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City of Pflugerville, Texas

Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2024

Prepared by:
Department of Finance

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City of Pflugerville Texas

Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2024
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City of Pflugerville, Texas

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Introductory Section

where quality meets life
PFLUGERVILLE
TEXAS

March XX, 2025

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, 2024, including the independent auditor's report, is hereby submitted. State law requires that every municipality shall have its records and accounts audited annually and shall 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, 2024.

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, 2024. 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 2024, the City's Planning Department has estimated a total population of 79,668. 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 statute 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, and 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 by 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 Plan

The Strategic Plan is the guiding document that outlines goals and objectives for the City of Pflugerville. City Council identified four key themes to serve as the foundation of the 2021-2025 Strategic Plan. These themes were: Safety, Economic Development, Infrastructure and Services.

- **Safety**

• Maintain a low crime rate by reducing property and violent crimes.
• Prepare policies that ensure land development choices and regulations contribute to the safety of the community.
• Implement emergency medical services and evaluate the integration of fire services capabilities.
• Implement and expand community engagement activities that promote positive interactions with residents, visitors and businesses.

- **Economic Development**

• Maintain efforts to grow job opportunities in the community.
• Plan for growth that supports and maintains a high quality of life for existing and future residents.
• Implement programs, policies, and actions that increase job opportunities for residents and focus on industries that contribute to the community.

- **Infrastructure**

• Maintain infrastructure to always ensure resiliency and operability.
• Prepare City infrastructure for the growth of Pflugerville in a responsible manner.
• Implement plans to provide resilient infrastructure.

- **Services**

• Plan for the future of Parks and Recreation and Library Services for current and future residents.
• Prepare programs and services in a safe and responsible manner.
• Implement programs and complete facilities that support a high quality of life.

These themes helped us determine four main goals to address over the next five years. By pursuing these, we will be better positioned to provide impactful programs and services for our residents for decades to come. Taken as a whole, these actions not only change what we do, but how we do it. Our four main goals are to 1) Become the safest city in Texas, 2) Develop economically to create a fiscally sustainable city with high quality of life, 3) Maintain and prepare a robust, resilient infrastructure that exceeds expectations and 4) Engage the community through vibrant parks and recreation and library programs and services.

MISSION: Pflugerville fosters a high quality of life, economic opportunity, and a sustainable and diverse community.

VISION: Our vision is to be a dynamic, regional leader by offering a safe, welcoming, and inclusive city with a strong sense of community that attracts a talented workforce and desirable businesses.

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 1.65 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, FinSpeed, Exaco, Boring, FSG, MW Builders, Cortect Precision Manufacturing, Flooring Services, Regional RedEx, EIEIO, MoboTrex, Cumberland Additive, Thin-Nology, PCDC, as well as Best Western Courtyard by Marriott, Platinum Gymnastics, and D-Bat.

Typhoon Texas
Located at Towne 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.

Springbrook Corporate Center
Located at Meister Land 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.

130 Logistics
Located at SH 130 and Impact Way, this development covers 15.5 acres and consists of 247 thousand square feet of buildings used for light industrial. This space is fully leased and should be complete in the coming year.

Long-term Financial Planning

At the end of the fiscal year 2023, the unassigned fund balance in the general fund was 35% 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 35% target level. The City maintains five-year forecasts for all major funds.

In 2010 the City Council approved an update of the City's Comprehensive Plan. The Comprehensive Plan is the principal guide for use in the daily planning decisions regarding growth, development, and regulation of current and future development within the city limits of the City and its extra-territorial jurisdiction (ETJ).

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. During fiscal year 2024, the City initiated the update of several master plans including Water Master Plan, Wastewater Master Plan, Parks, Recreation, and Open Space Master Plan, and the Transportation Master Plan.

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:

- **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.

- **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.

- **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.

- **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.

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Long-term Financial Planning *(continued)*

- **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.

- **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.

Awards and Acknowledgements

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

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual 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

Tracy Waldron
Finance Director

City of Pflugerville, Texas

Principal City Officials
September 30, 2024

Elected Officials

Victor Gonzales	Mayor
Doug Weiss	Mayor Pro Tem / Place 1
Ceasar Ruiz	Place 2
Kimberly Holiday	Place 3
Rudy Metayer	Place 4
Jim McDonald	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

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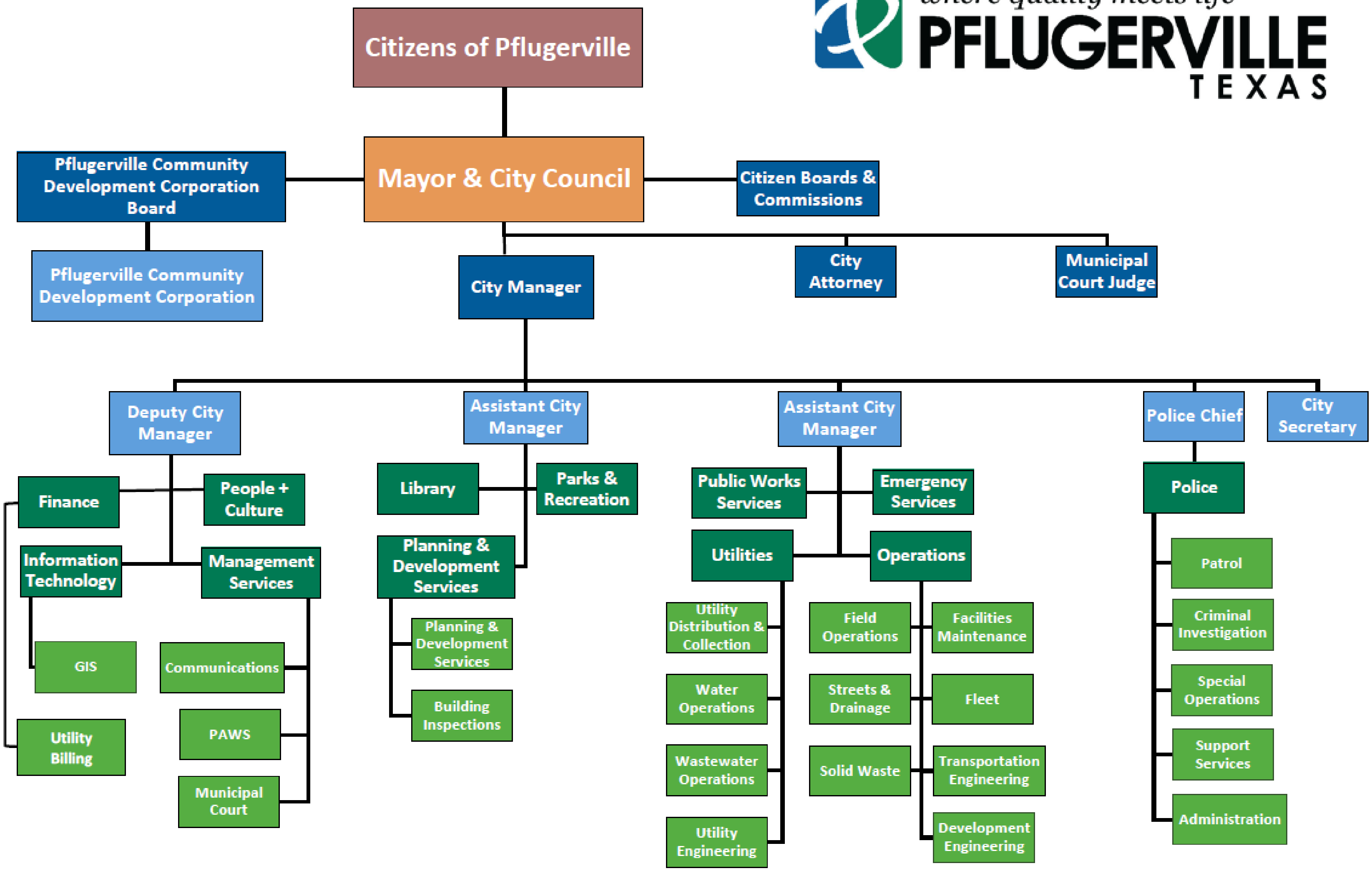
City of Pflugerville, Texas

Organizational Chart



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, 2024, 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, 2024, 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.

Emphasis of Matter

<u>Restatement</u>
As discussed in Note 4 to the basic financial statements, the City restated the beginning net position of the water/wastewater and solid waste funds to correct misstatements in its previously issued 2023 financial statements. Our opinions are not modified with respect to this matter.

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.

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

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.

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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 March XX, 2025 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.

NAME OF FIRM

Austin, Texas
March XX, 2025

Management's Discussion and Analysis

As management of the City of Pflugerville, Texas (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages v - ix 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, 2024, by $449,728,351 (net position). Of this amount, $54,101,927 (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 $495,310,586, a decrease of $11,306,974 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 2024, unassigned fund balance in the general fund was $21,027,041 or 31% of general fund operating expenditures. The City Charter requires a fund balance equivalent to 25% of operating expenditures each fiscal year. For fiscal year 2024, that amount was $17.1 million.
- The City's total bonded debt increased by $138,615,228 (17%) 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 - 67.

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	
	2024	2023	2024	2023	2024	2023
Current and other assets	$ 567,712,057	$ 539,215,833	$ 196,623,760	$ 117,545,947	$ 764,335,817	$ 656,761,780
Capital assets	339,661,024	294,311,625	494,915,429	370,311,929	834,576,453	664,623,554
Total assets	907,373,081	833,527,458	691,539,189	487,857,876	1,598,912,270	1,321,385,334
Total deferred outflows of resources	11,919,256	13,875,158	3,156,874	3,926,201	15,076,130	17,801,359
Long-term liabilities outstanding	627,908,471	632,681,482	406,935,066	261,663,819	1,034,843,537	894,345,301
Other liabilities	37,162,253	34,546,679	52,669,253	20,097,425	89,831,506	54,644,104
Total liabilities	665,070,724	667,228,161	459,604,319	281,761,244	1,124,675,043	948,989,405
Total deferred inflows of resources	39,359,883	1,536,467	225,123	230,428	39,585,006	1,766,895
Net position:						
Net investment in capital assets	158,949,554	90,863,720	217,708,012	182,180,579	376,657,566	273,044,299
Restricted	14,263,202	9,939,679	4,705,656	8,656,795	18,968,858	18,596,474
Unrestricted	41,648,974	77,834,589	12,452,953	18,955,031	54,101,927	96,789,620
Total net position	$ 214,861,730	$ 178,637,988	$ 234,866,621	$ 209,792,405	$ 449,728,351	$ 388,430,393

A portion of the City's net position, $18,968,858 (4%), represents resources that are subject to external restrictions on how they may be used. The unrestricted net position, $54,101,927 (12%), 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.

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.

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The following table provides a summary of the City's operations for the year ended September 30, 2024
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	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues:						
Charges for services	$ 5,674,738	$ 6,096,297	$ 57,898,504	$ 50,974,369	$ 63,573,242	$ 57,070,666
Operating grants and contributions	8,818,069	1,500,899	-	555,755	8,818,069	2,056,654
Capital grants and contributions	14,171,097	18,545,875	10,293,644	13,751,869	24,464,741	32,297,744
General revenues:						
Taxes	86,914,372	73,696,064	-	-	86,914,372	73,696,064
Investment earnings	28,802,963	12,150,912	8,160,523	5,853,905	36,963,486	18,004,817
Miscellaneous	1,735,118	2,689,617	607,815	529,160	2,342,933	3,218,777
Total revenues	146,116,357	114,679,664	76,960,486	71,665,058	223,076,843	186,344,722
Expenses						
General government	25,692,421	27,276,640	-	-	25,692,421	27,276,640
Public safety	22,095,470	20,124,798	-	-	22,095,470	20,124,798
Public works and streets	23,239,204	24,256,885	-	-	23,239,204	24,256,885
Culture and recereation	11,810,634	12,957,537	-	-	11,810,634	12,957,537
Interest on long-term debt	30,853,686	14,273,065	-	-	30,853,686	14,273,065
Water/Wastewater	-	-	42,545,706	39,587,028	42,545,706	39,587,028
Solid Waste	-	-	5,541,764	8,602,448	5,541,764	8,602,448
Total expenses	113,691,415	98,888,925	48,087,470	48,189,476	161,778,885	147,078,401
Increase (decrease) in net position before transfers	32,424,942	15,790,739	28,873,016	23,475,582	61,297,958	39,266,321
Transfers	3,798,800	3,006,744	(3,798,800)	(3,006,744)	-	-
Change in net position	36,223,742	18,797,483	25,074,216	20,468,838	61,297,958	39,266,321
Net position - beginning	178,637,988	159,840,505	209,792,405	189,323,567	388,430,393	349,164,072
Net position - ending	$ 214,861,730	$ 178,637,988	$ 234,866,621	$ 209,792,405	$ 449,728,351	$ 388,430,393

Revenues

Property tax revenue, including penalties and interest, increased 25% ($12,275,126) during this fiscal year. This was due to an increase in appraised value on new and existing property in the City and an increase in the debt rate. Property tax revenue accounts for 41% of total revenues for governmental activities. The ad valorem tax rate for fiscal year 2024 was $0.5362 per $100 of assessed valuation. This was an increase from $0.4813 from the previous year.

Sales tax revenue was $18.9 million for fiscal year 2024, an increase of 2% over the prior year. Sales tax revenue constitutes 13% of the total revenue for governmental activities.

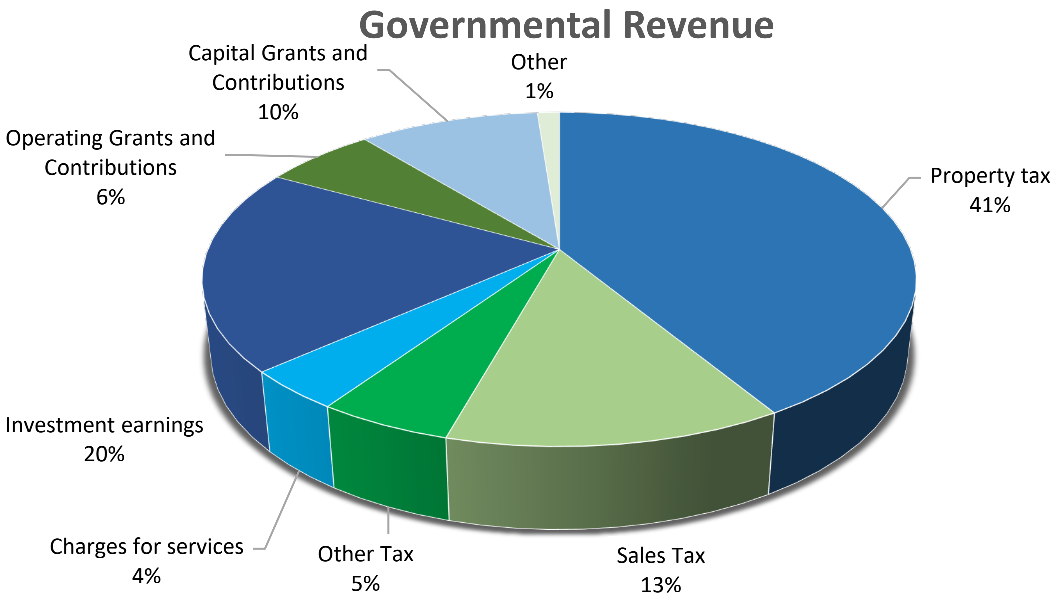
Other taxes, which include franchise, mixed beverage and hotel occupancy taxes, totaled $7.6 million.

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 $28.7 million. Capital grants and contributions are the largest component of this revenue category. These are comprised primarily of developer contributions of infrastructure.

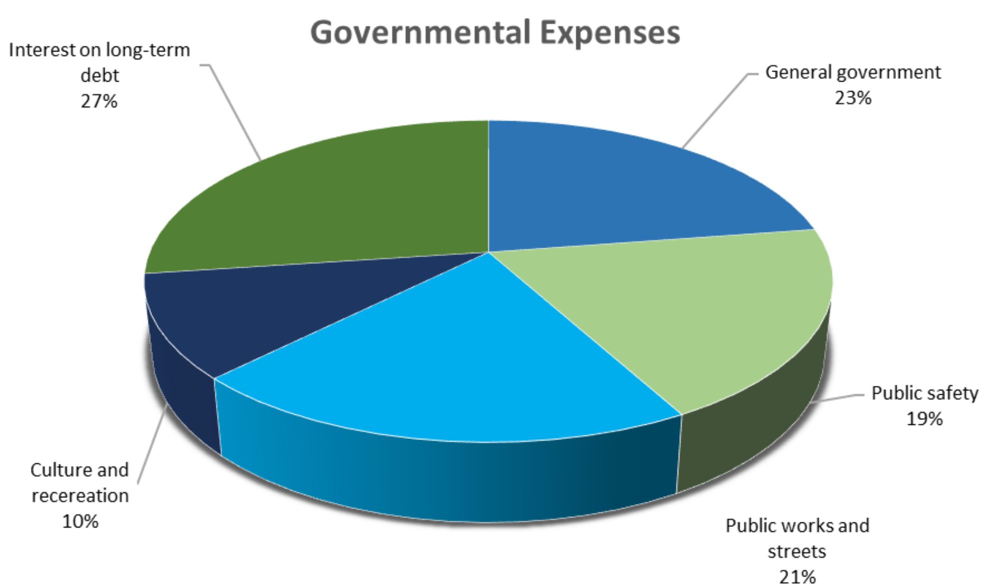
- **Business - type activities program revenue** totaled $68.2 million. The majority of these revenues are reported in the category charges for services, which represents receipts from utility customers for water, wastewater, and solid waste services. Capital contributions, which include infrastructure contributed by developers and impact fees, accounted for $10.3 million of revenue during fiscal year 2024.

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 below chart represents the total expenses through all functions. The operating expenditures for governmental activities increased by 15% in fiscal year 2024. Increased interest in long-term dent attributed to the overall increase.



Business - type activities. Business - type activities increased the City's net position by $25.1 million. This increase in net position was composed primarily of increased water and wastewater revenue due to growth and increased capital contributions (water and wastewater infrastructure donations) from developers. Charges for services for business - type activities increased 14% during fiscal year 2024 due to 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 2024, the City's governmental funds reported a combined ending fund balance of $495,310,586 a decrease of $11,306,974 in comparison with the fiscal year beginning fund balance. The City increased the amount being spent on capital outlay as they implement the projects informed by the Capital Improvement Program. Approximately 4% of this total amount ($21 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 ($451,915,032); debt service ($10,509,272); and specific programs in the nonmajor governmental funds ($7,433,582).

In addition, funds have been assigned by the City Council ($4,081,621) 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 $21,027,041. 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 31% of total general fund expenditures.

The fund balance of the City's general fund increased by $1,026,705 during fiscal year 2024. General fund property tax revenue increased 4% from fiscal year 2023 due to higher average residential value within the City and growth from new construction. Sales tax revenue increased 1.7% during fiscal 2024 to $18.9 million as new retail continues to develop within the City.

The fund balance of the City's debt service fund increased by $2,710,250 during fiscal year 2024. The increase in fund balance is attributed to an excess collection of property tax revenue and investment earnings over budgeted amounts.

The nonmajor 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 revenue recognized in the American Rescue Plan fund. The largest portion of expenditures from these funds comes from Hotel Occupancy Tax-related expenditures and American Rescue Plan expenditures. The fund balance in these funds increased by $1,886,335 during fiscal year 2024. Most of this growth is attributed to the increase in property tax revenue in the TIRZ fund.

