

**PFLUGERVILLE INDEPENDENT
SCHOOL DISTRICT**

**Comprehensive Annual Financial Report
For the Fiscal Year Ended August 31, 2015**

Issued By

**Pflugerville Independent School District
Department of Finance**

Pflugerville, Texas



PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

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Introductory Section

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
PRINCIPAL OFFICIALS AND ADVISORS**

BOARD OF TRUSTEES

Ms. Vernagene Mott
President

Mr. Larry Bradley
Vice-President

Dr. Cynthia Graves
Secretary

Mr. Mario Acosta
Member

Dr. Carol Fletcher
Member

Ms. Mary Kimmins
Member

Mr. Rob Reyes
Member

ADMINISTRATION

Dr. Alex Torrez
Superintendent of Schools

Dr. Troy Galow
Deputy Superintendent

Dr. Kenneth Adix
Chief Financial Officer

Dr. Annette Villerot
Assistant Superintendent of Curriculum and Instruction

Dr. Susanna Russell
Assistant Superintendent of Secondary Education

Kettisha Jones, M.Ed.
Assistant Superintendent of Elementary Education

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
PRINCIPAL OFFICIALS AND ADVISORS**

CONSULTANTS AND ADVISORS

Hereford, Lynch, Sellars and Kirkham, PC
Conroe, Texas - Independent Auditors

Andrews Kurth L.L.P.
Austin, Texas - Bond Counsel

Specialized Public Finance, Inc.
Austin, Texas - Financial Advisor

CERTIFICATE OF THE BOARD

Pflugerville Independent School District
Name of School District

Travis
County

227-904
Co. - Dist. No.

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and approved for the year ended August 31, 2015, at a meeting of the Board of Trustees of such school district on January 21, 2016.

President of Board

Secretary of Board



January 21, 2016

Ms. Vernagene Mott, President and
Board of Trustee Members and Citizens of
Pflugerville Independent School District
1401 West Pecan
Pflugerville, Texas 78660

Dear Ms. Mott, Board Members and Citizens of Pflugerville Independent School District:

The Finance Department is pleased to submit the Comprehensive Annual Financial Report for the Pflugerville Independent School District (Pflugerville ISD) for the fiscal year ended August 31, 2015.

This report is published to provide the Board, citizens, our bondholders, staff and other interested parties with detailed information concerning the financial condition and activities of the school district.

Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the District. In our opinion, we believe the data, as presented, is accurate in all material aspects; that they are presented in a manner designed to fairly set forth the financial position and results of operations of the District as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the District's financial affairs are included in this report.

The MD&A (Management Discussion and Analysis) is a narrative introduction, overview and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the independent auditor's report. The Statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The Financial section is prepared in accordance with generally accepted accounting principles for governments, as prescribed by the Governmental Accounting Standards Board and other professional associations.

THE REPORTING ENTITY AND ITS SERVICES

This report includes all of the funds of the District, including activities considered by the State of Texas to be part of the K-12 public school system. Pflugerville ISD is an independent school district incorporated as a political subdivision of the State of Texas. A seven-member board governs the District in accordance with state statutes and regulations. Members of the Board serve staggered three-year terms without compensation and are elected from at-large member districts. The Board of Trustees operates as a policy making body, delegates management to the single executive head (the Superintendent of Schools), determines District goals and evaluates policies in terms of effectiveness in attaining those goals. The Superintendent of Schools and the administrative staff execute the policies of the Board, assume responsibility for the operation of the District, make recommendations to the Board in matters of policy and professional personnel, prepare the budget and report to the Board on matters related to the progress of the District in attaining the goals set by the Board.

The District provides a comprehensive range of school programs and services, as required by state statute, to approximately 24,000 enrolled students in grades pre-K through 12. This includes basic elementary pre-kindergarten through grade five, middle school grades six through eight, high school grades nine through twelve, career and technical education, alternative schools, bilingual education, pupil transportation, food service, special education and numerous special programs for remedial and enriched education. A wide variety of electives in fine arts, athletics and technology supplement these basic programs.

ECONOMIC CONDITION AND OUTLOOK

Pflugerville ISD is located in and around the City of Pflugerville which is a rapidly growing suburb of the state's capital, Austin and a developing commercial center of Travis County. The City of Pflugerville is experiencing growth in all business sectors. With a population of 53,752 and being strategically located a few miles north of Austin along the I-35 corridor and 25 minutes from the Austin-Bergstrom International Airport, Pflugerville provides businesses a climate with easy access to several metropolitan areas without the big city challenges.

Pflugerville also stands out as an excellent commercial site with a friendly and welcoming residential community. The SH-130 toll road is the driving force behind Pflugerville's continuing growth. Housing development is thriving on the east side of Pflugerville near SH-130 as families are drawn to this area known for outstanding schools, affordable housing and easy access to work or play. More than seven major institutions of higher education surround Pflugerville ISD, including The University of Texas at Austin, Huston-Tillotson University, St. Edward's University, Southwestern University, Texas State University, Concordia University and the Austin Community College system.

The U.S. economy continues to improve from the Great Recession and the U.S. unemployment rate fell to 4.8% in October 2015. At the state and local level employment rates were better as the Texas unemployment rate was 4.5% and Pflugerville was at 2.9% in October according to the Bureau of Labor and Statistics. Despite the Homestead Exemption increasing from \$15,000 to \$25,000, the District's property values grew approximately \$900 million from rises in existing property values and the addition of both new homes and businesses. The District's General Fund, unassigned fund balance increased for the sixth consecutive year and has grown 169 percent over that time period due to improved financial management and reducing cost.

Through the third quarter of 2015, the district started 1,155 and closed 1,007 new homes on an annual basis. The district has 1,297 vacant developed lots and 10,802 future lots. The Pflugerville new housing market is positioned for continued growth with 1,000 new home starts expected each year. District expects several thousand apartment complex units to be added to the district over the next ten years. The Austin MSA will likely continue to grow with over 27,524 home sales through October 2015.

The District expects to grow by 2,800 students over the next 5 years to approximately 27,000 students. Collectively, the District has over 3.5 million square feet of building space with an average school building age of 18 years. Construction is underway to replace the District's oldest campus, Timmerman Elementary, in 2017. The existing Timmerman building will then be remodeled for planned use as an Alternate Education Center, professional development meeting rooms and office space.

In May 2014, the citizens of the District passed a \$287 million, general obligation bond election. All of the bonds were sold in the summer of 2014. The bond package included construction of a new high school, two elementary schools, district stadium, safety and security, additions and renovations to various campuses, updating technology and land. The high school, district stadium and one elementary school are currently under construction and many of the other projects are either in progress or completed.

For 2015, the Chief Appraisers of Travis and Williamson County Appraisal Districts certified all taxable properties in the District subject to appraisals to be valued at \$9,215,604,062. The total tax rate for the 2015-2016 school year is \$1.54 and consists of the maintenance and operations tax rate of \$1.04 and the debt service tax rate of \$0.50.

FOR THE FUTURE - The Board of Trustees adopted its mission, vision and values for the 2015-2016 school year that set high standards for the students and staff of the School District and are reviewed by the Board on an annual basis.

Mission Statement:

The mission of the Pflugerville ISD is to provide a quality education with a commitment to excellence by facilitating learning in a safe and nurturing environment.

Our Values:

We believe that:

- The community expects and supports a quality education as the key to student success.
- A strong work ethic strengthens our schools and community.
- A safe community contributes to the quality of life in Pflugerville ISD.
- All individuals have worth.
- Education is an important priority that keeps our community productive and healthy.
- Our children are afforded equitable educational opportunities to achieve their potential.

Our Vision:

Our students are:

- Productive citizens committed to the community.
- Enthusiastic learners who practice continual self-development.
- Sensitive to others' needs and feel safe, both physically and emotionally.
- Applying and understanding technology.
- Positive role models.
- Setting challenging personal goals to achieve their full potential.
- Effective problem solvers and decision makers who communicate clearly and work well independently and as team members.

ACHIEVEMENTS

The Texas Education Agency (TEA) rated PISD as Met Standard for 2015 along with all campuses within the District. Campuses receiving an accountability rating of Met Standard are eligible for six to seven distinction designations depending on campus type. Distinction designations are awarded for recognition of outstanding achievement in specific areas. Campus distinction designations are based on indicators of student performance in comparison to forty similar campuses.

