
Infrastructure	(270,106,685)	(12,729,171)	-	-	(282,835,856)
Right of Use Asset - Buildings	(190,762)	(171)	190,933	-	-
Right of Use Asset - Vehicles	(1,055,165)	(1,476,582)	78,446	-	(2,453,301)
Right of Use Asset - Software	(966,105)	(1,534,549)	225,678	-	(2,274,976)
<b>Total accumulated depreciation</b>	<b>(355,294,609)</b>	<b>(21,255,984)</b>	<b>495,057</b>	<b>-</b>	<b>(376,055,536)</b>
<b>Total depreciable assets, net</b>	<b>243,988,981</b>	<b>34,642,843</b>	<b>(435,176)</b>	<b>1,311,174</b>	<b>279,507,822</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 339,661,024</b>	<b>\$ 150,685,836</b>	<b>\$ (435,176)</b>	<b>\$ -</b>	<b>\$ 489,911,684</b>

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

<b>Governmental activities:</b>	
General government	\$ 2,186,414
Public Safety	1,381,447
Public Works and streets	15,455,648
Culture & recreation	2,232,475
<b>Total governmental activities</b>	<b>\$ 21,255,984</b>

**City of Pflugerville, Texas**  
Notes to the Financial Statements

	Beginning Balance	Increases	Decreases	Adjustments and Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 10,753,211	\$ -	\$ -	\$ -	\$ 10,753,211
Construction in progress	208,864,488	226,673,342	-	(4,736,819)	430,801,011
Water Rights	9,843,758	-	-	-	9,843,758
<b>Total capital assets, not being depreciated</b>	<b>229,461,457</b>	<b>226,673,342</b>	<b>-</b>	<b>(4,736,819)</b>	<b>451,397,980</b>
Depreciable assets:					
Buildings and improvements	3,476,274	13,995	-	-	3,490,269
Equipment	25,030,486	463,144	(86,927)	430,914	25,837,617
Infrastructure	328,031,429	16,159,365	-	4,305,905	348,496,699
Right of Use Asset - Vehicles	846,926	232,052	(28,606)	-	1,050,372
Right of Use Asset - Software	489,007	-	-	-	489,007
<b>Total depreciable assets</b>	<b>357,874,122</b>	<b>16,868,556</b>	<b>(115,533)</b>	<b>4,736,819</b>	<b>379,363,964</b>
Less accumulated depreciation for:					
Buildings and improvements	(1,320,173)	(237,943)	-	-	(1,558,116)
Equipment	(5,476,390)	(2,037,527)	86,927	-	(7,426,990)
Infrastructure	(85,288,865)	(5,316,040)	-	-	(90,604,905)
Right of Use Asset - Vehicles	(179,944)	(198,038)	28,606	-	(349,376)
Right of Use Asset - Software	(154,778)	(125,423)	-	-	(280,201)
<b>Total accumulated depreciation</b>	<b>(92,420,150)</b>	<b>(7,914,971)</b>	<b>115,533</b>	<b>-</b>	<b>(100,219,588)</b>
<b>Total depreciable assets, net</b>	<b>265,453,972</b>	<b>8,953,585</b>	<b>-</b>	<b>4,736,819</b>	<b>279,144,376</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 494,915,429</b>	<b>\$ 235,626,927</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 730,542,356</b>

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

Business-type activities:	
Water/wastewater	\$ 7,895,156
Solid Waste	19,815
<b>Total business-type activities</b>	<b>\$ 7,914,971</b>

**City of Pflugerville, Texas**  
Notes to the Financial Statements

Activity for this component unit for the year ended September 30, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Adjustments and Transfers	Ending Balance
Discretely Presented Component unit:					
Capital assets, not being depreciated:					
Land	\$ 8,481,672	\$ 24,562,586	\$ -	\$ -	\$ 33,044,258
Construction in progress	486,099	854,457	-	-	1,340,556
<b>Total capital assets, not being depreciated</b>	<b>8,967,771</b>	<b>25,417,043</b>	<b>-</b>	<b>-</b>	<b>34,384,814</b>
Depreciable assets:					
Leasehold Improvements	295,250	-	-	-	295,250
Buildings	6,167,465	-	-	-	6,167,465
Equipment	11,323,570	5,414	-	-	11,328,984
Vehicle	38,339	-	-	-	38,339
Right of Use Asset - Buildings	418,959	-	-	-	418,959
Right of Use Asset - Equipment	12,250	-	-	-	12,250
<b>Total depreciable assets</b>	<b>18,255,833</b>	<b>5,414</b>	<b>-</b>	<b>-</b>	<b>18,261,247</b>
Less accumulated depreciation for:					
Leasehold Improvements	(295,250)	-	-	-	(295,250)
Buildings	(1,696,054)	(154,187)	-	-	(1,850,241)
Equipment	(8,313,862)	(754,198)	-	-	(9,068,060)
Vehicle	(38,339)	-	-	-	(38,339)
Right of Use Asset - Buildings	(203,817)	(67,939)	-	-	(271,756)
Right of Use Asset - Equipment	(8,586)	(2,862)	-	-	(11,448)
<b>Total accumulated depreciation</b>	<b>(10,555,908)</b>	<b>(979,186)</b>	<b>-</b>	<b>-</b>	<b>(11,535,094)</b>
<b>Total depreciable assets, net</b>	<b>7,699,925</b>	<b>(973,772)</b>	<b>-</b>	<b>-</b>	<b>6,726,153</b>
<b>Component unit capital assets, net</b>	<b>\$ 16,667,696</b>	<b>\$ 24,443,271</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 41,110,967</b>

**E. Long-term Liabilities**

**Primary Government and Discretely Presented Component Units**

Long-term obligations include general obligation bonds, certificates of obligation, notes payables compensated absences, lease liabilities, subscription liabilities, net pension liability, and other postemployment benefits. The requirements for the general obligation bonds and certificates of obligation principal and interest payments are accounted for in the Debt Service Fund. The requirements for the subscription liability principal and interest payments are accounted for in the General Fund and Water/Wastewater Fund. Compensated absences, other postemployment benefits, and net pension liability are generally liquidated by the General Fund, Water/Wastewater Fund, and the PCDC.

The Tax Reform Act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed or are not performed correctly, a liability could result. The City periodically engages an arbitrage consultant to perform the calculations in accordance with the Internal Revenue Service's rules and regulations. The City recognized an arbitrage liability of \$19,979,187 as of September 30, 2025.

**City of Pflugerville, Texas**  
Notes to the Financial Statements

**Changes in Long-term Liabilities**

Changes in long-term obligations for the period ended September 30, 2025, are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 188,308,719	\$ 8,974,000	\$ (13,206,667)	\$ 184,076,052	\$ 8,264,620
Certificates of obligation	276,875,054	80,346,900	(9,365,348)	347,856,606	6,627,699
Limited tax bonds	96,305,000	-	(225,000)	96,080,000	350,000
Premium on bond issuance	37,308,455	4,315,633	(2,619,880)	39,004,208	1,965,575
Discount on bond issuance	-	(137,216)	2,515	(134,701)	(4,500)
<b>Total bonds payable, net</b>	<b>598,797,228</b>	<b>93,499,317</b>	<b>(25,414,380)</b>	<b>666,882,165</b>	<b>17,203,394</b>
Notes payable	436,406	-	(66,042)	370,364	68,585
Arbitrage rebate liability	7,099,369	6,468,706	-	13,568,075	1,570,414
Compensated absences	1,501,596	415,292	-	1,916,888	427,770
Leases	3,333,416	3,742,833	(1,542,267)	5,533,982	1,744,861
Subscription liability	1,443,514	3,001,592	(1,083,966)	3,361,140	903,135
Net pension liability	14,194,527	13,503,034	(14,126,073)	13,571,488	-
OPEB liability - TMRS	766,486	75,002	(83,248)	758,240	29,051
OPEB liability - Retiree health	335,929	39,111	(18,688)	356,352	15,903
<b>Total governmental activities long-term liabilities</b>	<b>\$ 627,908,471</b>	<b>\$ 120,744,887</b>	<b>\$ (42,334,664)</b>	<b>\$ 706,318,694</b>	<b>\$ 21,963,113</b>
<b>Business-type activities:</b>					
Bonds payable:					
General obligation bonds	\$ 41,116,281	\$ 9,721,000	\$ (8,963,334)	\$ 41,873,947	\$ 3,075,379
Certificates of obligation	124,219,947	55,860,100	(10,719,652)	169,360,395	4,849,302
Revenue bonds	222,302,066	65,177,407	(1,905,000)	285,574,473	3,665,000
Premium on bond issuance	17,809,278	3,848,027	(2,141,185)	19,516,120	1,367,845
Discount on bond issuance	(3,004,781)	-	105,812	(2,898,969)	(105,812)
<b>Total bonds payable, net</b>	<b>402,442,791</b>	<b>134,606,534</b>	<b>(23,623,359)</b>	<b>513,425,966</b>	<b>12,851,714</b>
Notes payable	458,161	-	(458,161)	-	-
Arbitrage rebate liability	-	6,411,112	-	6,411,112	-
Compensated absences	220,150	120,223	-	340,373	74,382
Leases	668,201	232,053	(177,646)	722,608	201,681
Subscription liability	232,061	-	(113,778)	118,283	59,769
Net pension liability	2,703,719	2,572,006	(2,690,680)	2,585,045	-
OPEB liability - TMRS	145,997	14,286	(15,856)	144,427	2,891
OPEB liability - Retiree health	63,986	7,450	(3,560)	67,876	1,800
<b>Total business-type activities long-term liabilities</b>	<b>\$ 406,935,066</b>	<b>\$ 143,963,664</b>	<b>\$ (27,083,040)</b>	<b>\$ 523,815,690</b>	<b>\$ 13,192,237</b>
<b>Component Unit:</b>					
Bonds payable	\$ -	\$ 18,275,000	\$ -	\$ 18,275,000	\$ 655,000
Notes payable	56,722,459	-	(3,360,920)	53,361,539	3,781,669
Compensated absences	-	20,111	-	20,111	4,022
Leases	229,094	-	(71,657)	157,437	71,757
<b>Total component units</b>	<b>\$ 56,951,553</b>	<b>\$ 18,295,111</b>	<b>\$ (3,432,577)</b>	<b>\$ 71,814,087</b>	<b>\$ 4,512,448</b>

**City of Pflugerville, Texas**  
Notes to the Financial Statements

**Bonds Payable**  
Governmental Activities

Series	Interest Rate	Original Issue	Maturity Date	Debt Outstanding
General obligation bonds:				
Limited Tax General Obligation and Refunding Bonds, Series 2015	3.38% - 5.00%	\$ 14,027,795	2045	\$ 2,409,600
Limited Tax General Obligation and Refunding Bonds, Series 2016	3.00% - 5.00%	52,845,000	2046	41,060,000
Limited Tax General Obligation Bonds, Series 2017	3.38% - 5.00%	17,355,000	2047	16,095,000
Limited Tax General Obligation Refunding Bonds, Series 2017A	4.00% - 5.00%	8,785,000	2035	6,970,000
Limited Tax General Obligation Bonds, Series 2019	3.00% - 5.00%	5,050,000	2045	4,530,000
Limited Tax General Obligation Bonds, Series 2020A	1.50% - 5.00%	15,265,000	2050	13,835,000
Limited Tax General Obligation Refunding Bonds, Series 2020B	3.00% - 5.00%	13,211,523	2035	9,140,144
Limited Tax General Obligation Refunding Bonds, Series 2020C	1.55% - 5.00%	11,742,427	2034	11,028,308
Limited Tax General Obligation Bonds, Series 2021	2.00% - 5.00%	34,255,000	2041	27,740,000
Limited Tax General Obligation Bonds, Series 2022	4.00% - 5.00%	44,715,000	2042	42,380,000
Limited Tax General Obligation Refunding Bonds, Series 2025	5.00%	8,974,000	2040	8,888,000
Total general obligation bonds				184,076,052
Certificates of obligation:				
Combination Tax and Limited Revenue Certificates of Obligation, Series 2014	4.00%	4,980,000	2029	1,120,000
Combination Tax and Limited Revenue Certificates of Obligation, Series 2015	3.25% - 5.00%	8,551,000	2045	4,103,800
Combination Tax and Limited Revenue Certificates of Obligation, Series 2016A	3.00% - 4.00%	8,630,000	2046	6,355,000
Combination Tax and Limited Revenue Certificates of Obligation, Series 2016B	3.00% - 4.00%	5,940,000	2041	5,370,000
Combination Tax and Limited Revenue Certificates of Obligation, Series 2016C	2.40% - 2.50%	1,565,000	2026	155,000
Combination Tax and Limited Revenue Certificates of Obligation, Series 2017B	3.00% - 5.00%	2,060,000	2041	1,690,000
Combination Tax and Limited Revenue Certificates of Obligation, Series 2019	3.75% - 5.00%	6,941,200	2045	6,293,700
Combination Tax and Limited Revenue Certificates of Obligation, Series 2020	1.50% - 5.00%	10,265,101	2050	9,365,202
Combination Tax and Limited Revenue Certificates of Obligation, Series 2022	4.00% - 5.00%	16,271,827	2042	14,633,904
Combination Tax and Limited Revenue Certificates of Obligation, Series 2023	4.00% - 5.00%	150,275,000	2053	146,715,000
Combination Tax and Limited Revenue Certificates of Obligation, Series 2023A	4.13% - 5.00%	74,360,000	2053	73,860,000
Special Assessment Revenue Bonds, Series 2025	4.250% - 5.375%	14,772,000	2055	14,772,000
Combination Tax and Limited Revenue Certificates of Obligation, Series 2025	5.000% - 5.250%	65,574,900	2055	63,423,000
Total certificates of obligation				347,856,606
Limited tax bonds:				
Limited Tax Bonds, Series 2023	4.00% - 5.00%	96,805,000	2053	96,080,000
Total certificates of obligation				96,080,000
<b>Total governmental activities</b>				<b>\$ 628,012,658</b>

**Business-type Activities**

Series	Interest Rate	Original Issue	Maturity Date	Debt Outstanding
General Obligation Bonds:				
Limited Tax General Obligation and Refunding Bonds, Series 2015	3.75% - 5.00%	\$ 10,267,205	2045	\$ 2,610,400
Limited Tax General Obligation Refunding Bonds, Series 2017A	4.00% - 5.00%	5,345,000	2035	4,485,000
Limited Tax General Obligation Refunding Bonds, Series 2020B	3.00% - 5.00%	533,477	2035	434,855
Limited Tax General Obligation Refunding Bonds, Series 2020C	1.55% - 5.00%	27,157,573	2034	24,716,692
Limited Tax General Obligation Refunding Bonds, Series 2025	5.00%	9,721,000	2040	9,627,000
Total general obligation bonds				41,873,947
Certificates of Obligation:				
Combination Tax and Limited Revenue Certificates of Obligation, Series 2015	3.25% - 5.00%	16,599,000	2045	7,966,200
Combination Tax and Limited Revenue Certificates of Obligation, Series 2017A	4.00% - 5.00%	16,950,000	2047	13,310,000
Combination Tax and Limited Revenue Certificates of Obligation, Series 2019	3.75% - 5.00%	11,818,800	2045	10,716,300
Combination Tax and Limited Revenue Certificates of Obligation, Series 2020	1.50% - 5.00%	35,704,899	2050	32,574,798
Combination Tax and Limited Revenue Certificates of Obligation, Series 2022	4.00% - 5.00%	56,448,173	2042	50,766,097
Combination Tax and Limited Revenue Certificates of Obligation, Series 2025	5.00% - 5.25%	55,860,100	2055	54,027,000
Total certificates of obligation				169,360,395
Revenue Bonds				
Utility System Revenue Bonds, Series 2021	0.60% - 2.07%	11,630,000	2051	10,895,000
Utility System Revenue Bonds, Series 2022A	0.60% - 2.89%	31,120,000	2052	30,235,000
Utility System Revenue Bonds, Series 2022B	1.23% - 2.72%	24,000,000	2052	23,340,000
Utility System Revenue Bonds, Series 2022C	4.16%	52,049,683	2053	52,049,683
Utility System Revenue Bonds, Series 2024A	1.49% - 2.79%	122,915,000	2053	122,915,000
Series 2024B WIFIA Utility System Revenue Bonds	4.35%	46,139,790	2055	46,139,790
Total revenue bonds				285,574,473
<b>Total business-type activities bonds payable</b>				<b>\$ 496,808,815</b>

**City of Pflugerville, Texas**  
Notes to the Financial Statements

In October 2024, the City approved the sixth Supplemental Ordinance to the Master Ordinance Utility System Revenue Financing Program, WIFIA Tranche 1 Utility System Revenue Bonds, Series 2024A in the amount of \$156,528,628 with \$46,139,790 drawn down as of September 30, 2025. The bonds constitute direct obligations of the City, payable from utility revenues. Interest at a rate 4.35% is payable at February 15 and August 15 of each year.

In March 2025, the City issued \$14,772,000 in Special Assessment Revenue Bonds, Series 2025. The bonds constitute direct obligations of the City, payable from public improvement district assessment revenues. Interest at a rate range from 4.25% to 5.375% is payable at February 15 and August 15 of each year.

In May 2025, the City issued \$121,435,000 in Combination Tax and Limited Revenue Certificates of Obligation, Series 2025. The bonds constitute direct obligations of the City, payable from utility revenues ad valorem taxes levied upon all taxable property. Interest at a rate range from 5.0% to 5.25% is payable at February 15 and August 15 of each year.

In May 2025, the City issued Limited Tax Refunding Bonds, Series 2025, in the par amount of \$18,695,000. The bonds refunded \$7,820,000 of Combination Tax and Limited Revenue Certificates, Series 2015 and \$11,875,000 of Limited Tax and Refunding Bonds, Series 2015, and were issued to lower overall annual debt service requirements of the City and to pay the costs of issuance of the Bonds. The refunding transaction yielded a reduction in debt service of \$1,799,568 and an economic gain of \$1,306,825 (present value of the debt service savings). The net carrying value of the old debt was more than the reacquisition price by \$600,761. This amount is amortized over the life of the new debt as a deferred gain.