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, 2024, this fund had a total ending fund balance of $10,509,272.

The capital projects fund is used to account for financial resources dedicated for 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 design 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 $10,592,112. Beginning net position was restated by $999,974 to correct an error in the classification of accounts receivables between the water/wastewater fund and solid waste fund. The total growth in net position was $25,133,508. This increase in net position was composed primarily of increased revenues in water and wastewater sales due to growth and rate increase.

The Solid Waste fund had a small decrease in net position of $59,292. As stated in the preceding paragraph, beginning net position was restated by $999,974 to correct an error in the classification of accounts receivables. The fund purchased a piece of equipment using available fund balance reserves.

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 2024. These amendments increased the overall budgeted expenditures by $3,918,577 from the original budget, an increase of 5.7%. The largest increase in budgetary expenditures were in information technology, legal, police, streets, fleet, and parks and recreation. There were amendments to the revenue budget of $1,994,203 that covered a portion of these expenditure increases.

Total revenues exceeded budget by $978,356. The largest variance was in development fees, which exceeded budget by $1.3 million. Expenditures came in $194,865 under budgeted amounts. The largest variance in expenditures occurred in information technology, which came in $688,796 under budget. There were expenses budgeted under City-wide software that, at year end, were reclassified to subscriptions.

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, 2024, amounts to $834,576,453, 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	
	2024	2023	2024	2023	2024	(restated) 2023
Land	$ 23,348,180	$ 23,348,180	$ 10,753,211	$ 10,715,211	$ 34,101,391	$ 34,063,391
Water rights	-	-	9,843,758	9,843,758	9,843,758	9,843,758
Construction in progress	72,323,863	28,759,163	208,864,488	157,524,439	281,188,351	186,283,602
Buildings and improvements	48,372,981	46,056,371	2,156,101	1,955,367	50,529,082	48,011,738
Machinery and equipment	6,061,173	5,268,510	19,554,096	2,661,704	25,615,269	7,930,214
Software	599,368	666,587	-	-	599,368	666,587
Infrastructure	184,160,208	186,837,392	242,742,564	186,991,619	426,902,772	373,829,011
Right-to-use asset - leases	3,290,157	2,451,446	666,982	503,280	3,957,139	2,954,726
Right-to-use asset - subscriptions	1,505,094	923,976	334,229	116,551	1,839,323	1,040,527
Total	$ 339,661,024	$ 294,311,625	$ 494,915,429	$ 370,311,929	$ 834,576,453	$ 664,623,554

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

- City intersections
- Design of 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
- Construction continues on Wilbarger wastewater treatment plant, elevated water storage tanks, water treatment plant expansion, water treatment plant emergency generator power system, the Colorado River raw waterline, among various other utility improvements.

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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, 2024, the City had total bonded debt outstanding of $949,127,067 secured by the full faith and credit of the City.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
General obligation bonds	$ 188,308,719	$ 194,865,584	$ 41,116,281	$ 43,310,655	$ 229,425,000	$ 238,176,239
Certificates of obligation	276,875,054	279,916,721	124,219,947	128,463,280	401,095,001	408,380,001
Revenue bonds	-	-	222,302,066	67,150,598	222,302,066	67,150,598
Bond issuance premiums	37,308,455	39,282,887	17,809,278	19,121,151	55,117,733	58,404,038
Bond issuance discounts	-	-	(3,004,781)	(969,442)	(3,004,781)	(969,442)
Limited tax notes	96,305,000	96,805,000	-	-	96,305,000	96,805,000
Notes payable	436,406	500,000	458,161	500,000	894,567	1,000,000
Arbitrage	7,099,369	-	-	-	7,099,369	-
Leases	3,333,416	2,403,669	668,201	482,997	4,001,617	2,886,666
Subscriptions	1,443,514	843,073	232,061	108,703	1,675,575	951,776
Compensated absences	1,501,596	965,269	220,150	179,159	1,721,746	1,144,428
Net pension liability	14,194,527	16,129,249	2,703,719	3,127,257	16,898,246	19,256,506
OPEB liability	1,102,415	970,030	209,983	189,460	1,312,398	1,159,490
Total	$ 627,908,471	$ 632,681,482	$ 406,935,066	$ 261,663,818	$ 1,034,843,537	$ 894,345,300

The City’s total debt outstanding increased by $138,615,228 (17%) 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 2024 debt levy equaled $0.2877 per $100 assessed valuation, or 29.1% 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 2025 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 2025 budget was a focus on the Strategic Plan with four themes, safety, economic development, infrastructure, and service.

The City's economy is expected to generate approximately $20.4 million in sales tax revenue for fiscal year 2025. 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 $28.5 million, or 44% of the funds’ revenue. Year-over-year the General Fund will realize a 9.6% increase in property tax revenue as values continue to increase. The adopted tax rate for the City increased to $.5428 per $100 of valuation. This increase was only a .007% 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 14%. 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
finance@pflugervilletx.gov

Basic Financial Statements

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City of Pflugerville, Texas
Statement of Net Position
September 30, 2024

	Primary Government Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Cash and investments	$ 522,525,985	$ 11,690,524	$ 534,216,509	$ 22,401,913
Receivables (net of allowance):				
Property taxes	4,022,919	-	4,022,919	1,592,652
Utility system	-	9,702,527	9,702,527	12,941,279
Interest	1,155,622	-	1,155,622	-
Other	1,706,956	-	1,706,956	-
Due from primary government	-	-	-	13,752
Internal balances	78,805	(78,805)	-	-
Prepaid items	399,311	-	399,311	2,392
Land held for sale	-	-	-	5,846,436
Restricted cash and cash equivalents	-	175,309,514	175,309,514	-
Notes receivable	37,822,459	-	37,822,459	-
Capital assets not being depreciated:				
Land and improvements	23,348,180	10,753,211	34,101,391	8,481,672
Water rights	-	9,843,758	9,843,758	-
Construction in progress	72,323,863	208,864,488	281,188,351	486,099
Capital assets being depreciated:				
Buildings and improvements	117,799,983	3,476,274	121,276,257	6,462,715
Machinery and equipment	19,098,453	25,030,486	44,128,939	11,361,909
Software	1,110,978	-	1,110,978	-
Infrastructure	454,266,893	328,031,429	782,298,322	-
Right-to-use asset - leases	4,536,084	846,926	5,383,010	431,209
Right-to-use asset - subscriptions	2,471,199	489,007	2,960,206	-
Accumulated depreciation and amortization	(355,294,609)	(92,420,150)	(447,714,759)	(10,555,908)
Total assets	907,373,081	691,539,189	1,598,912,270	59,466,120
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	4,172,652	1,681,331	5,853,983	-
Deferred outflows from notes payable	-	-	-	37,822,459
Deferred outflows from pension activities	7,419,808	1,413,297	8,833,105	-
Deferred outflows from OPEB activities - retiree health plan	138,999	26,476	165,475	-
Deferred outflows from OPEB activities - TMRS supplemental death benefit	187,797	35,770	223,567	-
Total deferred outflows of resources	11,919,256	3,156,874	15,076,130	37,822,459
LIABILITIES				
Current liabilities:				
Accounts payable	9,589,999	40,883,805	50,473,804	87,742
Wages payable	3,069,234	9,490,159	12,559,393	75,000
Accrued interest payable	4,055,542	1,575,533	5,631,075	374,827
Escrow payable	17,711,316	-	17,711,316	-
Customer deposits	-	691,159	691,159	-
Due to component unit	13,752	-	13,752	-
Unearned revenue	2,722,410	28,597	2,751,007	-
Long-term liabilities, current portion				
Long-term debt	14,165,708	9,599,796	23,765,504	3,360,920
Lease liability	860,260	147,266	1,007,526	71,657
Subscription liability	425,304	113,778	539,082	-
Compensated absences	300,319	44,030	344,349	-
OPEB liability - retiree health plan	6,453	1,229	7,682	-
OPEB liability - TMRS supplemental death benefit	13,873	5,284	19,157	-
Total current liabilities	$ 52,934,170	$ 62,580,636	$ 115,514,806	$ 3,970,146

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

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City of Pflugerville, Texas
Statement of Net Position - Continued
September 30, 2024

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Noncurrent liabilities:				
Long-term liabilities, noncurrent portion				
Long-term debt	$ 585,067,926	$ 393,301,156	$ 978,369,082	$ 53,361,539
Arbitrage rebate liability	7,099,369	-	7,099,369	-
Lease liability	2,473,156	520,935	2,994,091	157,437
Subscription liability	1,018,210	118,283	1,136,493	-
Compensated absences	1,201,277	176,120	1,377,397	-
Net pension liability	14,194,527	2,703,719	16,898,246	-
OPEB liability - retiree health plan	329,476	62,757	392,233	-
OPEB liability - TMRS supplemental death benefit	752,613	140,713	893,326	-
Total noncurrent liabilities	612,136,554	397,023,683	1,009,160,237	53,518,976
Total liabilities	665,070,724	459,604,319	1,124,675,043	57,489,122
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows from pension activities	351,233	66,902	418,135	-
Deferred inflows from OPEB activities - retiree health plan	535,938	102,084	638,022	-
Deferred inflows from OPEB activities -				
TMRS supplemental death benefit	294,718	56,137	350,855	-
Deferred inflows from lease activities	37,822,459	-	37,822,459	-
Deferred inflows from notes receivable	355,535	-	355,535	13,004,452
Total deferred inflows of resources	39,359,883	225,123	39,585,006	13,004,452
NET POSITION				
Net investment in capital assets	158,949,554	217,708,012	376,657,566	-
Restricted for:				
Debt service	6,829,620	-	6,829,620	-
Capital projects		4,705,656	4,705,656	-
Municipal court	207,823	-	207,823	-
Police	249,914	-	249,914	-
Public Education & Government fees	133,101	-	133,101	-
Tourism (HOT)	1,326,809	-	1,326,809	-
Public improvement districts	47,734	-	47,734	-
Tax increment zone improvements	5,331,559	-	5,331,559	-
Parks	9	-	9	-
Federal and state grant programs	136,633	-	136,633	-
Economic development	-	-	-	26,795,005
Unrestricted	41,648,974	12,452,953	54,101,927	-
TOTAL NET POSITION	$ 214,861,730	$ 234,866,621	$ 449,728,351	$ 26,795,005

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

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City of Pflugerville, Texas

Statement of Activities

For the Fiscal Year Ended September 30, 2024

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-type Activities**	**Total**	**Component Units**
PRIMARY GOVERNMENT								
Governmental activities:								
General government	$ 25,692,421	$ 2,388,513	$ 7,685,072	$ -	$ (15,618,836)	$ -	$ (15,618,836)	$ -
Public safety	22,095,470	337,027	196,195	-	(21,562,248)	-	(21,562,248)	-
Public works and streets	23,239,204	2,158,898	-	14,171,097	(6,909,209)	-	(6,909,209)	-
Culture and recreation	11,810,634	790,300	936,802	-	(10,083,532)	-	(10,083,532)	-
Interest on long-term debt	30,853,686	-	-	-	(30,853,686)	-	(30,853,686)	-
Total governmental activities	113,691,415	5,674,738	8,818,069	14,171,097	(85,027,511)	-	(85,027,511)	-
Business-type activities:								
Water/Wastewater	42,545,706	52,049,043	-	10,293,644	-	19,796,981	19,796,981	-
Solid Waste	5,541,764	5,849,461	-	-	-	307,697	307,697	-
Total business-type activities	48,087,470	57,898,504	-	10,293,644	-	20,104,678	20,104,678	-
TOTAL PRIMARY GOVERNMENT	$ 161,778,885	$ 63,573,242	$ 8,818,069	$ 24,464,741	(85,027,511)	20,104,678	(64,922,833)	-
COMPONENT UNITS								
Pflugerville Economic Development Corporation	$ 8,677,394	$ 912,594	$ 25,000	$ -				(7,739,800)
TOTAL COMPONENT UNITS	$ 8,677,394	$ 912,594	$ 25,000	$ -				
General revenues:								
Property taxes					60,414,009	-	60,414,009	-
Sales and use taxes					18,924,414	-	18,924,414	9,446,042
Mixed beverage taxes					187,107	-	187,107	-
Hotel occupancy taxes					1,220,011	-	1,220,011	-
Franchise taxes					6,168,831	-	6,168,831	-
Unrestricted investment earnings					28,802,963	8,160,523	36,963,486	1,633,718
Miscellaneous revenue					1,676,180	576,110	2,252,290	-
Gain on disposal of assets					58,938	31,705	90,643	2,842,290
Transfers					3,798,800	(3,798,800)	-	-
Total general revenues and transfers					121,251,253	4,969,538	126,220,791	13,922,050
Change in net position					36,223,742	25,074,216	61,297,958	6,182,250
Net position - beginning					178,637,988	209,792,405	388,430,393	20,612,755
NET POSITION - ENDING					$ 214,861,730	$ 234,866,621	$ 449,728,351	$ 26,795,005

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

City of Pflugerville, Texas
Balance Sheet - Governmental Funds
September 30, 2024

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	$ 27,467,010	$ 10,509,272	$ 473,688,053	$ 10,861,650	$ 522,525,985
Receivables (net):					
Property taxes	3,647,029	375,890	-	-	4,022,919
Interest	-	-	1,155,622	-	1,155,622
Other	1,219,417	-	100,155	387,384	1,706,956
Due from other funds	138,894	-	701,732	-	840,626
Notes receivable	-	37,822,459	-	-	37,822,459
Prepaid assets	399,311	-	-	-	399,311
TOTAL ASSETS	$ 32,871,661	$ 48,707,621	$ 475,645,562	$ 11,249,034	$ 568,473,878
LIABILITIES					
Accounts payable	$ 4,250,710	$ -	$ 4,904,713	$ 434,576	$ 9,589,999
Wages payables and accrued liabilities	1,954,733	-	1,114,501	-	3,069,234
Due to other funds	24,211	-	-	737,610	761,821
Due to component unit	13,752	-	-	-	13,752
Unearned revenue	23,871	-	-	2,698,539	2,722,410
Escrow payable	-	-	17,711,316	-	17,711,316
Total liabilities	6,267,277	-	23,730,530	3,870,725	33,868,532
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	463,998	375,890	-	-	839,888
Unavailable revenue - court fines	276,878	-	-	-	276,878
Unavailable revenue - notes	-	37,822,459	-	-	37,822,459
Unavailable revenue - leases	355,535	-	-	-	355,535
Total deferred inflows of resources	1,096,411	38,198,349	-	-	39,294,760
FUND BALANCES					
Nonspendable:					
Prepaid items	399,311	-	-	-	399,311
Restricted:					
Debt service	-	10,509,272	-	-	10,509,272
Capital projects	-	-	451,915,032	-	451,915,032
Specific programs	-	-	-	7,433,582	7,433,582
Assigned	4,081,621	-	-	-	4,081,621
Unassigned	21,027,041	-	-	(55,273)	20,971,768
Total fund balances	25,507,973	10,509,272	451,915,032	7,378,309	495,310,586
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 32,871,661	$ 48,707,621	$ 475,645,562	$ 11,249,034	$ 568,473,878

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

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City of Pflugerville, Texas

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
September 30, 2024

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS		$ 495,310,586
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	$ 694,955,633	
Accumulated depreciation of governmental capital assets	(355,294,609)	339,661,024
Some receivables which 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	839,888	
Unavailable revenue - court fines	276,878	1,116,766
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	(561,488,773)	
Notes payable	(436,406)	
Premiums on bond issuances	(37,308,455)	
Accrued interest	(4,055,542)	
Arbitrage rebate liability	(7,099,369)	
Leases	(3,333,416)	
Subscription liability	(1,443,514)	
Compensated absences	(1,501,596)	
Net pension liability	(14,194,527)	
OPEB liability - retiree health plan	(335,929)	
OPEB liability - TMRS supplemental death benefit	(766,486)	(631,964,013)
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	4,172,652	
Deferred outflows from pension activities	7,419,808	
Deferred outflows from OPEB activities - retiree health plan	138,999	
Deferred outflows from OPEB activities - TMRS supplemental death benefit	187,797	
Deferred inflows from pension activities	(351,233)	
Deferred inflows from OPEB activities - retiree health plan	(535,938)	
Deferred inflows from OPEB activities - TMRS supplemental death benefit	(294,718)	10,737,367
NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 214,861,730

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City of Pflugerville, Texas
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended September 30, 2024

	General	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes:					
Property taxes	$ 26,139,248	$ 30,550,878	$ -	$ 3,552,018	$ 60,242,144
Sales and use taxes	18,924,414	-	-	-	18,924,414
Hotel occupancy taxes	-	-	-	1,220,011	1,220,011
Franchise taxes	6,168,831	-	-	-	6,168,831
Mixed beverage tax	187,107	-	-	-	187,107
Fines and forfeitures	581,905	-	-	189,429	771,334
Licenses and permits	4,321,158	-	-	-	4,321,158
Charges for services	1,869,979	-	-	-	1,869,979
Intergovernmental	1,949,451	4,617,773	5,572,483	2,407,133	14,546,840
Deutchen Pfest income	76,079	-	-	-	76,079
Investment earnings	2,251,047	1,030,390	24,898,383	623,143	28,802,963
Miscellaneous	372,599	-	100,155	69,210	541,964
Total revenues	62,841,818	36,199,041	30,571,021	8,060,944	137,672,824
EXPENDITURES					
Current:					
General government	21,550,510	-	-	2,951,228	24,501,738
Public safety	20,411,385	-	-	87,402	20,498,787
Public works and streets	8,834,274	-	-	-	8,834,274
Culture and recreation	9,963,246	-	-	6,733	9,969,979
Debt service:					
Principal	1,175,309	10,087,292	-	-	11,262,601
Interest and other charges	49,174	25,196,528	-	-	25,245,702
Capital outlay	6,580,838	-	47,501,285	1,328,914	55,411,037
Total expenditures	68,564,736	35,283,820	47,501,285	4,374,277	155,724,118
Excess (deficiency) of revenues over (under) expenditures	(5,722,918)	915,221	(16,930,264)	3,686,667	(18,051,294)
OTHER FINANCING SOURCES (USES)					
Leases	1,623,693	-	-	-	1,623,693
Subscriptions	1,127,626	-	-	-	1,127,626
Proceeds from sale of assets	58,938	-	-	-	58,938
Insurance recoveries	135,263	-	-	-	135,263
Transfers in	3,804,103	1,795,029	-	-	5,599,132
Transfers out	-	-	-	(1,800,332)	(1,800,332)
Total other financing sources (uses)	6,749,623	1,795,029	-	(1,800,332)	6,744,320
Net change in fund balances	1,026,705	2,710,250	(16,930,264)	1,886,335	(11,306,974)
Fund balances, beginning	24,481,268	7,799,022	468,845,296	5,491,974	506,617,560
FUND BALANCES, ENDING	$ 25,507,973	$ 10,509,272	$ 451,915,032	$ 7,378,309	$ 495,310,586

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

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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, 2024