For 2015, distinction designations are awarded in the following areas:

- Academic Achievement in Reading/ELA
- Academic Achievement in Math
- Academic Achievement in Science
- Academic Achievement in Social Studies
- Top 25 Percent: Student Progress
- Top 25 Percent: Closing Performance Gaps
- Postsecondary Readiness

Parmer Lane Elementary received all possible distinctions available to an elementary campus. Seventeen campuses received one or more distinction designations, with a total of fifty-eight awarded district -wide. All but ten campuses received at least one distinction designation.

FINANCIAL INFORMATION

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure the assets of the District are protected from loss, theft or misuse and to ensure adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance these objectives are met. The concept of reasonable assurance recognizes: (1) the cost of a control should not exceed the benefits likely to be derived and (2) valuation of costs and benefits requires estimates and judgments by management.

Single Audit - As a recipient of state and federal financial assistance, the District is also responsible for ensuring an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management of the District. As a part of the District's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the District complied with applicable laws and regulations. The results of the District's single audit for the fiscal year ended August 31, 2015 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Accounting System and Budgetary Control

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board on governmental accounting. The District's accounting records for general governmental operations are maintained on a modified accrual basis as prescribed by the Texas Education Agency Financial Accountability System Resource Guide.

In developing and evaluating the District's accounting system, consideration is given to the adequacy of internal accounting structure. The internal accounting structure is designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. All internal control evaluations occur within the above framework. We believe the District's internal accounting structure adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions.

Budgetary control is initiated at the onset when the Board of Trustees adopts the annual budget. To ensure budgetary compliance, the Texas Education Agency and the District established spending regulations and policies. For all administrators with line item or program responsibility, regulations set the level of budgetary control at the major functional expenditure level. All requested budget revisions that move money between functions require approval by the Board of Trustees.

GOVERNMENTAL CHANGES

During the last legislative session in 2015, the State restored a portion of public education funding that was significantly cut in 2011. This was mainly accomplished by increasing both the Basic Allotment from \$5,040 to \$5,140 and the Level 2 Guaranteed Yield from \$61.86 to \$74.28. The State chose to not renew its funding to offset the districts' 1.5% contribution of their total salaries to TRS. Subject to voter approval, the State increased the Homestead Exemption from \$15,000 to \$25,000 and agreed to hold school districts harmless by offsetting this lost property tax revenue with additional funding from the State.

Independent Audit

Texas School Law requires an annual audit of all District funds by an independent outside auditing firm. All Pflugerville ISD funds have been audited. The auditor's opinion is included in this report.

AWARDS AND ACKNOWLEDGEMENTS

GFOA Certificate of Achievement for Excellence

For the sixth year in a row, the Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Pflugerville ISD for its comprehensive annual financial report (CAFR) for the fiscal year ended August 31, 2014. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

ASBO Certificate of Excellence in Financial Reporting

For the sixth year in a row, the Association of School Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to Pflugerville ISD for its CAFR for the fiscal year ended August 31, 2014. This award certifies that the report substantially conforms to the principles and standards of financial reporting as recommended and adopted by ASBO. The award is granted only after an intensive review of financial reports by an expert panel of certified public accountants and practicing school business officials.

A Certificate of Excellence is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Excellence in Financial Reporting program's requirements and we are submitting it to the ASBO to determine its eligibility for another certificate.

Acknowledgments

We respectfully acknowledge the responsible and sincere involvement of the school board, principals, administrators, program directors and coordinators in the financial affairs of the District.

Special appreciation is also expressed to members of the business office staff for their assistance and effort in maintaining the financial records of the District. Individual recognition is directed to Mary Rabalais, Lisa Campbell, Craig Pruett, Paula Bowden, Janie Ornelas, Nicole Ayer, Jackie Porter, Janet Maluschka, Dorothy Wright, Jennifer Davis, Jill Mason, Jennifer Martin Del Campo, Anna Riggs, Roxanna Jonse, Fiona Ellis, Kristin Baum, Paulina Torres, Micaela Gallegos, Diana Clark, Cheryl Elliott, Susan Simpson and Lisa Wagner for their combined efforts in closing out the accounting records and assisting in preparing the various financial reports at year-end.

Pflugerville ISD publicly solicits the active involvement of all citizens and school District personnel in its financial affairs.

Respectfully submitted,

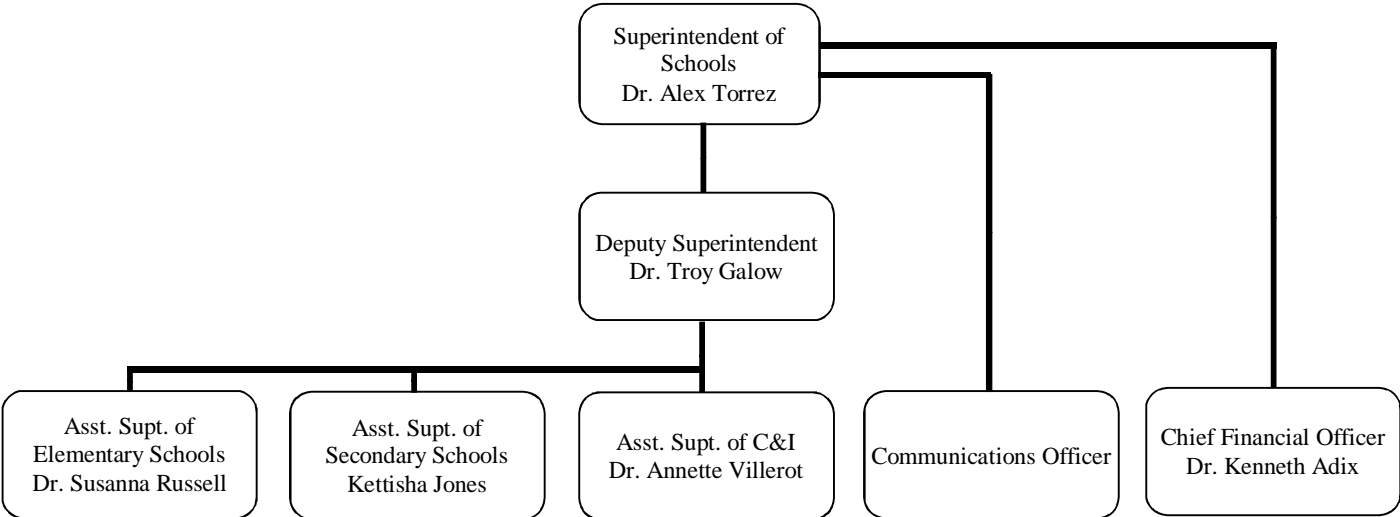
A handwritten signature in black ink that reads "Alex Torres". The signature is fluid and cursive, with a long horizontal stroke at the end.

Alex Torres, Ph.D.
Superintendent of Schools

A handwritten signature in black ink that reads "Kenneth R. Adix, Ph.D.". The signature is cursive and includes the title "Ph.D." at the end.

Kenneth R. Adix, Ph.D.
Chief Financial Officer

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
ORGANIZATIONAL CHART





Government Finance Officers Association

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

Presented to

**Pflugerville Independent School District
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

August 31, 2014

Executive Director/CEO

Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award
is presented to*

Pflugerville Independent School District

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended August 31, 2014*

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards



A handwritten signature in black ink, appearing to read "M. Pepera", written over a horizontal line.

Mark C. Pepera, MBA, RSBO, SFO
President

A handwritten signature in black ink, appearing to read "John D. Musso", written over a horizontal line.

John D. Musso, CAE, RSBA
Executive Director

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Financial Section

HLSK

Hereford, Lynch, Sellars & Kirkham

Certified Public Accountants • A Professional Corporation

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111 East Boothe
Cleveland, Texas 77327
Tel 281-592-6443
Fax 281-592-7706

INDEPENDENT AUDITORS' REPORT

The Board of Trustees of
Pflugerville Independent School District
1401 West Pecan
Pflugerville, Texas 78660

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Pflugerville Independent School District (District) as of and for the year ended August 31, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Pflugerville Independent School District as of August 31, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, in 2015 the District adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27, and Statement No. 71, Pension Transition for Contributions made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to these matters.