The principal and interest requirements for certificates of obligation and bonds are as follows:

Year Ending September 30,	Governmental Activities General Obligation Bonds			Governmental Activities Certificates of Obligation			Governmental Activities Limited Tax Bonds		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 8,264,620	\$ 7,206,947	\$ 15,471,567	\$ 6,627,699	\$ 15,949,910	\$ 22,577,609	\$ 350,000	\$ 4,685,400	\$ 5,035,400
2027	9,339,145	6,833,348	16,172,493	7,673,900	15,630,992	23,304,892	450,000	4,667,900	5,117,900
2028	9,710,423	6,368,193	16,078,616	8,044,740	15,259,642	23,304,382	600,000	4,645,400	5,245,400
2029	10,173,181	5,914,370	16,087,551	8,435,781	14,872,057	23,307,838	2,015,000	4,615,400	6,630,400
2030	10,841,213	5,445,122	16,286,335	8,906,774	14,462,541	23,369,315	2,115,000	4,514,650	6,629,650
2031 - 2035	59,620,470	20,278,237	79,898,707	50,563,540	65,558,704	116,122,244	12,275,000	20,876,750	33,151,750
2036 - 2040	42,449,000	9,989,431	52,438,431	63,050,642	52,384,764	115,435,406	15,660,000	17,486,000	33,146,000
2041 - 2045	26,028,000	3,192,014	29,220,014	74,207,372	37,186,849	111,394,221	19,755,000	13,400,350	33,155,350
2046 - 2050	7,650,000	476,900	8,126,900	68,713,158	21,782,523	90,495,681	24,800,000	8,355,750	33,155,750
2051 - 2055	-	-	-	51,633,000	5,830,845	57,463,845	18,060,000	1,835,250	19,895,250
<b>Totals</b>	<b>\$ 184,076,052</b>	<b>\$ 65,704,562</b>	<b>\$ 249,780,614</b>	<b>\$ 347,856,606</b>	<b>\$ 258,918,827</b>	<b>\$ 606,775,433</b>	<b>\$ 96,080,000</b>	<b>\$ 85,082,850</b>	<b>\$ 181,162,850</b>

Year Ending September 30,	Business-type Activities General Obligation Bonds			Business-type Activities Certificates of Obligation			Business-type Activities Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 3,075,379	\$ 1,574,897	\$ 4,650,276	\$ 4,849,302	\$ 7,573,646	\$ 12,422,948	\$ 3,665,000	\$ 8,299,097	\$ 11,964,097
2027	3,185,855	1,427,596	4,613,451	5,127,100	7,335,504	12,462,604	5,408,315	8,281,015	13,689,330
2028	3,259,577	1,273,801	4,533,378	5,411,260	7,083,637	12,494,897	6,223,881	8,160,213	14,384,094
2029	3,546,819	1,103,024	4,649,843	5,576,219	6,821,217	12,397,436	7,027,418	8,020,477	15,047,895
2030	3,663,787	914,522	4,578,309	5,926,226	6,550,235	12,476,461	7,899,502	7,865,285	15,764,787
2031 - 2035	19,724,530	3,084,625	22,809,155	34,171,460	28,581,618	62,753,078	42,228,796	36,604,899	78,833,695
2036 - 2040	3,806,000	911,650	4,717,650	40,796,358	20,271,858	61,068,216	47,827,413	31,002,251	78,829,664
2041 - 2045	1,612,000	198,224	1,810,224	41,018,628	11,073,828	52,092,456	55,273,941	23,566,038	78,839,979
2046 - 2050	-	-	-	19,054,842	4,330,366	23,385,208	64,528,196	14,312,976	78,841,172
2051 - 2055	-	-	-	7,429,000	1,209,915	8,638,915	45,492,011	3,687,390	49,179,401
<b>Totals</b>	<b>\$ 41,873,947</b>	<b>\$ 10,488,339</b>	<b>\$ 52,362,286</b>	<b>\$ 169,360,395</b>	<b>\$ 100,831,824</b>	<b>\$ 270,192,219</b>	<b>\$ 285,574,473</b>	<b>\$ 149,799,641</b>	<b>\$ 435,374,114</b>

**City of Pflugerville, Texas**  
Notes to the Financial Statements

**Leases**

The City entered into various lease agreements for the right to use vehicles and equipment. Monthly payments ranged from \$477 to \$1,975 at interest rates of 0.3% – 13%. The value of the right to use assets for governmental activities as of the fiscal year-end of \$7,921,677 with accumulated amortization of \$2,453,301. The value of the right to use assets for business-type activities as of the fiscal year-end of \$1,050,372 with accumulated amortization of \$349,376.

The lease rate, term and ending lease liability are as follows

	Interest Rate	Lease Term in Years	Ending Balance
<b>Governmental activities</b>			
Equipment	4.97%	4	\$ 932,494
Vehicles	0.30 - 13%	5 - 6	4,601,488
<b>Total governmental activities</b>			<b>\$ 5,533,982</b>
<b>Business-type activities</b>			
Vehicles	0.30 - 13%	5 - 6	\$ 722,608
<b>Total business-type activities</b>			<b>\$ 722,608</b>

Principal and interest requirements to maturity for the lease payables at September 30, 2025, are as follows:

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2026	\$ 1,744,861	\$ 246,998	\$ 1,991,859
2027	1,786,497	138,045	1,924,542
2028	1,315,955	51,366	1,367,321
2029	544,002	7,892	551,894
2030	142,667	654	143,321
<b>Totals</b>	<b>\$ 5,533,982</b>	<b>\$ 444,955</b>	<b>\$ 5,978,937</b>

Year Ending September 30,	Business-type Activities		
	Principal	Interest	Total
2026	\$ 201,681	\$ 40,559	\$ 242,240
2027	216,113	26,128	242,241
2028	212,306	10,648	222,954
2029	75,209	1,255	76,464
2030	17,299	59	17,358
<b>Totals</b>	<b>\$ 722,608</b>	<b>\$ 78,649</b>	<b>\$ 801,257</b>

**Subscription-Based Information Technology Arrangements (SBITAs)**

The City has entered into multiple SBITAs that allow the right-to-use the SBITA vendor's information technology software over the subscription term. The City is required to make yearly payments at its incremental borrowing rate or the interest rate stated or implied within the SBITAs. The value of the subscription assets for governmental activities as of the end of the current fiscal year was \$6,132,265 and had accumulated amortization of \$2,274,976. The value of the subscription assets for business-type activities as of the end of the current fiscal year was \$489,007 and had accumulated amortization of \$280,201.

**City of Pflugerville, Texas**  
Notes to the Financial Statements

The SBITA rate, term and ending subscription liability are as follows:

	Interest Rate	Subscription Term in Years	Ending Balance
<b>Governmental activities</b>			
Software subscriptions	2.31 - 3.59%	2 - 11	\$ 3,361,140
<b>Total governmental activities</b>			<b>\$ 3,361,140</b>
<b>Business-type activities</b>			
Software subscriptions	3.14 - 3.59%	3 - 4	\$ 118,283
<b>Total business-type activities</b>			<b>\$ 118,283</b>

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

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2026	\$ 903,135	\$ 67,586	\$ 970,721
2027	485,754	51,650	537,404
2028	337,611	44,769	382,380
2029	318,470	37,729	356,199
2030	317,815	30,525	348,340
2031 - 2034	998,355	46,663	1,045,018
<b>Totals</b>	<b>\$ 3,361,140</b>	<b>\$ 278,922</b>	<b>\$ 3,640,062</b>

Year Ending September 30,	Business-type Activities		
	Principal	Interest	Total
2026	\$ 59,769	\$ 4,231	\$ 64,000
2027	58,514	2,152	60,666
<b>Totals</b>	<b>\$ 118,283</b>	<b>\$ 6,383</b>	<b>\$ 124,666</b>

**City of Pflugerville, Texas**  
Notes to the Financial Statements

**Notes Payable**

The City issued notes payable to finance the acquisition of vehicles and equipment. Principal and interest payments are due in annual installments through February 15, 2033, with interest at between 3.85% - 3.90%. The annual requirements to retire the notes payable, including interest, as of September 30, 2025 are as follows:

Year Ending September 30,	Governmental Activities		
	Notes Payable		
	Principal	Interest	Total
2026	\$ 68,585	\$ 14,259	\$ 82,844
2027	71,225	11,619	82,844
2028	73,967	8,876	82,843
2029	76,815	6,028	82,843
2030	79,772	3,071	82,843
<b>Totals</b>	<b>\$ 370,364</b>	<b>\$ 43,853</b>	<b>\$ 414,217</b>

**F. Component Unit Long-term Liabilities**

**Bonds Payable**

Series	Interest Rate	Original Issue	Maturity Date	Debt Outstanding
Revenue Bonds				
Sales Tax Revenue Bonds, Series 2025	4.670% - 5.530%	18,275,000	2039	\$ 18,275,000
Total revenue bonds				18,275,000
<b>Total discretely presented component unit bonds payable</b>				<b>\$ 18,275,000</b>

In January 2025, the PCDC issued Sales Tax Revenue Bonds, Taxable Series 2025 in the aggregate principal amount of \$18,275,000. Proceeds will be used for the purpose of: (1) funding the costs of the acquisition of land for primary job training facilities for use by institutions of higher education, regional or national corporate headquarters facilities, and entertainment, tourist, and public park purposes, including related store, restaurant, concession and parking facilities and (2) pay the costs of issuing the Bonds. The bonds will be payable from the levy and collection of sales taxes.

The principal and interest requirements for certificates of obligation and bonds are as follows:

Year Ending September 30,	Discretely Presented Component Unit		
	Sales Tax Revenue Bond		
	Principal	Interest	Total
2026	\$ 655,000	\$ 1,123,657	\$ 1,778,657
2027	890,000	890,988	1,780,988
2028	935,000	847,684	1,782,684
2029	980,000	801,815	1,781,815
2030	1,030,000	752,857	1,782,857
2031 - 2035	5,990,000	2,910,890	8,900,890
2036 - 2040	7,795,000	1,109,809	8,904,809
<b>Totals</b>	<b>\$ 18,275,000</b>	<b>\$ 8,437,700</b>	<b>\$ 26,712,700</b>

**City of Pflugerville, Texas**  
Notes to the Financial Statements

**Notes Payable**

In March 2017, the PCDC closed on a loan with Whitney Bank to refinance the Capital One Bank loan obtained to construct a water and adventure park in the original amount of \$23,500,000 and amended to \$25,000,000. The loan with Whitney Bank is a fixed-rate, fully taxable bank loan of approximately \$24,000,000 at a rate of 4.295% for 15 years, maturing in October 2031, and does not include a balloon maturity. Further, if the PCDC is unable to make payments on the loan when due, the City is no longer obligated to make such payments other than the 0.50% sales tax allocation to the PCDC.

Additionally, the PCDC participated in several of the City's issuances of long-term debt and is obligated to pay the City its portion of the principal and interest for the certificates, through 2053. The amount due to the City is recorded as a long-term liability with a corresponding deferred outflow. The City has recorded a note receivable and deferred inflow for the same amount.

Future maturity requirements for the PCDC note payable, including interest, as of September 30, 2025, follows:

Year Ending September 30,	Discretely Presented Component Unit		
	Notes Payable		
	Principal	Interest	Total
2026	\$ 3,781,669	\$ 2,975,353	\$ 6,757,022
2027	5,198,455	1,960,855	7,159,310
2028	5,425,265	1,711,804	7,137,069
2029	5,735,811	1,466,094	7,201,905
2030	5,894,971	1,219,881	7,114,852
2031 - 2035	14,225,368	3,367,763	17,593,131
2036 - 2040	2,780,000	2,220,000	5,000,000
2041 - 2045	3,430,000	1,570,000	5,000,000
2046 - 2050	4,125,000	875,000	5,000,000
2051 - 2053	2,765,000	235,000	3,000,000
<b>Totals</b>	<b>\$ 53,361,539</b>	<b>\$ 17,601,750</b>	<b>\$ 70,963,289</b>

**Leases**

The PCDC entered into a lease agreement as lessee for the use of office equipment and office space. As of fiscal year-end, the value of the lease liability is \$157,437. The value of the right-to-use asset as of fiscal year-end was \$431,209 with accumulated amortization of \$283,204.

The lease rate, term and ending lease liability are as follows:

	Interest Rate	Lease Term in Years	Ending Balance
<b>Discretely presented component unit</b>			
Building	0.2633%	7	\$ 156,713
Office equipment	0.5553%	5	724
<b>Total discretely presented component unit</b>			<b>\$ 157,437</b>

## City of Pflugerville, Texas

### Notes to the Financial Statements

Principal and interest requirements to maturity for the lease payables at September 30, 2025, are as follows:

Year Ending September 30,	Discretely Presented Component Unit		
	Principal	Interest	Total
2026	\$ 71,757	\$ 328	\$ 72,085
2027	73,364	137	73,501
2028	12,316	4	12,320
<b>Totals</b>	<b>\$ 157,437</b>	<b>\$ 469</b>	<b>\$ 157,906</b>

#### Note 4. Other Information

##### A. Pension Information

###### Plan Description

The City of Pflugerville participates in one of 936 plans in the nontraditional, joint contributory, hybrid defined benefit pension plans administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at [www.tmr.com](http://www.tmr.com).

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

###### Benefits Provided

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

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

Employee deposit rate	7%
Matching ratio (city to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20
Updated service credit	100% Repeating transfers
Annuity increase (to retirees)	70% of CPI
Supplemental death benefit to active employees and retirees	Yes

## City of Pflugerville, Texas

### Notes to the Financial Statements

#### Employees Covered by Benefit Terms

At the December 31, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	174
Inactive employees entitled to but not yet receiving benefits	345
Active employees	439
	<hr/>
	958
	<hr/> <hr/>

#### Contributions

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

Employees for the City of Pflugerville were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Pflugerville were 14.25% and 13.83% for calendar years 2025 and 2024, respectively. The City's contributions to TMRS for the year ended September 30, 2025 were \$5,290,823, and were equal to the required contributions.

#### Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2024, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

#### Actuarial Assumptions

The Total Pension Liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Salary increases	3.6% to 11.85% per year
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with 110% of the Public Safety table used for males and 100% of the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by the most recent Scale MP2021 to account for future mortality improvements subject to the 3% floor.

## City of Pflugerville, Texas

### Notes to the Financial Statements

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2018 to December 31, 2022. The assumptions were adopted in 2023 and first used in the December 31, 2023, actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, Gabriel Roeder Smith & Company (GRS) focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation Percentage	Long-Term Expected Real Rate of Return (Arithmetic)
Global public equity	35.0%	7.10%
Core fixed income	6.0%	5.00%
Non-core fixed income	6.0%	6.80%
Hedge funds	5.0%	6.40%
Private equity	13.0%	8.50%
Private debt	13.0%	8.20%
Real estate	12.0%	6.70%
Infrastructure	6.0%	6.00%
Other public and private markets	4.0%	7.30%
<b>Total</b>	<b>100%</b>	

#### Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

**City of Pflugerville, Texas**  
Notes to the Financial Statements

**Changes in Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at December 31, 2023	\$ 106,069,245	\$ 89,170,999	\$ 16,898,246
Changes for the year			
Service cost	6,327,624	-	6,327,624
Interest	7,236,834	-	7,236,834
Change of benefit terms, including substantively automatic status	-	-	-
Difference between expected and actual experience	2,449,770	-	2,449,770
Changes of assumptions	-	-	-
Contributions - employer	-	4,997,774	(4,997,774)
Contributions - employee	-	2,529,604	(2,529,604)
Net investment income	-	9,289,375	(9,289,375)
Benefit payments, including refunds of employee contributions	(4,041,404)	(4,041,404)	-
Administrative expense	-	(59,422)	59,422
Other changes	-	(1,390)	1,390
Net changes	11,972,824	12,714,537	(741,713)
<b>Balance at December 31, 2024</b>	<b>\$ 118,042,069</b>	<b>\$ 101,885,536</b>	<b>\$ 16,156,533</b>

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

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
Net pension liability	\$ 36,202,951	\$ 16,156,533	\$ 126,875

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at [www.tmr.com](http://www.tmr.com).

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

For the year ended September 30, 2025, the City recognized pension expense of \$6,990,291.

## City of Pflugerville, Texas

### Notes to the Financial Statements

At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>                    </u>	<u>                    </u>
Differences between expected and actual economic experience	\$ 3,603,738	\$ -
Changes in actuarial assumptions	-	249,773
Difference between projected and actual investment earnings	-	1,219,550
Contributions subsequent to the measurement date	3,839,375	-
	<u>3,839,375</u>	<u>-</u>
<b>Totals</b>	<u>\$ 7,443,113</u>	<u>\$ 1,469,323</u>

\$3,839,375 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 December 31, 2025 (i.e. recognized in the City's financial statements September 30, 2026). Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Years Ended December 31,	
<u>                    </u>	
2025	\$ 1,591,778
2026	2,058,146
2027	(861,445)
2028	(654,064)
	<u>                    </u>
<b>Totals</b>	<u>\$ 2,134,415</u>

## B. Other Postemployment Benefits

### Plan Description

Texas Municipal Retirement System ("TMRS") administers a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund ("SDBF"). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. Employers may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1. The City has elected to participate in the SDBF for its active members including retirees. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded single-employer OPEB plan (i.e. no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75) for City reporting.

### Benefits Provided

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit ("OPEB") and is a fixed amount of \$7,500.

**City of Pflugerville, Texas**  
 Notes to the Financial Statements

At the December 31, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	142
Inactive employees entitled to but not yet receiving benefits	117
Active employees	439
	698
	698

**Contributions**

The member city contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers.

Contributions are made monthly based on the covered payroll of employee members of the participating member city. The contractually required contribution rate is determined annually for each city. The rate is based on the mortality and service experience of all employees covered by the SDBF and the demographics specific to the workforce of the city. There is a one-year delay between the actuarial valuation that serves as the basis for the employer contribution rate and the calendar year when the rate goes into effect. The funding policy of this plan is to assure that adequate resources are available to meet all death benefit payments for the upcoming year.