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS		$ (11,306,974)
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.		
Unavailable revenue - property taxes	$ 171,865	
Unavailable revenue - court fines	(364,859)	
Unavailable revenue - grants and other	(156,288)	(349,282)
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.		
Capital outlay	$ 54,602,621	
Depreciation expense	(17,591,606)	37,011,015
The net effect of miscellaneous transactions involving capital assets (transfers, adjustments and dispositions) is an increase (decrease) to net position.		(260,228)
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.		8,598,613
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:		
Issuance of leases	$ (1,623,693)	
Issuance of subscriptions	(1,127,626)	
Principal paid on bonds and other debt	11,383,256	8,631,937
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:		
Accrued interest on bonds payable decreased (increased)	$ (285,553)	
Arbitrage rebate liability decreased (increased)	(7,099,369)	
Amortization of deferred charge on refunding	(318,150)	
Amortization of bond premium	1,974,432	(5,728,640)
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:		
Compensated absences liability decreased (increased)		(536,327)
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:		
Deferred outflows increased (decreased)	$ (1,607,802)	
Deferred inflows (increased) decreased	(193,810)	
Net pension liability (increased) decreased	1,934,722	133,110
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:		
Deferred outflows increased (decreased)	$ (29,950)	
Deferred inflows (increased) decreased	192,853	
OPEB liability (increased) decreased	(132,385)	30,518
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 36,223,742

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

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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, 2024

	Budget			Variance
	Original	Final	Actual	Positive (Negative)
REVENUES				
Taxes:				
Property taxes	$ 27,769,544	$ 27,769,544	$ 26,139,248	$ (1,630,296)
Sales and use taxes	19,055,370	19,055,370	18,924,414	(130,956)
Franchise taxes	5,998,059	5,998,059	6,168,831	170,772
Mixed beverage tax	160,000	160,000	187,107	27,107
Fines and forfeitures	376,900	376,900	581,905	205,005
Licenses and permits	2,909,169	3,009,169	4,321,158	1,311,989
Charges for services	1,130,000	1,390,000	1,869,979	479,979
Intergovernmental	937,217	2,571,420	1,949,451	(621,969)
Deutchen Pfest income	65,000	65,000	76,079	11,079
Investment earnings	1,200,000	1,200,000	2,251,047	1,051,047
Miscellaneous	268,000	268,000	372,599	104,599
Total revenues	59,869,259	61,863,462	62,841,818	978,356
EXPENDITURES				
Current:				
General government				
Administration	3,679,072	3,679,072	4,405,943	(726,871)
Legal	504,536	864,536	782,399	82,137
Information technology	4,558,217	4,837,734	4,168,938	668,796
Development services administration	1,723,613	1,486,199	1,347,917	138,282
Planning	2,631,031	2,740,450	2,216,058	524,392
Court	547,253	517,253	379,869	137,384
Fleet maintenance	1,379,761	1,204,761	1,299,371	(94,610)
City Manager's office	2,261,945	2,334,829	2,260,759	74,070
People & culture	1,455,476	1,530,476	1,484,513	45,963
Finance	2,347,391	2,437,636	2,223,207	214,429
Communications	1,014,559	984,559	981,536	3,023
Public safety				
Building	1,082,527	1,147,527	1,144,236	3,291
Animal welfare services	1,144,379	1,221,879	1,225,643	(3,764)
Police	16,926,269	18,160,784	18,041,506	119,278
Public works and streets				
CIP engineering	3,097,842	2,243,885	1,994,978	248,907
Streets and drainage	5,698,460	5,628,579	5,713,780	(85,201)
Facilities and maintenance	1,290,749	1,352,784	1,125,516	227,268
Culture and recreation				
Library	2,056,571	2,047,741	2,165,839	(118,098)
Parks and recreation	8,029,090	7,935,430	7,797,407	138,023
Debt service:				
Principal	-	500,000	1,175,309	(675,309)
Interest and other charges	-	-	49,174	(49,174)
Capital outlay:	3,579,705	6,070,909	6,580,838	(509,929)
Total expenditures	65,008,446	68,927,023	68,564,736	362,287
Excess (deficiency) of revenues over expenditures	(5,139,187)	(7,063,561)	(5,722,918)	1,340,643

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

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, 2024

	Budget			Variance
	Original	Final	Actual	Positive (Negative)
OTHER FINANCING SOURCES (USES)				
Leases	$ -	$ -	$ 1,623,693	$ 1,623,693
Subscriptions	-	-	1,127,626	1,127,626
Proceeds from sale of assets	50,000	50,000	58,938	8,938
Insurance recoveries	125,000	125,000	135,263	10,263
Transfers in	3,907,023	3,907,023	3,804,103	(102,920)
Transfers out	(3,000,000)	(3,000,000)	-	3,000,000
Total other financing sources (uses)	1,082,023	1,082,023	6,749,623	5,667,600
Net change in fund balance	(4,057,164)	(5,981,538)	1,026,705	7,008,243
Fund balance, beginning of year	24,481,268	24,481,268	24,481,268	-
FUND BALANCE, END OF YEAR	$ 20,424,104	$ 18,499,730	$ 25,507,973	$ 7,008,243

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

City of Pflugerville, Texas
Statement of Net Position
Proprietary Funds
September 30, 2024

	Business-type Activities - Enterprise Funds		
	Water/ Wastewater	Solid Waste	Totals
ASSETS			
Current assets:			
Cash and investments	$ 10,912,080	$ 778,444	$ 11,690,524
Receivables, net of allowance for uncollectibles	8,590,417	1,112,110	9,702,527
Due from other funds	11,819	-	11,819
Total current assets	19,514,316	1,890,554	21,404,870
Noncurrent assets:			
Restricted cash and investments			
Bond accounts	170,603,858	-	170,603,858
Impact fees	4,705,656	-	4,705,656
Capital assets:			
Land	10,753,211	-	10,753,211
Water rights	9,843,758	-	9,843,758
Buildings and improvements	3,476,274	-	3,476,274
Equipment	24,832,339	198,147	25,030,486
Infrastructure and system	328,031,429	-	328,031,429
Right-to-use asset - leases	846,926	-	846,926
Right-to-use asset - subscriptions	489,007	-	489,007
Construction in progress	208,864,488	-	208,864,488
Accumulated depreciation and amortization	(92,406,940)	(13,210)	(92,420,150)
Total capital assets (net of accumulated depreciation and amortization)	494,730,492	184,937	494,915,429
Total noncurrent assets	670,040,006	184,937	670,224,943
TOTAL ASSETS	689,554,322	2,075,491	691,629,813
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	1,681,331	-	1,681,331
Deferred outflows from pension activities	1,413,297	-	1,413,297
Deferred outflows from OPEB activities - retiree health plan	26,476	-	26,476
Deferred outflows from OPEB activities - TMRS supplemental death benefit	35,770	-	35,770
Total deferred outflows of resources	3,156,874	-	3,156,874
LIABILITIES			
Current liabilities:	40,883,805		
Accounts payable		-	40,883,805
Wages payable and accrued liabilities	9,488,821	1,338	9,490,159
Due to other funds	90,624	-	90,624
Accrued interest payable	1,575,533	-	1,575,533
Unearned revenue	28,597	-	28,597
Customer deposits	662,784	28,375	691,159
Long-term liabilities, current portion			
Bonds payable	9,599,796	-	9,599,796
Lease liability	147,266	-	147,266
Subscription liability	113,778	-	113,778
Compensated absences	44,030	-	44,030
OPEB liability - retiree health plan	1,229	-	1,229
OPEB liability - TMRS supplemental death benefit	5,284	-	5,284
Total current liabilities	62,641,547	29,713	62,671,260

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City of Pflugerville, Texas

Statement of Net Position - Continued
Proprietary Funds
September 30, 2024

	Business-type Activities - Enterprise Funds		
	Water/ Wastewater	Solid Waste	Totals
Noncurrent liabilities:			
Long-term liabilities, noncurrent portion			
Bonds payable	$ 393,301,156	$ -	$ 393,301,156
Lease liability	520,935	-	520,935
Subscription liability	118,283	-	118,283
Compensated absences	176,120	-	176,120
Net pension liability	2,703,719	-	2,703,719
OPEB liability - retiree health plan	62,757	-	62,757
OPEB liability - TMRS supplemental death benefit	140,713	-	140,713
Total noncurrent liabilities	397,023,683	-	397,023,683
Total liabilities	459,665,230	29,713	459,694,943
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows from pension activities	66,902	-	66,902
Deferred inflows from OPEB activities - retiree health plan	102,084	-	102,084
Deferred inflows from OPEB activities - TMRS supplemental death benefit	56,137	-	56,137
Total deferred inflows of resources	225,123	-	225,123
NET POSITION			
Net investment in capital assets	217,523,075	184,937	217,708,012
Restricted	4,705,656	-	4,705,656
Unrestricted	10,592,112	1,860,841	12,452,953
TOTAL NET POSITION	$ 232,820,843	$ 2,045,778	$ 234,866,621

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City of Pflugerville, Texas

Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds
For the Fiscal Year Ended September 30, 2024

	Business-type Activities - Enterprise Funds		
	Water/ Wastewater	Solid Waste	Totals
OPERATING REVENUES			
Charges for services			
Water sales	$ 29,664,853	$ -	$ 29,664,853
Wastewater sales	22,384,190	-	22,384,190
Solid waste sales	-	5,849,461	5,849,461
Intergovernmental	-	-	-
Other income	573,953	2,157	576,110
Total operating revenues	52,622,996	5,851,618	58,474,614
OPERATING EXPENSES			
Utility administration	9,478,178	-	9,478,178
Water operations	10,243,767	-	10,243,767
Wastewater operations	6,505,731	-	6,505,731
Solid waste operations	-	5,528,554	5,528,554
Depreciation and amortization	5,929,159	13,210	5,942,369
Total operating expenses	32,156,835	5,541,764	37,698,599
Operating income	20,466,161	309,854	20,776,015
NONOPERATING REVENUES (EXPENSES)			
Investment income	8,114,558	45,965	8,160,523
Interest expense and fees	(10,388,871)	-	(10,388,871)
Gain(Loss) on sale of assets	31,705	-	31,705
Total nonoperating revenues (expenses)	(2,242,608)	45,965	(2,196,643)
Income before contributions and transfers	18,223,553	355,819	18,579,372
CONTRIBUTIONS AND TRANSFERS			
Capital contributions	10,293,644	-	10,293,644
Transfers in	251,223	-	251,223
Transfers out	(3,634,912)	(415,111)	(4,050,023)
Total contributions and transfers	6,909,955	(415,111)	6,494,844
Change in net position	25,133,508	(59,292)	25,074,216
Net position - beginning, as previously stated	208,687,309	1,105,096	209,792,405
Adjustment - Error Correction	(999,974)	999,974	-
Net position - Beginning, restated	207,687,335	2,105,070	209,792,405
NET POSITION - ENDING	$ 232,820,843	$ 2,045,778	$ 234,866,621

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City of Pflugerville, Texas
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended September 30, 2024

	Business-type Activities - Enterprise Funds		
	Water/ Wastewater	Solid Waste	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received for account services	$ 50,064,686	$ 6,269,622	$ 56,334,308
Cash payments for operating expenses	(14,494,430)	(5,546,259)	(20,040,689)
Cash payments to employees for services	(28,624)	(42,087)	(70,711)
Net cash provided by operating activities	35,541,632	681,276	36,222,908
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers, net	(3,383,689)	(415,111)	(3,798,800)
Net cash used in noncapital financing activities	(3,383,689)	(415,111)	(3,798,800)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	(98,146,441)	(198,147)	(98,344,588)
Proceeds from new debt	157,642,041	-	157,642,041
Principal paid on debt obligations	(7,075,521)	-	(7,075,521)
Interest and fees paid on capital debt	(15,851,656)	-	(15,851,656)
Net cash provided by (used in) capital and related financing activities	36,568,423	(198,147)	36,370,276
CASH FLOWS FROM INVESTING ACTIVITIES			
Earnings on investments	8,114,558	45,965	8,160,523
Net cash provided by investing activities	8,114,558	45,965	8,160,523
Net increase (decrease) in cash and cash equivalents	76,840,924	113,983	76,954,907
Cash and cash equivalents, beginning of year, including restricted cash	109,380,670	664,461	110,045,131
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 186,221,594	$ 778,444	$ 187,000,038
UNRESTRICTED CASH AND CASH EQUIVALENTS	$ 10,912,080	$ 778,444	$ 11,690,524
RESTRICTED CASH AND CASH EQUIVALENTS	175,309,514	-	175,309,514
TOTAL	$ 186,221,594	$ 778,444	$ 187,000,038

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

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City of Pflugerville, Texas
Statement of Cash Flows - Continued
Proprietary Funds
For the Fiscal Year Ended September 30, 2024

	Business-type Activities - Enterprise Funds		
	Water/ Wastewater	Solid Waste	Totals
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income	$ 20,466,161	$ 309,854	$ 20,776,015
Adjustments to reconcile operating income to cash provided by operating activities:			
Depreciation and amortization	5,929,159	13,210	5,942,369
(Gain) Loss on sale of asset	31,705	-	31,705
(Increase) decrease in receivables	(2,619,990)	418,279	(2,201,711)
(Increase) decrease in interfund balances	78,805	-	78,805
(Increase) decrease in deferred charge on refunding	424,854	-	424,854
(Increase) decrease in deferred outflows for pension and OPEB	344,473	-	344,473
Increase (decrease) in accounts payable	1,894,108	(59,425)	1,834,683
Increase (decrease) in accrued liabilities	9,166,403	(367)	9,166,036
Increase (decrease) in customer meter deposits	21,450	(275)	21,175
Increase (decrease) in unearned revenue	8,525	-	8,525
Increase (decrease) in accrued interest	163,308	-	163,308
Increase (decrease) in accrued compensated absences	40,991	-	40,991
Increase (decrease) in net pension liability and OPEB	(403,015)	-	(403,015)
Increase (decrease) in deferred inflows for pension and OPEB	(5,305)	-	(5,305)
Total adjustments	15,075,471	371,422	15,446,893
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 35,541,632	$ 681,276	$ 36,222,908
SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital contributions	$ 10,293,644	$ -	$ 10,293,644
Capital asset acquisitions under subscriptions (SBITAs)	329,377	-	329,377
Capital asset acquisitions under leases / financed purchases	313,494	-	313,494
Capital asset purchases on account (accrued but not paid)	36,890,070	-	36,890,070

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

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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.

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.

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), 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.

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 2024 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:

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

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.

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.

10. Compensated Absences
Accumulated earned but unused vacation is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, because of employee resignations and retirements.

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.

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 and grants. 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.

As of September 30, 2024, the various fund balance purposes were as follows:

	General	Debt Service	Capital Projects	Nonmajor Governmental	Total Governmental
Nonspendable:					
Prepaid items	$ 399,311	$ -	$ -	$ -	$ 399,311
Total nonspendable	399,311	-	-	-	399,311
Restricted:					
Municipal court	-	-	-	207,823	207,823
Police	-	-	-	249,914	249,914
Public Education & Government	-	-	-	133,101	133,101
Tourism (HOT)	-	-	-	1,326,809	1,326,809
Public Improvement District	-	-	-	47,734	47,734
Tax increment zone improvements	-	-	-	5,331,559	5,331,559
Parks	-	-	-	9	9
Federal and state grant programs	-	-	-	136,633	136,633
Debt service	-	10,509,272	-	-	10,509,272
Capital projects	-	-	451,915,032	-	451,915,032
Total restricted	-	10,509,272	451,915,032	7,433,582	469,857,886
Assigned:					
Subsequent year's budget	4,081,621	-	-	-	4,081,621
Total assigned	4,081,621	-	-	-	4,081,621
Unassigned	21,027,041	-	-	(55,273)	20,971,768
Total fund balance	$ 25,507,973	$ 10,509,272	$ 451,915,032	$ 7,378,309	$ 495,310,586

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.

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, 2024, was $0.5362 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.

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. 100, *Accounting Changes and Error Corrections* (GASB 100), enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement 1) defines accounting changes and corrections of errors; 2) prescribes the accounting and financial reporting for each type of accounting change and error corrections; and 3) clarifies required note disclosures. The requirements of this statement are effective for reporting periods beginning after June 15, 2023, with earlier application encouraged. GASB 100 was implemented in the City's fiscal year 2024 financial statements with no material impact to the financial statements.

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

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 will be implemented in the City's fiscal year 2025 financial statements and the impact has not yet been determined.

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, Lakeside Meadows PID, Martin Tract PID, Meadowlark PID, Court Truancy, 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, 2024, the carrying amount of the City's cash and investments were as follows:

	Carrying Value / Fair Value
Primary government	
Cash in bank	$ 157,768,010
Local government investment pools	288,780,080
Investments by fair value level	262,974,183
Petty Cash	3,750
Total primary government	$ 709,526,023
Discretely presented component unit	
Cash in bank	$ 5,214,143
Local government investment pools	5,312,164
Investments	11,875,606
Total discretely presented component unit	$ 22,401,913

The City's cash deposits as of and for the year ended September 30, 2024 were entirely covered by FDIC insurance or by pledged collateral held by the agent bank in the City's name.

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 Poors.

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.

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, 2024	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)
Primary government					
Investments not subject to fair value (NAV)					
Texas Class	$ 288,780,080	$ -	$ -	$ -	36
Investments by fair value level					
CD Investments	-	99,437,809	-	-	199
U.S. Agency Securities	-	93,762,639	-	-	322
U.S. Treasury Bonds	-	69,773,735	-	-	173
Total primary government	$ 288,780,080	$ 262,974,183	$ -	$ -	
Discretely presented component unit					
Investments not subject to fair value (amortized cost)					
TexPool Prime	$ 5,312,164	$ -	$ -	$ -	38
Investments by fair value level					
CD Investments	-	11,875,606	-	-	161
Total discretely presented component unit	$ 5,312,164	$ 11,875,606	$ -	$ -	

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.

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, 2024, 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.

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

On August 12, 2022, the City entered into a 25-year lease as 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 $358,014. 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 $355,535.

For the year ended September 30, 2024, payments were as follows:

		Fixed Payments
Governmental activities:		
Rent	$	6,880
Interest revenue		11,120
Total governmental activities	$	18,000

C. Interfund Activity

Receivables/Payables
The composition of interfund balances as of September 30, 2024 is as follows:

Receivable Fund	Payable Fund		Amount
General	Non-major special revenue	$	48,270
General	Water/Wastewater		90,624
Capital Projects	General		24,211
Capital Projects	Non-major special revenue		677,521
Water/Wastewater	Non-major special revenue		11,819
		$	852,445

The receivable balance in the Capital Projects Fund is the result of temporary lending to the General Fund to cover its negative cash balance.

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, 2024.

Transfer In	Transfer Out		Amount
General	Non-major special revenue	$	4,080
General	Water/Wastewater		3,634,912
General	Solid Waste		165,111
Debt Service	Non-major special revenue		1,795,029
Water/Wastewater	Solid Waste		250,000
Water/Wastewater	Non-major special revenue		1,223
		$	5,850,355

Transfers from the Water/Wastewater, Solid Waste, and 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 nonmajor governmental funds to the Water/Wastewater fund were for grant expenditure rembursements. Transfers from the nonmajor governmental funds to debt service fund were budgeted transfers for annual debt service.