Other Matters

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

Supplementary Information and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Pflugerville Independent School District's basic financial statements. The Introductory Section, Supplementary Information, and Statistical Section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The Supplementary Information and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2015 on our consideration of the Pflugerville Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Pflugerville Independent School District's internal control over financial reporting and compliance.

Respectfully,

Hereford, Lynch, Sellars & Kirkham, P.C.

HEREFORD, LYNCH, SELLARS & KIRKHAM, P.C.

Certified Public Accountants

Conroe, Texas

December 18, 2015

Management's Discussion and Analysis

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of the Pflugerville Independent School District’s annual financial report presents its discussion and analysis of the District’s financial performance during the fiscal year ending August 31, 2015. Please read it in conjunction with the transmittal letter at the front of this report and the District’s financial statements, which immediately follow this section.

Financial Highlights

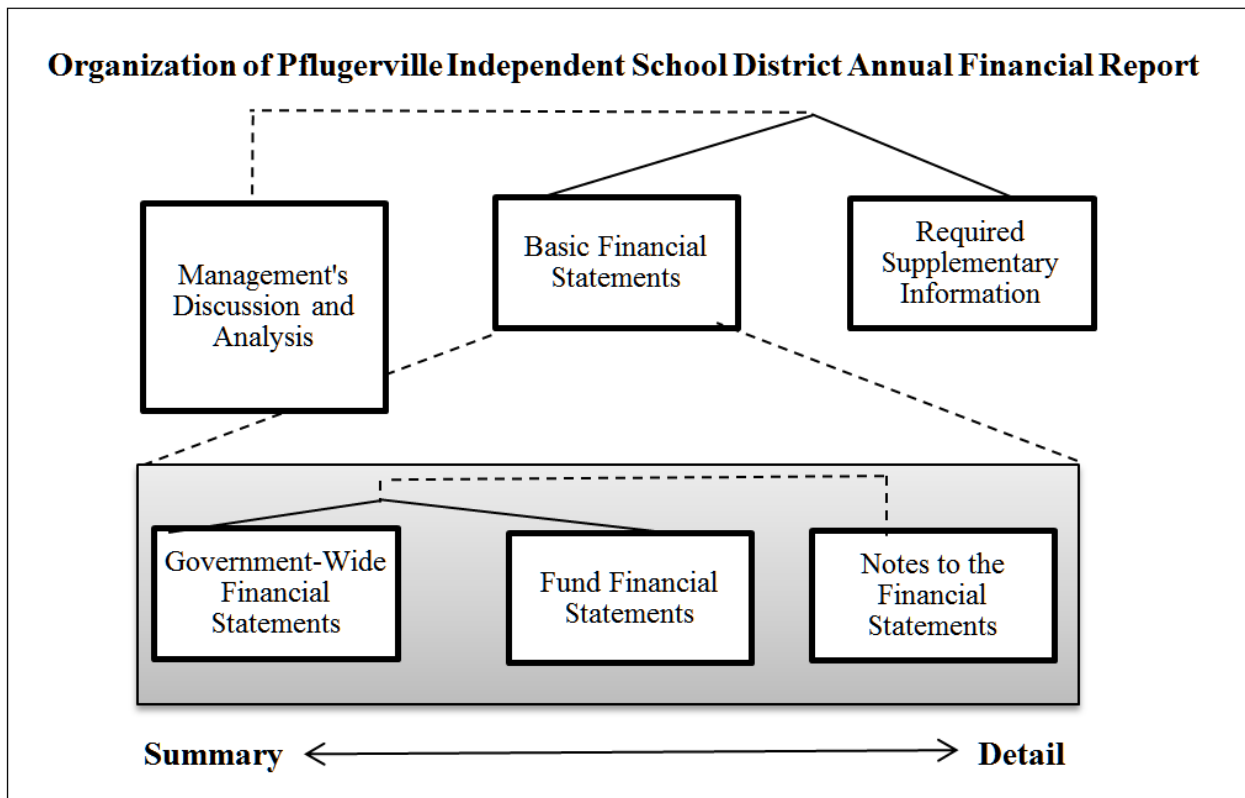
- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$89,011,401 (*net position*). Of this amount, \$21,755,040 (*unrestricted net position*) may be used to meet the District’s ongoing obligations to students and creditors.
- Total net position of the District decreased by \$13,342,128 from current operations and the implementation of new accounting standards for pensions.
- The total fund balance of the general fund was \$36,183,505 and was an increase of \$2,035,550 from the prior year. The unassigned fund balance of the General Fund was \$34,002,263, or 18.15% of total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District’s basic financial statements. The District’s basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information and supplementary information in addition to the basic financial statements themselves, including schedules required by the state oversight agency, the Texas Education Agency (TEA).

Figure A-1 shows how the financial statements, management’s discussion and analysis and required supplementary information are arranged and related to one another.

Figure A-1



PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS

Figure A-2

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

Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

Government-wide Financial Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government’s assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. All of the current year’s revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District’s net position and the changes in net position. Net position - the difference between the District’s assets, liabilities, and deferred inflows/outflows of resources - are one way to measure the District’s financial health or position.

- Over time, increases or decreases in the District’s net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District, one needs to consider additional non-financial factors such as changes in the District’s tax base and the changes in student enrollment.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

The *government-wide financial statements* of the District include the governmental activities and business-type activities. The governmental activities of the District include activities such as instruction and related support services, extracurricular activities, plant maintenance and other nonstudent based services, debt service and general administration. Property taxes and grants finance most of these activities. The business-type activities of the District include an extended day program.

In fiscal year 2015, the District adopted five new statements of financial accounting standards issued by the Governmental Accounting Standards Board:

- Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*
- Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*
- Statement No. 69, *Government Combinations and Disposals of Government Operations*
- Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*
- Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*

Statement No. 67 establishes financial reporting standards, but not funding or budgetary standards, for state and local government defined benefit pension plans and defined contribution pension plans that are administered through trusts or equivalent arrangements (Pension Trusts) in which:

- a. Contributions from employers and nonemployer contributing entities to the pension plan and earnings on those contributions are irrevocable.
- b. Pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms.
- c. Pension plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the pension plan administrator. If the plan is a defined benefit pension plan, plan assets also are legally protected from creditors of the plan members.

For defined benefit pension plans, this Statement establishes standards of financial reporting for separately issued financial reports and presentation as pension trust funds in the financial statements of another government, and specifies the required approach to measuring the pension liability of employers and any nonemployer contributing entities for benefits provided through the pension plan (the net pension liability), about which certain information is required to be presented. Distinctions are made regarding the particular presentation requirements depending upon the type of pension plan administered. For defined contribution plans, the Statement provides specific note disclosure requirements.

The adoption of Statement No. 67 has no impact on the District's financial statements.

Statement No. 68 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for defined benefit pensions and defined contribution pensions provided to the employees of state and local government employers through pension plans that are administered through trusts or equivalent arrangements criteria detailed above in the description of Statement No. 67. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans within the scope of the Statement.

The requirements of Statement No. 68 apply to the financial statements of all state and local governmental employers whose employees are provided with pensions through pension plans that are administered through trusts or equivalent arrangements as described above, and to the financial statements of state and local governmental nonemployer contributing entities that have a legal obligation to make contributions directly to such pension plans. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures related to pensions. Note disclosure and RSI requirements about pensions also are addressed. For defined benefit pension plans, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

The adoption of Statement No. 68 has no impact on the District's governmental fund financial statements, which continue to report expenditures in the contribution amount determined by the state legislature for the TRS plan. The calculation of pension contributions is unaffected by the change. However, the adoption has resulted in the restatement of the District's beginning net position for the fiscal year 2014 government-wide financial statements to reflect the reporting of net pension liabilities and deferred inflows of resources and deferred outflows of resources for its qualified pension plan and the recognition of pension expense in accordance with the provisions of the Statement. Net position as of September 1, 2014 was decreased by \$23,058,407 to reflect the cumulative effect of adoption. The net pension liability of \$24,990,049 and the deferred outflows of resources of \$1,931,642 at August 31, 2014 were reported as a prior period adjustment to the net position on September 1, 2014. Refer to Note 12 for more information regarding the District's pension.