The contribution rates to the SDBF for the City was 0.19% and 0.23% for calendar years 2025 and 2024. The City's contributions to the TMRS SDBF for the year ended September 30, 2024 were \$75,330, which equaled the required contributions.

**Total OPEB Liability**

The City's Total OPEB Liability (TOL) was measured as of December 31, 2024 and was determined by an actuarial valuation as of that date.

**Actuarial Assumptions**

The Total OPEB Liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Salary increases	3.6% to 11.85% including inflation
Discount rate	4.08%
Retiree's share of benefit-related costs	\$ 0

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements. Based on the size of the City, rates are multiplied by an additional factor of 103% for males and 105% for females. For calculating the actuarial liability and the retirement contribution rates, the mortality tables for healthy retirees is used with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

## City of Pflugerville, Texas

### Notes to the Financial Statements

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2018 to December 31, 2022. They were adopted in 2023 and first used in the December 31, 2023 actuarial valuation.

The discount rate used to measure the Total OPEB Liability was 4.08% and was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2024.

#### Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, calculated using the discount rate of 4.08%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.08%) or 1-percentage-point higher (5.08%) than the current rate:

	1% Decrease in Discount Rate (3.08%)	Discount Rate (4.08%)	1% Increase in Discount Rate (5.08%)
Total OPEB liability	\$ 1,113,626	\$ 902,667	\$ 743,649

#### Changes in Total OPEB Liability

	Increase (Decrease)
	<u>Total OPEB Liability</u>
<b>Balance at December 31, 2023</b>	\$ 912,483
Changes for the year:	
Service cost	54,206
Interest on total OPEB liability	35,082
Difference between expected and actual experience	(21,933)
Changes of assumptions or other inputs	(59,102)
Benefit payments	(18,069)
	<u>(9,816)</u>
<b>Balance at December 31, 2024</b>	<u>\$ 902,667</u>

## City of Pflugerville, Texas

### Notes to the Financial Statements

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

For the year ended September 30, 2025, the City recognized OPEB expense of \$49,453. At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>                    </u>	<u>                    </u>
Differences between expected and actual experience	\$ 4,178	\$ 27,256
Changes in actuarial assumptions and other inputs	82,936	287,323
Contributions subsequent to the measurement date	51,192	-
	<u>                    </u>	<u>                    </u>
<b>Totals</b>	<u>\$ 138,306</u>	<u>\$ 314,579</u>

\$51,192 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will reduce the Total OPEB liability during the year ending September 30, 2026.

The other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Measurement Years Ending December 31,	
<u>                    </u>	
2025	\$ (56,255)
2026	(98,004)
2027	(56,588)
2028	(12,468)
2029	(4,150)
	<u>                    </u>
<b>Totals</b>	<u>\$ (227,465)</u>

#### C. Post-Employment Healthcare Plan

##### Plan Description

The City provides certain health care benefits through a single-employer defined benefit OPEB plan. Regular, full-time employees are eligible to participate in the City's health care plan as a retiree at their own expense. The retiree pays 100% of the premiums for the insurance. Members are eligible at any age with 20 years of service or at age 60 with 5 years of service. Spouses and dependents of retirees are also eligible when the retiree is covered. As of the date of the latest actuarial valuation, the City has 401 active employees and 25 retirees eligible to participate in the plan.

When a regular, full-time employee retires, they are eligible to continue to participate in the City's group health insurance plan. Members who terminate employment prior to retirement are not eligible for retiree health care benefits. Retirees who decide to opt-out of the health care plan are not eligible to opt back in when coverage from another entity ceases. Retirees are eligible for health care until they become Medicare eligible. The retiree pays full Medicare premiums.

## City of Pflugerville, Texas

### Notes to the Financial Statements

The City offers life insurance coverage for retirees at a \$10,000 limit at the retiree's expense. The retiree pays 100% of the premium. Life insurance coverage continues when the retiree becomes eligible for Medicare coverage

#### Actuarial Assumptions

The Total OPEB Liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Salary increases	3.6% to 11.85% including inflation
Discount rate	4.25%

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2018 to December 31, 2022. They were adopted in 2023 and first used in the December 31, 2023 actuarial valuation.

Mortality rates for healthy retirees were based on the gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements. Based on the size of the City, rates are multiplied by an additional factor of 103% for males and 105% for females. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP-2021 table to account for future mortality improvements.

For calculating the actuarial liability and the retirement contribution rates, the mortality tables for healthy retirees is used with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

It was assumed that 10% of eligible retirees would choose to receive health care benefits through the City. With the exception of employees who become disabled, no retirees were assumed to maintain their health coverage if they were younger than 50 years old at retirement. Additionally, 25% of retirees were assumed to purchase the \$10,000 life insurance coverage at retirement, regardless of their age at retirement.

The discount rate used to measure the Total OPEB Liability was 4.25% and was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2022.

#### Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, calculated using the discount rate of 4.25%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.25%) or 1-percentage-point higher (5.25%) than the current rate:

	1% Decrease in Discount Rate (3.25%)	Discount Rate (4.25%)	1% Increase in Discount Rate (5.25%)
Total OPEB liability	\$ 392,077	\$ 424,228	\$ 468,195

## City of Pflugerville, Texas

### Notes to the Financial Statements

#### Sensitivity of Total OPEB Liability to the Healthcare Cost Trend Rate Assumption

Regarding the sensitivity of the total OPEB liability to changes in the healthcare cost trend rates, the following presents the plan's total OPEB liability, calculated using the assumed trend rates as well as what the plan's total OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

	1% Decrease	Current Healthcare Cost Assumption	1% Increase
Total OPEB liability	\$ 474,385	\$ 424,228	\$ 381,986

#### Changes in Total OPEB Liability

	Increase (Decrease)
	<u>Total OPEB Liability</u>
<b>Balance at December 31, 2023</b>	\$ 399,915
Changes for the year:	
Service cost	30,544
Interest on total OPEB liability	16,017
Difference between expected and actual experience	2,699
Changes of assumptions or other inputs	(13,697)
Benefit payments	(11,250)
	<u>24,313</u>
Net changes	24,313
<b>Balance at December 31, 2024</b>	<u>\$ 424,228</u>

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

For the year ended September 30, 2025, the City recognized OPEB income of \$42,144. At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,971	\$ 340,420
Changes in actuarial assumptions and other inputs	107,248	172,456
<b>Totals</b>	<u>\$ 111,219</u>	<u>\$ 512,876</u>

**City of Pflugerville, Texas**  
Notes to the Financial Statements

The amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Measurement Years Ending December 31,	
2025	\$ (94,118)
2026	(96,815)
2027	(85,439)
2028	(67,267)
2029	(53,603)
Thereafter	(4,415)
<b>Totals</b>	<b>\$ (401,657)</b>

**D. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City's risk management program encompasses obtaining workers compensation and property and liability insurance through Texas Municipal League (TML) Intergovernmental Risk Pool, a public entity risk pool for the benefit of governmental units located within the state. TML Intergovernmental Risk Pool ("Pool") is considered a self-sustaining risk pool that provides coverage for its members. The City's contributions to the Pool are limited to the amount of premiums as calculated at the beginning of each fund year. Premiums reflect the claims experience to date of the City. The Pool's liability is limited to the coverage that the City elects as stated in the Pool's Declarations of Coverage for that fund year. The City has not had any significant reduction in insurance coverage and the amounts of insurance settlements have not exceeded insurance coverage for any of the last three years.

**E. Commitments and Contingencies**

The City participates in 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 adjustment by the grantor agencies; therefore, to the extent the City has not complied with the rules and regulations governing the grants, refunds of money received may be required and the collectability of any related receivable may be impaired. In the opinion of the City, 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 basic financial statements for such contingencies.

Encumbrances on construction projects in progress as of September 30, 2025, are as follows:

City Project	Remaining Commitment
Governmental activities	\$ 238,512,668
Business-type activities	256,649,922
Discretely presented component unit	5,633,915
<b>Totals</b>	<b>\$ 500,796,505</b>

## City of Pflugerville, Texas

### Notes to the Financial Statements

In October 2025, the City approved the Supplemental Ordinance to the Master Ordinance Utility System Revenue Financing Program, WIFIA Utility System Revenue Bonds authorizing a loan amount not to exceed \$176,302,949. Proceeds will be used for the planning, design, and construction of various water and wastewater projects.

#### **F. Tax Abatements**

Governmental Accounting Standards Board Statement No. 77, Tax Abatement Disclosures, requires local governments to disclose information about tax abatement agreements. Tax abatements result from agreements entered by the reporting government, as well as those that are initiated by other governments, which reduce the reporting government's tax revenues. The City enters into economic development agreements designed to promote development and redevelopment within the City, stimulate commercial activity, generate additional sales tax, and enhance the property tax base and economic vitality of the City. These programs rebate property, sales and hotel occupancy taxes and include incentive payments and reductions in fees that are not tied to taxes. The City's economic development agreements are authorized under Chapter 380 of the Texas Local Government Code and Chapter 311 (Tax Increment Financing Act) of the Texas Tax Code. Recipients generally commit to building or remodeling real property and related infrastructure, redeveloping properties, expanding operations, or bringing targeted business to the City. Agreements generally contain recapture provisions, which may require repayment or termination if recipients do not meet the required provisions of the economic incentives.

The City has two categories of economic development agreements:

##### General Economic Development

The City enters into various agreements under Chapter 380 of the Texas Local Government Code to stimulate economic development. Agreements rebate a percentage of property, sales or hotel occupancy taxes received by the City or make lump sum payments for infrastructure reimbursements. For fiscal year 2025, the City rebated \$1,965,166 in taxes.

##### Tax Increment Reinvestment Zone

In 2010, the City created the Pflugerville Tax Increment Reinvestment Zone (TIRZ) No. 1 under Chapter 311 of the Texas Tax Code to stimulate economic development in designated areas. In November 2018 and again in October 2022, the zone was expanded. Any ad valorem property value created within the TIRZ #1 above the base value of \$246,367,141 (as of September 30, 2025) is dedicated to the TIRZ to pay for projects included in the adopted Project Plan and debt service on such projects. For fiscal year 2025, Pflugerville TIRZ #1 received \$4,426,394 of property tax increment.

## **Required Supplementary Information**

## City of Pflugerville, Texas

### Schedule of Changes in the City's Net Pension Liability and Related Ratios - Texas Municipal Retirement System Last Ten Measurement Years

	December 31,			
	2024	2023	2022	2021
<b>TOTAL PENSION LIABILITY</b>				
Service cost	\$ 6,327,624	\$ 5,634,958	\$ 4,581,647	\$ 3,897,320
Interest	7,236,834	6,503,698	5,947,210	5,344,971
Change in benefit terms	-	(940,084)	-	-
Differences between expected and actual experience	2,449,770	2,732,240	1,392,610	2,061,075
Changes of assumptions	-	(511,317)	-	-
Benefit payments, including refunds of employee contributions	(4,041,404)	(3,647,860)	(2,879,682)	(2,567,279)
Net change in total pension liability	11,972,824	9,771,635	9,041,785	8,736,087
Total pension liability - beginning	106,069,245	96,297,610	87,255,825	78,519,738
<b>TOTAL PENSION LIABILITY - ENDING (a)</b>	<b>\$ 118,042,069</b>	<b>\$ 106,069,245</b>	<b>\$ 96,297,610</b>	<b>\$ 87,255,825</b>
<b>PLAN FIDUCIARY NET POSITION</b>				
Contributions - employer	\$ 4,997,774	\$ 4,581,291	\$ 3,649,525	\$ 3,053,090
Contributions - employee	2,529,604	2,312,116	1,889,896	1,608,564
Net investment income	9,289,375	8,941,470	(5,868,433)	9,030,201
Benefits payments, including refunds of employee contributions	(4,041,404)	(3,647,860)	(2,879,682)	(2,567,279)
Administrative expense	(59,422)	(56,726)	(50,685)	(41,715)
Other	(1,390)	(396)	60,482	286
NET CHANGE IN PLAN FIDUCIARY NET POSITION	12,714,537	12,129,895	(3,198,897)	11,083,147
PLAN FIDUCIARY NET POSITION - BEGINNING	89,170,999	77,041,104	80,240,001	69,156,854
<b>PLAN FIDUCIARY NET POSITION - ENDING (b)</b>	<b>\$ 101,885,536</b>	<b>\$ 89,170,999</b>	<b>\$ 77,041,104</b>	<b>\$ 80,240,001</b>
<b>NET PENSION LIABILITY - ENDING (a)-(b)</b>	<b>\$ 16,156,533</b>	<b>\$ 16,898,246</b>	<b>\$ 19,256,506</b>	<b>\$ 7,015,824</b>
<b>PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF TOTAL PENSION LIABILITY</b>	86.31%	84.07%	80.00%	91.96%
<b>COVERED PAYROLL</b>	\$ 36,137,204	\$ 33,030,232	\$ 26,998,508	\$ 22,979,479
<b>NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL</b>	44.71%	51.16%	71.32%	30.53%

<b>December 31,</b>					
<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
\$ 3,547,199	\$ 3,433,765	\$ 3,417,103	\$ 3,232,222	\$ 3,034,235	\$ 2,748,863
4,926,775	4,578,648	4,172,998	3,818,322	3,440,165	3,209,605
-	-	-	-	-	-
199,374	(789,370)	465,960	(69,398)	500,239	(41,827)
-	407,721	-	-	-	78,820
(2,738,527)	(2,321,569)	(1,787,972)	(1,850,261)	(1,092,359)	(956,134)
5,934,821	5,309,195	6,268,089	5,130,885	5,882,280	5,039,327
72,584,917	67,275,722	61,007,633	55,876,748	49,994,468	44,955,141
<u>\$ 78,519,738</u>	<u>\$ 72,584,917</u>	<u>\$ 67,275,722</u>	<u>\$ 61,007,633</u>	<u>\$ 55,876,748</u>	<u>\$ 49,994,468</u>
\$ 2,835,229	\$ 2,686,156	\$ 2,722,815	\$ 2,572,468	\$ 2,420,286	\$ 2,222,649
1,474,489	1,410,584	1,408,700	1,330,915	1,242,085	1,129,891
4,776,918	8,192,501	(1,564,337)	6,108,008	2,628,888	53,810
(2,738,527)	(2,321,569)	(1,787,972)	(1,850,261)	(1,092,359)	(956,134)
(30,866)	(46,229)	(30,204)	(31,636)	(29,674)	(32,771)
(1,202)	(1,389)	(1,579)	(1,604)	(1,599)	(1,619)
6,316,041	9,920,054	747,423	8,127,890	5,167,627	2,415,826
62,840,813	52,920,759	52,173,336	44,045,446	38,877,819	36,461,993
<u>\$ 69,156,854</u>	<u>\$ 62,840,813</u>	<u>\$ 52,920,759</u>	<u>\$ 52,173,336</u>	<u>\$ 44,045,446</u>	<u>\$ 38,877,819</u>
<u>\$ 9,362,884</u>	<u>\$ 9,744,104</u>	<u>\$ 14,354,963</u>	<u>\$ 8,834,297</u>	<u>\$ 11,831,302</u>	<u>\$ 11,116,649</u>
88.08%	86.58%	78.66%	85.52%	78.83%	77.76%
\$ 21,064,126	\$ 20,151,206	\$ 20,124,280	\$ 19,013,072	\$ 17,744,066	\$ 16,141,296
44.45%	48.35%	71.33%	46.46%	66.68%	68.87%

## City of Pflugerville, Texas

### Schedule of the City Contributions - Texas Municipal Retirement System Last Ten Fiscal Years

	September 30,			
	2025	2024	2023	2022
Actuarially determined contribution	\$ 5,366,153	\$ 4,957,891	\$ 4,320,958	\$ 3,428,871
Contributions in relation to the actuarially determined contribution	<u>(5,366,153)</u>	<u>(4,957,891)</u>	<u>(4,320,958)</u>	<u>(3,428,871)</u>
<b>CONTRIBUTIONS DEFICIENCY (EXCESS)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 37,437,907	\$ 35,235,094	\$ 31,363,284	\$ 25,479,649
Contributions as a percentage of covered payroll	14.33%	14.07%	13.78%	13.46%

<b>September 30,</b>					
<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
\$ 2,917,315	\$ 2,698,001	\$ 2,717,168	\$ 2,694,972	\$ 2,527,062	\$ 2,450,172
(2,917,315)	(2,698,001)	(2,717,168)	(2,694,972)	(2,527,062)	(2,450,172)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 21,876,456	\$ 20,091,633	\$ 20,308,411	\$ 19,918,489	\$ 18,641,283	\$ 17,919,058
13.34%	13.43%	13.38%	13.53%	13.56%	13.67%

**City of Pflugerville, Texas**  
 Schedule of Changes in the City's OPEB  
 Liability and Related Ratios  
 Texas Municipal Retirement System  
 Last Eight Measurement Years \*

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Total OPEB liability:			
Service cost	\$ 54,206	\$ 56,151	\$ 91,795
Interest on total OPEB liability	35,082	32,968	23,023
Effect of economic/demographic gains or losses	(21,933)	(9,274)	4,138
Change in assumptions or other inputs	(59,102)	54,953	(523,353)
Benefit payments	(18,069)	(16,515)	(13,499)
Net change in total OPEB liability	(9,816)	118,283	(417,896)
Total OPEB liability - beginning	912,483	794,200	1,212,096
<b>TOTAL OPEB LIABILITY - ENDING</b>	<u>\$ 902,667</u>	<u>\$ 912,483</u>	<u>\$ 794,200</u>
Covered-employee payroll	\$ 36,137,204	\$ 33,030,232	\$ 26,998,508
OPEB liability as a percentage of covered-employee payroll	2.50%	2.76%	2.94%

\*The amounts presented for the fiscal year were determined as of the plan year end September 30. GASB Statement No. 75 requires 10 fiscal years of data to be provided in this schedule. The employer will be required to build this schedule over the next 10-year period, as only one year of data is available.