D. Capital Assets

Primary Government

Capital asset activity for the year ended September 30, 2024 is as follows:

	Beginning Balance	Increases	Decreases	Adjustments and Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 23,348,180	$ -	$ -	$ -	$ 23,348,180
Construction in progress	28,759,163	48,176,454	-	(4,611,754)	72,323,863
Total capital assets, not being depreciated	52,107,343	48,176,454	-	(4,611,754)	95,672,043
Depreciable assets:					
Buildings and improvements	111,581,586	1,835,148	-	4,383,249	117,799,983
Equipment	17,357,899	1,835,800	(95,246)	-	19,098,453
Software	1,110,978	-	-	-	1,110,978
Infrastructure	445,668,280	8,598,613	-	-	454,266,893
Right of Use Asset - Buildings	508,699	-	-	-	508,699
Right of Use Asset - Vehicles	2,426,353	1,627,592	(26,560)	-	4,027,385
Right of Use Asset - Software	1,356,752	1,127,626	(24,414)	11,235	2,471,199
Total depreciable assets	580,010,547	15,024,779	(146,220)	4,394,484	599,283,590
Less accumulated depreciation for:					
Buildings and improvements	(65,525,215)	(3,901,787)	-	-	(69,427,002)
Equipment	(12,089,389)	(1,009,733)	61,842	-	(13,037,280)
Software	(444,391)	(67,219)	-	-	(511,610)
Infrastructure	(258,830,888)	(11,275,797)	-	-	(270,106,685)
Right of Use Asset - Buildings	(127,175)	(63,587)	-	-	(190,762)
Right of Use Asset - Vehicles	(356,431)	(725,294)	26,560	-	(1,055,165)
Right of Use Asset - Software	(432,776)	(548,189)	24,414	(9,554)	(966,105)
Total accumulated depreciation	(337,806,265)	(17,591,606)	112,816	(9,554)	(355,294,609)
Total depreciable assets, net	242,204,282	(2,566,827)	(33,404)	4,384,930	243,988,981
Governmental activities capital assets, net	$ 294,311,625	$ 45,609,627	$ (33,404)	$ (226,824)	$ 339,661,024

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

Governmental activities:	
General government	$ 854,534
Public Safety	1,377,547
Public Works and streets	13,562,039
Culture & recreation	1,797,486
Total governmental activities	$ 17,591,606

	Beginning Balance	Increases	Decreases	Adjustments and Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	$ 10,715,211	$ 38,000	$ -	$ -	$ 10,753,211
Construction in progress	157,524,439	122,774,586	-	(71,434,537)	208,864,488
Water Rights	9,843,758	-	-	-	9,843,758
Total capital assets, not being depreciated	178,083,408	122,812,586	-	(71,434,537)	229,461,457
Depreciable assets:					
Buildings and improvements	3,049,344	426,930	-	-	3,476,274
Equipment	7,479,429	1,607,329		15,943,728	25,030,486
Infrastructure	267,484,467	5,056,153		55,490,809	328,031,429
Right of Use Asset - Vehicles	533,432	313,494	-	-	846,926
Right of Use Asset - Software	159,630	329,377	-	-	489,007
Total depreciable assets	278,706,302	7,733,283	-	71,434,537	357,874,122
Less accumulated depreciation for:					
Buildings and improvements	(1,093,977)	(226,196)	-	-	(1,320,173)
Equipment	(4,817,725)	(658,665)	-	-	(5,476,390)
Infrastructure	(80,492,848)	(4,796,017)	-	-	(85,288,865)
Right of Use Asset - Vehicles	(30,152)	(149,792)	-	-	(179,944)
Right of Use Asset - Software	(43,079)	(111,699)	-	-	(154,778)
Total accumulated depreciation	(86,477,781)	(5,942,369)	-	-	(92,420,150)
Total depreciable assets, net	192,228,521	1,790,914	-	71,434,537	265,453,972
Business-type activities capital assets, net	$ 370,311,929	$ 124,603,500	$ -	$ -	$ 494,915,429

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

Business-type activities:	
Water/wastewater	$ 5,929,159
Solid Waste	13,210
Total business-type activities	$ 5,942,369

Activity for this component unit for the year ended September 30, 2024, 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	$ -	$ -	$ -	$ 8,481,672
Construction in progress	-	486,099	-	-	486,099
Total capital assets, not being depreciated	8,481,672	486,099	-	-	8,967,771
Depreciable assets:					
Leasehold Improvements	295,250	-	-	-	295,250
Buildings	6,167,465	-	-	-	6,167,465
Equipment	11,380,899	-	(57,329)	-	11,323,570
Vehicle	38,339	-	-	-	38,339
Right of Use Asset - Buildings	418,959	-	-	-	418,959
Right of Use Asset - Equipment	12,250	-	-	-	12,250
Total depreciable assets	18,313,162	-	(57,329)	-	18,255,833
Less accumulated depreciation for:					
Leasehold Improvements	(295,250)	-	-	-	(295,250)
Buildings	(1,541,867)	(154,187)	-	-	(1,696,054)
Equipment	(7,619,610)	(751,581)	57,329	-	(8,313,862)
Vehicle	(38,339)	-	-	-	(38,339)
Right of Use Asset - Buildings	(135,878)	(67,939)	-	-	(203,817)
Right of Use Asset - Equipment	(5,724)	(2,862)	-	-	(8,586)
Total accumulated depreciation	(9,636,668)	(976,569)	57,329	-	(10,555,908)
Total depreciable assets, net	8,676,494	(976,569)	-	-	7,699,925
Component unit capital assets, net	$ 17,158,166	$ (490,470)	$ -	$ -	$ 16,667,696

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 $7,099,369 as of September 30, 2024.

Changes in Long-term Liabilities

Changes in long-term obligations for the period ended September 30, 2024, are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	$ 194,865,584	$ -	$ (6,556,865)	$ 188,308,719	$ 7,420,666
Certificates of obligation	279,916,721	-	(3,041,667)	276,875,054	4,554,648
Limited tax bonds	96,805,000	-	(500,000)	96,305,000	225,000
Premium on bond issuance	39,282,887	-	(1,974,432)	37,308,455	1,899,352
Total bonds payable, net	610,870,192	-	(12,072,964)	598,797,228	14,099,666
Notes payable	500,000	-	(63,594)	436,406	66,042
Arbitrage rebate liability	-	7,099,369	-	7,099,369	-
Compensated absences	965,269	3,120,237	(2,583,910)	1,501,596	300,319
Leases	2,403,669	1,623,693	(693,946)	3,333,416	860,260
Subscription liability	843,073	1,127,626	(527,185)	1,443,514	425,304
Net pension liability	16,129,249	3,988,888	(5,923,610)	14,194,527	
OPEB liability - TMRS	664,428	123,721	(21,663)	766,486	13,873
OPEB liability - Retiree health	305,602	40,733	(10,406)	335,929	6,453
Total governmental activities long-term liabilities	$ 632,681,482	$ 17,124,267	$ (21,897,278)	$ 627,908,471	$ 15,771,917
Business-type activities:					
Bonds payable:					
General obligation bonds	$ 43,310,655	$ -	$ (2,194,374)	$ 41,116,281	$ 2,694,334
Certificates of obligation	128,463,280	-	(4,243,333)	124,219,947	3,725,352
Revenue bonds	67,150,598	155,526,468	(375,000)	222,302,066	1,905,000
Premium on bond issuance	19,121,151	-	(1,311,873)	17,809,278	1,311,873
Dscount on bond issuance	(969,442)	(2,115,573)	80,234	(3,004,781)	(80,234)
Total bonds payable, net	257,076,242	153,410,895	(8,044,346)	402,442,791	9,556,325
Notes payable	500,000	-	(41,839)	458,161	43,471
Compensated absences	179,159	583,968	(542,977)	220,150	44,030
Leases	482,997	313,494	(128,290)	668,201	147,266
Subscription liability	108,703	216,042	(92,684)	232,061	113,778
Net pension liability	3,127,257	759,788	(1,183,326)	2,703,719	-
OPEB liability - TMRS	129,772	20,351	(4,126)	145,997	5,284
OPEB liability - Retiree health	59,688	6,280	(1,982)	63,986	1,229
Total business-type activities long-term liabilities	$ 261,663,818	$ 155,310,818	$ (10,039,570)	$ 406,935,066	$ 9,911,383
Component Unit:					
Notes payable	19,845,000	39,359,244	(2,481,785)	56,722,459	3,360,920
Leases	298,539	-	(69,445)	229,094	71,657
Total component units	$ 20,143,539	$ 39,359,244	$ (2,551,230)	$ 56,951,553	$ 3,432,577

Bonds Payable

Governmental Activities

Series	Interest Rate	Original Issue	Maturity Date	Debt Outstanding
General obligation bonds:				
Limited Tax General Obligation Refunding Bonds, Series 2012	3.00%	$ 10,612,250	2025	$ 461,550
Limited Tax General Obligation and Refunding Bonds, Series 2015	3.38% - 5.00%	14,027,795	2045	8,304,000
Limited Tax General Obligation and Refunding Bonds, Series 2016	3.00% - 5.00%	52,845,000	2046	44,425,000
Limited Tax General Obligation Bonds, Series 2017	3.38% - 5.00%	17,355,000	2047	16,255,000
Limited Tax General Obligation Refunding Bonds, Series 2017A	4.00% - 5.00%	8,785,000	2035	7,195,000
Limited Tax General Obligation Bonds, Series 2019	3.00% - 5.00%	5,050,000	2045	4,640,000
Limited Tax General Obligation Bonds, Series 2020A	1.50% - 5.00%	15,265,000	2050	14,195,000
Limited Tax General Obligation Refunding Bonds, Series 2020B	3.00% - 5.00%	13,211,523	2035	9,910,709
Limited Tax General Obligation Refunding Bonds, Series 2020C	1.55% - 5.00%	11,742,427	2034	11,087,460
Limited Tax General Obligation Bonds, Series 2021	2.00% - 5.00%	34,255,000	2041	28,965,000
Limited Tax General Obligation Bonds, Series 2022	4.00% - 5.00%	44,715,000	2042	42,870,000
Total general obligation bonds				188,308,719
Certificates of obligation:				
Combination Tax and Limited Revenue Certificates of Obligation, Series 2014	4.00%	4,980,000	2029	1,375,000
Combination Tax and Limited Revenue Certificates of Obligation, Series 2015	3.25% - 5.00%	8,551,000	2045	6,976,800
Combination Tax and Limited Revenue Certificates of Obligation, Series 2016A	3.00% - 4.00%	8,630,000	2046	6,550,000
Combination Tax and Limited Revenue Certificates of Obligation, Series 2016B	3.00% - 4.00%	5,940,000	2041	5,470,000
Combination Tax and Limited Revenue Certificates of Obligation, Series 2016C	2.40% - 2.50%	1,565,000	2026	310,000
Combination Tax and Limited Revenue Certificates of Obligation, Series 2017B	3.00% - 5.00%	2,060,000	2041	1,760,000
Combination Tax and Limited Revenue Certificates of Obligation, Series 2019	3.75% - 5.00%	6,941,200	2045	6,434,300
Combination Tax and Limited Revenue Certificates of Obligation, Series 2020	1.50% - 5.00%	10,265,101	2050	9,598,551
Combination Tax and Limited Revenue Certificates of Obligation, Series 2022	4.00% - 5.00%	16,271,827	2042	15,175,403
Combination Tax and Limited Revenue Certificates of Obligation, Series 2023	4.00% - 5.00%	150,275,000	2053	148,965,000
Combination Tax and Limited Revenue Certificates of Obligation, Series 2023A	4.13% - 5.00%	74,360,000	2053	74,260,000
Total certificates of obligation				276,875,054
Limited tax bonds:				
Limited Tax Bonds, Series 2023	4.00% - 5.00%	96,805,000	2053	96,305,000
Total certificates of obligation				96,305,000
Total governmental activites				$ 561,488,773

Business-type Activities

Series	Interest Rate	Original Issue	Maturity Date	Debt Outstanding
General Obligation Bonds:				
Limited Tax General Obligation Refunding Bonds, Series 2012	3.00%	$ 51,812,750	2025	$ 2,253,450
Limited Tax General Obligation and Refunding Bonds, Series 2015	3.75% - 5.00%	10,267,205	2045	8,996,000
Limited Tax General Obligation Refunding Bonds, Series 2017A	4.00% - 5.00%	5,345,000	2035	4,580,000
Limited Tax General Obligation Refunding Bonds, Series 2020B	3.00% - 5.00%	533,477	2035	454,291
Limited Tax General Obligation Refunding Bonds, Series 2020C	1.55% - 5.00%	27,157,573	2034	24,832,540
Total general obligation bonds				41,116,281
Certificates of Obligation:				
Combination Tax and Limited Revenue Certificates of Obligation, Series 2015	3.25% - 5.00%	16,599,000	2045	13,543,200
Combination Tax and Limited Revenue Certificates of Obligation, Series 2017A	4.00% - 5.00%	16,950,000	2047	13,690,000
Combination Tax and Limited Revenue Certificates of Obligation, Series 2019	3.75% - 5.00%	11,818,800	2045	10,955,700
Combination Tax and Limited Revenue Certificates of Obligation, Series 2020	1.50% - 5.00%	35,704,899	2050	33,386,450
Combination Tax and Limited Revenue Certificates of Obligation, Series 2022	4.00% - 5.00%	56,448,173	2042	52,644,597
Total certificates of obligation				124,219,947
Revenue Bonds				
Utility System Revenue Bonds, Series 2021	0.60% - 2.07%	11,630,000	2051	11,265,000
Utility System Revenue Bonds, Series 2022A	0.60% - 2.89%	31,120,000	2052	31,115,000
Utility System Revenue Bonds, Series 2022B	1.23% - 2.72%	24,000,000	2052	23,995,000
Utility System Revenue Bonds, Series 2024A	1.49% - 2.79%	122,915,000	2053	122,915,000
Utility System Revenue Bonds, Series 2022C	4.16%	33,012,066	2053	33,012,066
Total revenue bonds				222,302,066
Total business-type activities bonds payable				$ 387,638,294

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

Year Ending September 30,	Governmental Activities General Obligation Bonds Principal	Interest	Total	Governmental Activities Certificates of Obligation Principal	Interest	Total	Governmental Activities Limited Tax Bonds Principal	Interest	Total
2025	$ 7,420,666	$ 7,439,878	$ 14,860,544	$ 4,554,648	$ 12,329,695	$ 16,884,343	$ 225,000	$ 4,696,650	$ 4,921,650
2026	8,264,621	7,039,915	15,304,536	4,955,799	12,115,035	17,070,834	350,000	4,685,400	5,035,400
2027	9,339,145	6,666,316	16,005,461	5,920,101	11,878,047	17,798,148	450,000	4,667,900	5,117,900
2028	9,748,423	6,201,161	15,949,584	6,205,340	11,592,654	17,797,994	600,000	4,645,400	5,245,400
2029	10,211,381	5,747,838	15,959,219	6,507,081	11,295,232	17,802,313	2,015,000	4,615,400	6,630,400
2030-2034	56,904,556	21,875,573	78,780,129	37,861,531	51,429,147	89,290,678	11,690,000	21,461,250	33,151,250
2035-2039	44,215,327	11,279,993	55,495,320	47,727,453	41,573,394	89,300,847	14,915,000	18,231,750	33,146,750
2040-2044	31,010,400	4,223,239	35,233,639	54,588,243	30,409,872	84,998,115	18,925,000	14,228,000	33,153,000
2045-2049	10,474,200	791,618	11,265,818	57,707,239	18,998,748	76,705,987	23,620,000	9,536,750	33,156,750
2050-2054	720,000	17,100	737,100	50,847,619	6,074,249	56,921,868	23,515,000	3,011,000	26,526,000
Totals	$ 188,308,719	$ 71,282,631	$ 259,591,350	$ 276,875,054	$ 207,696,073	$ 484,571,127	$ 96,305,000	$ 89,779,500	$ 186,084,500

Year Ending September 30,	Business-type Activities General Obligation Bonds Principal	Interest	Total	Business-type Activities Certificates of Obligation Principal	Interest	Total	Business-type Activities Limited Tax Notes Principal	Interest	Total
2025	$ 2,694,334	$ 1,437,515	$ 4,131,849	$ 3,725,352	$ 5,279,512	$ 9,004,864	$ 1,905,000	$ 5,561,375	$ 7,466,375
2026	3,075,379	1,394,029	4,469,408	3,614,201	5,097,403	8,711,604	3,665,000	5,545,819	9,210,819
2027	3,185,855	1,246,728	4,432,583	3,829,899	4,921,016	8,750,915	4,585,000	5,481,969	10,066,969
2028	3,301,577	1,092,933	4,394,510	4,049,660	4,734,009	8,783,669	4,944,728	5,396,981	10,341,709
2029	3,588,619	922,656	4,511,275	4,147,919	4,539,668	8,687,587	5,693,421	5,312,091	11,005,512
2030-2034	19,415,444	2,823,344	22,238,788	24,973,469	19,590,103	44,563,572	33,716,054	24,906,767	58,622,821
2035-2039	3,959,673	715,482	4,675,155	32,557,547	13,464,487	46,022,034	37,210,148	21,406,755	58,616,903
2040-2044	1,549,600	263,042	1,812,642	29,996,757	6,599,696	36,596,453	42,106,993	16,517,191	58,624,184
2045-2049	345,800	13,832	359,632	15,437,761	2,054,239	17,492,000	48,298,552	10,331,460	58,630,012
2050-2054	-	-	-	1,887,382	75,495	1,962,877	40,177,170	2,939,607	43,116,777
Totals	$ 41,116,281	$ 9,909,561	$ 51,025,842	$ 124,219,947	$ 66,355,628	$ 190,575,575	$ 222,302,066	$ 103,400,015	$ 325,702,081

Leases

The City entered into a 8 year lease as Lessee for the use of 103 N.Railroad Avenue. An initial lease liability was recorded in the amount of $508,699. As of the fiscal year end, the value of the lease liability is $319,708. Pflugerville, TX is required to make annual fixed payments of $65,850. The lease has an interest rate of 0.988%. The City has 5 extension options, each for 12 months. Additionally, the City entered into various lease agreements for the right to use vehicles. 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 $4,536,084 with accumulated amortization of $1,245,927. The value of the right to use assets for business-type activities as of the fiscal year-end of $846,926 with accumulated amortization of $179,944.

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

	Interest Rate	Lease Term in Years	Ending Balance
Governmental activities			
Building	0.99%	8	$ 319,708
Vehicles	0.30 - 13%	5 - 6	3,013,708
Total governmental activities			$ 3,333,416
Business-type activities			
Vehicles	0.30 - 13%	5 - 6	$ 668,201
Total business-type activities			$ 668,201

Principal and interest requirements to maturity for the lease payables at September 30, 2024, are as follows:

Year Ending September 30,	Governmental Activities Principal	Interest	Total
2025	$ 860,260	$ 252,362	$ 1,112,622
2026	939,513	171,684	1,111,197
2027	954,610	83,388	1,037,998
2028	428,031	20,451	448,482
2029	151,002	2,813	153,815
Totals	$ 3,333,416	$ 530,698	$ 3,864,114

Year Ending September 30,	Business-type Activities Principal	Interest	Total
2025	$ 147,266	$ 50,491	$ 197,757
2026	156,619	37,843	194,462
2027	170,369	24,092	194,461
2028	165,871	9,303	175,174
2029	28,076	612	28,688
Totals	$ 668,201	$ 122,341	$ 790,542

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 $2,471,199 and had accumulated amortization of $966,105. 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 $154,778.