Statement No. 69 improves financial reporting by addressing accounting and financial reporting for government combinations and disposals of government operations. The term "government combinations" is used to refer to a variety of arrangements including mergers and acquisitions. Mergers include combinations of legally separate entities without the exchange of significant consideration. Government acquisitions are transactions in which a government acquires another entity, or its operations, in exchange for significant consideration. Government combinations also include transfers of operations that do not constitute entire legally separate entities in which no significant consideration is exchanged. Transfers of operations may be present in shared service arrangements, reorganizations, redistricting, annexations, and arrangements in which an operation is transferred to a new government created to provide those services.

There was no impact on the District's financial statements as a result of the implementation of Statement No. 69.

Statement No. 70 was issued to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees.

The Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The Statement requires a government that has issued an obligation guaranteed in a nonexchange transaction to recognize revenue to the extent of the reduction in its guaranteed liabilities. The Statement requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. When a government is released as an obligor, the government should recognize revenue as a result of being relieved of the obligation. This Statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units.

There was no impact on the District's financial statements as a result of the implementation of Statement No. 70.

Statement No. 71 amends Statement No. 68 to require that, at transition, a government recognizes a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Since the measurement date of the pension plan was different than the District's fiscal year-end, the effect from the District's reported contributions to the plan subsequent to the respective measurement date of the plan as an increase in deferred outflow of resources and a decrease in net position are as follows:

- TRS – The beginning deferred outflow includes contributions from September 1, 2013 through August 31, 2014, totaling \$1,931,642.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

The *fund financial statements* provide more detailed information about the District's most significant funds - not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

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

The District has the following types of funds:

Governmental funds - Most of the District's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund 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. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.

Proprietary funds – The District maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The District accounts for its extended day program in an enterprise fund. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District has two internal service funds that accounts for an employee group health insurance plan and a workers' compensation insurance program. These internal service funds' profits have been eliminated in the government wide presentations.

Fiduciary funds - The District is the trustee, or fiduciary, for certain funds. It is also responsible for other assets that - because of a trust arrangement - can be used only for the trust beneficiaries. The District is responsible for ensuring that the reported assets are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and of changes in fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Analysis of the District as a Whole

Net Position

The District's combined net position was \$89,011,401 at August 31, 2015. The following table compares twelve months of operations for the 2014-2015 fiscal year to twelve months of operations for the 2013-2014 fiscal year.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT'S NET POSITION

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current and Other Assets	\$ 316,590,866	\$ 346,307,971	\$ 236,092	\$ 131,504	\$ 316,826,958	\$ 346,439,475
Capital Assets, net of						
Depreciation	366,427,612	352,013,458	77,056	80,640	366,504,668	352,094,098
Total Assets	683,018,478	698,321,429	313,148	212,144	683,331,626	698,533,573
Total Deferred Outflows of Resources	22,105,724	18,808,845	-	-	22,105,724	18,808,845
Other Liabilities	13,096,519	11,709,787	75,775	66,160	13,172,294	11,775,947
Long-term Liabilities						
Outstanding	596,790,678	603,066,958	-	-	596,790,678	603,066,958
Total Liabilities	609,887,197	614,776,745	75,775	66,160	609,962,972	614,842,905
Total Deferred Inflows of Resources	6,225,604	-	-	-	6,225,604	-
Net Position:						
Net Investment in Capital Assets	63,674,882	57,716,900	77,056	80,640	63,751,938	57,797,540
Restricted	3,581,479	4,493,919	-	-	3,581,479	4,493,919
Unrestricted	21,755,040	40,142,710	160,317	65,344	21,915,357	40,208,054
Total Net Position	\$ 89,011,401	\$ 102,353,529	\$ 237,373	\$ 145,984	\$ 89,248,774	\$ 102,499,513

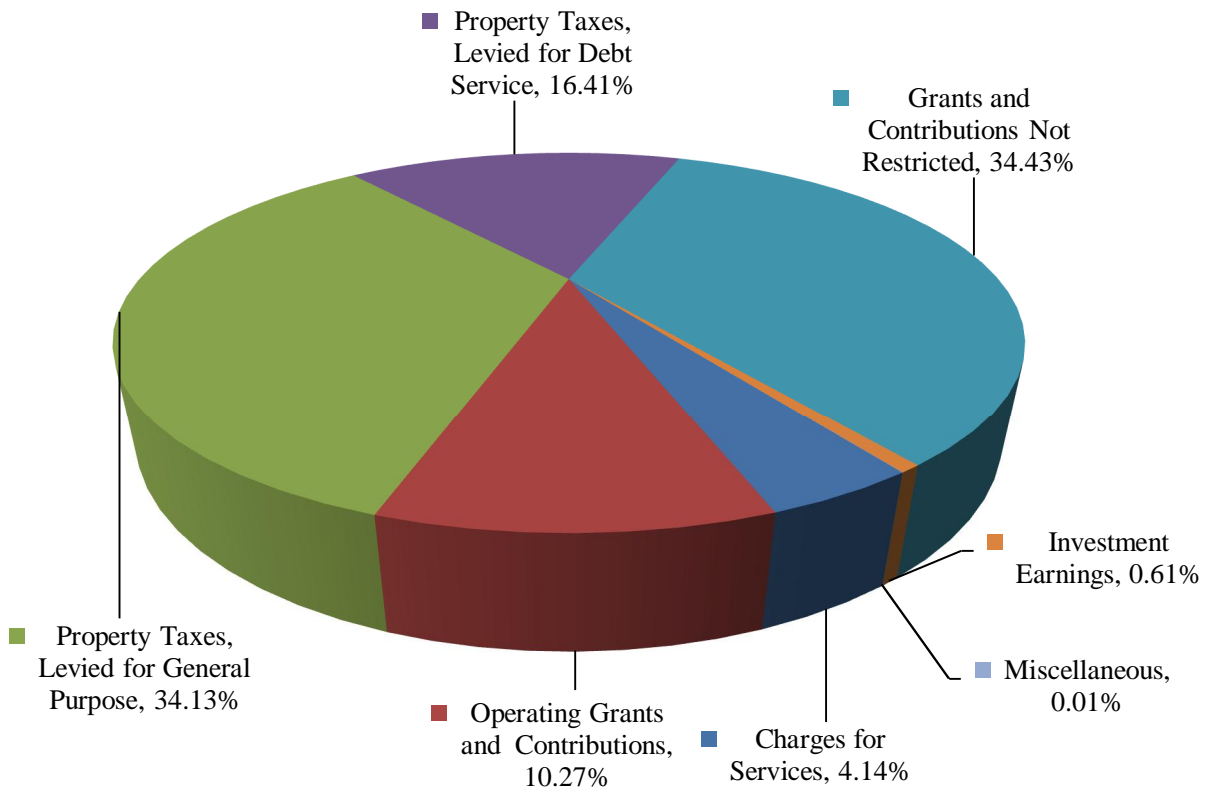
Changes in Net Position

Net position decreased overall by \$13.3 million from prior year primarily due to the adoption of Government Accounting Standards Board Statements No. 68 and No. 71, which resulted in a decrease in beginning net position of \$23,058,407. This decrease was offset by the District's increase in net position of \$9,716,279 from current year operations.