The Health Care Plan is considered to be an unfunded OPEB plan; therefore, no plan fiduciary net position and related ratios are reported in the above schedule. There are no assets accumulated in a trust that meet the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
\$ 75,832	\$ 54,767	\$ 36,272	\$ 42,261	\$ 36,125
22,514	23,296	22,831	20,578	19,233
(13,853)	16,542	3,304	(10,435)	-
46,692	182,455	164,206	(52,701)	56,417
(13,788)	(4,213)	(4,030)	(2,012)	(1,901)
117,397	272,847	222,583	(2,309)	109,874
1,094,699	821,852	599,269	601,578	491,704
<u>\$ 1,212,096</u>	<u>\$ 1,094,699</u>	<u>\$ 821,852</u>	<u>\$ 599,269</u>	<u>\$ 601,578</u>
\$ 22,979,479	\$ 21,064,126	\$ 20,151,206	\$ 20,124,280	\$ 19,013,072
5.27%	5.20%	4.08%	2.98%	3.16%

**City of Pflugerville, Texas**

Schedule of Changes in the City's OPEB Liability and Related Ratios  
 Postemployment Healthcare Plan  
 Last Eight Measurement Years \*

	<b>2024</b>	<b>2023</b>	<b>2022</b>
Total OPEB liability:			
Service cost	\$ 30,544	\$ 31,445	\$ 97,218
Interest on total OPEB liability	16,017	15,275	18,528
Change in benefit terms	-	-	(256,057)
Difference between expected and actual experience	2,699	(4,706)	(262,016)
Changes of assumptions or other inputs	(13,697)	293	(182,834)
Benefit payments	(11,250)	(7,682)	(15,784)
Net change in total OPEB liability	24,313	34,625	(600,945)
Total OPEB liability - beginning	399,915	365,290	966,235
<b>TOTAL OPEB LIABILITY - ENDING</b>	<b>\$ 424,228</b>	<b>\$ 399,915</b>	<b>\$ 365,290</b>
Covered-employee payroll	\$ 37,165,220	\$ 33,858,750	\$ 26,856,003
OPEB liability as a percentage of covered-employee payroll	1.14%	1.18%	1.36%

\*The amounts presented for the fiscal year were determined as of the Plan's previous fiscal year end (measurement year) December 31. GASB Statement No. 75 requires 10 fiscal years of data to be provided in this schedule. The employer will be required to build this schedule over the next 10-year period, as only one year of data is available.

The TMRS Supplementary Death Benefit Fund (SDBF) is considered to be an unfunded OPEB plan; therefore, no plan fiduciary net position and related ratios are reported in the above schedule. There are no assets accumulated in a trust that meet the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
\$ 59,000	\$ 96,732	\$ 78,706	\$ 90,328	\$ 71,319
20,407	46,985	52,162	47,649	47,376
-	(489,186)	-	-	-
(1,677)	(408,907)	(8,699)	(119,367)	23,017
(88,250)	112,508	195,306	(18,151)	88,203
(28,196)	(26,728)	(21,125)	(35,314)	(51,325)
(38,716)	(668,596)	296,350	(34,855)	178,590
1,004,951	1,673,547	1,377,197	1,412,052	1,233,462
<u>\$ 966,235</u>	<u>\$ 1,004,951</u>	<u>\$ 1,673,547</u>	<u>\$ 1,377,197</u>	<u>\$ 1,412,052</u>
\$21,407,665	\$20,714,597	\$19,756,919	\$19,779,773	\$19,013,064
4.51%	4.85%	8.47%	6.96%	7.43%

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**Supplementary Information -  
Combining Statements and Budgetary  
Schedules**

## City of Pflugerville, Texas

Combining and Individual Fund Financial Statements and Schedules –  
Nonmajor Governmental Funds

### Special Revenue Funds

Special Revenue Funds (SRFs) are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The City of Pflugerville utilizes multiple SRFs to provide an extra level of transparency and accountability to the taxpayers.

**American Rescue Plan Act Fund** was established to account for revenues and expenditures associated with the State and Local Fiscal Recovery grant funds.

**Community Development Block Grant (CDBG) Fund** is financed through the US Department of Housing and Urban Affairs Division. CDBG funds are administered through the federal Housing and Urban Development office and fund infrastructure improvements such as roadway improvements along with funding for youth recreation scholarships and workforce training.

**Grant Fund** was established to account for receipt and disbursement of various Federal, State and Local government programs and projects.

**Hotel Occupancy Tax Fund** accounts for the receipt and expenditure of funds received by the City from the assessment of the 7% Hotel Occupancy Tax for stays within the City. Eligible expenses are defined by state law and include convention and information centers, advertising to attract tourists, promotion of the arts, and historical restoration and preservation.

**Lakeside Meadows Public Improvement District** was created to account for the collection of assessments and payment of expenses and subsequent debt to reimburse the developer for authorized improvements approved in the Financing and Reimbursement agreement.

**Martin Tract Public Improvement District** was created to account for the collection of assessments and payment of expenses and subsequent debt to reimburse the developer for authorized improvements approved in the Financing and Reimbursement agreement.

**Meadowlark Preserve Public Improvement District** was created to account for the collection of assessments and payment of expenses and subsequent debt to reimburse the developer for authorized improvements approved in the Financing and Reimbursement agreement.

**Municipal Court Special Revenue** – Includes the following SRF's:

- Court Youth Diversion
- Court Efficiency Fund
- Court Security Fund
- Court Technology Fund
- Court Truancy Fund

The **Court Youth Diversion Fund** is used to account for the receipt of this court fee to finance the cost of operating the City's youth diversion program.

The **Court Efficiency Fund** is used to account for the receipt of this court fee to finance the cost of enhancements that facilitate efficiency for the Municipal Court.

The **Court Security Fund** is used to account for the receipt of this court fee and expenditure of court costs related to security personnel and security improvements for the Municipal Court.

The **Court Technology Fund** is used to account for the receipt of this court fee and expenditure of the purchase or maintenance of technology enhancements for the Municipal Court.

## City of Pflugerville, Texas

### Combining and Individual Fund Financial Statements and Schedules – Nonmajor Governmental Funds

The **Court Truancy Fund** is used to finance the cost of a Juvenile Case Manager for the Municipal Court.

**Parks Fund** is used to account for donations specific to maintaining and improving City parks.

**Public Safety Special Revenue** – Includes the following SRF's:

- Police Child Safety
- Police National Night Out
- Police Seizure
- Police Training

The **Police Child Safety Fund** is used to account for receipt of the fee and expense of funds specific for providing school crossing guard services and programs designed to enhance child safety.

The **Police National Night Out Fund** is used to account for donations and expense specific to this annual event.

The **Police Seizure Fund** is used to account for properties and revenues seized by the Pflugerville Police Department, Federal and Texas State Law requires the funds only be used for a defined set of law enforcement purposes such as law enforcement training, crime prevention awareness programs, asset accounting and tracking, and witness-related costs. Purchases of police equipment and facilities equipment are also permitted under state law.

The **Police Training Fund** is used to account for receipt of funds received from the Law Enforcement Officer Standards and Education Fund (LEOSE) from the state. LEOSE funds support ongoing law enforcement training for peace officers and telecommunicators.

**Public Education & Government** – This fund accumulates and accounts for funds received from all companies providing cable services under the State-Issued Certificate of Franchise Authority and the allowable costs associated with the City's operations of its Public Educational Government Access channel.

**Tax Incremental Reinvestment Zone #1** —This fund accounts for the zone's receipts and the costs of selected public improvements outlined in the zone's project and financing plan.

**City of Pflugerville, Texas**  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 September 30, 2025

	<b>American Rescue Plan Act</b>	<b>Community Development Block Grant</b>	<b>Grant</b>	<b>Hotel Occupancy Tax</b>	<b>Lakeside Meadows PID</b>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 969,309	\$ -	\$ 65,584	\$ 993,301	\$ 3,925,752
Accounts Receivable	-	14,181	91,284	128,222	-
Due from other funds	-	687	-	-	-
Prepaid assets	-	-	-	3,904	-
Total assets	<u>\$ 969,309</u>	<u>\$ 14,868</u>	<u>\$ 156,868</u>	<u>\$ 1,125,427</u>	<u>\$ 3,925,752</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ 431,881	\$ 9,750	\$ 2,773	\$ 13,409	\$ 13,015
Due to other funds	-	5,118	88,511	-	-
Unearned revenue	443,137	-	-	-	1,613,318
Total liabilities	875,018	14,868	91,284	13,409	1,626,333
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	3,904	-
Restricted	94,291	-	65,584	1,108,114	2,299,419
Total fund balances	<u>94,291</u>	<u>-</u>	<u>65,584</u>	<u>1,112,018</u>	<u>2,299,419</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 969,309</u>	<u>\$ 14,868</u>	<u>\$ 156,868</u>	<u>\$ 1,125,427</u>	<u>\$ 3,925,752</u>

<b>Martin Tract PID</b>	<b>Meadowlark PID</b>	<b>Municipal Court Youth Diversion</b>	<b>Municipal Court Efficiency Fee</b>	<b>Municipal Court Security Fee</b>	<b>Municipal Court Technology Fee</b>	<b>Municipal Court Truancy</b>	<b>Parks</b>
\$ 57,239	\$ 13,394,256	\$ 504	\$ 28,366	\$ 182,636	\$ 32,103	\$ 1,978	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 57,239</u>	<u>\$ 13,394,256</u>	<u>\$ 504</u>	<u>\$ 28,366</u>	<u>\$ 182,636</u>	<u>\$ 32,103</u>	<u>\$ 1,978</u>	<u>\$ -</u>
\$ 1,561	\$ -	\$ -	\$ 3	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
1,561	-	-	3	-	-	-	-
-	-	-	-	-	-	-	-
55,678	13,394,256	504	28,363	182,636	32,103	1,978	-
55,678	13,394,256	504	28,363	182,636	32,103	1,978	-
<u>\$ 57,239</u>	<u>\$ 13,394,256</u>	<u>\$ 504</u>	<u>\$ 28,366</u>	<u>\$ 182,636</u>	<u>\$ 32,103</u>	<u>\$ 1,978</u>	<u>\$ -</u>

**City of Pflugerville, Texas**  
 Combining Balance Sheet - Continued  
 Nonmajor Governmental Funds  
 September 30, 2025

	<b>Police National Night Out</b>	<b>Police National Night Out</b>	<b>Police Seizure</b>	<b>Police Training</b>	<b>Public Education &amp; Government</b>	<b>Tax Incremental Reinvestment Zone 1</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 194,465	\$ -	\$ 159,597	\$ 1,953	\$ 161,472	\$ 7,515,408	\$ 27,683,923
Accounts Receivable	-	-	-	-	19,428	-	253,115
Due from other funds	-	-	-	-	-	-	687
Prepaid assets	-	-	-	-	-	-	3,904
Total assets	<u>\$ 194,465</u>	<u>\$ -</u>	<u>\$ 159,597</u>	<u>\$ 1,953</u>	<u>\$ 180,900</u>	<u>\$ 7,515,408</u>	<u>\$ 27,941,629</u>
<b>LIABILITIES</b>							
Liabilities:							
Accounts Payable	\$ 7,582	\$ -	\$ 46,786	\$ -	\$ -	\$ 785	\$ 527,545
Due to other funds	-	-	-	-	-	-	93,629
Unearned revenue	-	-	-	-	-	-	2,056,455
Total liabilities	<u>7,582</u>	<u>-</u>	<u>46,786</u>	<u>-</u>	<u>-</u>	<u>785</u>	<u>2,677,629</u>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	3,904
Restricted	<u>186,883</u>	<u>-</u>	<u>112,811</u>	<u>1,953</u>	<u>180,900</u>	<u>7,514,623</u>	<u>25,260,096</u>
Total fund balances	<u>186,883</u>	<u>-</u>	<u>112,811</u>	<u>1,953</u>	<u>180,900</u>	<u>7,514,623</u>	<u>25,264,000</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 194,465</u>	<u>\$ -</u>	<u>\$ 159,597</u>	<u>\$ 1,953</u>	<u>\$ 180,900</u>	<u>\$ 7,515,408</u>	<u>\$ 27,941,629</u>

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# City of Pflugerville, Texas

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds For the Fiscal Year September 30, 2025

	<b>American Rescue Plan Act</b>	<b>Community Development Block Grant</b>	<b>Grant</b>	<b>Hotel Occupancy Tax</b>	<b>Lakeside Meadows PID</b>
<b>REVENUES</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 2,330,070
Hotel occupancy taxes	-	-	-	1,165,416	-
Fines and forfeitures	-	-	-	-	-
Intergovernmental	2,255,401	597,376	141,039	-	-
Investment earnings	131,999	-	7,406	57,003	101,057
Miscellaneous	-	-	-	-	-
<b>Total revenues</b>	<b>2,387,400</b>	<b>597,376</b>	<b>148,445</b>	<b>1,222,419</b>	<b>2,431,127</b>
<b>EXPENDITURES</b>					
Current:					
General government	121,340	14,265	-	1,437,210	114,142
Public safety	-	-	91,284	-	-
Culture and recreation	-	-	23,261	-	-
Debt Service:					
Interest and other charges	-	-	-	-	-
Capital Outlay	2,134,062	583,168	-	-	-
<b>Total expenditures</b>	<b>2,255,402</b>	<b>597,433</b>	<b>114,545</b>	<b>1,437,210</b>	<b>114,142</b>
Excess (deficiency) of revenues over (under) expenditures	131,998	(57)	33,900	(214,791)	2,316,985
<b>OTHER FINANCING SOURCES (USES)</b>					
Issuance of bonds	-	-	-	-	-
Discounts	-	-	-	-	-
Transfers in	-	57	-	-	-
Transfers out	-	-	(104,949)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>57</b>	<b>(104,949)</b>	<b>-</b>	<b>-</b>
Net change in fund balances	131,998	-	(71,049)	(214,791)	2,316,985
Fund balances, beginning of year	(37,707)	-	136,633	1,326,809	(17,566)
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 94,291</b>	<b>\$ -</b>	<b>\$ 65,584</b>	<b>\$ 1,112,018</b>	<b>\$ 2,299,419</b>

<b>Martin Tract PID</b>	<b>Meadowlark PID</b>	<b>Municipal Court Youth Diversion</b>	<b>Municipal Court Efficiency Fee</b>	<b>Municipal Court Security Fee</b>	<b>Municipal Court Technology Fee</b>	<b>Municipal Court Truancy</b>	<b>Parks</b>
\$ 325,277	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	500	11,141	21,058	14,157	18,742	-
-	-	-	-	-	-	-	-
8,031	274,626	4	1,186	8,854	1,302	290	-
-	-	-	-	-	-	-	-
<b>333,308</b>	<b>274,626</b>	<b>504</b>	<b>12,327</b>	<b>29,912</b>	<b>15,459</b>	<b>19,032</b>	<b>-</b>
316,988	14,987	-	2,853	16,406	-	17,500	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	1,508,543	-	-	-	-	-	-
-	-	-	-	-	2,714	-	-
<b>316,988</b>	<b>1,523,530</b>	<b>-</b>	<b>2,853</b>	<b>16,406</b>	<b>2,714</b>	<b>17,500</b>	<b>-</b>
16,320	(1,248,904)	504	9,474	13,506	12,745	1,532	-
-	14,772,000	-	-	-	-	-	-
-	(137,216)	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(9)
-	14,634,784	-	-	-	-	-	(9)
16,320	13,385,880	504	9,474	13,506	12,745	1,532	(9)
39,358	8,376	-	18,889	169,130	19,358	446	9
<b>\$ 55,678</b>	<b>\$ 13,394,256</b>	<b>\$ 504</b>	<b>\$ 28,363</b>	<b>\$ 182,636</b>	<b>\$ 32,103</b>	<b>\$ 1,978</b>	<b>\$ -</b>

# City of Pflugerville, Texas

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds - Continued For the Fiscal Year September 30, 2025

	Police Child Safety	Police National Night Out	Police Seizure	Police Training	Public Education & Government	Tax Incremental Reinvestment Zone 1	Total Nonmajor Governmental Funds
<b>REVENUES</b>							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,426,394	\$ 7,081,741
Hotel occupancy taxes	-	-	-	-	-	-	1,165,416
Fines and forfeitures	77,758	-	186,349	-	-	-	329,705
Intergovernmental	-	-	-	13,941	-	-	3,007,757
Investment earnings	8,419	159	6,954	832	7,110	325,631	940,863
Miscellaneous	-	-	-	-	51,786	-	51,786
Total revenues	86,177	159	193,303	14,773	58,896	4,752,025	12,577,268
<b>EXPENDITURES</b>							
Current:							
General government	-	-	-	-	-	720,868	2,776,559
Public safety	35,277	-	98,963	36,128	-	-	261,652
Culture and recreation	-	-	-	-	-	-	23,261
Debt Service:							
Interest	-	-	-	-	-	-	1,508,543
Capital Outlay	-	-	64,701	-	11,097	-	2,795,742
Total expenditures	35,277	-	163,664	36,128	11,097	720,868	7,365,757
Excess (deficiency) of revenues over (under) expenditures	50,900	159	29,639	(21,355)	47,799	4,031,157	5,211,511
<b>OTHER FINANCING SOURCES (USES)</b>							
Issuance of bonds	-	-	-	-	-	-	14,772,000
Discounts	-	-	-	-	-	-	(137,216)
Transfers in	-	-	-	-	-	-	57
Transfers out	-	(7,610)	-	-	-	(1,848,093)	(1,960,661)
Total other financing sources (uses)	-	(7,610)	-	-	-	(1,848,093)	12,674,180
Net change in fund balances	50,900	(7,451)	29,639	(21,355)	47,799	2,183,064	17,885,691
Fund balances, beginning of year	135,983	7,451	83,172	23,308	133,101	5,331,559	7,378,309
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 186,883</b>	<b>\$ -</b>	<b>\$ 112,811</b>	<b>\$ 1,953</b>	<b>\$ 180,900</b>	<b>\$ 7,514,623</b>	<b>\$ 25,264,000</b>