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

	Interest Rate	Subscription Term in Years	Ending Balance
Governmental activities			
Software subscriptions	2.31 - 3.59%	2 - 11	$ 1,443,514
Total governmental activities			$ 1,443,514
Business-type activities			
Software subscriptions	3.14 - 3.48%	3 - 4	$ 232,061
Total business-type activities			$ 232,061

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

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2025	$ 425,304	$ 37,596	$ 462,900
2026	256,362	25,085	281,447
2027	101,452	17,774	119,226
2028	103,819	15,408	119,227
2029	106,241	12,986	119,227
2030 - 2034	450,336	26,571	476,907
Totals	$ 1,443,514	$ 135,420	$ 1,578,934

Year Ending September 30,	Business-type Activities		
	Principal	Interest	Total
2025	$ 113,778	$ 7,997	$ 121,775
2026	59,769	4,231	64,000
2027	58,514	2,152	60,666
Totals	$ 232,061	$ 14,380	$ 246,441

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, 2024 are as follows:

Year Ending September 30,	Governmental Activities Notes Payable		
	Principal	Interest	Total
2025	$ 66,042	$ 16,802	$ 82,844
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
Totals	$ 436,406	$ 60,655	$ 497,061

Year Ending September 30,	Business-type Activities Notes Payable		
	Principal	Interest	Total
2025	$ 43,471	$ 17,868	$ 61,339
2026	45,166	16,173	61,339
2027	46,928	14,411	61,339
2028	48,758	12,581	61,339
2029	50,659	10,680	61,339
2030 - 2033	223,179	22,175	245,354
Totals	$ 458,161	$ 93,888	$ 552,049

F. Component Unit Long-term Liabilities

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.

Future maturity requirements for the PCDC note payable, including interest, as of September 30, 2024, follows:

Year Ending September 30,	Discretely Presented Component Unit Notes Payable Principal	Interest	Total
2025	$ 3,360,920	$ 3,073,155	$ 6,434,075
2026	3,781,669	2,975,353	6,757,022
2027	5,198,454	1,960,855	7,159,309
2028	5,425,265	1,711,803	7,137,068
2029	5,735,811	1,466,093	7,201,904
2030 - 2034	19,485,340	4,056,244	23,541,584
2035 - 2039	2,800,000	2,366,400	5,166,400
2040 - 2044	3,295,000	1,705,000	5,000,000
2045 - 2049	4,005,000	995,000	5,000,000
2050 - 2053	3,635,000	365,000	4,000,000
Totals	$ 56,722,459	$ 20,674,903	$ 77,397,362

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 $229,094. The value of the right-to-use asset as of fiscal yearend was $431,209 with accumulated amortization of $212,403.

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

	Interest Rate	Lease Term in Years	Ending Balance
Discretely presented component unit			
Building	0.2633%	7	$ 225,474
Office equipment	0.5553%	5	3,620
Total discretely presented component unit			$ 229,094

Principal and interest requirements to maturity for the lease payables at September 30, 2024, are as follows:

Year Ending September 30,	Discretely Presented Component Unit Principal	Interest	Total
2025	$ 71,657	$ 524	$ 72,181
2026	71,757	328	72,085
2027	73,364	137	73,501
2028	12,316	4	12,320
Totals	$ 229,094	$ 993	$ 230,087

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.tmrs.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

Employees Covered by Benefit Terms
At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	164
Inactive employees entitled to but not yet receiving benefits	331
Active employees	434
	929

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 13.83% and 13.87% for calendar years 2024 and 2023, respectively. The City's contributions to TMRS for the year ended September 30, 2024 were $4,876,851, and were equal to the required contributions.

Net Pension Liability
The City's Net Pension Liability (NPL) was measured as of December 31, 2023, 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, 2023 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.

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%	6.70%
Core fixed income	6.0%	4.70%
Non-core fixed income	20.0%	8.00%
Other public and private markets	12.0%	8.00%
Real estate	12.0%	7.60%
Hedge funds	5.0%	6.40%
Private equity	10.0%	11.60%
Total	100%	

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.

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, 2022	$ 96,297,610	$ 77,041,104	$ 19,256,506
Changes for the year			
Service cost	5,634,958	-	5,634,958
Interest	6,503,698	-	6,503,698
Change of benefit terms, including substantively automatic status	(940,084)	-	(940,084)
Difference between expected and actual experience	2,732,240	-	2,732,240
Changes of assumptions	(511,317)	-	(511,317)
Contributions - employer	-	4,581,291	(4,581,291)
Contributions - employee	-	2,312,116	(2,312,116)
Net investment income	-	8,941,470	(8,941,470)
Benefit payments, including refunds of employee contributions	(3,647,860)	(3,647,860)	-
Administrative expense	-	(56,726)	56,726
Other changes	-	(396)	396
Net changes	9,771,635	12,129,895	(2,358,260)
Balance at December 31, 2023	$ 106,069,245	$ 89,170,999	$ 16,898,246

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	$ 34,721,089	$ 16,898,246	$ 2,647,567

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.tmrs.com.

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

For the year ended September 30, 2024, the City recognized pension expense of $4,748,676.

At September 30, 2024, 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
Differences between expected and actual economic experience	$ 3,341,415	$ 37,590
Changes in actuarial assumptions	19,416	380,545
Difference between projected and actual investment earnings	1,925,948	-
Contributions subsequent to the measurement date	3,546,326	-
Totals	$ 8,833,105	$ 418,135

$3,546,326 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, 2024 (i.e. recognized in the City's financial statements September 30, 2025). 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,	
2024	$ 1,931,430
2025	1,609,541
2026	2,075,909
2027	(748,236)
Totals	$ 4,868,644

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.

At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	133
Inactive employees entitled to but not yet receiving benefits	111
Active employees	434
	678

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 0.23% for calendar years 2024 and 2023. The City's contributions to the TMRS SDBF for the year ended September 30, 2023 were $81,041, which equaled the required contributions.

Total OPEB Liability
The City's Total OPEB Liability (TOL) was measured as of December 31, 2023 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions
The Total OPEB Liability in the December 31, 2023 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	3.77%
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.

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 3.77% 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 3.77%, 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 (2.77%) or 1-percentage-point higher (4.77%) than the current rate:

	1% Decrease in Discount Rate (2.77%)	Discount Rate (3.77%)	1% Increase in Discount Rate (4.77%)
Total OPEB liability	$ 1,135,318	$ 912,483	$ 746,188

Changes in Total OPEB Liability

	Increase (Decrease) Total OPEB Liability
Balance at December 31, 2022	$ 794,200
Changes for the year:	
Service cost	56,151
Interest on total OPEB liability	32,968
Difference between expected and actual experience	(9,274)
Changes of assumptions or other inputs	54,953
Benefit payments	(16,515)
Net changes	118,283
Balance at December 31, 2023	$ 912,483

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
For the year ended September 30, 2024, the City recognized OPEB expense of $65,788. At September 30, 2024, 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	$ 5,698	$ 12,061
Changes in actuarial assumptions and other inputs	158,892	338,794
Contributions subsequent to the measurement date	58,977	-
Totals	$ 223,567	$ 350,855

$58,977 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, 2025.

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:	
2024	$ (24,458)
2025	(40,878)
2026	(82,627)
2027	(41,211)
2028	2,909
Totals	$ (186,265)

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.

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, 2023 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	3.77%

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 3.77% 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 3.77%, 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 (2.77%) or 1-percentage-point higher (4.77%) than the current rate:

	1% Decrease in Discount Rate (2.77%)	Discount Rate (3.77%)	1% Increase in Discount Rate (4.77%)
Total OPEB liability	$ 458,955	$ 399,915	$ 354,325

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	$ 369,099	$ 399,915	$ 437,433

Changes in Total OPEB Liability

	Increase (Decrease) Total OPEB Liability
Balance at December 31, 2022	$ 365,290
Changes for the year:	
Service cost	31,445
Interest on total OPEB liability	15,275
Difference between expected and actual experience	(4,706)
Changes of assumptions or other inputs	293
Benefit payments	(7,682)
Net changes	34,625
Balance at December 31, 2023	$ 399,915

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
For the year ended September 30, 2024, the City recognized OPEB income of $40,802. At September 30, 2024, 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	$ 4,243	$ 441,336
Changes in actuarial assumptions and other inputs	154,424	196,686
Contributions subsequent to the measurement date	6,808	-
Totals	$ 165,475	$ 638,022

$6,808 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, 2025.

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:		
2024	$	(87,522)
2025		(92,933)
2026		(95,628)
2027		(84,255)
2028		(66,083)
Thereafter		(52,934)
Totals	$	(479,355)

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, 2024, are as follows:

City Project	Remaining Commitment
Governmental activities	$ 54,481,903
Business-type activities	343,678,085
Discretely presented component unit	426,120
Totals	$ 398,586,108

On January 30, 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.

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:

<u>General Economic Development</u>
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 2024, the City rebated $2,135,171 in taxes.

<u>Tax Increment Reinvestment Zone</u>
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 $265,298,005 (as of September 30, 2024) is dedicated to the TIRZ to pay for projects included in the adopted Project Plan and debt service on such projects. For fiscal year 2024, Pflugerville TIRZ #1 received $3,228,671 of property tax increment.

G. Adjustments to and Restatements of Beginning Balances

During fiscal year 2024, an error correction resulted in adjustments to and restatements of beginning fund net position, as follows:

	Proprietary Funds	
	Water/ Wastewater	Solid Waste
Beginning net position, as previously reported	$ 208,687,309	$ 1,105,096
Error correction	(999,974)	999,974
Beginning net position, restated	$ 207,687,335	$ 2,105,070

Correction of an Error in Previously Issued Financial Statements

During fiscal year 2024, it was determined that accounts receivable related to the solid waste fund were improperly recorded in the water/wastewater fund. Current assets were understated in the solid waste fund and overstated in the water/ wastewater fund by approximately $1,000,000 for the fiscal years ended September 30, 2023 and 2022. The effect of correcting that error is shown in the preceding table. There was no effect on the change in net position due to the misstatement for the years ended September 30, 2023 and 2022.

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Required Supplementary Information

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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,			
	2023	2022	2021	2020
TOTAL PENSION LIABILITY				
Service cost	$ 5,634,958	$ 4,581,647	$ 3,897,320	$ 3,547,199
Interest	6,503,698	5,947,210	5,344,971	4,926,775
Change in benefit terms	(940,084)	-	-	-
Differences between expected and actual experience	2,732,240	1,392,610	2,061,075	199,374
Changes of assumptions	(511,317)	-	-	-
Benefit payments, including refunds of employee contributions	(3,647,860)	(2,879,682)	(2,567,279)	(2,738,527)
Net change in total pension liability	9,771,635	9,041,785	8,736,087	5,934,821
Total pension liability - beginning	96,297,610	87,255,825	78,519,738	72,584,917
TOTAL PENSION LIABILITY - ENDING (a)	$ 106,069,245	$ 96,297,610	$ 87,255,825	$ 78,519,738
PLAN FIDUCIARY NET POSITION				
Contributions - employer	$ 4,581,291	$ 3,649,525	$ 3,053,090	$ 2,835,229
Contributions - employee	2,312,116	1,889,896	1,608,564	1,474,489
Net investment income	8,941,470	(5,868,433)	9,030,201	4,776,918
Benefits payments, including refunds of employee contributions	(3,647,860)	(2,879,682)	(2,567,279)	(2,738,527)
Administrative expense	(56,726)	(50,685)	(41,715)	(30,866)
Other	(396)	60,482	286	(1,202)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	12,129,895	(3,198,897)	11,083,147	6,316,041
PLAN FIDUCIARY NET POSITION - BEGINNING	77,041,104	80,240,001	69,156,854	62,840,813
PLAN FIDUCIARY NET POSITION - ENDING (b)	$ 89,170,999	$ 77,041,104	$ 80,240,001	$ 69,156,854
NET PENSION LIABILITY - ENDING (a)-(b)	$ 16,898,246	$ 19,256,506	$ 7,015,824	$ 9,362,884
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF TOTAL PENSION LIABILITY	84.07%	80.00%	91.96%	88.08%
COVERED PAYROLL	$ 33,030,232	$ 26,998,508	$ 22,979,479	$ 21,064,126
NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	51.16%	71.32%	30.53%	44.45%

December 31,					
2019	**2018**	**2017**	**2016**	**2015**	**2014**
$ 3,433,765	$ 3,417,103	$ 3,232,222	$ 3,034,235	$ 2,748,863	$ 2,353,433
4,578,648	4,172,998	3,818,322	3,440,165	3,209,605	2,884,857
-	-	-	-	-	-
(789,370)	465,960	(69,398)	500,239	(41,827)	112,939
407,721	-	-	-	78,820	-
(2,321,569)	(1,787,972)	(1,850,261)	(1,092,359)	(956,134)	(863,241)
5,309,195	6,268,089	5,130,885	5,882,280	5,039,327	4,487,988
67,275,722	61,007,633	55,876,748	49,994,468	44,955,141	40,467,153
$ 72,584,917	$ 67,275,722	$ 61,007,633	$ 55,876,748	$ 49,994,468	$ 44,955,141
$ 2,686,156	$ 2,722,815	$ 2,572,468	$ 2,420,286	$ 2,222,649	$ 1,958,758
1,410,584	1,408,700	1,330,915	1,242,085	1,129,891	1,050,675
8,192,501	(1,564,337)	6,108,008	2,628,888	53,810	1,858,571
(2,321,569)	(1,787,972)	(1,850,261)	(1,092,359)	(956,134)	(863,241)
(46,229)	(30,204)	(31,636)	(29,674)	(32,771)	(19,398)
(1,389)	(1,579)	(1,604)	(1,599)	(1,619)	(1,595)
9,920,054	747,423	8,127,890	5,167,627	2,415,826	3,983,770
52,920,759	52,173,336	44,045,446	38,877,819	36,461,993	32,478,223
$ 62,840,813	$ 52,920,759	$ 52,173,336	$ 44,045,446	$ 38,877,819	$ 36,461,993
$ 9,744,104	$ 14,354,963	$ 8,834,297	$ 11,831,302	$ 11,116,649	$ 8,493,148
86.58%	78.66%	85.52%	78.83%	77.76%	81.11%
$ 20,151,206	$ 20,124,280	$ 19,013,072	$ 17,744,066	$ 16,141,296	$ 15,009,641
48.35%	71.33%	46.46%	66.68%	68.87%	56.58%

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City of Pflugerville, Texas

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

	September 30,			
	2024	2023	2022	2021
Actuarially determined contribution	$ 4,957,891	$ 4,320,958	$ 3,428,871	$ 2,917,315
Contributions in relation to the actuarially determined contribution	(4,957,891)	(4,320,958)	(3,428,871)	(2,917,315)
CONTRIBUTIONS DEFICIENCY (EXCESS)	$ -	$ -	$ -	$ -
Covered payroll	$ 35,235,094	$ 31,363,284	$ 25,479,649	$ 21,876,456
Contributions as a percentage of covered payroll	14.07%	13.78%	13.46%	13.34%

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

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2020	2019	2018	2017	2016	2015
$ 2,698,001	$ 2,717,168	$ 2,694,972	$ 2,527,062	$ 2,450,172	$ 2,148,928
(2,698,001)	(2,717,168)	(2,694,972)	(2,527,062)	(2,450,172)	(2,148,928)
$ -	$ -	$ -	$ -	$ -	$ -
$ 20,091,633	$ 20,308,411	$ 19,918,489	$ 18,641,283	$ 17,919,058	$ 15,831,530
13.43%	13.38%	13.53%	13.56%	13.67%	13.57%

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City of Pflugerville, Texas

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

	2023	2022	2021
Total OPEB liability:			
Service cost	$ 56,151	$ 91,795	$ 75,832
Interest on total OPEB liability	32,968	23,023	22,514
Change of benefit terms	-	-	-
Effect of economic/demographic gains or losses	(9,274)	4,138	(13,853)
Change in assumptions or other inputs	54,953	(523,353)	46,692
Benefit payments	(16,515)	(13,499)	(13,788)
Net change in total OPEB liability	118,283	(417,896)	117,397
Total OPEB liability - beginning	794,200	1,212,096	1,094,699
TOTAL OPEB LIABILITY - ENDING	$ 912,483	$ 794,200	$ 1,212,096
Covered payroll	$ 33,030,232	$ 26,998,508	$ 22,979,479
OPEB liability as a percentage of covered payroll	2.76%	2.94%	5.27%

*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.

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

2020	2019	2018	2017
$ 54,767	$ 36,272	$ 42,261	$ 36,125
23,296	22,831	20,578	19,233
-	-	-	-
16,542	3,304	(10,435)	-
182,455	164,206	(52,701)	56,417
(4,213)	(4,030)	(2,012)	(1,901)
272,847	222,583	(2,309)	109,874
821,852	599,269	601,578	491,704
$ 1,094,699	$ 821,852	$ 599,269	$ 601,578
$ 21,064,126	$ 20,151,206	$ 20,124,280	$ 19,013,072
5.20%	4.08%	2.98%	3.16%

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City of Pflugerville, Texas

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

	2023	2022	2021
Total OPEB liability:			
Service cost	$ 31,445	$ 97,218	$ 59,000
Interest on total OPEB liability	15,275	18,528	20,407
Change in benefit terms	-	(256,057)	-
Difference between expected and actual experience	(4,706)	(262,016)	(1,677)
Changes of assumptions or other inputs	293	(182,834)	(88,250)
Benefit payments	(7,682)	(15,784)	(28,196)
Net change in total OPEB liability	34,625	(600,945)	(38,716)
Total OPEB liability - beginning	365,290	966,235	1,004,951
TOTAL OPEB LIABILITY - ENDING	$ 399,915	$ 365,290	$ 966,235
Covered-employee payroll	$ 33,858,750	$ 26,856,003	$ 21,407,665
OPEB liability as a percentage of covered-employee payroll	1.18%	1.36%	4.51%

*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.

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

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

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Supplementary Information - Combining Statements and Budgetary Schedules

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 Efficiency Fund
- Court Security Fund
- Court Technology Fund
- Court Truancy Fund

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.