The District's total general revenues, charges for services, and operating grants and contributions were \$264.4 million. A significant portion, 51%, of the District's revenue comes from taxes (see Figure A-3), 34% comes from state aid formula and certain federal government grants, 10% from operating grants and 5% relates to investment earnings, charges for services, and miscellaneous local and intermediate sources. The total cost of all programs and services was \$255 million. Of these costs, 50% are related to instruction expenses.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Figure A-3 District Sources of Revenue for Fiscal Year 2015



PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT'S CHANGES IN NET POSITION

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>
Revenues						
Program Revenues:						
Charges for Services	\$ 7,156,479	\$ 7,578,587	\$ 3,787,792	\$ 3,321,725	\$ 10,944,271	\$ 10,900,312
Operating Grants and Contributions	27,167,670	30,227,697	-	-	27,167,670	30,227,697
General Revenues:						
Property Taxes, Levied for General Purpose	90,263,484	80,406,030	-	-	90,263,484	80,406,030
Property Taxes, Levied for Debt Service	43,403,630	38,628,467	-	-	43,403,630	38,628,467
Grants and Contributions Not Restricted	91,045,377	89,749,248	-	-	91,045,377	89,749,248
Investment Earnings	1,619,602	287,320	-	-	1,619,602	287,320
Miscellaneous	1,777	548,849	-	-	1,777	548,849
Total Revenues	260,658,019	247,426,198	3,787,792	3,321,725	264,445,811	250,747,923
Expenses						
Instruction	128,212,451	122,256,562	-	-	128,212,451	122,256,562
Instructional Resources and Media Services	3,277,760	3,389,564	-	-	3,277,760	3,389,564
Curriculum and Instructional Staff Development	7,275,734	6,899,437	-	-	7,275,734	6,899,437
Instructional Leadership	2,536,160	2,591,939	-	-	2,536,160	2,591,939
School Leadership	11,642,765	11,399,172	-	-	11,642,765	11,399,172
Guidance, Counseling, and Evaluation Services	7,818,428	7,478,095	-	-	7,818,428	7,478,095
Social Work Services	665,804	642,344	-	-	665,804	642,344
Health Services	2,428,883	2,175,192	-	-	2,428,883	2,175,192
Student Transportation	8,457,815	8,253,644	-	-	8,457,815	8,253,644
Food Services	12,324,547	12,125,168	-	-	12,324,547	12,125,168
Extracurricular Activities	7,804,164	7,283,955	-	-	7,804,164	7,283,955
General Administration	4,110,257	4,185,979	-	-	4,110,257	4,185,979
Plant Maintenance and Operations	18,611,278	14,801,261	-	-	18,611,278	14,801,261
Security and Monitoring Services	5,262,884	3,165,308	-	-	5,262,884	3,165,308
Data Processing Services	8,227,751	4,341,709	-	-	8,227,751	4,341,709
Community Services	103,863	87,933	-	-	103,863	87,933
Interest on Long-term Debt	20,500,848	15,500,180	-	-	20,500,848	15,500,180
Issuance Costs and Fees	41,165	2,798,677	-	-	41,165	2,798,677
Payments Related to Shared Service Arrangements	2,314,664	2,204,665	-	-	2,314,664	2,204,665
Payments to Juvenile Justice Alternative Education Programs	1,892	1,978	-	-	1,892	1,978
Payments to Appraisal District	722,627	599,885	-	-	722,627	599,885
Extended Day Program	-	-	2,296,403	2,165,603	2,296,403	2,165,603
Total Expenses	252,341,740	232,182,647	2,296,403	2,165,603	254,638,143	234,348,250
Increase in Net Position Before Transfers	8,316,279	15,243,551	1,491,389	1,156,122	9,807,668	16,399,673
Transfers	1,400,000	1,200,000	(1,400,000)	(1,200,000)	-	-
Change in Net Position	9,716,279	16,443,551	91,389	(43,878)	9,807,668	16,399,673
Net Position - Beginning	102,353,529	85,909,978	145,984	189,862	102,499,513	86,099,840
Prior Period Adjustment - Implement GASB 68 and 71 for Pensions (a)	(23,058,407)	-	-	-	(23,058,407)	-
Net Position - Beginning, as restated	79,295,122	85,909,978	145,984	189,862	79,441,106	86,099,840
Net Position - Ending	\$ 89,011,401	\$ 102,353,529	\$ 237,373	\$ 145,984	\$ 89,248,774	\$ 102,499,513

(a) The restatement of the beginning net position in fiscal year 2015 is the result of the District implementing GASB Statement No. 68 and 71 in fiscal year 2015. The implementation is discussed above in MD&A and more information is available in Note II.

Governmental Activities

- Property tax rates for the 2014-2015 fiscal year remained the same from the prior year rate of \$1.54 per \$100 of valuation. Taxable values for the 2015 fiscal year increased by 13.7%.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Business-type Activities

- Business-type activities increased net position before transfers by \$1,491,389 due to the operation of the extended day program, and \$1,400,000 was transferred to the general fund.

The following table presents the cost of each of the District's largest functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what state revenues as well as local tax dollars funded.

- The cost of all governmental activities this year was \$254.6 million.
- The amount that local taxpayers paid for these activities through property taxes was \$133.7 million.
- Those who directly benefited from the programs paid \$10.9 million. Operating grants covered \$27.2 million in cost.

NET COST OF SELECTED DISTRICT FUNCTIONS

	<u>Total Cost of Services</u>		<u>Percent Change</u>	<u>Net Cost of Services</u>		<u>Percent Change</u>
	<u>2015</u>	<u>2014</u>		<u>2015</u>	<u>2014</u>	
Instruction	\$ 128,212,451	\$ 122,256,562	5%	\$ 112,880,581	\$ 106,439,478	6%
School Leadership	11,642,765	11,399,172	2%	10,993,497	10,712,159	3%
Food Services	12,324,547	12,125,168	2%	814,166	645,934	26%
Plant Maintenance and Operations	18,611,278	14,801,261	26%	17,526,404	13,706,483	28%
Debt Service - Interest	20,500,848	15,500,180	32%	19,913,886	12,498,895	59%

Financial Analysis of the District's Funds

Revenues from governmental fund types totaled \$261.9 million, an increase of \$14.9 million from the preceding year. Property tax revenue increased \$14.6 million due to an approximate 13.7% increase in property tax values.

General Fund Budgetary Highlights

Over the course of the year, the District recommended and the Board approved revisions to budgeted revenue and appropriations. Most of the budget adjustments were done in August to ensure that no function's actual expenditures exceeded their budgeted amount. With these adjustments, actual expenditures were \$6.5 million less than final budgeted amounts. The most significant favorable variances were in instruction cost and plant maintenance and operations.

Resources available were \$145,607 less than the final budgeted amount and the main difference was in Federal programs.

Bottom-line, the change in fund balance for the year of \$2 million was \$3.2 million better than the final budgeted net decrease of \$1,171,010.

Differences between the originally-adopted budget and the final amended budget of the general fund were to increase appropriations \$4 million. The most significant change was to increase appropriations for facilities acquisition and construction. Amendments were approved by the governing body.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund balances and percent of increase (decrease) for the governmental funds are as follows:

MAJOR FUND BALANCES

<u>Fund</u>	<u>2015</u>	<u>2014</u>	<u>Percent Change</u>
General Fund	\$ 36,183,505	\$ 34,147,955	6%
Debt Service	1,734,910	4,466,719	-61%
Capital Projects	254,353,875	287,607,570	-12%

General Fund

The General Fund encompasses the general governmental functions of the District and all other functions not accounted for in other funds. The General Fund balance increased by \$2 million due to increases in local property tax revenue and decreases in expenditures for facilities acquisition and construction, as 2014 included a one-time cost for solar panels. General Fund balance of \$36.2 million includes nonspendable inventories and prepaid items totaling \$0.4 million, assigned fund balance of \$1.7 million for encumbrances, and unassigned fund balance of \$34 million.

General Fund revenues, expenditures, and explanations of significant increases/decreases are summarized as follows:

<u>Revenue Sources</u>	<u>2015</u>	<u>Percent Realized</u>	<u>2014</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Local	\$ 92,533,875	48%	\$ 82,692,152	\$ 9,841,723	12%
State	95,971,990	50%	93,636,898	2,335,092	2%
Federal	3,948,528	2%	3,996,155	(47,627)	-1%
Totals	\$ 192,454,393	100%	\$ 180,325,205	\$ 12,129,188	

Local revenues, which are generated primarily from property taxes, increased by 12 percent relative to the 2013-2014 school year, due to the incline in property values. The increase in State revenue resulted from an increase in State funding levels and additional students. Federal revenues make up only 2 percent of total realized revenues. The amount of \$3,948,528 represents primarily indirect cost earned from federal programs, Medicaid (SHARS) reimbursement for services performed by the Special Education Department and other qualifying employees, and the Reserve Officer Training Corps grant.