**City of Pflugerville, Texas**

Schedule of Revenues, Expenditures, and Changes  
in Fund Balance – Budget and Actual  
Debt Service  
For the Fiscal Year Ended September 30, 2025

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes:				
Property taxes	\$ 32,665,000	\$ 32,665,000	\$ 32,212,144	\$ (452,856)
Intergovernmental	4,658,473	4,658,473	4,658,473	-
Investment earnings	700,000	700,000	1,160,091	460,091
	<u>38,023,473</u>	<u>38,023,473</u>	<u>38,030,708</u>	<u>7,235</u>
Total revenues				
<b>EXPENDITURES</b>				
Debt service:				
Principal	17,340,315	17,340,315	14,438,214	2,902,101
Interest and other charges	24,525,165	24,525,165	25,107,317	(582,152)
	<u>41,865,480</u>	<u>41,865,480</u>	<u>39,545,531</u>	<u>2,319,949</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>(3,842,007)</u>	<u>(3,842,007)</u>	<u>(1,514,823)</u>	<u>(2,312,714)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of refunding bonds	-	-	8,974,000	8,974,000
Premiums	-	-	742,390	742,390
Payment to bond escrow	-	-	(9,604,353)	(9,604,353)
Transfers in	1,848,093	1,848,093	1,848,093	-
	<u>1,848,093</u>	<u>1,848,093</u>	<u>1,960,130</u>	<u>112,037</u>
Total other financing sources (uses)				
Net change in fund balance	<u>(1,993,914)</u>	<u>(1,993,914)</u>	<u>445,307</u>	<u>(2,200,677)</u>
Fund balance, beginning of year	<u>10,509,272</u>	<u>10,509,272</u>	<u>10,509,272</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u><u>\$ 8,515,358</u></u>	<u><u>\$ 8,515,358</u></u>	<u><u>\$ 10,954,579</u></u>	<u><u>\$ (2,200,677)</u></u>

**City of Pflugerville, Texas**

Schedule of Revenues, Expenditures, and Changes  
in Fund Balance – Budget and Actual  
Capital Projects  
For the Fiscal Year Ended September 30, 2025

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 25,147,127	\$ 25,147,127	\$ 4,600,725	\$ (20,546,402)
Investment earnings	18,300,000	18,300,000	20,486,189	2,186,189
Miscellaneous	-	-	975,388	975,388
Total revenues	43,447,127	43,447,127	26,062,302	(17,384,825)
<b>EXPENDITURES</b>				
Capital Outlay	342,009,304	342,009,304	114,403,393	227,605,911
Debt service:				
Interest and other charges	-	-	568,143	(568,143)
Total expenditures	342,009,304	342,009,304	114,971,536	227,037,768
Excess (deficiency) of revenues over expenditures	(298,562,177)	(298,562,177)	(88,909,234)	209,652,943
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of bonds	83,705,148	83,705,148	65,574,900	(18,130,248)
Premiums	-	-	3,573,243	3,573,243
Transfers out	-	-	(57)	(57)
Total other financing sources (uses)	83,705,148	83,705,148	69,148,086	(14,557,062)
Net change in fund balance	(214,857,029)	(214,857,029)	(19,761,148)	195,095,881
Fund balance, beginning of year	451,915,032	451,915,032	451,915,032	-
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 237,058,003</b>	<b>\$ 237,058,003</b>	<b>\$ 432,153,884</b>	<b>\$ 195,095,881</b>

**City of Pflugerville, Texas**

Schedule of Revenues, Expenditures, and Changes  
in Fund Balance – Budget and Actual  
American Rescue Plan Act  
For the Fiscal Year Ended September 30, 2025

	<b>Budget</b>		<b>Actual</b>	<b>Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 2,255,401	\$ 2,255,401
Investment earnings	7,350	7,350	131,999	124,649
<b>Total revenues</b>	<b>7,350</b>	<b>7,350</b>	<b>2,387,400</b>	<b>2,380,050</b>
<b>EXPENDITURES</b>				
Current:				
General government	45,000	45,000	121,340	(76,340)
Capital outlay	2,866,820	2,866,820	2,134,062	732,758
<b>Total expenditures</b>	<b>2,911,820</b>	<b>2,911,820</b>	<b>2,255,402</b>	<b>656,418</b>
Net change in fund balance	(2,904,470)	(2,904,470)	131,998	3,036,468
Fund balance, beginning of year	(37,707)	(37,707)	(37,707)	-
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ (2,942,177)</b>	<b>\$ (2,942,177)</b>	<b>\$ 94,291</b>	<b>\$ 3,036,468</b>

**City of Pflugerville, Texas**

Schedule of Revenues, Expenditures, and Changes  
in Fund Balance – Budget and Actual  
Hotel Occupancy Tax  
For the Fiscal Year Ended September 30, 2025

	<b>Budget</b>		<b>Actual</b>	<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Hotel occupancy taxes	\$ 1,270,000	\$ 1,270,000	\$ 1,165,416	\$ (104,584)
Investment earnings	25,000	25,000	57,003	32,003
Total revenues	1,295,000	1,295,000	1,222,419	(72,581)
<b>EXPENDITURES</b>				
Current:				
General government	1,038,000	1,461,457	1,437,210	24,247
Total expenditures	1,038,000	1,461,457	1,437,210	24,247
Net change in fund balance	257,000	(166,457)	(214,791)	(48,334)
Fund balance, beginning of year	1,326,809	1,326,809	1,326,809	-
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 1,583,809</b>	<b>\$ 1,160,352</b>	<b>\$ 1,112,018</b>	<b>\$ (48,334)</b>

**City of Pflugerville, Texas**

Schedule of Revenues, Expenditures, and Changes  
in Fund Balance – Budget and Actual  
Lakeside Meadows Public Improvement District  
For the Fiscal Year Ended September 30, 2025

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 2,264,255	\$ 2,264,255	\$ 2,330,070	\$ 65,815
Investment earnings	-	-	101,057	101,057
Total revenues	2,264,255	2,264,255	2,431,127	166,872
<b>EXPENDITURES</b>				
Current:				
General government	\$ 25,000	\$ 25,000	\$ 114,142	\$ (89,142)
Total expenditures	25,000	25,000	114,142	(89,142)
Net change in fund balance	2,239,255	2,239,255	2,316,985	77,730
Fund balance, beginning of year	(17,566)	(17,566)	(17,566)	-
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 2,221,689</b>	<b>\$ 2,221,689</b>	<b>\$ 2,299,419</b>	<b>\$ 77,730</b>

**City of Pflugerville, Texas**

Schedule of Revenues, Expenditures, and Changes  
in Fund Balance – Budget and Actual  
Martin Tract Public Improvement District  
For the Fiscal Year Ended September 30, 2025

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 324,200	\$ 324,200	\$ 325,277	\$ 1,077
Investment earnings	500	500	8,031	7,531
Total revenues	324,700	324,700	333,308	8,608
<b>EXPENDITURES</b>				
Current:				
General government	25,000	25,000	316,988	(291,988)
Total expenditures	25,000	25,000	316,988	(291,988)
Net change in fund balance	299,700	299,700	16,320	(283,380)
Fund balance, beginning of year	39,358	39,358	39,358	-
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 339,058</b>	<b>\$ 339,058</b>	<b>\$ 55,678</b>	<b>\$ (283,380)</b>

**City of Pflugerville, Texas**

Schedule of Revenues, Expenditures, and Changes  
in Fund Balance – Budget and Actual  
Municipal Court Efficiency  
For the Fiscal Year Ended September 30, 2025

	<b>Budget</b>		<b>Actual</b>	<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Fines and forfeitures	\$ 7,500	\$ 7,500	\$ 11,141	\$ 3,641
Investment earnings	200	200	1,186	986
Total revenues	7,700	7,700	12,327	4,627
<b>EXPENDITURES</b>				
Current:				
General government	8,000	8,000	2,853	5,147
Total expenditures	8,000	8,000	2,853	5,147
Net change in fund balance	(300)	(300)	9,474	9,774
Fund balance, beginning of year	18,889	18,889	18,889	-
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 18,589</b>	<b>\$ 18,589</b>	<b>\$ 28,363</b>	<b>\$ 9,774</b>

**City of Pflugerville, Texas**

Schedule of Revenues, Expenditures, and Changes  
in Fund Balance – Budget and Actual  
Municipal Court Security  
For the Fiscal Year Ended September 30, 2025

	<b>Budget</b>		<b>Actual</b>	<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Fines and forfeitures	\$ 16,000	\$ 16,000	\$ 21,058	\$ 5,058
Investment earnings	4,500	4,500	8,854	4,354
Total revenues	20,500	20,500	29,912	9,412
<b>EXPENDITURES</b>				
Current:				
General government	20,000	20,000	16,406	3,594
Total expenditures	20,000	20,000	16,406	3,594
Net change in fund balance	500	500	13,506	13,006
Fund balance, beginning of year	169,130	169,130	169,130	-
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 169,630</b>	<b>\$ 169,630</b>	<b>\$ 182,636</b>	<b>\$ 13,006</b>

**City of Pflugerville, Texas**

Schedule of Revenues, Expenditures, and Changes  
in Fund Balance – Budget and Actual  
Municipal Court Technology  
For the Fiscal Year Ended September 30, 2025

	<b>Budget</b>		<b>Actual</b>	<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Fines and forfeitures	\$ 13,500	\$ 13,500	\$ 14,157	\$ 657
Investment earnings	500	500	1,302	802
Total revenues	14,000	14,000	15,459	1,459
<b>EXPENDITURES</b>				
Capital outlay	20,000	20,000	2,714	17,286
Total expenditures	20,000	20,000	2,714	17,286
Net change in fund balance	(6,000)	(6,000)	12,745	18,745
Fund balance, beginning of year	19,358	19,358	19,358	-
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 13,358</b>	<b>\$ 13,358</b>	<b>\$ 32,103</b>	<b>\$ 18,745</b>

**City of Pflugerville, Texas**

Schedule of Revenues, Expenditures, and Changes  
in Fund Balance – Budget and Actual  
Municipal Court Truancy  
For the Fiscal Year Ended September 30, 2025

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fines and forfeitures	\$ 17,500	\$ 17,500	\$ 18,742	\$ 1,242
Investment earnings	-	-	290	290
Total revenues	17,500	17,500	19,032	1,532
<b>EXPENDITURES</b>				
Current:				
General government	17,500	17,500	17,500	-
Total expenditures	17,500	17,500	17,500	-
Net change in fund balance	-	-	1,532	1,532
Fund balance, beginning of year	446	446	446	-
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 446</u>	<u>\$ 446</u>	<u>\$ 1,978</u>	<u>\$ 1,532</u>

**City of Pflugerville, Texas**

Schedule of Revenues, Expenditures, and Changes  
in Fund Balance – Budget and Actual  
Police Child Safety  
For the Fiscal Year Ended September 30, 2025

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fines and forfeitures	\$ 75,000	\$ 75,000	\$ 77,758	\$ 2,758
Investment earnings	1,500	1,500	8,419	6,919
Total revenues	76,500	76,500	86,177	9,677
<b>EXPENDITURES</b>				
Current:				
Public safety	-	-	35,277	(35,277)
Total expenditures	-	-	35,277	(35,277)
Excess (deficiency) of revenues over expenditures	76,500	76,500	50,900	(25,600)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(107,000)	(107,000)	-	107,000
Total other financing sources (uses)	(107,000)	(107,000)	-	107,000
Net change in fund balance	(30,500)	(30,500)	50,900	81,400
Fund balance, beginning of year	135,983	135,983	135,983	-
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 105,483</b>	<b>\$ 105,483</b>	<b>\$ 186,883</b>	<b>\$ 81,400</b>

**City of Pflugerville, Texas**

Schedule of Revenues, Expenditures, and Changes  
in Fund Balance – Budget and Actual  
Police Seizure  
For the Fiscal Year Ended September 30, 2025

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fines and forfeitures	\$ -	\$ 121,500	\$ 186,349	\$ 64,849
Investment earnings	-	-	6,954	6,954
Total revenues	-	121,500	193,303	71,803
<b>EXPENDITURES</b>				
Current:				
Public safety	42,500	164,000	98,963	65,037
Capital outlay	-	-	64,701	(64,701)
Total expenditures	42,500	164,000	163,664	336
Net change in fund balance	(42,500)	(42,500)	29,639	72,139
Fund balance, beginning of year	83,172	83,172	83,172	-
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 40,672</u>	<u>\$ 40,672</u>	<u>\$ 112,811</u>	<u>\$ 72,139</u>

**City of Pflugerville, Texas**

Schedule of Revenues, Expenditures, and Changes  
in Fund Balance – Budget and Actual  
Police Training  
For the Fiscal Year Ended September 30, 2025

	<b>Budget</b>		<b>Actual</b>	<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Intergovernmental	\$ 5,000	\$ 5,000	\$ 13,941	\$ 8,941
Investment earnings	-	-	832	832
Total revenues	5,000	5,000	14,773	9,773
<b>EXPENDITURES</b>				
Current:				
Public safety	25,000	25,000	36,128	(11,128)
Total expenditures	25,000	25,000	36,128	(11,128)
Net change in fund balance	(20,000)	(20,000)	(21,355)	(1,355)
Fund balance, beginning of year	23,308	23,308	23,308	-
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 3,308</b>	<b>\$ 3,308</b>	<b>\$ 1,953</b>	<b>\$ (1,355)</b>

**City of Pflugerville, Texas**

Schedule of Revenues, Expenditures, and Changes  
in Fund Balance – Budget and Actual  
Public, Educational, and Governmental  
For the Fiscal Year Ended September 30, 2025

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment earnings	\$ 4,000	\$ 4,000	\$ 7,110	\$ 3,110
Miscellaneous	65,000	65,000	51,786	(13,214)
Total revenues	69,000	69,000	58,896	(10,104)
<b>EXPENDITURES</b>				
Capital outlay	41,953	41,953	11,097	30,856
Total expenditures	41,953	41,953	11,097	30,856
Net change in fund balance	27,047	27,047	47,799	20,752
Fund balance, beginning of year	133,101	133,101	133,101	-
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 160,148</u>	<u>\$ 160,148</u>	<u>\$ 180,900</u>	<u>\$ 20,752</u>

**City of Pflugerville, Texas**

Schedule of Revenues, Expenditures, and Changes  
in Fund Balance – Budget and Actual  
Tax Incremental Reinvestment Zone #1  
For the Fiscal Year Ended September 30, 2025

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 4,034,644	\$ 4,034,644	\$ 4,426,394	\$ 391,750
Investment earnings	210,000	210,000	325,631	115,631
Total revenues	4,244,644	4,244,644	4,752,025	507,381
<b>EXPENDITURES</b>				
Current:				
General government	2,358,710	2,358,710	720,868	1,637,842
Total expenditures	2,358,710	2,358,710	720,868	1,637,842
Excess (deficiency) of revenues over expenditures	1,885,934	1,885,934	4,031,157	2,145,223
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	-	(1,848,093)	(1,848,093)
Total other financing sources (uses)	-	-	(1,848,093)	(1,848,093)
Net change in fund balance	1,885,934	1,885,934	2,183,064	297,130
Fund balance, beginning of year	5,331,559	5,331,559	5,331,559	-
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 7,217,493</b>	<b>\$ 7,217,493</b>	<b>\$ 7,514,623</b>	<b>\$ 297,130</b>

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# Statistical Section

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**Statistical Section**  
(Unaudited)

This part of the City's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

	<b><u>Page</u></b>
<b>Financial Trends – Schedules 1-4</b>	108
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
<b>Revenue Capacity – Schedules 5-12</b>	118
These schedules contain information to help the reader assess the City's most significant local revenue sources: sales and property taxes.	
<b>Debt Capacity – Schedules 13-17</b>	126
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
<b>Demographic and Economic Information – Schedules 18-21</b>	131
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
<b>Operating Information – Schedules 22-23</b>	135
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

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

**City of Pflugerville Texas**

Net Position by Component

Last Ten Fiscal Years

(Amounts in 000's – Accrual Basis of Accounting)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
Net investment in capital assets	\$ 110,465	\$ 108,984	\$ 112,265	\$ 115,322
Restricted	3,395	3,851	3,798	4,291
Unrestricted	11,441	20,658	8,476	10,077
<b>TOTAL GOVERNMENTAL ACTIVITIES NET POSITION</b>	<u>\$ 125,301</u>	<u>\$ 133,493</u>	<u>\$ 124,539</u>	<u>\$ 129,690</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Net investment in capital assets	\$ 87,523	\$ 93,657	\$ 102,634	\$ 107,131
Restricted	11,976	11,418	12,608	15,195
Unrestricted	15,857	17,056	18,468	21,832
<b>TOTAL BUSINESS-TYPE ACTIVITIES NET POSITION</b>	<u>\$ 115,356</u>	<u>\$ 122,131</u>	<u>\$ 133,710</u>	<u>\$ 144,158</u>
<b>PRIMARY GOVERNMENT</b>				
Net investment in capital assets	\$ 197,988	\$ 202,641	\$ 214,899	\$ 222,453
Restricted	15,371	15,269	16,406	19,486
Unrestricted	27,298	37,714	26,944	31,909
<b>TOTAL PRIMARY GOVERNMENT NET POSITION</b>	<u>\$ 240,657</u>	<u>\$ 255,624</u>	<u>\$ 258,249</u>	<u>\$ 273,848</u>

Source: City Annual Comprehensive Financial Report

Schedule 1

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 118,439	\$ 109,360	\$ 104,410	\$ 90,864	\$ 158,950	\$ 218,816
5,601	7,075	7,976	9,940	14,263	33,700
16,319	19,303	46,908	77,835	41,649	26,719
<u>\$ 140,359</u>	<u>\$ 135,738</u>	<u>\$ 159,294</u>	<u>\$ 178,639</u>	<u>\$ 214,862</u>	<u>\$ 279,235</u>
\$ 120,254	\$ 138,736	\$ 119,753	\$ 182,181	\$ 217,708	\$ 198,518
19,892	23,526	31,094	8,657	4,706	7,264
13,171	9,625	34,421	18,955	12,453	61,128
<u>\$ 153,317</u>	<u>\$ 171,887</u>	<u>\$ 185,268</u>	<u>\$ 209,793</u>	<u>\$ 234,867</u>	<u>\$ 266,910</u>
\$ 238,693	\$ 248,096	\$ 224,163	\$ 273,045	\$ 376,658	\$ 417,334
25,493	30,601	39,070	18,597	18,969	40,964
29,490	28,928	81,329	96,790	54,102	87,847
<u>\$ 293,676</u>	<u>\$ 307,625</u>	<u>\$ 344,562</u>	<u>\$ 388,432</u>	<u>\$ 449,729</u>	<u>\$ 546,145</u>