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, 2024

	American Rescue Plan Act	Community Development Block Grant	Grant	Hotel Occupancy Tax	Lakeside Meadows PID
ASSETS					
Cash and Cash Equivalents	$ 3,503,332	$ -	$ 136,633	$ 1,234,395	$ -
Accounts Receivable	-	243,331	-	131,161	-
Total assets	$ 3,503,332	$ 243,331	$ 136,633	$ 1,365,556	$ -
LIABILITIES					
Accounts Payable	$ 154,440	$ 193,781	$ -	$ 38,747	$ 17,566
Due to Other Funds	688,060	49,550	-	-	-
Unearned revenue	2,698,539	-	-	-	-
Total liabilities	3,541,039	243,331	-	38,747	17,566
FUND BALANCES					
Restricted	-	-	136,633	1,326,809	-
Unassigned	(37,707)	-	-	-	(17,566)
Total fund balances	(37,707)	-	136,633	1,326,809	(17,566)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 3,503,332	$ 243,331	$ 136,633	$ 1,365,556	$ -

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	Martin Tract PID	Meadowlark PID	Municipal Court Efficiency Fee	Municipal Court Security Fee	Municipal Court Technology Fee	Municipal Court Truancy	Parks	Police Child Safety
	$ 40,888	$ 11,403	$ 18,889	$ 169,508	$ 19,418	$ 446	$ 9	$ 135,983
	-	-	-	-	-	-	-	-
	$ 40,888	$ 11,403	$ 18,889	$ 169,508	$ 19,418	$ 446	$ 9	$ 135,983
	$ 1,530	$ 3,027	$ -	$ 378	$ 60	$ -	$ -	$ -
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	1,530	3,027	-	378	60	-	-	-
	39,358	8,376	18,889	169,130	19,358	446	9	135,983
	-	-	-	-	-	-	-	-
	39,358	8,376	18,889	169,130	19,358	446	9	135,983
	$ 40,888	$ 11,403	$ 18,889	$ 169,508	$ 19,418	$ 446	$ 9	$ 135,983

City of Pflugerville, Texas

Combining Balance Sheet - Continued
Nonmajor Governmental Funds
September 30, 2024

	Police National Night Out	Police Seizure	Police Training	Public Education & Government	Tax Incremental Reinvestment Zone 1	Total Nonmajor Governmental Funds
ASSETS						
Cash and Cash Equivalents	$ 7,451	$ 83,172	$ 23,308	$ 128,690	$ 5,348,125	$ 10,861,650
Accounts Receivable	-	-	-	12,892	-	387,384
Total assets	$ 7,451	$ 83,172	$ 23,308	$ 141,582	$ 5,348,125	$ 11,249,034
LIABILITIES						
Liabilities:						
Accounts Payable	$ -	$ -	$ -	$ 8,481	$ 16,566	$ 434,576
Due to Other Funds	-	-	-	-	-	737,610
Unearned revenue	-	-	-	-	-	2,698,539
Total liabilities	-	-	-	8,481	16,566	3,870,725
FUND BALANCES						
Restricted	7,451	83,172	23,308	133,101	5,331,559	7,433,582
Unassigned	-	-	-	-	-	(55,273)
Total fund balances	7,451	83,172	23,308	133,101	5,331,559	7,378,309
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 7,451	$ 83,172	$ 23,308	$ 141,582	$ 5,348,125	$ 11,249,034

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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, 2024

	American Rescue Plan Act	Community Development Block Grant	Grant	Hotel Occupancy Tax	Lakeside Meadows PID
REVENUES					
Property taxes	$ -	$ -	$ -	$ -	$ -
Hotel occupancy taxes	-	-	-	1,220,011	-
Fines and forefeitures	-	-	-	-	-
Intergovernmental	1,970,871	383,748	38,386	-	-
Investment earnings	169,455	1,090	4,247	51,954	-
Miscellaneous	-	-	-	-	-
Total revenues	2,140,326	384,838	42,633	1,271,965	-
EXPENDITURES					
Current:					
General government	923,511	45,470	-	926,427	17,486
Public safety	-	-	-	-	-
Culture and recreation	-	-	6,733	-	-
Capital Outlay	1,047,360	227,696	-	-	-
Total expenditures	1,970,871	273,166	6,733	926,427	17,486
Excess (deficiency) of revenues over (under) expenditures	169,455	111,672	35,900	345,538	(17,486)
OTHER FINANCING SOURCES (USES)					
Transfers out	-	(1,223)	-	(4,080)	-
Total other financing sources (uses)	-	(1,223)	-	(4,080)	-
Net change in fund balances	169,455	110,449	35,900	341,458	(17,486)
Fund balances, beginning of year	(207,162)	(110,449)	100,733	985,351	(80)
FUND BALANCES, END OF YEAR	$ (37,707)	$ -	$ 136,633	$ 1,326,809	$ (17,566)

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Martin Tract PID	Meadowlark PID	Municipal Court Efficiency Fee	Municipal Court Security Fee	Municipal Court Technology Fee	Municipal Court Truancy	Parks	Police Child Safety
$ 323,347	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-	-
-	-	8,386	15,838	13,157	-	-	65,434
-	-	-	-	-	-	-	-
21,399	484	652	7,056	636	1,804	9	4,915
-	-	-	-	-	15,709	-	-
344,746	484	9,038	22,894	13,793	17,513	9	70,349
331,169	3,092	-	10,300	-	48,203	-	-
-	-	-	-	-	-	-	6,232
-	-	-	-	-	-	-	-
-	-	-	-	796	-	-	-
331,169	3,092	-	10,300	796	48,203	-	6,232
13,577	(2,608)	9,038	12,594	12,997	(30,690)	9	64,117
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
13,577	(2,608)	9,038	12,594	12,997	(30,690)	9	64,117
25,781	10,984	9,851	156,536	6,361	31,136	-	71,866
$ 39,358	$ 8,376	$ 18,889	$ 169,130	$ 19,358	$ 446	$ 9	$ 135,983

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City of Pflugerville, Texas

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds - Continued
For the Fiscal Year September 30, 2024

	Police National Night Out	Police Seizure	Police Training	Public Education & Government	Tax Incremental Reinvestment Zone 1	Total Nonmajor Governmental Funds
REVENUES						
Property taxes	$ -	$ -	$ -	$ -	$ 3,228,671	$ 3,552,018
Hotel occupancy taxes	-	-	-	-	-	1,220,011
Fines and forefeitures	-	86,614	-	-	-	189,429
Intergovernmental	-	-	14,128	-	-	2,407,133
Investment earnings	315	3,039	935	5,760	349,393	623,143
Miscellaneous	-	-	-	53,501	-	69,210
Total revenues	315	89,653	15,063	59,261	3,578,064	8,060,944
EXPENDITURES						
Current:						
General government	-	-	-	-	645,570	2,951,228
Public safety	-	76,781	4,389	-	-	87,402
Culture and recreation	-	-	-	-	-	6,733
Capital Outlay	-	-	-	53,062	-	1,328,914
Total expenditures	-	76,781	4,389	53,062	645,570	4,374,277
Excess (deficiency) of revenues over (under) expenditures	315	12,872	10,674	6,199	2,932,494	3,686,667
OTHER FINANCING SOURCES (USES)						
Transfers out	-	-	-	-	(1,795,029)	(1,800,332)
Total other financing sources (uses)	-	-	-	-	(1,795,029)	(1,800,332)
Net change in fund balances	315	12,872	10,674	6,199	1,137,465	1,886,335
Fund balances, beginning of year	7,136	70,300	12,634	126,902	4,194,094	5,491,974
FUND BALANCES, END OF YEAR	$ 7,451	$ 83,172	$ 23,308	$ 133,101	$ 5,331,559	$ 7,378,309

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, 2024

	Budget			Variance
	Original	Final	Actual	Positive (Negative)
REVENUES				
Taxes:				
Property taxes	$ 30,077,369	$ 30,077,369	$ 30,550,878	$ 473,509
Intergovernmental	4,647,473	4,647,473	4,617,773	(29,700)
Investment earnings	250,000	250,000	1,030,390	780,390
Total revenues	34,974,842	34,974,842	36,199,041	1,224,199
EXPENDITURES				
Debt service:				
Principal	10,087,292	10,087,292	10,087,292	-
Interest and other charges	25,203,553	25,203,553	25,196,528	7,025
Total expenditures	35,290,845	35,290,845	35,283,820	7,025
Excess (deficiency) of revenues over expenditures	(316,003)	(316,003)	915,221	1,217,174
OTHER FINANCING SOURCES (USES)				
Transfers in	1,795,029	1,795,029	1,795,029	-
Total other financing sources (uses)	1,795,029	1,795,029	1,795,029	-
Net change in fund balance	1,479,026	1,479,026	2,710,250	1,217,174
Fund balance, beginning of year	7,799,022	7,799,022	7,799,022	-
FUND BALANCE, END OF YEAR	$ 9,278,048	$ 9,278,048	$ 10,509,272	$ 1,217,174

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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, 2024

	Budget			Variance
	Original	Final	Actual	Positive (Negative)
REVENUES				
Intergovernmental	$ -	$ -	$ 5,572,483	$ 5,572,483
Investment earnings	1,000,000	1,000,000	24,898,383	23,898,383
Miscellaneous	-	-	100,155	100,155
Total revenues	1,000,000	1,000,000	30,571,021	29,571,021
EXPENDITURES				
Capital Outlay	89,474,358	139,369,242	47,501,285	91,867,957
Total expenditures	89,474,358	139,369,242	47,501,285	91,867,957
Excess (deficiency) of revenues over expenditures	(88,474,358)	(138,369,242)	(16,930,264)	121,438,978
Fund balance, beginning of year	468,845,296	468,845,296	468,845,296	-
FUND BALANCE, END OF YEAR	$ 380,370,938	$ 330,476,054	$ 451,915,032	$ 121,438,978

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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, 2024

	Budget Original	Budget Final	Actual	Positive (Negative)
REVENUES				
Intergovernmental	$ -	$ -	$ 1,970,871	$ 1,970,871
Investment earnings	-	-	169,455	169,455
Total revenues	-	-	2,140,326	2,140,326
EXPENDITURES				
Current:				
General government	-	1,872,622	923,511	949,111
Capital outlay	300,000	3,387,366	1,047,360	2,340,006
Total expenditures	300,000	5,259,988	1,970,871	3,289,117
Net change in fund balance	(300,000)	(5,259,988)	169,455	5,429,443
Fund balance, beginning of year	(207,162)	(207,162)	(207,162)	-
FUND BALANCE, END OF YEAR	$ (507,162)	$ (5,467,150)	$ (37,707)	$ 5,429,443

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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, 2024

	Budget			Variance
	Original	Final	Actual	Positive (Negative)
REVENUES				
Hotel occupancy taxes	$ -	$ 1,220,000	$ 1,220,011	$ 11
Investment earnings	-	-	51,954	51,954
Miscellaneous	1,220,000	-	-	-
Total revenues	1,220,000	1,220,000	1,271,965	51,965
EXPENDITURES				
Current:				
General government	1,014,000	1,014,000	926,427	87,573
Total expenditures	1,014,000	1,014,000	926,427	87,573
Excess (deficiency) of revenues over expenditures	206,000	206,000	345,538	139,538
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(4,080)	(4,080)
Total other financing sources (uses)	-	-	(4,080)	(4,080)
Net change in fund balance	206,000	206,000	341,458	135,458
Fund balance, beginning of year	985,351	985,351	985,351	-
FUND BALANCE, END OF YEAR	$ 1,191,351	$ 1,191,351	$ 1,326,809	$ 135,458

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, 2024

	Budget			Variance Positive
	Original	Final	Actual	(Negative)
REVENUES				
Fines and forefeitures	$ 5,000	$ 5,000	$ 8,386	$ 3,386
Investment earnings	-	-	652	652
Total revenues	5,000	5,000	9,038	4,038
EXPENDITURES				
Current:				
General government	8,000	8,000	-	8,000
Total expenditures	8,000	8,000	-	8,000
Net change in fund balance	(3,000)	(3,000)	9,038	12,038
Fund balance, beginning of year	9,851	9,851	9,851	-
FUND BALANCE, END OF YEAR	$ 6,851	$ 6,851	$ 18,889	$ 12,038

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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, 2024

	Budget			Variance Positive
	Original	Final	Actual	(Negative)
REVENUES				
Fines and forefeitures	$ 12,600	$ 12,600	$ 15,838	$ 3,238
Investment earnings	-	-	7,056	7,056
Total revenues	12,600	12,600	22,894	10,294
EXPENDITURES				
Current:				
General government	26,240	26,240	10,300	15,940
Total expenditures	26,240	26,240	10,300	15,940
Net change in fund balance	(13,640)	(13,640)	12,594	26,234
Fund balance, beginning of year	156,536	156,536	156,536	-
FUND BALANCE, END OF YEAR	$ 142,896	$ 142,896	$ 169,130	$ 26,234

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, 2024

	Budget			Variance
	Original	Final	Actual	Positive (Negative)
REVENUES				
Fines and forefeitures	$ 12,600	$ 12,600	$ 13,157	$ 557
Investment earnings	-	-	636	636
Total revenues	12,600	12,600	13,793	1,193
EXPENDITURES				
Capital outlay	14,842	14,842	796	14,046
Total expenditures	14,842	14,842	796	14,046
Net change in fund balance	(2,242)	(2,242)	12,997	15,239
Fund balance, beginning of year	6,361	6,361	6,361	-
FUND BALANCE, END OF YEAR	$ 4,119	$ 4,119	$ 19,358	$ 15,239

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, 2024

	Budget			Variance
	Original	Final	Actual	Positive (Negative)
REVENUES				
Fines and forefeitures	80,000	80,000	65,434	(14,566)
Investment earnings	-	-	4,915	4,915
Total revenues	80,000	80,000	70,349	(9,651)
EXPENDITURES				
Current:				
Public safety	-	-	6,232	(6,232)
Total expenditures	-	-	6,232	(6,232)
Excess (deficiency) of revenues over expenditures	80,000	80,000	64,117	(15,883)
OTHER FINANCING SOURCES (USES)				
Transfers out	(107,000)	(107,000)	-	107,000
Total other financing sources (uses)	(107,000)	(107,000)	-	107,000
Net change in fund balance	(27,000)	(27,000)	64,117	91,117
Fund balance, beginning of year	71,866	71,866	71,866	-
FUND BALANCE, END OF YEAR	$ 44,866	$ 44,866	$ 135,983	$ 91,117

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City of Pflugerville, Texas

Schedule of Revenues, Expenditures, and Changes
in Fund Balance – Budget and Actual
Police National Night Out
For the Fiscal Year Ended September 30, 2024

	Budget			Variance
	Original	Final	Actual	Positive (Negative)
REVENUES				
Investment earnings	$ -	$ -	$ 315	$ 315
Miscellaneous	1,000	1,000	-	(1,000)
Total revenues	1,000	1,000	315	(685)
EXPENDITURES				
Current:				
Public safety	1,000	1,000	-	1,000
Total expenditures	1,000	1,000	-	1,000
Net change in fund balance	-	-	315	315
Fund balance, beginning of year	7,136	7,136	7,136	-
FUND BALANCE, END OF YEAR	$ 7,136	$ 7,136	$ 7,451	$ 315

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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, 2024

	Budget			Variance
	Original	Final	Actual	Positive (Negative)
REVENUES				
Fines and forefeitures	$ 56,000	$ 56,000	$ 86,614	$ 30,614
Investment earnings	-	-	3,039	3,039
Miscellaneous	5,000	5,000	-	(5,000)
Total revenues	61,000	61,000	89,653	28,653
EXPENDITURES				
Current:				
Public safety	61,000	61,000	76,781	(15,781)
Total expenditures	61,000	61,000	76,781	(15,781)
Net change in fund balance	-	-	12,872	12,872
Fund balance, beginning of year	70,300	70,300	70,300	-
FUND BALANCE, END OF YEAR	$ 70,300	$ 70,300	$ 83,172	$ 12,872

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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, 2024

	Budget			Variance Positive
	Original	Final	Actual	(Negative)
REVENUES				
Intergovernmental	$ 5,912	$ 5,200	$ 14,128	$ 8,928
Investment earnings	-	-	935	935
Total revenues	5,912	5,200	15,063	9,863
EXPENDITURES				
Current:				
Public safety	(7,402)	4,500	4,389	111
Total expenditures	(7,402)	4,500	4,389	111
Net change in fund balance	13,314	700	10,674	9,974
Fund balance, beginning of year	12,634	12,634	12,634	-
FUND BALANCE, END OF YEAR	$ 25,948	$ 13,334	$ 23,308	$ 9,974

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, 2024

	Budget			Variance
	Original	Final	Actual	Positive (Negative)
REVENUES				
Investment earnings	$ -	$ -	$ 5,760	$ 5,760
Miscellaneous	40,000	40,000	53,501	13,501
Total revenues	40,000	40,000	59,261	19,261
EXPENDITURES				
Capital outlay	33,800	33,800	53,062	(19,262)
Total expenditures	33,800	33,800	53,062	(19,262)
Net change in fund balance	6,200	6,200	6,199	(1)
Fund balance, beginning of year	126,902	126,902	126,902	-
FUND BALANCE, END OF YEAR	$ 133,102	$ 133,102	$ 133,101	$ (1)

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, 2024

	Budget			Variance
	Original	Final	Actual	Positive (Negative)
REVENUES				
Property taxes	$ 3,213,346	$ 3,213,346	$ 3,228,671	$ 15,325
Investment earnings	210,000	210,000	349,393	139,393
Total revenues	3,423,346	3,423,346	3,578,064	154,718
EXPENDITURES				
Current:				
General government	2,272,646	2,272,646	645,570	1,627,076
Total expenditures	2,272,646	2,272,646	645,570	1,627,076
Excess (deficiency) of revenues over expenditures	1,150,700	1,150,700	2,932,494	1,781,794
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(1,795,029)	(1,795,029)
Total other financing sources (uses)	-	-	(1,795,029)	(1,795,029)
Net change in fund balance	1,150,700	1,150,700	1,137,465	(13,235)
Fund balance, beginning of year	4,194,094	4,194,094	4,194,094	-
FUND BALANCE, END OF YEAR	$ 5,344,794	$ 5,344,794	$ 5,331,559	$ (13,235)

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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.