Expenditures for the General Fund totaled \$187,321,622, an increase of 4% from last year.

<u>Functional Categories</u>	<u>Expenditures 2015</u>	<u>Percent Expended</u>	<u>Expenditures 2014</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Instruction and Related Services	\$ 121,402,234	65%	\$ 114,222,137	\$ 7,180,097	6%
Instructional and School Leadership	13,732,488	7%	12,922,877	809,611	6%
Support (Pupil) Services	24,081,388	13%	22,777,095	1,304,293	6%
Administrative Support	4,033,041	2%	4,058,271	(25,230)	-1%
Support Services - Nonstudent	19,214,226	10%	17,820,922	1,393,304	8%
Community Services	5,856	0%	8,778	(2,922)	-33%
Debt Service	570,398	1%	570,398	-	-
Facilities Acquisition and Construction	1,498,280	1%	5,815,338	(4,317,058)	-74%
Intergovernmental Charges	2,783,711	1%	2,567,792	215,919	8%
Totals	\$ 187,321,622	100%	\$ 180,763,608	\$ 6,558,014	

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Instruction and instructional related expenditures increased by \$7.2 million. This increase was largely due to hiring additional teachers and standard salary increases. Facilities acquisition and construction expenditures decreased by \$4.3 million due to the installation of solar panels at 11 locations in the prior fiscal year.

Debt Service Fund

The Debt Service Fund has a total fund balance of \$1.7 million, all of which is restricted for the payment of debt service. The District makes semi-annual debt service payments in February and August of each year. Debt service payments on bonded indebtedness including bond fees for the year ended August 31, 2015 were \$46.8 million, which included \$5.2 million used to defease outstanding bonds. The Debt Service Fund balance decreased due to the increase in debt service expenditures brought upon by the defeasance.

Capital Projects Fund

The Capital Projects Fund has a total fund balance of \$254,353,875, of which \$254,347,893 is restricted for bond authorized construction projects. The net decrease in fund balance during the current year of \$33.2 million was primarily due to the District's continuing construction projects. Capital expenditures totaled \$37.7 million.

Interest earned in the Capital Projects Fund for the 2014-2015 fiscal year was \$1,469,971, which is largely due to increased investments from the bond issued in the prior year.

Federal Awards

Federal awards are primarily grants that are restricted by law or other formal action to expenditures for specific purposes. The District operated its school breakfast and lunch program with the assistance of federal awards. All federal awards are subject to a budget in the grant application. Revenue from federal sources for the breakfast and lunch program was \$7,954,871. Expenditures exceeded revenues and other uses in the school breakfast and lunch program by \$152,894.

Enterprise Fund – Extended Day Program

The District operates an after school day care program for children in grades pre-k to 5. This program is located at all elementary campuses and its employees work for Pflugerville ISD. Net position for this program increased by \$1,491,389 before transfers to the general fund and is attributed to the growth in the student population and an increase in tuition rates.

Internal Service Funds

These funds are used to account for the financing of goods or services provided by one department to other departments on a cost-reimbursement basis. The operations of the employee group health insurance plan and workers' compensation program are accounted for in these funds. The District retains a partial risk on its workers' compensation program. Reinsurance is retained for workers' compensation individual claims of \$400,000. The increase in net position for the employee group health insurance plan of \$1,489,069 was the result of breakeven operating results and \$1.5 million being transferred in from the General Fund. The ending fund balance of approximately \$3 million ensures the District's self-funded health insurance program is well-funded. The net position for the workers' compensation program remained the same at \$278,880.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Assets and Long-term Liabilities

Capital Assets

The majority of capital assets of the District were those used in the performance of general governmental functions. The District has a policy of capitalizing items with a cost of over \$5,000. As of August 31, 2015, general governmental capital assets of the District amounted to \$366,427,612 and included land and improvements, buildings and improvements, furniture and equipment, and construction in progress. Additional information is available in Note 5 to the financial statements.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT'S CAPITAL ASSETS
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
	Amount	Amount	Amount	Amount	Amount	Amount
Land and Improvements	\$ 36,606,871	\$ 28,901,364	\$ -	\$ -	\$ 36,606,871	\$ 28,901,364
Buildings and Improvements	300,038,176	259,587,230	77,056	80,640	300,115,232	259,667,870
Furniture and Equipment	13,125,094	12,994,607	-	-	13,125,094	12,994,607
Construction in Progress	16,657,471	50,530,257	-	-	16,657,471	50,530,257
Totals	\$ 366,427,612	\$ 352,013,458	\$ 77,056	\$ 80,640	\$ 366,504,668	\$ 352,094,098

Construction Commitments

The District has active construction projects as of August 31, 2015. The projects include the construction and equipment of school facilities. At year end, the District's remaining commitments with contractors totaled \$90,921,251 for all ongoing projects.

Long-Term Liabilities

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT'S LONG-TERM LIABILITIES OUTSTANDING

	Governmental Activities					
	2015		2014		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
General Obligation Bonds (Net)	\$ 569,797,123	95	\$ 596,248,290	95	\$ (26,451,167)	(4)
Notes Payable	4,023,180	1	4,464,683	1	(441,503)	(10)
Health Insurance Claims	800,000	-	1,267,083	-	(467,083)	(37)
Workers' Compensation	520,982	-	520,982	-	-	-
Compensated Absences	1,297,830	-	565,920	-	731,910	129
Net Pension Liability*	20,351,563	4	24,990,049	4	(4,638,486)	(19)
Totals	\$ 596,790,678	100	\$ 628,057,007	100	\$ (31,266,329)	

*2014 Net Pension Liability was restated for implementation of GAS B 68.

At the end of the year, the District had \$569.8 million in bonds, which represents a 4 percent decrease. The District's bonds carry "AAA" rating because the Permanent School Fund (PSF) of Texas guarantees the repayment of the bond issues. More detailed information about the District's debt is presented in Note 7 to the Financial Statements.

Debt Administration

The Debt Service Fund is used to account for the accumulation of resources to pay principal and interest on general long-term debt. Revenue sources for this fund include receipts from property taxes and state funds. The Debt Service Fund contains fund balance reserves and interest earnings on those reserves. An excess of

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

expenditures and other uses over revenues and other sources for the year amounted to \$2.7 million resulting in a fund balance of \$1.7 million.

All bonds are direct obligations of the District payable from and secured by the proceeds of a continuing, direct annual ad valorem tax levied, subject to the Texas State Attorney General limits as to rate, against all taxable property within the District. Ten building and refunding bond issues (2005, 2008, 2010, 2011, 2011A, 2012, 2012A, 2014, 2014A, and 2014) remain outstanding and mature serially through the year 2039.

The applicable debt service fund tax rate was \$0.50/\$100 for the assessed valuation for the 2014/2015 school year.

The adoption of Statement No. 68 resulted in the District's reporting of net pension liabilities and deferred inflows of resources and deferred outflows of resources for each of its qualified pension plans and the recognition of pension expense in accordance with the provisions of the Statement. The decrease in the District's net pension liability (NPL) to \$20,351,563 at August 31, 2015 from \$24,990,049 at August 31, 2014 was the result of a significant increase in net investment income in the TRS plan during 2014.

The following table provides the District's key pension statistics related to the TRS plan as of and for the fiscal year ended August 31, 2015:

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT'S KEY PENSION STATISTICS

Net Pension Liability (NPL)	\$ 20,351,563
Pension Expense	\$ 8,483,910

Additional information on the District's net pension liability can be found in the notes to the financial statements as indicated in the table of contents of this report.