# City of Pflugerville Texas

## Changes in Net Position

### Last Ten Fiscal Years

(Amounts in 000's – Accrual Basis of Accounting)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>EXPENSES</b>				
Governmental activities:				
General government	\$ 7,428	\$ 10,444	\$ 11,346	\$ 10,334
Public safety	15,012	17,271	17,797	18,250
Public works and streets	22,546	18,471	22,058	20,644
Culture/recreation	4,933	5,312	5,742	6,602
Interest on long-term debt	4,702	5,379	6,048	6,038
	<hr/>	<hr/>	<hr/>	<hr/>
Total governmental activities expenses	54,621	56,877	62,991	61,868
Business-type activities:				
Water and wastewater	21,440	21,981	23,765	27,360
Solid waste	4,360	4,636	4,861	5,094
	<hr/>	<hr/>	<hr/>	<hr/>
Total business-type activities expenses	25,800	26,617	28,626	32,454
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	80,421	83,494	91,617	94,322
<b>PROGRAM REVENUES</b>				
Governmental activities:				
Charges for services:				
General government	1,582	1,960	2,190	2,106
Public safety	3,693	3,638	3,248	2,721
Public works and streets	-	-	-	-
Culture and recreation	741	749	748	722
Operating grants and contributions	376	493	492	644
Capital grants and contributions	5,949	9,466	14,804	14,631
	<hr/>	<hr/>	<hr/>	<hr/>
Total governmental activities program revenues	12,341	16,306	21,482	20,824
Business-type activities:				
Charges for services:				
Water and wastewater	21,042	21,811	24,953	26,394
Solid waste	4,387	4,631	4,884	5,139
Operating grants and contributions	-	-	-	-
Capital grants and contributions	9,113	7,405	10,328	10,550
	<hr/>	<hr/>	<hr/>	<hr/>
Total business-type activities program revenues	34,542	33,847	40,165	42,083
	<hr/>	<hr/>	<hr/>	<hr/>
Total program revenues	46,883	50,153	61,647	62,907
<b>NET (EXPENSE)/REVENUE</b>				
Governmental activities	(42,280)	(40,571)	(41,509)	(41,044)
Business-type activities	8,742	7,230	11,539	9,629
	<hr/>	<hr/>	<hr/>	<hr/>
Total net expense	<u>\$ (33,538)</u>	<u>\$ (33,341)</u>	<u>\$ (29,970)</u>	<u>\$ (31,415)</u>

	2020	2021	2022	2023	2024	2025
\$	10,380	\$ 15,075	\$ 21,546	\$ 27,277	\$ 25,692	\$ 24,185
	16,333	16,867	16,448	20,125	22,095	25,924
	24,141	25,359	22,610	24,257	23,239	21,126
	6,340	6,867	8,534	12,958	11,811	14,400
	6,154	6,955	8,245	14,273	30,854	33,630
	63,348	71,123	77,383	98,890	113,691	119,265
	29,868	30,104	38,481	38,123	42,546	51,761
	5,798	6,432	7,012	8,602	5,542	6,422
	35,666	36,536	45,493	46,725	48,088	58,183
	99,014	107,659	122,876	145,615	161,779	177,448
	4,026	4,296	3,728	4,008	2,389	310
	545	779	905	1,165	337	1,140
	-	-	-	-	2,159	2,200
	184	297	645	923	790	1,023
	4,257	3,681	3,438	1,501	8,818	9,637
	14,357	893	12,417	18,546	14,171	48,151
	23,369	9,946	21,133	26,143	28,664	62,461
	29,214	35,404	40,348	43,293	52,049	57,103
	6,047	6,691	7,252	7,681	5,849	6,070
	-	-	-	556	-	1,104
	9,785	13,631	12,834	13,752	10,294	24,228
	45,046	55,726	60,434	65,282	68,192	88,505
	68,415	65,672	81,567	91,425	96,856	150,966
	(39,979)	(61,177)	(56,250)	(72,747)	(85,027)	(56,804)
	9,380	19,190	14,941	18,557	20,104	30,322
\$	<u>(30,599)</u>	<u>(41,987)</u>	<u>(41,309)</u>	<u>(54,190)</u>	<u>(64,923)</u>	<u>(26,482)</u>

**City of Pflugerville Texas**

Changes in Net Position – Continued

Last Ten Fiscal Years

(Amounts in 000's – Accrual Basis of Accounting)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>				
Governmental activities:				
Taxes:				
Property taxes	\$ 21,024	\$ 23,695	\$ 26,731	\$ 27,979
Sales tax	7,550	8,319	8,988	10,702
Franchise and other taxes	3,561	3,728	3,929	4,072
Mixed beverage taxes	87	81	99	114
Hotel occupancy taxes	20	150	340	374
Investment earnings	270	562	1,130	1,455
Other income	1,019	271	953	721
Gain on sale of capital assets	-	47	-	-
Transfers	857	844	797	778
	<u>34,388</u>	<u>37,697</u>	<u>42,967</u>	<u>46,195</u>
Total governmental activities				
Business-type activities:				
Investment earnings	159	334	878	1,518
Other income	109	51	52	78
Gain on sale of capital assets	-	3	7	-
Transfers	(857)	(844)	(797)	(778)
	<u>(589)</u>	<u>(456)</u>	<u>140</u>	<u>818</u>
Total business-type activities				
Total primary government				
	33,799	37,241	43,107	47,013
<b>CHANGE IN NET POSITION</b>				
Governmental activities	(7,892)	(2,874)	1,458	5,151
Business-type activities	8,153	6,774	11,679	10,447
	<u>261</u>	<u>3,900</u>	<u>13,137</u>	<u>15,598</u>
<b>TOTAL CHANGE IN NET POSITION</b>				

Source: City Annual Comprehensive Financial Report

	2020	2021	2022	2023	2024	2025
\$	30,820	\$ 32,644	\$ 36,576	\$ 48,139	\$ 60,414	\$ 67,392
	12,641	16,096	18,076	18,611	18,924	19,810
	4,231	4,778	5,395	5,776	6,169	6,731
	113	111	149	176	187	198
	235	394	990	994	1,220	1,165
	648	75	1,051	12,151	28,803	24,039
	919	1,705	2,042	136	1,676	1,607
	-	-	-	2,554	59	235
	1,040	750	2,415	3,007	3,799	-
	50,647	56,553	66,694	91,544	121,251	121,177
	727	70	503	5,854	8,161	1,026
	92	61	350	(1,464)	576	695
	-	-	-	529	32	-
	(1,040)	(750)	(2,415)	(3,007)	(3,799)	-
	(221)	(619)	(1,562)	1,912	4,970	1,721
	50,426	55,934	65,132	93,456	126,221	122,898
	10,668	(4,624)	10,444	18,797	36,224	64,373
	9,159	18,571	13,379	20,469	25,074	32,043
\$	19,827	\$ 13,947	\$ 23,823	\$ 39,266	\$ 61,298	\$ 96,416

**City of Pflugerville Texas**

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Amounts in 000's – Modified Accrual Basis of Accounting)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>GENERAL FUND</b>				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Committed	3,947	2,288	18	104
Assigned	-	-	2,294	1,500
Unassigned	13,793	15,939	14,522	18,056
	<hr/>	<hr/>	<hr/>	<hr/>
Total general fund	17,740	18,227	16,834	19,660
<b>ALL OTHER GOVERNMENTAL FUNDS</b>				
Nonspendable	-	-	-	-
Restricted	49,571	28,613	28,393	29,381
Committed	105	64	83	78
Assigned	5	5	5	5
Unassigned	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total all other governmental funds	49,681	28,682	28,481	29,464
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL GOVERNMENTAL FUNDS</b>	<u>\$ 67,421</u>	<u>\$ 46,909</u>	<u>\$ 45,315</u>	<u>\$ 49,124</u>

Schedule 3

<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
\$ -	\$ -	\$ -	\$ -	\$ 399	\$ 726
-	-	-	-	-	-
1,946	6,164	605	4,057	4,082	1,496
21,193	23,160	29,165	20,424	21,027	19,497
23,139	29,324	29,770	24,481	25,508	21,719
-	-	-	-	-	4
25,814	85,007	140,396	482,136	469,858	468,368
74	-	-	-	-	-
-	5	-	-	-	-
(57)	-	-	-	(55)	-
25,831	85,012	140,396	482,136	469,803	468,372
<u>\$ 48,970</u>	<u>\$ 114,336</u>	<u>\$ 170,166</u>	<u>\$ 506,617</u>	<u>\$ 495,311</u>	<u>\$ 490,091</u>

**City of Pflugerville Texas**

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Amounts in 000's – Modified Accrual Basis of Accounting)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>REVENUES</b>				
Taxes	\$ 32,163	\$ 36,038	\$ 39,970	\$ 43,285
Licenses and permits	1,654	2,037	2,266	2,182
Intergovernmental	3,675	7,747	7,002	6,672
Fines	1,191	1,020	671	690
Investment earnings	270	562	1,130	1,455
Miscellaneous	931	1,132	1,569	957
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	39,884	48,536	52,608	55,241
<b>EXPENDITURES</b>				
General government	6,830	9,030	8,523	9,809
Public safety	14,017	15,400	16,596	16,158
Public works and streets	3,768	5,314	6,541	5,214
Culture and recreation	3,874	4,186	4,407	4,609
Debt service:				
Principal	3,003	3,533	5,283	5,114
Interest	3,794	5,642	5,786	6,017
Other charges	805	6	382	213
Capital outlay	25,619	26,944	28,842	17,991
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	61,710	70,055	76,360	65,125
Excess (deficiency) of revenues over (under) expenditures	(21,826)	(21,519)	(23,752)	(9,884)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(281)	(2,069)	(2,847)	(840)
Transfers in	1,138	2,913	3,645	1,618
Sale of capital assets	50	47	56	55
Issuance of bonds	68,980	-	28,200	11,991
Issuance of refunding bonds	-	-	-	-
Premium on bonds issued	6,880	-	3,170	830
Discount on bonds issued	-	-	-	-
Leases	-	-	-	-
Subscriptions	-	-	-	-
Payment to bond refunding escrow agent	(26,928)	-	(10,083)	-
Insurance recoveries	46	117	18	40
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources	49,885	1,008	22,159	13,694
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 28,059</u>	<u>\$ (20,511)</u>	<u>\$ (1,593)</u>	<u>\$ 3,810</u>

Schedule 4

	2020	2021	2022	2023	2024	2025
\$	47,939	\$ 54,028	\$ 61,215	\$ 73,104	\$ 86,743	\$ 95,244
	4,108	4,366	3,806	4,017	4,321	2,502
	4,195	6,950	11,890	8,241	14,547	14,237
	460	572	575	740	771	1,071
	648	75	1,051	12,151	28,803	24,039
	307	540	956	1,810	2,488	2,444
	57,657	66,531	79,493	100,063	137,673	139,537
	10,022	14,623	17,523	23,331	24,502	21,541
	15,084	16,244	15,687	18,862	20,499	23,839
	7,733	9,242	7,619	8,459	8,834	8,360
	4,351	4,793	6,663	10,647	9,970	11,300
	5,251	5,221	7,143	10,034	11,263	18,170
	6,582	6,474	8,013	10,166	25,246	27,234
	6	883	599	2,847	-	-
	9,945	11,518	31,351	21,060	55,411	125,458
	58,974	68,998	94,598	105,406	155,725	235,902
	(1,317)	(2,467)	(15,105)	(5,343)	(18,052)	(96,365)
	(709)	(680)	(8,830)	(11,204)	(1,800)	(1,961)
	1,750	1,430	11,245	14,211	5,599	1,961
	68	487	23	100	59	235
	-	78,500	60,998	500	-	80,347
	-	-	-	-	-	8,974
	-	9,473	7,335	14,016	-	4,316
	-	-	-	-	-	(137)
	-	-	-	-	1,624	3,743
	-	-	-	-	1,128	3,001
	-	(21,723)	-	-	-	(9,604)
	52	347	164	126	135	271
	1,161	67,834	70,935	17,749	6,745	91,146
\$	(156)	\$ 65,367	\$ 55,830	\$ 12,406	\$ (11,307)	\$ (5,219)

**City of Pflugerville, Texas**

## Governmental Activities Tax Revenues by Source

Last Ten Fiscal Years

*(Accrual Basis of Accounting)***Schedule 5**

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Franchise Tax</b>	<b>Mixed Beverage Tax</b>	<b>Hotel Occupancy Tax</b>	<b>Total</b>
2016	\$ 21,024,450	\$ 7,549,829	\$ 3,561,040	\$ 86,543	\$ 20,193	\$ 32,242,055
2017	23,695,020	8,318,945	3,727,855	80,634	149,897	35,972,351
2018	26,614,391	8,988,394	3,928,610	99,163	339,766	39,970,324
2019	27,978,714	10,701,796	4,072,212	113,671	374,308	43,240,701
2020	30,820,419	12,640,956	4,231,465	112,943	235,303	48,041,086
2021	32,643,859	16,095,717	4,778,171	111,485	393,876	54,023,108
2022	36,575,632	18,076,111	5,394,783	149,128	989,615	61,185,269
2023	48,138,883	18,611,466	5,775,547	175,951	994,217	73,696,064
2023	48,138,883	18,611,466	5,775,547	175,951	994,217	73,696,064
2024	67,392,318	19,809,973	6,731,047	197,552	1,165,416	95,296,306

**City of Pflugerville, Texas**

**Schedule 6**

Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Personal Property</b>	<b>Less: Tax Exempt Real Property</b>	<b>Total Taxable Assessed Value</b>	<b>Percent of Growth in Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Assessed Value as a Percentage of Actual Value</b>
2016	3,147,282,746	1,206,387,574	326,625,017	808,467,090	\$ 3,871,828,247	12.47%	0.5405	\$ 3,871,828,247	100%
2017	3,628,025,355	1,340,384,319	333,559,477	899,533,163	4,402,435,988	13.70%	0.5399	4,402,435,988	100%
2018	4,035,650,480	1,548,588,085	314,772,082	959,591,335	4,939,419,312	12.20%	0.5399	4,939,419,312	100%
2019	4,499,757,076	1,838,614,421	396,468,422	1,108,865,347	5,625,974,572	13.90%	0.4976	5,625,974,572	100%
2020	4,795,208,000	2,134,940,661	422,443,512	1,154,626,003	6,197,966,170	10.17%	0.4976	6,197,966,170	100%
2021	5,077,244,544	2,376,169,735	429,679,404	1,246,714,712	6,636,378,971	7.07%	0.4863	6,636,378,971	100%
2022	5,218,297,409	2,361,728,001	426,046,349	1,292,354,372	6,713,717,387	1.17%	0.4863	6,713,717,387	100%
2023	7,422,858,320	1,998,200,048	487,929,194	1,119,010,765	8,789,976,797	30.93%	0.4813	8,789,976,797	100%
2024	10,256,031,163	3,043,974,277	1,007,337,043	3,132,475,566	11,174,866,917	27.13%	0.5362	11,174,866,917	100%
2025	10,810,011,419	3,790,713,125	980,232,502	3,647,157,515	11,933,799,531	6.79%	0.5428	11,933,799,531	100%

Source: Travis Central Appraisal District and Williamson Central Appraisal District

Note: All properties are assessed at 100% of actual taxable value. Tax rates are per \$100 of assessed value

**City of Pflugerville, Texas**

Property Tax Rates  
Direct and Overlapping Governments  
Last Ten Fiscal Years

**Schedule 7**

Fiscal Year	City of Pflugerville			Travis County			Pflugerville Independent School District			Travis County Emergency Services District #2			Travis County Healthcare District			Total Direct & Overlapping Rates
	General Fund O & M*	Debt Service	Total City	O & M*	Debt Service	Total County	O & M*	Debt Service	Total PISD	O & M*	Debt Service	Total ESD#2	O & M*	Debt Service	Total TCHD	
2016	0.3665	0.174	0.5405	0.3486	0.0683	0.4169	1.0400	0.5000	1.5400	0.0913	0.0045	0.0958	0.1168	0.0010	0.1178	2.7110
2017	0.3526	0.1873	0.5399	0.3222	0.0616	0.3838	1.0400	0.5000	1.5400	0.0997	0.0003	0.1000	0.1096	0.0009	0.1105	2.6742
2018	0.3345	0.2054	0.5399	0.3143	0.0547	0.3690	1.0400	0.5000	1.5400	0.1000	0.0000	0.1000	0.1066	0.0008	0.1074	2.6563
2019	0.3169	0.1807	0.4976	0.3079	0.0463	0.3542	1.0600	0.4600	1.5200	0.1000	0.0000	0.1000	0.1045	0.0007	0.1052	2.5770
2020	0.3104	0.1872	0.4976	0.3123	0.0570	0.3693	0.9900	0.4600	1.4500	0.1000	0.0000	0.1000	0.1049	0.0007	0.1056	2.5225
2021	0.3101	0.1762	0.4863	0.3165	0.0578	0.3743	0.9623	0.4600	1.4223	0.1000	0.0000	0.1000	0.1097	0.0006	0.1103	2.4932
2022	0.2867	0.1996	0.4863	0.3073	0.0501	0.3574	0.9280	0.4600	1.3880	0.0900	0.0000	0.0900	0.1092	0.0026	0.1118	2.4335
2023	0.2682	0.2131	0.4813	0.2789	0.0393	0.3182	0.9046	0.3600	1.2646	0.0800	0.0000	0.0800	0.0966	0.0021	0.0987	2.2428
2024	0.2485	0.2877	0.5362	0.2698	0.0349	0.3047	0.7892	0.3200	1.1092	0.0770	0.0000	0.0770	0.0961	0.0046	0.1007	2.1278
2025	0.2530	0.2898	0.5428	0.3062	0.0382	0.3444	0.7869	0.3200	1.1069	0.0837	0.0102	0.0939	0.1035	0.0045	0.1080	2.1960

\*O & M: Operations and Maintenance.