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)

	2015	2016	2017	2018
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	$ 121,114	$ 110,465	$ 108,984	$ 112,265
Restricted	2,804	3,395	3,851	3,798
Unrestricted	9,276	11,441	20,658	8,476
TOTAL GOVERNMENTAL ACTIVITIES NET POSITION	$ 133,194	$ 125,301	$ 133,493	$ 124,539
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	$ 81,232	$ 87,523	$ 93,657	$ 102,634
Restricted	11,281	11,976	11,418	12,608
Unrestricted	14,689	15,857	17,056	18,468
TOTAL BUSINESS-TYPE ACTIVITIES NET POSITION	$ 107,202	$ 115,356	$ 122,131	$ 133,710
PRIMARY GOVERNMENT				
Net investment in capital assets	$ 202,346	$ 197,988	$ 202,641	$ 214,899
Restricted	14,085	15,371	15,269	16,406
Unrestricted	23,965	27,298	37,714	26,944
TOTAL PRIMARY GOVERNMENT NET POSITION	$ 240,396	$ 240,657	$ 255,624	$ 258,249

Source: City Annual Comprehensive Financial Report

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Schedule 1

2019	2020	2021	2022	2023	2024
$ 115,322	$ 118,439	$ 109,360	$ 104,410	$ 90,864	$ 158,950
4,291	5,601	7,075	7,976	9,940	14,263
10,077	16,319	19,303	46,908	77,835	41,649
$ 129,690	$ 140,359	$ 135,738	$ 159,294	$ 178,639	$ 214,862
$ 107,131	$ 120,254	$ 138,736	$ 119,753	$ 182,181	$ 217,708
15,195	19,892	23,526	31,094	8,657	4,706
21,832	13,171	9,625	34,421	18,955	12,453
$ 144,158	$ 153,317	$ 171,887	$ 185,268	$ 209,793	$ 234,867
$ 222,453	$ 238,693	$ 248,096	$ 224,163	$ 273,045	$ 376,658
19,486	25,493	30,601	39,070	18,597	18,969
31,909	29,490	28,928	81,329	96,790	54,102
$ 273,848	$ 293,676	$ 307,625	$ 344,562	$ 388,432	$ 449,729

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City of Pflugerville Texas
Changes in Net Position
Last Ten Fiscal Years
(Amounts in 000's – Accrual Basis of Accounting)

	2015	2016	2017	2018
EXPENSES				
Governmental activities:				
General government	$ 6,783	$ 7,428	$ 10,444	$ 11,346
Public safety	13,018	15,012	17,271	17,797
Public works and streets	15,976	22,546	18,471	22,058
Culture/recreation	4,475	4,933	5,312	5,742
Interest on long-term debt	3,846	4,702	5,379	6,048
Total governmental activities expenses	44,098	54,621	56,877	62,991
Business-type activities:				
Water and wastewater	19,249	21,440	21,981	23,765
Solid waste	4,125	4,360	4,636	4,861
Total business-type activities expenses	23,374	25,800	26,617	28,626
Total expenses	67,472	80,421	83,494	91,617
PROGRAM REVENUES				
Governmental activities:				
Charges for services:				
General government	1,435	1,582	1,960	2,190
Public safety	3,287	3,693	3,638	3,248
Public works and streets	-	-	-	-
Culture and recreation	698	741	749	748
Operating grants and contributions	210	376	493	492
Capital grants and contributions	12,499	5,949	9,466	14,804
Total governmental activities program revenues	18,129	12,341	16,306	21,482
Business-type activities:				
Charges for services:				
Water and wastewater	19,457	21,042	21,811	24,953
Solid waste	4,112	4,387	4,631	4,884
Operating grants and contributions	-	-	-	-
Capital grants and contributions	8,819	9,113	7,405	10,328
Total business-type activities program revenues	32,388	34,542	33,847	40,165
Total program revenues	50,517	46,883	50,153	61,647
NET (EXPENSE)/REVENUE				
Governmental activities	(25,969)	(42,280)	(40,571)	(41,509)
Business-type activities	9,014	8,742	7,230	11,539
Total net expense	$ (16,955)	$ (33,538)	$ (33,341)	$ (29,970)

2019	2020	2021	2022	2023	2024
$ 10,334	$ 10,380	$ 15,075	$ 21,546	$ 27,277	$ 25,692
18,250	16,333	16,867	16,448	20,125	22,095
20,644	24,141	25,359	22,610	24,257	23,239
6,602	6,340	6,867	8,534	12,958	11,811
6,038	6,154	6,955	8,245	14,273	30,854
61,868	63,348	71,123	77,383	98,890	113,691
27,360	29,868	30,104	38,481	38,123	42,546
5,094	5,798	6,432	7,012	8,602	5,542
32,454	35,666	36,536	45,493	46,725	48,088
94,322	99,014	107,659	122,876	145,615	161,779
2,106	4,026	4,296	3,728	4,008	2,389
2,721	545	779	905	1,165	337
-	-	-	-	-	2,159
722	184	297	645	923	790
644	4,257	3,681	3,438	1,501	8,818
14,631	14,357	893	12,417	18,546	14,171
20,824	23,369	9,946	21,133	26,143	28,664
26,394	29,214	35,404	40,348	43,293	52,049
5,139	6,047	6,691	7,252	7,681	5,849
-	-	-	-	556	-
10,550	9,785	13,631	12,834	13,752	10,294
42,083	45,046	55,726	60,434	65,282	68,192
62,907	68,415	65,672	81,567	91,425	96,856
(41,044)	(39,979)	(61,177)	(56,250)	(72,747)	(85,027)
9,629	9,380	19,190	14,941	18,557	20,104
$ (31,415)	$ (30,599)	$ (41,987)	$ (41,309)	$ (54,190)	$ (64,923)

City of Pflugerville Texas
Changes in Net Position – Continued
Last Ten Fiscal Years
(Amounts in 000's – Accrual Basis of Accounting)

	2015	2016	2017	2018
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental activities:				
Taxes:				
Property taxes	$ 18,411	$ 21,024	$ 23,695	$ 26,731
Sales tax	6,736	7,550	8,319	8,988
Franchise and other taxes	3,493	3,561	3,728	3,929
Mixed beverage taxes	76	87	81	99
Hotel occupancy taxes	1	20	150	340
Investment earnings	79	270	562	1,130
Other income	1,057	1,019	271	953
Gain on sale of capital assets	-	-	47	-
Transfers	315	857	844	797
Total governmental activities	30,168	34,388	37,697	42,967
Business-type activities:				
Investment earnings	55	159	334	878
Other income	135	109	51	52
Gain on sale of capital assets	61	-	3	7
Transfers	(315)	(857)	(844)	(797)
Total business-type activities	(64)	(589)	(456)	140
Total primary government	30,104	33,799	37,241	43,107
CHANGE IN NET POSITION				
Governmental activities	4,199	(7,892)	(2,874)	1,458
Business-type activities	8,950	8,153	6,774	11,679
TOTAL CHANGE IN NET POSITION	$ 13,149	$ 261	$ 3,900	$ 13,137

Source: City Annual Comprehensive Financial Report

2019	2020	2021	2022	2023	2024
$ 27,979	$ 30,820	$ 32,644	$ 36,576	$ 48,139	$ 60,414
10,702	12,641	16,096	18,076	18,611	18,924
4,072	4,231	4,778	5,395	5,776	6,169
114	113	111	149	176	187
374	235	394	990	994	1,220
1,455	648	75	1,051	12,151	28,803
721	919	1,705	2,042	136	1,676
-	-	-	-	2,554	59
778	1,040	750	2,415	3,007	3,799
46,195	50,647	56,553	66,694	91,544	121,251
1,518	727	70	503	5,854	8,161
78	92	61	350	(1,464)	576
-	-	-	-	529	32
(778)	(1,040)	(750)	(2,415)	(3,007)	(3,799)
818	(221)	(619)	(1,562)	1,912	4,970
47,013	50,426	55,934	65,132	93,456	126,221
5,151	10,668	(4,624)	10,444	18,797	36,224
10,447	9,159	18,571	13,379	20,469	25,074
$ 15,598	$ 19,827	$ 13,947	$ 23,823	$ 39,266	$ 61,298

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City of Pflugerville Texas
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Amounts in 000's – Modified Accrual Basis of Accounting)

	2015	2016	2017	2018
GENERAL FUND				
	$ -	$ -	$ -	$ -
Committed	2,906	3,947	2,288	18
Assigned	-	-	-	2,294
Unassigned	12,222	13,793	15,939	14,522
Total general fund	15,128	17,740	18,227	16,834
ALL OTHER GOVERNMENTAL FUNDS				
Restricted	24,152	49,571	28,613	28,393
Committed	78	105	64	83
Assigned	5	5	5	5
Unassigned	-	-	-	-
Total all other governmental funds	24,235	49,681	28,682	28,481
TOTAL GOVERNMENTAL FUNDS	$ 39,363	$ 67,421	$ 46,909	$ 45,315

2019	2020	2021	2022	2023	2024
$ -	$ -	$ -	$ -	$ -	$ 399
104	-	-	-	-	-
1,500	1,946	6,164	605	4,057	4,082
18,056	21,193	23,160	29,165	20,424	21,027
19,660	23,139	29,324	29,770	24,481	25,508
29,381	25,814	85,007	140,396	482,136	469,858
78	74	-	-	-	-
5	-	5	-	-	-
-	(57)	-	-	-	(55)
29,464	25,831	85,012	140,396	482,136	469,803
$ 49,124	$ 48,970	$ 114,336	$ 170,166	$ 506,617	$ 495,311

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City of Pflugerville Texas

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

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

	2015	2016	2017	2018
REVENUES				
Taxes	$ 28,765	$ 32,163	$ 36,038	$ 39,970
Licenses and permits	1,541	1,654	2,037	2,266
Intergovernmental	3,916	3,675	7,747	7,002
Fines	1,129	1,191	1,020	671
Investment earnings	79	270	562	1,130
Miscellaneous	912	931	1,132	1,569
Total revenues	36,342	39,884	48,536	52,608
EXPENDITURES				
General government	6,444	6,830	9,030	8,523
Public safety	12,348	14,017	15,400	16,596
Public works and streets	3,746	3,768	5,314	6,541
Culture and recreation	3,770	3,874	4,186	4,407
Debt service:				
Principal	2,910	3,003	3,533	5,283
Interest	3,436	3,794	5,642	5,786
Other charges	317	805	6	382
Capital outlay	5,922	25,619	26,944	28,842
Total expenditures	38,893	61,710	70,055	76,360
Excess (deficiency) of revenues over (under) expenditures	(2,551)	(21,826)	(21,519)	(23,752)
OTHER FINANCING SOURCES (USES)				
Transfers out	(638)	(281)	(2,069)	(2,847)
Transfers in	953	1,138	2,913	3,645
Sale of capital assets	26	50	47	56
Premium on bonds issued	1,448	6,880	-	3,170
Issuance of bonds	22,441	68,980	-	28,200
Leases	-	-	-	-
Subscriptions	-	-	-	-
Payment to bond refunding escrow agent	(3,045)	(26,928)	-	(10,083)
Insurance recoveries	27	46	117	18
Total other financing sources	21,212	49,885	1,008	22,159
NET CHANGE IN FUND BALANCE	$ 18,661	$ 28,059	$ (20,511)	$ (1,593)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	19%	16%	21%	21%

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Schedule 4

2019	2020	2021	2022	2023	2024
$ 43,285	$ 47,939	$ 54,028	$ 61,215	$ 73,104	$ 86,743
2,182	4,108	4,366	3,806	4,017	4,321
6,672	4,195	6,950	11,890	8,241	14,547
690	460	572	575	740	771
1,455	648	75	1,051	12,151	28,803
957	307	540	956	1,810	2,488
55,241	57,657	66,531	79,493	100,063	137,673
9,809	10,022	14,623	17,523	23,331	24,502
16,158	15,084	16,244	15,687	18,862	20,499
5,214	7,733	9,242	7,619	8,459	8,834
4,609	4,351	4,793	6,663	10,647	9,970
5,114	5,251	5,221	7,143	10,034	11,263
6,017	6,582	6,474	8,013	10,166	25,246
213	6	883	599	2,847	-
17,991	9,945	11,518	31,351	21,060	55,411
65,125	58,974	68,998	94,598	105,406	155,725
(9,884)	(1,317)	(2,467)	(15,105)	(5,343)	(18,052)
(840)	(709)	(680)	(8,830)	(11,204)	(1,800)
1,618	1,750	1,430	11,245	14,211	5,599
55	68	487	23	100	59
830	-	9,473	7,335	14,016	-
11,991	-	78,500	60,998	500	-
-	-	-	-	-	1,624
-	-	-	-	-	1,128
-	-	(21,723)	-	-	-
40	52	347	164	126	135
13,694	1,161	67,834	70,935	17,749	6,745
$ 3,810	$ (156)	$ 65,367	$ 55,830	$ 12,406	$ (11,307)
23%	24%	27%	23%	24%	36%

City of Pflugerville, Texas

Schedule 5

Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Mixed Beverage Tax	Hotel Occupancy Tax	Total
2015	$ 18,410,622	$ 6,735,674	$ 3,492,706	$ 76,020	$ 1,093	$ 28,716,115
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
2024	60,414,009	18,924,414	6,168,831	187,107	1,220,011	86,914,372

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City of Pflugerville, Texas

Schedule 6

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

Fiscal Year	Residential Property	Commercial Property	Personal Property	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Percent of Growth in Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2015	2,757,615,637	990,762,887	399,206,912	704,956,961	$ 3,442,628,475	14.27%	0.5336	$ 3,442,628,475	100%
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%

Source: Trav is Central Appraisal District and Williamson Central Appraisal District
Note: All properties are assessed at 100% of actual taxable v alue. Tax rates are per $100 of assessed v alue

City of Pflugerville, Texas

Schedule 7

Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

	City of Pflugerville			Travis County			Pflugerville Independent School			Travis County Emergency			Travis County Healthcare District			Total Direct & Overlapping Rates
Fiscal Year	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	
2015	0.3700	0.1636	0.5336	0.3850	0.0713	0.4563	1.0400	0.5000	1.5400	0.0930	0.0052	0.0982	0.1253	0.0011	0.1264	2.7545
2016	0.3665	0.1740	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

*O & M: Operations and Maintenance.

Source: Travis Central Appraisal District

City of Pflugerville, Texas

Schedule 8

Water and Wastewater Rates
Last Ten Fiscal Years

Water Rates	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Base Charge	$ 15.50	$ 15.50	$ 15.50	$ 15.50	$ 15.70	$ 15.70	$ 17.00	$ 19.00	$ 24.00	$ 37.50
Usage:										
0 - 3,000 gallons	3.40	3.40	3.40	3.40	3.40	3.40	3.80	4.20	5.20	6.20
3,000 - 10,000 gallons	4.30	4.30	4.30	4.30	4.30	4.30	4.80	5.30	6.50	7.80
10,001 - 25,000 gallons	5.40	5.40	5.40	5.40	5.40	5.40	6.00	6.60	8.10	9.80
25,001+ gallons	6.80	6.80	6.80	6.80	6.80	6.80	7.50	10.00	10.10	12.30
Wastewater Rates										
Base (0 gallons)	19.50	19.50	19.50	22.50	23.50	23.50	28.50	29.00	31.00	51.00
Usage per 1,000 gallons	1.25	1.25	1.25	1.55	2.20	2.20	4.20	4.20	5.20	5.70
City average (new customers)	25.63	25.50	26.13	30.72	32.74	33.62	47.82	51.26	77.35	74.37

Source: Utility Billing Department

Note: The rates and charges provided represent those of a residential customer within the City limits with a
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
New customers start with the City average until their own rate is established.

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City of Pflugerville, Texas

Schedule 9

Principal Property Taxpayers
Current Year and Nine Years Ago

	Fiscal Year 2024			Fiscal Year 2015		
	Tax Year 2023			Tax Year 2014		
Taxpayer	Taxable Assessed Value	Rank	% of Total Assessed Valuation	Taxable Assessed Value	Rank	% of Total Assessed Valuation
AMAZON.COM SERVICES LLC	$ 389,912,391	1	3.49%	$ -		
AMAZON.COM SERVICES LLC	217,060,062	2	1.94%	-		
A-S 93 SH 130-SH 45 LP (New Quest)	166,502,503	3	1.49%	98,043,043	1	2.85%
LC PFLUGERVILLE LLC	103,490,737	4	0.93%	-		
PECAN COMMERCE CENTER ILP LLC	100,068,585	5	0.90%	-		
DALTON AUSTIN RESIDENCES LLC	97,525,637	6	0.87%	-		
CENTENNIAL STONE HILL TWO LP	91,283,403	7	0.82%	-		
LIVING SPACES PFLUGERVILLE LLC	85,606,002	8	0.77%	-		
SREIT EMERSON PFLUGERVILLE LLC	85,174,085	9	0.76%	-		
CENTENNIAL STONE HILL LP	83,461,691	10	0.75%	-		
BRE MF STONE HILL LLC	-			48,128,169	2	1.40%
1825 PLACE LLC	-			35,192,000	3	1.02%
SWENSON FARMS APARTMENT COMMUNITY LLC	-			32,086,000	4	0.93%
PIRET (IMPACT WAY) HOLDINGS LLC	-			28,291,299	5	0.82%
TARGET CORPORATION	-			26,239,191	6	0.76%
ONCOR ELECTRIC DELIVERY COMPANY LLC	-			23,464,000	7	0.68%
WAL-MART REAL ESTATE BUSINESS TRUST	-			17,355,333	8	0.50%
HOME DEPOT USA INC	-			17,117,771	9	0.50%
SPRINGBROOK APTS P1 LP	-			16,506,102	10	0.48%
	1,420,085,096		12.71%	342,422,908		9.95%
Other taxpayers	9,754,781,821		87.29%	3,100,205,567		90.05%
TOTAL ASSESSED VALUATION	$ 11,174,866,917		100.0%	$ 3,442,628,475		100.0%

Source: Travis Central Appraisal District

City of Pflugerville, Texas **Schedule 10**

Water and Wastewater Customers
Last Ten Fiscal Years

	Water		Wastewater	
Fiscal Year	Water Customers	Percentage of Change	Wastewater Customers	Percentage of Change
2015	15,607	6.5%	16,462	6.1%
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%

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

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City of Pflugerville, Texas **Schedule 11**
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Original Tax Levy for the Fiscal Year[1]	Adjusted Tax Levy for the Fiscal Year[2]	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			
2015	$ 17,999,015	$ 18,335,824	$ 18,291,430	99.76%	$ 26,672	$ 18,318,103	99.90%
2016	20,265,425	20,853,927	20,781,895	99.65%	48,496	20,830,391	99.89%
2017	22,806,319	23,736,943	23,676,457	99.75%	101,913	23,778,370	100.17%
2018	25,520,254	26,569,683	26,545,109	99.91%	64,308	26,609,417	100.15%
2019	26,722,531	27,805,756	27,757,678	99.83%	99,848	27,857,526	100.19%
2020	30,841,080	31,137,347	31,068,415	99.78%	110,515	31,178,930	100.13%
2021	32,892,118	32,487,361	32,532,909	100.14%	110,247	32,643,156	100.48%
2022	34,942,929	34,680,786	36,610,336	105.56%	(32,133)	36,578,203	105.47%
2023	44,104,430	46,922,522	45,314,874	96.57%	357,577	45,672,451	97.34%
2024	60,683,439	60,379,854	59,907,807	99.22%	-	59,907,807	99.22%

Source: Travis Central Appraisal District; Williamson County Appraisal District

[1] Represents the original, certified tax levy for general and debt service property taxes.