Economic Factors and Next Year's Budgets and Rates

- The appraised Net Taxable Value used for the 2015-2016 budget preparation is \$9.2 billion or \$900 million more than the 2014-2015 values. The higher values resulted in a budgeted increase of \$6.2 million in current local tax revenue for 2015-2016 compared to actual collections in the prior year in the General Fund. The District is currently taxing at \$1.04 per \$100 in assessed valuation, which is the same tax rate used in 2014-2015 for Maintenance and Operations.
- The District's student attendance was budgeted to increase by 380 students for a 2015-2016 total attendance of 23,000. The student attendance rate was budgeted at 96.2%.
- Compared to the 2014-2015 actual results, State aid decreased by approximately \$3.7 million for the 2015-2016 General Fund budget. This decrease in State funding was the result of the increase in local tax revenue from the prior year, which lowers the state's funding level.
- General Fund spending per attending student for the 2015-2016 budget increased by \$140 or 1.7% when compared to the 2014-2015 budget.
- General fund budgeted expenditures for 2015-2016 increased by \$7.4 million primarily due to a 2 percent pay raise, adding new positions for growth and raising the District's contribution toward employee medical insurance.
- If 2015-2016 budget estimates are realized, the District's Unassigned General Fund Balance is expected to increase by \$0.8 million, or 64 days of operating fund balance.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances as well as demonstrate accountability for funds the District receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Chief Financial Officer, Pflugerville ISD, 1401 West Pecan Street, Pflugerville, Texas 78660.

Basic Financial Statements

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PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
AUGUST 31, 2015

Exhibit A-1

Data Control Codes	Primary Government Governmental Activities	Primary Government Business-type Activities	Total
ASSETS			
1110 <i>Cash and Cash Equivalents</i>	\$ 22,316,594	\$ 240,928	\$ 22,557,522
1120 <i>Current Investments</i>	91,863,036	-	91,863,036
1225 <i>Property Taxes Receivables</i>	4,409,142	-	4,409,142
1230 <i>Allowance For Uncollectible Taxes (Credit)</i>	(44,091)	-	(44,091)
1240 <i>Due from Other Governments</i>	7,749,093	-	7,749,093
1250 <i>Accrued Interest</i>	829,460	-	829,460
1260 <i>Internal Balances</i>	4,866	(4,866)	-
1290 <i>Other Receivables</i>	26,405	30	26,435
1300 <i>Inventories, at Cost</i>	313,791	-	313,791
1410 <i>Prepaid Items</i>	283,329	-	283,329
1490 <i>Other Current Assets</i>	317,500	-	317,500
1910 <i>Long-term Investments</i>	188,521,741	-	188,521,741
Capital Assets:			
1510 <i>Land and Improvements</i>	36,606,871	-	36,606,871
1520 <i>Buildings and Improvements (Net)</i>	300,038,176	77,056	300,115,232
1530 <i>Furniture and Equipment (Net)</i>	13,125,094	-	13,125,094
1580 <i>Construction in Progress</i>	16,657,471	-	16,657,471
1000 Total Assets	<u>683,018,478</u>	<u>313,148</u>	<u>683,331,626</u>
1700 DEFERRED OUTFLOWS OF RESOURCES	<u>22,105,724</u>	<u>-</u>	<u>22,105,724</u>
LIABILITIES			
2110 <i>Accounts Payable</i>	9,580,550	690	9,581,240
2140 <i>Interest Payable</i>	1,025,619	-	1,025,619
2150 <i>Payroll Deductions and Withholdings</i>	1,237,304	-	1,237,304
2160 <i>Accrued Wages Payable</i>	507,263	-	507,263
2200 <i>Accrued Liabilities</i>	441,423	38,612	480,035
2180 <i>Due to Other Governments</i>	2,108	-	2,108
2300 <i>Unearned Revenue</i>	302,252	36,473	338,725
Noncurrent Liabilities:			
2501 <i>Due Within One Year</i>	20,880,015	-	20,880,015
2502 <i>Due in More Than One Year</i>	575,910,663	-	575,910,663
2000 Total Liabilities	<u>609,887,197</u>	<u>75,775</u>	<u>609,962,972</u>
2600 DEFERRED INFLOWS OF RESOURCES	<u>6,225,604</u>	<u>-</u>	<u>6,225,604</u>
NET POSITION			
3200 <i>Net Investment in Capital Assets</i>	63,674,882	77,056	63,751,938
3820 <i>Restricted for Grants</i>	1,690,568	-	1,690,568
3850 <i>Restricted for Debt Service</i>	1,890,911	-	1,890,911
3900 <i>Unrestricted</i>	21,755,040	160,317	21,915,357
3000 Total Net Position	<u>\$ 89,011,401</u>	<u>\$ 237,373</u>	<u>\$ 89,248,774</u>

The accompanying notes are an integral part of this statement.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2015

Data Control Codes	Functions/Programs	Expenses	Program Revenues	
			Charges for Services	Operating Grants and Contributions
	Primary Government:			
	Governmental Activities:			
0011	<i>Instruction</i>	\$ 128,212,451	\$ 1,028,362	\$ 14,303,508
0012	<i>Instructional Resources and Media Services</i>	3,277,760	-	139,825
0013	<i>Curriculum and Instructional Staff Development</i>	7,275,734	-	1,358,369
0021	<i>Instructional Leadership</i>	2,536,160	-	230,854
0023	<i>School Leadership</i>	11,642,765	-	649,268
0031	<i>Guidance, Counseling, and Evaluation Services</i>	7,818,428	-	552,256
0032	<i>Social Work Services</i>	665,804	-	93,610
0033	<i>Health Services</i>	2,428,883	-	181,987
0034	<i>Student Transportation</i>	8,457,815	-	10,264
0035	<i>Food Services</i>	12,324,547	3,937,867	7,572,514
0036	<i>Extracurricular Activities</i>	7,804,164	1,696,779	153,857
0041	<i>General Administration</i>	4,110,257	-	313,774
0051	<i>Plant Maintenance and Operations</i>	18,611,278	412,205	672,669
0052	<i>Security and Monitoring Services</i>	5,262,884	-	14,051
0053	<i>Data Processing Services</i>	8,227,751	-	81,264
0061	<i>Community Services</i>	103,863	-	81,693
0072	<i>Interest on Long-term Debt</i>	20,500,848	-	586,962
0073	<i>Issuance Costs and Fees</i>	41,165	-	-
0093	<i>Payments Related to Shared Services Arrangements</i>	2,314,664	81,266	170,945
0095	<i>Payments to Juvenile Justice Alternative Education Programs</i>	1,892	-	-
0099	<i>Payments to Appraisal District</i>	722,627	-	-
TG	Total Governmental Activities	<u>252,341,740</u>	<u>7,156,479</u>	<u>27,167,670</u>
	Business-type-Activities:			
01	<i>Extended Day Program</i>	2,296,403	3,787,792	-
TB	Total Business-type Activities	<u>2,296,403</u>	<u>3,787,792</u>	<u>-</u>
TP	Total Primary Government	<u>\$ 254,638,143</u>	<u>\$ 10,944,271</u>	<u>\$ 27,167,670</u>
	General Revenues:			
MT	<i>Property Taxes, Levied for General Purposes</i>			
DT	<i>Property Taxes, Levied for Debt Services</i>			
GC	<i>Grants and Contributions Not Restricted to Specific Programs</i>			
IE	<i>Investment Earnings</i>			
MI	<i>Miscellaneous</i>			
FR	<i>Transfers</i>			
TR	Total General Revenues and Transfers			
CN	Change in Net Position			
NB	Net Position - Beginning			
PA	<i>Prior Period Adjustment - Implement GASB 68 & 71 for Pensions</i>			
	Net Position - Beginning, as Restated			
NE	Net Position - Ending			

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (112,880,581)	\$ -	\$ (112,880,581)
(3,137,935)	-	(3,137,935)
(5,917,365)	-	(5,917,365)
(2,305,306)	-	(2,305,306)
(10,993,497)	-	(10,993,497)
(7,266,172)	-	(7,266,172)
(572,194)	-	(572,194)
(2,246,896)	-	(2,246,896)
(8,447,551)	-	(8,447,551)
(814,166)	-	(814,166)
(5,953,528)	-	(5,953,528)
(3,796,483)	-	(3,796,483)
(17,526,404)	-	(17,526,404)
(5,248,833)	-	(5,248,833)
(8,146,487)	-	(8,146,487)
(22,170)	-	(22,170)
(19,913,886)	-	(19,913,886)
(41,165)	-	(41,165)
(2,062,453)	-	(2,062,453)
(1,892)	-	(1,892)
(722,627)	-	(722,627)
<u>(218,017,591)</u>	<u>-</u>	<u>(218,017,591)</u>
-	1,491,389	1,491,389
-	1,491,389	1,491,389
<u>(218,017,591)</u>	<u>1,491,389</u>	<u>(216,526,202)</u>
90,263,484	-	90,263,484
43,403,630	-	43,403,630
91,045,377	-	91,045,377
1,619,602	-	1,619,602
1,777	-	1,777
1,400,000	(1,400,000)	-
<u>227,733,870</u>	<u>(1,400,000)</u>	<u>226,333,870</u>
<u>9,716,279</u>	<u>91,389</u>	<u>9,807,668</u>
102,353,529	145,984	102,499,513
(23,058,407)	-	(23,058,407)
<u>79,295,122</u>	<u>145,984</u>	<u>79,441,106</u>
<u>\$ 89,011,401</u>	<u>\$ 237,373</u>	<u>\$ 89,248,774</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
AUGUST 31, 2015