Source: Travis Central Appraisal District

**City of Pflugerville, Texas**  
 Water and Wastewater Rates  
 Last Ten Fiscal Years

**Schedule 8**

<b><u>Water Rates</u></b>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Base Charge	\$ 15.50	\$ 15.50	\$ 15.50	\$ 15.70	\$ 15.70	\$ 17.00	\$ 19.00	\$ 24.00	\$ 37.50	\$ 45.00
Usage:										
0 - 3,000 gallons	3.40	3.40	3.40	3.40	3.40	3.80	4.20	5.20	6.20	6.75
3,000 - 10,000 gallons	4.30	4.30	4.30	4.30	4.30	4.80	5.30	6.50	7.80	8.40
10,001 - 25,000 gallons	5.40	5.40	5.40	5.40	5.40	6.00	6.60	8.10	9.80	10.50
25,001+ gallons	6.80	6.80	6.80	6.80	6.80	7.50	10.00	10.10	12.30	13.10
<b><u>Wastewater Rates</u></b>										
Base (0 gallons)	19.50	19.50	22.50	23.50	23.50	28.50	29.00	31.00	51.00	55.00
Usage per 1,000 gallons	1.25	1.25	1.55	2.20	2.20	4.20	4.20	5.20	5.70	6.10
City average (new customers)	25.50	26.13	30.72	32.74	33.62	47.82	51.26	77.35	74.37	82.45

Source: Utility Billing Department

Note: The rates and charges provided represent those of a residential customer within the City limits with a typical 5/8" meter. This segment of the utility customer base represents the largest portion of the City's utility customers. Wastewater rates are based on the customer's winter water usage (the lowest three winter months of November, December, January and February). New customers start with the City average until their own rate is established.

**City of Pflugerville, Texas**  
Principal Property Taxpayers  
Current Year and Nine Years Ago

**Schedule 9**

Taxpayer	Fiscal Year 2025			Fiscal Year 2016		
	Tax Year 2024		% of Total Assessed	Tax Year 2015		% of Total Assessed
	Taxable Assessed Value	Rank		Taxable Assessed Value	Rank	
AMAZON.COM SERVICES LLC	\$ 389,912,391	1	3.27%	\$ -		
AMAZON.COM SERVICES LLC	217,060,062	2	1.82%	-		
A-S 93 SH 130-SH 45 LP (New Quest)	166,502,503	3	1.40%	98,043,043	1	2.53%
LC PFLUGERVILLE LLC	103,490,737	4	0.87%	-		
PECAN COMMERCE CENTER ILP LLC	100,068,585	5	0.84%	-		
DALTON AUSTIN RESIDENCES LLC	97,525,637	6	0.82%	-		
CENTENNIAL STONE HILL TWO LP	91,283,403	7	0.76%	-		
LIVING SPACES PFLUGERVILLE LLC	85,606,002	8	0.72%	-		
SREIT EMERSON PFLUGERVILLE LLC	85,174,085	9	0.71%	-		
CENTENNIAL STONE HILL LP	83,461,691	10	0.70%	-		
BRE MF STONE HILL LLC	-			48,128,169	2	1.24%
1825 PLACE LLC	-			35,192,000	3	0.91%
SWENSON FARMS APARTMENT COMMUNITY LLC	-			32,086,000	4	0.83%
PIRET (IMPACT WAY) HOLDINGS LLC	-			28,291,299	5	0.73%
TARGET CORPORATION	-			26,239,191	6	0.68%
ONCOR ELECTRIC DELIVERY COMPANY LLC	-			23,464,000	7	0.61%
WAL-MART REAL ESTATE BUSINESS TRUST	-			17,355,333	8	0.45%
HOME DEPOT USA INC	-			17,117,771	9	0.44%
SPRINGBROOK APTS P1 LP	-			16,506,102	10	0.43%
	<u>1,420,085,096</u>		<u>11.90%</u>	<u>342,422,908</u>		<u>8.84%</u>
Other taxpayers	<u>10,513,714,435</u>		<u>88.10%</u>	<u>3,529,405,339</u>		<u>91.16%</u>
<b>TOTAL ASSESSED VALUATION</b>	<u><u>\$ 11,933,799,531</u></u>		<u><u>100.0%</u></u>	<u><u>\$ 3,871,828,247</u></u>		<u><u>100.0%</u></u>

Source: Travis Central Appraisal District

**City of Pflugerville, Texas**  
 Water and Wastewater Customers  
 Last Ten Fiscal Years

**Schedule 10**

Fiscal Year	Water		Wastewater	
	Water Customers	Percentage of Change	Wastewater Customers	Percentage of Change
2016	16,515	5.8%	17,393	5.7%
2017	17,480	5.8%	18,391	5.7%
2018	18,328	4.9%	19,321	5.1%
2019	19,453	6.1%	20,506	6.1%
2020	20,449	5.1%	21,585	5.3%
2021	21,234	3.8%	22,560	4.5%
2022	21,631	1.9%	22,604	0.2%
2023	22,007	1.7%	23,770	5.2%
2024*	15,842	-28.0%	17,315	-27.2%
2025	16,072	1.5%	17,608	1.7%

Source: Utility Billing department.

\*District accounts moved to other provider for Water, Wastewater and Solid Waste

**City of Pflugerville, Texas**  
Property Tax Levies and Collections  
Last Ten Fiscal Years

**Schedule 11**

Fiscal Year	Original Tax Levy for the Fiscal Year <sup>1</sup>	Adjusted Tax Levy for the Fiscal Year <sup>2</sup>	Collected Within the Fiscal Year of the Levy		Tax Collections in Subsequent Years	Total Tax Collections	Total Collections as a Percent of Levy
			Amount	Percent of Levy			
2016	\$ 20,265,425	\$ 20,853,927	\$ 20,833,325	99.90%	\$ 82,682	\$ 20,916,007	100.30%
2017	22,806,319	23,736,943	23,558,724	99.75%	(65,228)	23,493,496	98.97%
2018	25,520,254	26,569,683	26,410,901	99.40%	(59,841)	26,351,060	99.18%
2019	26,722,531	27,805,756	27,619,911	99.33%	(119,787)	27,500,124	98.90%
2020	30,841,080	31,137,347	30,951,356	99.40%	(127,917)	30,823,439	98.99%
2021	32,892,118	32,487,361	32,572,730	100.26%	(92,103)	32,480,627	99.98%
2022	34,942,929	36,690,255	36,610,336	99.78%	(28,982)	36,581,354	99.70%
2023	44,104,430	46,922,522	47,254,125	100.71%	(364,972)	46,889,153	99.93%
2024	60,683,439	60,379,854	59,907,807	99.22%	(104,965)	59,802,842	99.04%
2025	64,776,663	64,755,493	64,311,838	99.31%	-	64,311,838	99.31%

Source: Travis Central Appraisal District; Williamson County Appraisal District

<sup>1</sup> Represents the original, certified tax levy for general and debt service property taxes.

<sup>2</sup> Represents the certified tax levy for general and debt service property taxes adjusted for settled property tax value protests and other disputes.

**City of Pflugerville, Texas**Water and Wastewater Revenue Collected  
Last Ten Fiscal Years**Schedule 12**

Fiscal Year	Water Revenue	Wastewater Revenue
2016	\$ 14,445,893	\$ 6,596,113
2017	14,729,015	7,082,114
2018	16,592,625	8,360,323
2019	16,739,400	9,654,356
2020	18,790,415	10,423,537
2021	20,387,501	15,016,210
2022	24,907,361	15,440,449
2023	26,634,118	16,658,984
2024	29,664,853	22,384,190
2025	34,295,385	22,807,529

Source: City Financial Reports

**City of Pflugerville, Texas**

**Schedule 13**

**Ratios of Outstanding Debt By Type**

**Last Ten Fiscal Years**

*(Amounts in 000's, except per capita amount)*

<b>Governmental Activities</b>											
Fiscal Year	Limited Tax Bond	General Obligation Bonds		Certificates of Obligation	Refunding Bonds	Related Premium	Related Discount	Notes Payable	Subscription Liability	Lease Liability	Total Governmental Activities
2016	\$ -	\$ 45,266		\$ 47,816	\$ 47,156	\$ 10,451	\$ (164)	\$ -	\$ -	\$ -	\$ 150,525
2017	-	44,539		46,604	45,562	10,006	(137)	-	-	-	146,574
2018	-	56,436		37,741	55,879	12,650	(47)	-	-	-	162,659
2019	-	65,051		43,087	48,795	12,912	(25)	-	-	-	169,820
2020	-	64,008		41,584	46,090	12,346	(6)	-	-	-	164,022
2021	-	71,065		42,261	91,970	20,165	-	-	-	-	225,461
2022	-	113,305		57,221	88,782	26,383	-	-	-	-	285,691
2023	96,805	109,390		279,917	85,464	39,283	-	500	843	2,404	614,606
2024	96,305	106,925		276,875	81,384	37,308	-	436	1,444	3,333	604,010
2025	96,080	104,580		347,857	79,496	39,004	(135)	370	3,361	5,534	676,147

<b>Business-Type Activities</b>											
Fiscal Year	Revenue Bonds		Certificates of Obligation		Refunding Bonds	Related Premium	Related Discount	Notes Payable	Subscription Liability	Lease Liability	Total Business-Type Activities
	Water	Wastewater	Water	Wastewater							
	2016	\$ -	\$ -	\$ 11,405							
2017	-	-	11,176	10,690	57,924	7,160	(43)	-	-	-	86,907
2018	-	-	10,943	21,311	60,706	9,417	-	-	-	-	102,377
2019	-	-	10,705	32,723	58,209	9,774	-	-	-	-	111,411
2020	-	-	10,462	32,299	55,617	9,249	-	-	-	-	107,627
2021	-	-	11,620	65,749	50,345	14,773	-	-	-	-	142,487
2022	24,000	42,750	86,143	46,041	46,918	20,433	(1,003)	-	-	-	265,282
2023	41,752	42,750	83,476	44,987	43,311	19,121	(969)	500	109	483	275,520
2024	57,007	165,295	80,990	43,230	41,116	17,809	(3,005)	458	232	668	403,800
2025	121,530	164,045	111,077	58,283	41,874	19,516	(2,899)	-	118	723	514,267

Fiscal Year	Total Primary Government Debt	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
2016	\$ 240,547	12.0%	3,898
2017	233,481	10.6%	3,538
2018	265,036	11.0%	3,782
2019	281,231	10.0%	3,632
2020	271,649	8.8%	3,671
2021	367,948	11.4%	4,382
2022	550,973	17.3%	6,507
2023	890,126	23.1%	10,418
2024	1,007,810	25.7%	12,650
2025	1,190,414	29.7%	14,478

<sup>1</sup> See the Demographics Statistics for personal income and population data.

Source: City Financial Reports

**City of Pflugerville, Texas**

General Bonded Debt Outstanding

Last Ten Fiscal Years

(Amounts in 000's, except per capita amount)

**Schedule 14**

General Bonded Debt Outstanding								
Fiscal Year	General Obligation Bonds	Certificates of Obligation	Limited Tax Bonds	Refunding Bonds	Amounts Available for Debt Service	Net Bonded Debt	Percentage of Estimated Actual Taxable Value of Property	Net Debt Per Capita
2016	\$ 45,266	\$ 70,135	\$ -	\$ 107,364	\$ 3,011	\$ 219,754	5.68%	\$ 3,845
2017	44,539	68,470	-	103,486	2,141	214,354	4.87%	3,503
2018	56,436	69,995	-	116,585	2,316	240,700	4.87%	3,746
2019	65,051	86,515	-	107,004	2,350	256,220	4.55%	3,599
2020	64,008	84,345	-	101,707	3,124	246,936	3.98%	3,337
2021	71,065	119,630	-	142,315	3,725	329,285	4.96%	4,333
2022	113,305	189,405	-	135,700	3,802	434,608	6.47%	5,599
2023	109,390	408,380	96,805	128,775	4,291	739,059	8.41%	9,300
2024	106,925	401,095	96,305	122,500	6,830	719,995	6.44%	9,037
2025	104,580	517,217	96,080	121,370	6,827	832,420	6.98%	10,124

**City of Pflugerville, Texas**  
 Direct and Overlapping  
 Governmental Activities Debt  
 Last Ten Fiscal Years

**Schedule 15**

Taxing Body	Debt Outstanding <sup>1</sup>	Estimated Percentage Applicable <sup>1</sup>	Estimated Share of Overlapping Debt
Estimated Overlapping Debt:			
Travis Co MUD # 15	\$ 25,370,000	100.00%	\$ 25,370,000
Travis Co MUD #23	17,115,000	100.00%	17,115,000
Pflugerville ISD	678,530,000	38.89%	263,880,317
Travis Co	1,169,850,000	3.16%	36,967,260
Travis Co Healthcare Dst	157,670,000	3.16%	4,982,372
Round Rock ISD	911,250,000	0.39%	3,553,875
Lakeside WC&ID #2-D	12,500,000	0.23%	28,750
Lakeside WC&ID #1	1,380,000	0.19%	2,622
Northeast Travis Co UD	15,435,000	0.15%	23,153
Manor ISD	447,399,999	0.07%	313,180
Upper Brushy Creek WCID	48,465,000	0.07%	33,926
Austin CCD	657,685,000	0.06%	394,611
Lakeside WC&ID # 2-B	5,405,000	0.06%	3,243
Williamson Co	1,402,705,000	0.04%	561,082
Lakeside WC&ID #2-C	19,030,000	0.02%	3,806
Travis Co MUD # 17	31,695,000	0.02%	6,339
Total estimated overlapping debt	5,601,484,999		353,239,536
Direct Debt - City of Pflugerville	652,244,866	100.00%	652,244,866
Direct and Estimated Overlapping Debt	\$ 6,253,729,865		\$ 1,005,484,402

Total Direct and Overlapping Debt % of Ad Valorem:

8.43%

Total Direct and Overlapping Debt per Capita:

\$12,229

Sources:

<sup>1</sup>This information was developed from information contained in "Texas Municipal Reports" published by the Municipal Advisory Council of Texas. Except for the amounts relating to the City, the City has not independently verified the accuracy or completeness of such information. Furthermore, certain entities listed may have issued additional bonds since the date of the report (9/30/25), and such entities may have programs requiring the issuance of substantial amounts of additional bonds, the amount of which cannot be determined.

<sup>2</sup>Individual taxing bodies and Travis Central Appraisal District.

**City of Pflugerville, Texas**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

**Schedule 16**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt Limit	\$ 58,077,424	\$ 66,036,540	\$ 74,091,290	\$ 84,389,619	\$ 92,969,493	\$ 99,545,685	\$ 100,705,761	\$ 131,849,652	\$ 167,623,004	\$ 179,006,993
Total net debt applicable to limit	6,797,076	9,175,478	11,068,992	11,131,351	10,851,180	11,695,259	14,656,133	19,322,716	48,861,084	55,218,067
Legal debt margin	\$ 51,280,348	\$ 56,861,062	\$ 63,022,298	\$ 73,258,268	\$ 82,118,313	\$ 87,850,426	\$ 86,049,628	\$ 112,526,936	\$ 118,761,920	\$ 123,788,926
Total net debt applicable to the limit as a percentage of debt limit	11.7%	13.9%	14.9%	13.2%	11.7%	11.7%	14.6%	14.7%	29.1%	30.8%

**Legal Debt Margin Calculation for Fiscal Year 2025**

Assessed value of taxable property:	\$ 11,933,799,531
Debt limit (\$1.50 per \$100 of assessed valuation)	\$ 179,006,993
2025 annual debt service applicable to limit:	
General obligation - principal	\$ 22,785,000
General obligation - interest	32,433,067
Legal debt margin	\$ 123,788,926

**City of Pflugerville, Texas**  
Revenue Bond Coverage  
Water and Wastewater Bonds  
Last Ten Fiscal Years

**Schedule 17**

Fiscal Year	Gross Water and Wastewater Revenues	Operating Expenses <sup>1</sup>	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2016	\$ 21,309,858	\$ 13,230,539	\$ 8,079,319	\$ 2,367,071	\$ 3,658,167	\$ 6,025,238	1.34
2017	22,196,386	13,802,659	8,393,727	2,736,510	3,535,545	6,272,055	1.34
2018	25,883,476	14,609,304	11,274,172	3,457,068	3,883,125	7,340,193	1.54
2019	27,990,214	17,919,504	10,070,710	3,141,149	4,066,228	7,207,377	1.40
2020	29,306,125	20,078,734	9,227,391	3,259,451	4,831,543	8,090,994	1.14
2021	35,465,201	26,266,816	9,198,385	4,418,910	4,731,150	9,150,060	1.01
2022	40,347,810	33,627,741	6,720,069	4,957,171	4,799,723	9,756,894	0.69
2023	43,276,423	28,404,568	14,871,855	7,327,808	8,526,686	15,854,494	0.94
2024	52,048,250	28,693,040	23,355,210	6,812,708	10,459,337	17,272,045	1.35
2025	57,102,923	28,153,775	28,949,148	10,251,787	13,844,189	24,095,976	1.20

<sup>1</sup>Excludes depreciation expense

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

**City of Pflugerville, Texas**

Demographic Statistics

Last Ten Fiscal Years

**Schedule 18**

Fiscal Year	Population <sup>1</sup>	School Enrollment <sup>2</sup>	Total Personal Income <sup>3</sup>	Personal Income Per Capita <sup>4</sup>	Unemployment Rate <sup>5</sup>
2016	57,148	23,819	\$ 1,854,795,488	\$ 32,456	3.2
2017	61,200	24,562	2,041,387,200	33,356	3.7
2018	64,260	25,282	2,203,411,140	34,289	3.3
2019	71,200	25,361	2,592,036,000	36,405	3.0
2020	74,000	26,442	2,851,664,000	38,536	6.3
2021	76,000	25,692	2,922,048,000	38,448	3.5
2022	77,629	25,486	2,921,800,302	37,638	3.0
2023	79,466	25,764	3,583,757,668	45,098	3.8
2024	79,668	25,682	3,717,586,672	46,612	3.8
2025	82,222	25,669	4,008,486,944	48,752	33.4

<sup>1</sup>City of Pflugerville Planning Department.