[2] 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

Fiscal Year	Water Revenue	Wastewater Revenue
2015	$ 13,316,634	$ 6,139,955
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

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)

Governmental Activities

Fiscal Year	Limited Tax Bond	General Obligation Bonds	Certificates of Obligation	Refunding Bonds	Notes Payable	Subscription Liability	Lease Liability	Total Governmental Activities
2015	$ -	$ 17,730	$ 54,943	$ 26,043	$ -	$ -	$ -	$ 98,716
2016	-	45,266	47,816	47,156	-	-	-	140,238
2017	-	44,539	46,604	45,562	-	-	-	136,705
2018	-	56,436	37,741	55,879	-	-	-	150,056
2019	-	65,051	43,087	48,795	-	-	-	156,933
2020	-	64,008	41,584	46,090	-	-	-	151,682
2021	-	71,065	42,261	91,970	-	-	-	205,296
2022	-	113,305	57,221	88,782	-	-	-	259,308
2023	96,805	109,390	279,917	85,464	500	843	2,404	575,323
2024	96,305	106,925	276,875	81,384	436	1,444	3,333	566,702

Business-Type Activities

Fiscal Year	Revenue Bonds		Certificates of Obligation		Refunding Bonds	Notes Payable	Subscription Liability	Lease Liability	Total Business-Type Activities
	Water	Wastewater	Water	Wastewater					
2015	$ -	$ -	$ 11,548	$ 11,104	$ 62,242	$ -	$ -	$ -	$ 84,894
2016	-	-	11,405	10,914	60,208	-	-	-	82,527
2017	-	-	11,176	10,690	57,924	-	-	-	79,790
2018	-	-	10,943	21,311	60,706	-	-	-	92,960
2019	-	-	10,705	32,723	58,209	-	-	-	101,637
2020	-	-	10,462	32,299	55,617	-	-	-	98,378
2021	-	-	11,620	65,749	50,345	-	-	-	127,714
2022	24,000	42,750	86,143	46,041	46,918	-	-	-	245,852
2023	41,752	42,750	83,476	44,987	43,311	500	109	483	257,368
2024	57,007	165,295	80,990	43,230	41,116	458	232	668	388,996

Fiscal Year	Total Primary Governme	Percentage of Personal Income[1]	Per Capita[1]
2015	$ 183,610	10.9%	3,311
2016	222,765	12.0%	3,898
2017	216,495	10.6%	3,538
2018	243,016	11.0%	3,782
2019	258,570	10.0%	3,632
2020	250,060	8.8%	3,671
2021	333,010	11.4%	4,382
2022	505,160	17.3%	6,507
2023	832,691	23.1%	10,418
2024	955,698	22.2%	10,359

[1] 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)

Fiscal Year	General Obligation Bonds	Certificates of Obligation	Limited Tax Bonds	Refunding Bonds	Notes Payable	Subscription Liability	Lease Liability	Total	Percentage of Estimated Actual Taxable Value of Property	Net Debt Per Capita
2015	$ 17,730	$ 54,943	$ -	$ 26,043	$ -	$ -	$ -	$ 98,716	2.87%	$ 1,780
2016	45,266	47,816	-	47,156	-	-	-	140,238	3.62%	2,454
2017	44,539	46,604	-	45,562	-	-	-	136,705	3.11%	2,234
2018	56,436	37,741	-	55,879	-	-	-	150,056	3.04%	2,335
2019	65,051	43,087	-	48,795	-	-	-	156,933	2.79%	2,204
2020	64,008	41,584	-	46,090	-	-	-	151,682	2.45%	2,050
2021	71,065	42,261	-	91,970	-	-	-	205,296	3.09%	2,701
2022	113,305	57,221	-	88,782	-	-	-	259,308	3.86%	3,340
2023	109,390	279,917	96,805	85,464	500	843	2,404	575,323	6.55%	7,240
2024	106,925	276,875	96,305	81,384	436	1,444	3,333	566,702	5.07%	7,113

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City of Pflugerville, Texas

Schedule 15

Direct and Overlapping Governmental Activities Debt
Last Ten Fiscal Years

Taxing Body	Debt Outstanding[1]	Estimated Percentage Applicable[1]	Estimated Share of Overlapping Debt
Estimated Overlapping Debt:			
Travis County MUD #15	$ 26,800,000	100.00%	$ 26,800,000
Travis County MUD #23	17,735,000	100.00%	17,735,000
Pflugerville I.S.D.	730,030,000	38.06%	277,849,418
Travis County	1,099,010,000	3.25%	35,717,825
Travis County Healthcare District	165,705,000	3.25%	5,385,413
Round Rock I.S.D.	660,675,000	0.41%	2,708,768
Lakeside WC&ID #2-D	13,455,000	0.00%	-
Lakeside WC&ID #1	1,750,000	0.19%	3,325
Northeast Travis County Utility District	16,470,000	0.00%	-
Upper Bushy Creek WCID	49,920,000	0.07%	34,944
Austin CCD	540,180,000	0.07%	378,126
Williamson County	1,311,170,000	0.05%	655,585
Manor I.S.D.	488,044,999	0.00%	-
Travis County MUD #17	32,720,000	0.00%	-
Total estimated overlapping debt	5,153,664,999		367,268,403
Direct Debt - City of Pflugerville	726,825,000	100.00%	726,825,000
Direct and Estimated Overlapping Debt	$ 5,880,489,999		$ 1,094,093,403

Tota Direct and Overlapping Debt % of Ad Valorem:	9.64%
Total Direct and Overlaping Debt per Capita:	$16,755

Sources:

[1]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 of completeness of such information. Furthermore, certain entities listed may have issued additional bonds since the date of the report (9/30/24), and such entities may have programs requiring the issuance of substatial amounts of additional bonds, the amount of which cannot be determined.

[2]Individual taxing bodies and Travis Central Appraisal District.

City of Pflugerville, Texas

Schedule 16

Legal Debt Margin Information
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt Limit	$ 51,639,427	$ 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
Total net debt applicable to limit	6,345,656	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
Legal debt margin	$ 45,293,771	$ 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
Total net debt applicable to the limit as a percentage of debt limit	12.3%	11.7%	13.9%	14.9%	13.2%	11.7%	11.7%	14.6%	14.7%	29.1%

Legal Debt Margin Calculation for Fiscal Year 2024

Assessed value of taxable property:		$ 11,174,866,917
Debt limit ($1.50 per $100 of assessed valuation)		$ 167,623,004
2024 annual debt service applicable to limit:		
General obligation - principal	$ 16,525,000	
General obligation - interest	32,336,084	48,861,084
Legal debt margin		$ 118,761,920

City of Pflugerville, Texas **Schedule 17**

Revenue Bond Coverage
Water and Wastewater Bonds
Last Ten Fiscal Years

				Debt Service Requirements			
Fiscal Year	Gross Water and Wastewater Revenues	Operating Expenses[1]	Net Revenue Available for Debt Service	Principal	Interest	Total	Coverage
2015	$ 19,646,817	$ 11,813,587	$ 7,833,230	$ 2,163,205	$ 3,093,173	$ 5,256,378	1.49
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

[1]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 **Schedule 18**

Demographic Statistics
Last Ten Fiscal Years

Fiscal Year	Population [1]	School Enrollment [2]	Total Personal Income[3]	Personal Income Per Capita[4]	Unemployment Rate[5]
2015	55,455	23,853	$ 1,692,153,870	$ 30,514	2.8
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

[1]City of Pflugerv ille Planning Department.

[2]Pflugerv ille Independent School District.

[3]Total Personal Income calculated from Personal Income per capita and Population.

[4] Personal income per capita from the U.S. Census Bureau Demographic Profile.

[5]Pflugerv ille Statistical Area, Cities and towns abov e 25,000 population, obtained from the U.S. Department of Labor, Bureau of Labor Statistics.

City of Pflugerville, Texas

Schedule 19

Principal Employers
Current Year and Nine Years Ago

2024		2015	
Employer	Employees	Employer	Employees
Pflugerville ISD	3,675	Pflugerville ISD	1,497
Amazon	2,600	City of Pflugerville	325
City of Pflugerville	501	Wal-Mart	325
KST Electric, Ltd.	450	Mtech	265
L3 Technologies, Inc.	429	HEB Grocery Co.	225
ESD	338	Target	200
Flextronics America, LLC	338	Flextronics	195
Brandt	300	Avant Technologies	155
BAYLOR SCOTT & WHITE	281	Home Depot	125
Austin Foam Plastics	260	Fed Ex	120
Total	9,172	Total	3,432

Source:
Pflugerville Community Development Corporation

City of Pflugerville, Texas **Schedule 20**

Water and Wastewater Customers By Type
Last Ten Fiscal Years

	Water Customers			Wastewater Customers			
Fiscal Year	Commercial	Other	Total	Residential	Commercial	Other	Total
2015	457	150	15,607	16,167	245	50	16,462
2016	497	162	16,515	17,079	260	54	17,393
2017	525	181	17,480	18,058	273	60	18,391
2018	564	189	18,328	18,967	291	63	19,321
2019	583	206	19,356	20,027	302	70	20,399
2020	603	222	20,445	21,170	308	73	21,551
2021	711	166	21,243	22,163	322	46	22,531
2022	1054	229	21,760	23,013	347	60	23,420
2023	669	249	22,007	23,325	348	97	23,770
2024*	688	278	15,842	16,858	361	96	17,315

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

Source: Utility Billing Department

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City of Pflugerville, Texas

Schedule 21

Full Time Equivalent Employees By Function
Last Ten Fiscal Years

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Administration[1]	25	25	29	28	29	-	-	-	-	-
Animal Welfare Services[2]	-	-	10	10	12	12	11	12	14	14
Building Inspection	5	5	5	5	6	6	6	7	7	7
City Manager's Office[1]	-	-	-	-	-	7	6	8	11	12
Communications[1]	-	-	-	-	-	6	6	6	8	8
Development Services Adm	5	4	3	3	4	4	4	14	14	13
Engineering	11	13	14	13	15	18	18	10	19	19
Facilities Maintenance[1]	-	-	-	-	-	7	7	7	8	8
Fleet	4	4	4	4	4	4	4	4	4	4
Finance	-	-	-	-	-	8	9	13	17	18
Information Technology[4]	-	-	-	6	5	5	6	8	10	11
Library	18	18	19	20	21	21	21	21	24	24
Municipal Court	6	6	6	6	6	6	6	6	6	6
Parks & Recreation		-	-	-	-	-	-	-	-	-
Full Time	27	27	28	32	34	34	13	34	55	54
Seasonal	31	31	31	31	31	31	30	17	12	11
People and Culture[1]	-	-	-	-	-	4	4	5	6	8
Planning & Development	7	8	10	9	13	15	15	16	16	14
Police Services		-	-	-	-	-	-	-	-	-
Officers	84	86	86	87	89	91	91	99	100	101
PfISD Officers[5]	22	23	24	24	-	-	-	-	-	-
Civilians	38	42	39	38	41	40	46	41	41	43
Resource Recovery[6]	-	-	-	-	-	6	-	-	-	-
Streets	31	29	28	28	28	28	28	31	35	35
Solid Waste[7]	-	-	-	-	-	-	-	1	1	1
Utility Admin[8]	-	-	-	-	-	-	-	-	-	15
Utility Billing[8]	-	-	-	-	-	-	-	-	-	6
Utility Engineering[8]	-	-	-	-	-	-	-	-	-	9
Water	25	28	28	31	32	35	36	41	49	34
Wastewater	26	27	27	29	32	29	36	34	41	28
Total Employees	365	376	391	404	402	417	403	435	498	503

[1] The Administration Department was separated into its various functions in FY 2020.
[2] Previously a function of the Police Department
[3] New function in FY 2014
[4] Previously budgeted in the Administration Department
[5] PfISD Officers became an in-house function of the Pflugerville Independent School District in FY 2019.
[6] Previously budgeted in Wastewater
[7] New function in FY 2022
[8] Not New, but was included under water/wastewater before FY24
Source: City of Pflugerville Budget

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City of Pflugerville, Texas

Operating Indicators By Function
Last Ten Fiscal Years

Function	Fiscal Year 2015	2016	2017	2018	2019	2022	2023	2024
Animal Welfare Services								
Animals Taken Into Shelter	1,077	892	791	989	1,171	828	705	865
Building Inspection								
Residential Permits	974	953	1,048	1,307	1,481	522	402	337
Commercial Permits	38	75	39	149	218	346	474	480
Inspections Performed	29,915	36,670	35,692	39,350	43,523	29,876	26,589	24,578
Engineering								
Construction Plans Reviewed	37	33	35	35	26	51	14	32
Construction inspections	23,804	26,982	25,300	32,054	26,700	10,983	11,522	4,290
Fleet								
Vehicle Inspections	191	192	229	240	238	201	209	222
Library								
Library Visits (000) [1]	323	209	220	231	390	339	385	380
Items Circulated (000) [1]	390	450	447	458	556	555	529	597
Municipal Court								
Cases Filed	11,509	12,642	9,717	6,748	8,020	4,401	5,006	4,839
Warrants Issued	5,494	6,242	4,235	1,377	1,592	3,514	1,912	1,238
Parks & Recreation								
Recreation Center Members [2]	1,309	1,067	1,058	1,209	1,171	2,536	2,994	2,736
Facilities Reservations	798	911	728	634	625	179	232	235
Recreation Program Participan	3,131	3,056	4,138	4,468	3,456	5,192	7,316	5,763
Planning & Development								
Single Family Lots Reviewed	2,151	3,000	2,304	2,656	2,084	370	4,464	1,911
Subdivision Plat Applications	66	69	50	53	41	89	50	136
Zoning Applications	14	10	8	14	11	10	18	16
Police Services								
Citations Issued	10,292	11,525	9,269	8,957	14,368	4,013	4,662	4,959
Arrests								
Felony	436	475	538	440	525	567	735	533
Misdemeanor	690	3,019	2,525	1,512	1,388	800	922	1,017
Calls for Service	62,360	55,634	48,576	54,183	57,205	41,318	41,970	41,082

City of Pflugerville, Texas

Operating Indicators By Function – Continued
Last Ten Fiscal Years

Function	2015	2016	2017	2018	2019	2022	2023	2024
	Fiscal Year							
Streets								
Miles of Streets Maintained	213	218	221	221	230	262	295	248
Potholes and Patches	-	-	-	-	-	1,690	730	697
Street Signs Replaced [1]	-	-	-	-	-	1,768	2,222	489
Water								
New Connections	1,009	908	965	848	1,034	217	1,352	125
Water Main Breaks Repaired	9	3	4	5	6	4	4	6
Average Daily Usage (MGD)	6.59	6.84	6.69	7.49	8	9	8	7
Wastewater								
Average Daily Flow (MGD)	4.05	4.49	4.18	4.32	5.19	5.07	4.71	4.81
Wastewater Treated (MG)	1,478	1,638	1,525	1,576	1,894	1,794	1,688	1,756
Blockages Cleared	87	77	66	116	139	22	68	25

[1] Physical & virtual

[2] Families are counted as one member

Sources: Various City departments

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Schedule 23

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

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Fiscal Year									
Fleet:										
Fleet Vehicles	181	187	197	222	235	252	275	287	303	331
Library:										
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)	66	68	68	70	78	82	86	92	94	101
Parks & Recreation:										
Parks	36	36	36	36	37	38	38	33	34	34
Park Acreage	733	737	737	737	737	737	737	1,618	1,637	1,668
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	31	45	45	47	53	53	57	60
Police Services:										
Stations	1	1	1	1	1	1	1	1	1	1
Animal Shelter (sq ft)										
Streets:										
Streets (miles)	206	213	218	221	224	230	230	262	295	248
Street Signs	-	-	-	-	-	-	-	7,345	8,813	8,818
Traffic Signals	10	11	11	13	15	18	21	44	48	43
Water:										
Surface Water Treatment Plant	1	1	1	1	1	1	1	1	1	1
Capacity (MGD)	21	21	21	21	21	21	21	18	18	18
Surface Water Reservoir (acres)	180	180	180	180	180	180	180	180	180	180
Water lines (miles)	211	224	238	245	265	271	268	282	224	233
Wells in Operation	3	3	3	3	3	3	3	2	2	2
Wastewater:										
Wastewater lines (miles)	202	216	226	231	240	240	267	283	223	235
Wastewater Treatment Plants	2	2	2	2	2	2	2	1	1	1
Capacity (MGD)	6	6	6	6	6	6	6	5	7	7

Sources: Various City departments
[6] Previously budgeted in Wastewater
[7] New function in FY 2022
[8] 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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March XX, 2025.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal controls that we consider to be a material weakness and significant deficiency.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as items 2024-002 to be a material weaknesses.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as items 2024-001 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 findings 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.

Austin, Texas
March XX, 2025

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, 2024. 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, 2024.

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.

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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.

Austin, Texas
March XX, 2025

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City of Pflugerville, Texas

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended September 30, 2024

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF JUSTICE			
Passed through Office of Attorney General			
Missing Children's Assistance Program	16.543	15PJDP-21-GK-03802-MECP	$ 14,471
Passed through Texas Office of the Govenor - Criminal Justice Division			
Project Safe Neighborhoods	16.609	4191603	70,000
Edward Byrne Memorial Justice Assistance Grant Program	16.738	4744301	72,696
TOTAL U.S. DEPARTMENT OF JUSTICE			157,167
TEXAS DEPARTMENT OF TRANSPORTATION			
Direct Program			
National Priority Safety Program	20.616	2024-Pflugerville-IDM-00015	4,947
TOTAL TEXAS DEPARTMENT OF TRANSPORTATION			4,947
U.S. DEPARTMENT OF TREASURY			
Direct Program			
COVID 19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	N/A	1,970,871
TOTAL U.S. DEPARTMENT OF TREASURY			1,970,871
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 2,132,985

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

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.

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City of Pflugerville, Texas
Schedule of Findings and Questioned Cost
For the Fiscal Year Ended September 30, 2024

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?	Yes
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)	Name of Federal Program
21.027	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?	Yes

Section 2. Financial Statement Findings

2024-001
Significant Deficiency in Internal Control over Financial Reporting: Segregation of Duties

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. A lack of segregation of duties over financial reporting is an indication of a deficiency in internal control.

Condition
During the audit of the entity's financial statements, the design and operating effectiveness of certain key controls were tested over cash disbursements and the payroll process. Audit procedures identified that the accounting manager has access to create and approve new vendors and issue checks up to $10,000 without additional approval. The accounting manager also has the ability to change employee information, initiate pay cycles and authorize payments. Additionally, the finance director has the ability to post journal entries to the accounting system without review from another employee.

Cause
The City has had turnover in recent years in key financial management positions. Additionally, a new general ledger accounting system was implemented in fiscal year 2024. The City did not have policies and procedures in place, nor consistent personnel with adequate knowledge, to implement proper segregation of duties and related management review and authorizations throughout the year over processing of cash disbursements and the payroll process.

Effect or Potential Effect
Failure to establish and implement effective policies and procedures for segregation of duties in accounting functions results in a significant risk of material errors and fraud. Segregation of duties is critical to effective internal control because it reduces the risk of mistakes and inappropriate actions through dividing responsibilities within accounting processes. Appropriately defined responsibilities and access rights of various job roles helps prevent conflicts of interest, safeguarding of assets, and enhances the accuracy and integrity of financial data. Additional audit procedures were performed to identify instances in which the accounting manager created fraudulent vendors or employees, and no such instances were found. However, the potential for unauthorized payments still exists.

Recommendation
We recommend that the City review its internal control procedures over segregation of duties in key financial management positions. Different people should authorize, receive and pay for goods and services, as well authorize the setup of new vendors. Additionally, separate individuals or teams should handle payroll preparation, approval, distribution, and reconciliation, as well as process new employees, termination of employees, and changes in payrates, etc.

Views of Responsible Officials and Planned Corrective Actions
See corrective action plan

2024-002
Material Weakness in Internal Control over Financial Reporting: Year End Reporting Entries

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 entity's financial statements, material entries were required to be made in regard to the recording of construction retainage and notes payable. The City did not properly record retainage related to ongoing construction projects resulting in a misstatement of approximately $9,062,000 in the Water/Wastewater fund. Additionally, the City has an agreement with the Pflugerville Community Development Corporation (the PCDC) that calls for annual contributions to fund debt service payments for certain bonds issued by the City on behalf of the PCDC. Total outstanding principal on the note that was not initially recorded was approximately $37,800,000 as of September 30, 2024.

Beginning net position of the water/wastewater and solid waste funds were restated to correct misclassifications of utility accounts receivable for the year ended September 30, 2023. The restatement was a reclassification of net position between the two funds of approximately $1,000,000.

Cause
The City did not have policies and procedures in place to properly identify and accrue the retainage and note payable balances. Additionally, when establishing the Solid Waste fund in fiscal year 2022, management did not transfer the outstanding accounts receivables balance related to solid waste services from the water/wastewater fund to the solid waste fund. 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. Additionally, the City had turnover in recent years in key financial management positions in which these errors and lack of procedures were discovered.

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 retainage 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.

Section 3. Federal Award Findings and Questioned Costs

None reported.

Section 4. Schedule of Prior Audit Findings and Questioned Costs

None reported.

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Corrective Action Plan 2024-001

The finance department has addressed the security access for the Accounting Manager regarding vendor setup and is working on segregation of duties on the payroll side. The finance team is working with our People and Culture department to identify those functions that need to be separated.

We have already removed the posting ability for all staff entering journal entries. There is now a review and approval process separate from the creation.

Anticipated Completion Date
April 30, 2025

Person(s) Responsible for Implementing
Tracy Waldron, Finance Director

Corrective Action Plan 2024-002

The finance department has started the process of setting up the new software to accurately track and record retainage at the contract level. This will eliminate a separate calculation to be performed at year-end.

The finance department will put together a procedure to review all transactions during the year for accurate recording of items such as notes payables and accounts receivable. These will be reconciled and adjustments entered as needed.

Anticipated Completion Date
May 31, 2025

Person(s) Responsible for Implementing
Tracy Waldron, Finance Director