<sup>2</sup>Pflugerville Independent School District.

<sup>3</sup>Total Personal Income calculated from Personal Income per capita and Population.

<sup>4</sup>Personal income per capita from the U.S. Census Bureau Demographic Profile.

<sup>5</sup>Pflugerville Statistical Area, Cities and towns above 25,000 population, obtained from the U.S. Department of Labor, Bureau of Labor Statistics.

**City of Pflugerville, Texas**

Principal Employers

Current Year and Nine Years Ago

**Schedule 19**

2025		2016	
Employer	Employees	Employer	Employees
Pflugerville ISD	3,675	Pflugerville ISD	1,655
Amazon	2,600	City of Pflugerville	345
City of Pflugerville	532	Wal-Mart	325
Typhoon Texas	505	Mtech	268
Rosendin	500	HEB Grocery Co.	225
ESD	338	Target	200
Baylor Scott & White (Pflugerville F	281	Flextronics	195
Fedex Ground	227	Avant Technologies	155
Costco Wholesale	200	Home Depot	125
Cash Construction	190	Fed Ex	120
Total	<u>9,048</u>	Total	<u>3,613</u>

Source:

Pflugerville Community Development Corporation

**City of Pflugerville, Texas**

Water and Wastewater Customers by Type  
Last Ten Fiscal Years

**Schedule 20**

Fiscal Year	Water Customers				Wastewater Customers			
	Residential	Commercial	Other	Total	Residential	Commercial	Other	Total
2016	15,856	497	162	16,515	17,079	260	54	17,393
2017	16,774	525	181	17,480	18,058	273	60	18,391
2018	17,575	564	189	18,328	18,967	291	63	19,321
2019	18,567	583	206	19,356	20,027	302	70	20,399
2020	19,620	603	222	20,445	21,170	308	73	21,551
2021	20,366	711	166	21,243	22,163	322	46	22,531
2022	20,477	1054	229	21,760	23,013	347	60	23,420
2023	21,089	669	249	22,007	23,325	348	97	23,770
2024*	14,876	688	278	15,842	16,858	361	96	17,315
2025	15,099	707	266	16,072	17,148	362	98	17,608

\*District accounts moved to other provider for Water, Wastewater and Solid Waste  
Source: Utility Billing Department

# City of Pflugerville, Texas

# Schedule 21

## Full Time Equivalent Employees by Function Last Ten Fiscal Years

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Administration <sup>1</sup>	24.5	28.5	27.5	28.5	-	-	-	-	-	-
Animal Welfare Services <sup>2</sup>	-	10	10	11.5	11.5	10.5	12.0	14	14	14
Building Inspection	5	5	5	6	6	6	7	7	7	6
City Manager's Office <sup>1</sup>	-	-	-	-	6.5	5.5	8	11	12	12
Communications <sup>1</sup>	-	-	-	-	6	5.5	6	7.5	7.5	7.5
Development Services Admin <sup>3</sup>	4	3	3	4	4	4	13.5	16	13	8
Engineering	13	14	13	15	18	18	10	19	19	9
Facilities Maintenance <sup>1</sup>	-	-	-	-	6.5	6.5	7	7.5	7.5	7
Fleet	3.5	3.5	3.5	3.5	3.5	4	4	4	4	4
Finance	-	-	-	-	8	9	13	17	18	17
Geographic Information System <sup>9</sup> Information Technology <sup>7</sup>	-	-	6	5	5	6	8	10	11	11
Library	18	19	20	20.5	20.5	20.5	20.5	23.5	23.5	24
Municipal Court	5.5	5.5	5.5	5.5	5.5	6	5.5	6	6	6
Parks & Recreation	57.75	58.75	62.5	64	64	43	50.0	55	54	56
People and Culture <sup>1</sup>	-	-	-	-	4	4	5	6	8	8
Planning & Development	7.5	9.5	8.5	12.5	14.5	14.5	16.0	13.5	13.5	13
Police Services										
Officers	85.5	86	87	89	91	91	99	100	101	101
PflISD Officers <sup>5</sup>	23	24	24	-	-	-	-	-	-	-
Civilians	42	39	38	40.5	39.5	46	41	40.5	42.5	42
Public Works Services <sup>10</sup>	-	-	-	-	-	-	-	-	-	12
Resource Recovery <sup>6</sup>	-	-	-	-	6	-	-	-	-	-
Streets	29	28	28	28	28	28	31	36	39	39
Solid Waste <sup>7</sup>	-	-	-	-	-	-	1	1	1	1
Utility Admin <sup>8</sup>	-	-	-	-	-	-	-	-	15	13
Utility Billing <sup>8</sup>	-	-	-	-	-	-	-	-	6	6
Utility Engineering <sup>8</sup>	-	-	-	-	-	-	-	-	9	9
Water	27.5	27.5	31.25	32.25	35.25	35.5	40.5	48.5	34	34
Wastewater	26.5	26.5	29.25	32.25	29.25	35.5	33.5	40.5	28	28
<b>Total Employees</b>	<b>372.25</b>	<b>387.25</b>	<b>402</b>	<b>398</b>	<b>412</b>	<b>399</b>	<b>431.50</b>	<b>483.5</b>	<b>493.5</b>	<b>490</b>

<sup>1</sup> The Administration Department was separated into its various functions in FY 2020.

<sup>2</sup> Previously a function of the Police Department

<sup>3</sup> New function in FY 2014

<sup>4</sup> Previously budgeted in the Administration Department

<sup>5</sup> PflISD Officers became an in-house function of the Pflugerville Independent School District in FY 2019.

<sup>6</sup> Previously budgeted in Wastewater

<sup>7</sup> New function in FY 2022

<sup>8</sup> Not New, but was included under water/wastewater before FY24

<sup>9</sup> Division previously under Development Services that was pulled out into their own department

<sup>10</sup> Admin staff formally under the two separate Engineering department was created into a new department

Source: City of Pflugerville Budget

**City of Pflugerville, Texas**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

Function	Fiscal Year							
	2016	2017	2018	2019	2022	2023	2024	2025
Animal Welfare Services								
Animals Taken Into Shelter	892	791	989	1,171	828	705	865	840
Building Inspection								
Residential Permits	953	1,048	1,307	1,481	522	402	337	583
Commercial Permits	75	39	149	218	346	474	480	485
Inspections Performed	36,670	35,692	39,350	43,523	29,876	26,589	24,578	22,560
Engineering								
Construction Plans Reviewed	33	35	35	26	51	14	32	23
Construction inspections	26,982	25,300	32,054	26,700	10,983	11,522	4,290	4,120
Fleet								
Vehicle Inspections	192	229	240	238	201	209	222	224
Library								
Library Visits (000) '	209	220	231	390	339	385	380	475
Items Circulated (000) '	450	447	458	556	555	529	597	557
Municipal Court								
Cases Filed	12,642	9,717	6,748	8,020	4,401	5,006	4,839	5,249
Warrants Issued	6,242	4,235	1,377	1,592	3,514	1,912	1,238	1,189
Parks & Recreation								
Recreation Center Members <sup>2</sup>	1,067	1,058	1,209	1,171	2,536	2,994	2,736	3,014
Facilities Reservations	911	728	634	625	179	232	235	418
Recreation Program Participan	3,056	4,138	4,468	3,456	5,192	7,316	5,763	5,843
Planning & Development								
Single Family Lots Reviewed	3,000	2,304	2,656	2,084	370	4,464	1,911	2,331
Subdivision Plat Applications	69	50	53	41	89	50	136	36
Zoning Applications	10	8	14	11	10	18	16	11
Police Services								
Citations Issued	11,525	9,269	8,957	14,368	4,013	4,662	4,959	6,106
Arrests								
Felony	475	538	440	525	567	735	533	582
Misdemeanor	3,019	2,525	1,512	1,388	800	922	1,017	1,098
Calls for Service	55,634	48,576	54,183	57,205	41,318	41,970	41,082	45,082

**City of Pflugerville, Texas**

Operating Indicators by Function – Continued  
Last Ten Fiscal Years

**Schedule 22**

Function	Fiscal Year							
	2016	2017	2018	2019	2022	2023	2024	2025
<b>Streets</b>								
Miles of Streets Maintained	218	221	221	230	262	295	248	271
Potholes and Patches	-	-	-	-	1,690	730	697	1,135
Street Signs Replaced <sup>1</sup>	-	-	-	-	1,768	2,222	489	798
<b>Water</b>								
New Connections	908	965	848	1,034	217	1,352	125	440
Water Main Breaks Repaired	3	4	5	6	4	4	6	7
Average Daily Usage (MGD)	6.84	6.69	7.49	8.00	9	8	7	7
<b>Wastewater</b>								
Average Daily Flow (MGD)	4.49	4.18	4.32	5.19	5.07	4.71	4.81	4.33
Wastewater Treated (MG)	1,638	1,525	1,576	1,894	1,794	1,688	1,756	1,582
Blockages Cleared	77	66	116	139	22	68	25	60

<sup>1</sup>Physical & virtual

<sup>2</sup>Families are counted as one member

Sources: Various City departments

**City of Pflugerville, Texas**  
 Capital Assets by Function  
 Last Ten Fiscal Years

**Schedule 23**

Function	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Fleet:</b>										
Fleet Vehicles	187	197	222	235	252	275	287	303	331	350
<b>Library:</b>										
Libraries	1	1	1	1	1	1	1	1	1	1
Library (sq ft)	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000
Books (000)	68	68	70	78	82	86	92	94	101	104
<b>Parks &amp; Recreation:</b>										
Parks	36	36	36	37	38	38	33	34	34	35
Park Acreage	737	737	737	737	737	737	1,618	1,637	1,668	1,969
Swimming Pools	3	3	3	3	3	3	3	3	3	3
Recreation Centers	1	1	1	1	1	1	1	1	1	1
Recreation Center (sq ft)	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000
Miles of Trails	31	31	45	45	47	53	53	57	60	70
<b>Police Services:</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Animal Shelter (sq ft)										
<b>Streets:</b>										
Streets (miles)	213	218	221	224	230	230	262	295	248	271
Traffic Signals	11	11	13	15	18	21	44	48	43	45
<b>Water:</b>										
Surface Water Treatment Plant	1	1	1	1	1	1	1	1	1	1
Capacity (MGD)	21	21	21	21	21	21	18	18	18	18
Surface Water Reservoir (acres)	180	180	180	180	180	180	180	180	180	180
Water lines (miles)	224	238	245	265	271	268	282	224	233	237
Wells in Operation	3	3	3	3	3	3	2	2	2	2
<b>Wastewater:</b>										
Wastewater lines (miles)	216	226	231	240	240	267	283	223	235	235
Wastewater Treatment Plants	2	2	2	2	2	2	1	1	1	1
Capacity (MGD)	6	6	6	6	6	6	5	7	7	7

Sources: Various City departments

<sup>6</sup> Previously budgeted in Wastewater

<sup>7</sup> New function in FY 2022

<sup>8</sup> Not New, but was included under water/wastewater before FY24

Source: City of Pflugerville Budget

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

To the Honorable Mayor and  
Members of City Council  
City of Pflugerville, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Pflugerville, Texas (the "City") as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 23, 2026.

**Report on Internal Control over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be a significant deficiency.

**Report on Compliance and Other Matters**

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

The Honorable Mayor and  
Members of City Council  
City of Pflugerville, Texas

### **The City's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of this Report**

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

Austin, Texas  
February 23, 2026

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

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

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the compliance of the City of Pflugerville, Texas (the "City") with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the fiscal year ended September 30, 2025. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2025.

***Basis for Opinion on Each Major Federal Program***

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

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

***Responsibilities of Management for Compliance***

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

### **Auditor's Responsibilities for the Audit of Compliance**

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

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

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

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

### **Report on Internal Control Over Compliance**

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

The Honorable Mayor and  
Members of City Council  
City of Pflugerville, Texas

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

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

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

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Austin, Texas  
February 23, 2026

**City of Pflugerville, Texas**  
 Schedule of Expenditures of Federal Awards  
 For the Fiscal Year Ended September 30, 2025

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
Passed through Arbor Day Foundation Inflation Reduction Act Urban & Community Forestry Program	10.727	24-CA-11132544-015	\$ 23,874
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			23,874
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
Direct Program CDBG Entitlement Grants Cluster: Community Development Block Grant	14.218	B24MC480516	598,063
Total CDBG Entitlement Grants Cluster			598,063
<b>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			598,063
<b>U.S. DEPARTMENT OF JUSTICE</b>			
Passed through Texas Office of the Governor - Criminal Justice Division Byrne State Crisis Intervention Program	16.738	15PBJA-23-GG-00035-BSCI	91,284
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-23-GG-03034-JAGX	31,667
Project Safe Neighborhoods	16.609	15PBJA-21-GG-03067-GUNP	33,963
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>			156,914
<b>U.S. DEPARTMENT OF TREASURY</b>			
Direct Program COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	N/A	2,255,401
<b>TOTAL U.S. DEPARTMENT OF TREASURY</b>			2,255,401
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>			
Direct Program COVID-19 - Hazard Mitigation Grant Program	97.039	NR96V4FVM5F7	693,415
<b>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY</b>			693,415
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			\$ 3,727,667

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

## **City of Pflugerville, Texas**

Notes to the Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended September 30, 2025

### **Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the City of Pflugerville, Texas (the "City"). The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

Expenditures reported on the accompanying schedule of expenditures of federal awards are presented on the modified accrual basis of accounting. This basis of accounting recognizes expenditures in the accounting period in which the liability is incurred, if measurable. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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 unearned revenues until earned. Generally, unused balances are returned to the grantor at the close of the specified project periods.

### **Note 2. Indirect Cost Rate**

The City has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

### **Note 3. Relationship to Federal Financial Reports**

Grant expenditure reports which have been submitted to grantor agencies will, in some cases, differ slightly from amounts disclosed herein. The reports prepared for grantor agencies are typically prepared at a later date and often reflect refined estimates of year-end accruals. The reports will agree at termination of the grant as the discrepancies noted are timing differences.

**City of Pflugerville, Texas**

Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended September 30, 2025

**Section 1. Summary of Auditor's Results**

**Financial Statements**

- 1. Type of auditor's report issued Unmodified
- 2. Internal control over financial reporting:
  - a. Material weaknesses identified? No
  - b. Significant deficiencies identified that are not considered to be material weaknesses? Yes
- 3. Noncompliance material to the financial statements noted? No

**Federal Awards**

- 4. Internal control over major programs:
  - a. Material weakness(es) identified? No
  - b. Significant deficiency(ies) identified that are not considered to be material weaknesses? None Reported

- 5. Type of auditor's report issued on compliance with major programs: Unmodified

- 6. Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? No

- 7. Identification of major programs:

Federal Assistance Listing Number(s)  
21.027

Name of Federal Program  
COVID-19 – 2021 Coronavirus Local  
Fiscal Recovery Funds (CLFRF)

- 8. Dollar threshold used to distinguish between Type A and Type B federal programs: \$750,000

- 9. Auditee qualified as a low-risk auditee? No

## City of Pflugerville, Texas

Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended September 30, 2025

### Section 2. Financial Statement Findings

#### 2025-001

#### Significant Deficiency in Internal Control over Financial Reporting: Deferred Revenues

##### Criteria

Management is responsible for the accuracy and completeness of all financial records and related information, and for establishing and maintaining effective internal control over financial reporting. The existence of misstatements of an entity's financial statements is an indication of a deficiency in internal control.

##### Condition

During the audit of the City's financial statements, a material entry was required to correct revenues in a non-major special revenue fund. The City received an advanced payment of assessment revenues that was attributable to future years. The City did not properly defer this revenue and recorded the entire amount as earned in the current period. This resulted in an overstatement of revenues of approximately \$1,600,000.

##### Cause

This transaction was outside the normal operations of the City and was a transaction unique to this fiscal year. The City did not have policies and procedures in place to properly identify and defer this advanced payment. Because these errors were not detected timely, there is an indication that closing procedures, specifically the monitoring and review of financial information, were not being effectively performed.

##### Effect or Potential Effect

Material misstatement of the entity's financial statements was not prevented or detected and corrected by the entity's system of internal control. Failure to establish effective monitoring and closing procedures will allow possible irregularities to exist and continue without notice.

##### Recommendation

We recommend that the City review its internal control procedures over financial reporting, particularly in regard to revenues and significant year-end closing balances in order to timely and accurately capture and record all entries.

##### Views of Responsible Officials and Planned Corrective Actions

See corrective action plan.

## **City of Pflugerville, Texas**

Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended September 30, 2025

### **Section 3. Federal Award Findings and Questioned Costs**

None reported.

### **Section 4. Schedule of Prior Audit Findings and Questioned Costs**

#### **2024-001**

##### **Significant Deficiency in Internal Control over Financial Reporting: Segregation of Duties**

###### Current Status

The City has implemented new internal control procedures related to segregation of duties and resolved this internal control deficiency in the current fiscal year.

#### **2024-002**

##### **Material Weakness in Internal Control over Financial Reporting: Year End Reporting Entries**

###### Current Status

The City has implemented internal control procedures over financial reporting, particularly in regard to retainage, and resolved this internal control deficiency in the current fiscal year.

**Corrective Action Plan 2025-001**

The finance department will create procedures to accurately account for any prepaid public improvement district assessments. These procedures will include a review for these types of receipts and the information for future years revenue recognition.

**Anticipated Completion Date**

March 31, 2026

**Person(s) Responsible for Implementing**

Tracy Waldron, Finance Director