Data Control Codes		General Fund	Debt Service Fund
	ASSETS		
1110	<i>Cash and Cash Equivalents</i>	\$ 12,867,071	\$ 293,818
1120	<i>Current Investments</i>	8,413,596	1,130,544
1225	<i>Property Taxes Receivable</i>	3,269,909	1,139,233
1230	<i>Allowance For Uncollectible Taxes (Credit)</i>	(32,699)	(11,392)
1240	<i>Due from Other Governments</i>	6,554,345	310,548
1250	<i>Accrued Interest</i>	93,719	-
1260	<i>Due from Other Funds</i>	652,464	-
1290	<i>Other Receivables</i>	9,196	-
1300	<i>Inventories, at Cost</i>	268,390	-
1410	<i>Prepaid Items</i>	159,852	-
1910	<i>Long-term Investments</i>	15,000,000	-
1000	Total Assets	\$ <u>47,255,843</u>	\$ <u>2,862,751</u>
	LIABILITIES		
2110	<i>Accounts Payable</i>	\$ 2,472,477	\$ -
2150	<i>Payroll Deductions and Withholdings</i>	1,237,304	-
2160	<i>Accrued Wages Payable</i>	491,422	-
2170	<i>Due to Other Funds</i>	3,590,364	-
2180	<i>Due to Other Governments</i>	-	-
2200	<i>Accrued Liabilities</i>	6,416	-
2300	<i>Unearned Revenues</i>	37,145	-
2000	Total Liabilities	<u>7,835,128</u>	<u>-</u>
2600	DEFERRED INFLOWS OF RESOURCES	<u>3,237,210</u>	<u>1,127,841</u>
	FUND BALANCES		
	Nonspendable:		
3410	<i>Inventories</i>	268,390	-
3430	<i>Prepaid Items</i>	159,852	-
	Restricted:		
3450	<i>Grant Funds</i>	-	-
3470	<i>Capital Acquisitions and Contractual Obligations</i>	-	-
3480	<i>Debt Service</i>	-	1,734,910
	Committed:		
3545	<i>Other</i>	-	-
	Assigned:		
3590	<i>Encumbrances</i>	1,753,000	-
3600	<i>Unassigned</i>	34,002,263	-
3000	Total Fund Balances	<u>36,183,505</u>	<u>1,734,910</u>
4000	Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ <u>47,255,843</u>	\$ <u>2,862,751</u>

The accompanying notes are an integral part of this statement.

<u>Capital Projects Fund</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
\$ 4,982,955	\$ 2,240,174	\$ 20,384,018
80,385,199	1,516,149	91,445,488
-	-	4,409,142
-	-	(44,091)
-	884,200	7,749,093
735,659	-	829,378
2,407,073	6,224	3,065,761
-	12,705	21,901
-	45,401	313,791
5,982	2,505	168,339
172,521,741	-	187,521,741
<u>\$ 261,038,609</u>	<u>\$ 4,707,358</u>	<u>\$ 315,864,561</u>
\$ 6,247,555	\$ 487,136	\$ 9,207,168
-	-	1,237,304
2,172	13,669	507,263
-	647,598	4,237,962
-	2,108	2,108
435,007	-	441,423
-	265,107	302,252
<u>6,684,734</u>	<u>1,415,618</u>	<u>15,935,480</u>
-	-	4,365,051
-	525	268,915
5,982	2,505	168,339
-	1,690,568	1,690,568
254,347,893	-	254,347,893
-	-	1,734,910
-	1,598,142	1,598,142
-	-	1,753,000
-	-	34,002,263
<u>254,353,875</u>	<u>3,291,740</u>	<u>295,564,030</u>
<u>\$ 261,038,609</u>	<u>\$ 4,707,358</u>	<u>\$ 315,864,561</u>

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PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
AUGUST 31, 2015

Exhibit B-1R

Total Fund Balances - Governmental Funds (Exhibit B-1) \$ 295,564,030

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 as assets in governmental funds. The governmental capital assets at year-end consist of:

Governmental Capital Assets Costs	\$ 496,112,713	
Accumulated Depreciation of Governmental Capital Assets	<u>(129,685,101)</u>	366,427,612

Property taxes receivable, which will be collected subsequent to year-end, but are not available soon enough to pay expenditures and, therefore, are deferred in the funds. 4,365,051

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

Bonds Payable, at Original Par	\$ (517,120,000)	
Premium on Bonds Payable	(52,677,123)	
Deferred Charge on Refunding	16,713,698	
Accrued Interest on the Bonds	(971,840)	
Notes Payable	(4,023,180)	
Accrued Interest on Notes Payable	(53,779)	
Compensated Absences	(1,297,830)	
Net Pension Liability	<u>(20,351,563)</u>	(579,781,617)

An internal service fund is used by the District to charge the costs of various services to the individual funds. The assets and liabilities of the following internal service funds are included with governmental activities:

Health Insurance	\$ 2,991,023	
Workers' Compensation	<u>278,880</u>	3,269,903

Deferred outflows for pension are included in the statement of net position and are not reported in the funds due to they are not current financial resources available to pay for current expenditures. 5,392,026

Deferred inflows for pension are included in the statement of net position and are not reported in the funds due to they are not current financial resources available to pay for current expenditures. (6,225,604)

Total Net Position - Governmental Activities (Exhibit A-1) \$ **89,011,401**

The accompanying notes are an integral part of this statement.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2015

Data Control Codes	General Fund	Debt Service Fund
REVENUES		
5700 <i>Local, Intermediate, and Out-of-State</i>	\$ 92,533,875	\$ 43,464,723
5800 <i>State Programs</i>	95,971,990	586,962
5900 <i>Federal Programs</i>	3,948,528	-
5020 Total Revenues	<u>192,454,393</u>	<u>44,051,685</u>
EXPENDITURES		
Current:		
0011 <i>Instruction</i>	112,472,602	-
0012 <i>Instructional Resources and Media Services</i>	2,737,089	-
0013 <i>Curriculum and Instructional Staff Development</i>	6,192,543	-
0021 <i>Instructional Leadership</i>	2,444,825	-
0023 <i>School Leadership</i>	11,287,663	-
0031 <i>Guidance, Counseling, and Evaluation Services</i>	7,481,990	-
0032 <i>Social Work Services</i>	607,784	-
0033 <i>Health Services</i>	2,368,370	-
0034 <i>Student Transportation</i>	8,418,944	-
0035 <i>Food Services</i>	131,598	-
0036 <i>Extracurricular Activities</i>	5,072,702	-
0041 <i>General Administration</i>	4,033,041	-
0051 <i>Plant Maintenance and Operations</i>	13,515,644	-
0052 <i>Security and Monitoring Services</i>	2,646,888	-
0053 <i>Data Processing Services</i>	3,051,694	-
0061 <i>Community Services</i>	5,856	-
Debt Service:		
0071 <i>Principal on Long-term Debt</i>	441,503	22,310,000
0072 <i>Interest on Long-term Debt</i>	128,895	24,432,329
0073 <i>Issuance Costs and Fees</i>	-	41,165
Capital Outlay:		
0081 <i>Facilities Acquisition and Construction</i>	1,498,280	-
Intergovernmental:		
0093 <i>Payments to Shared Services Arrangements</i>	2,059,192	-
0095 <i>Payments to Juvenile Justice Alternative Education Programs</i>	1,892	-
0099 <i>Payments to Appraisal District</i>	722,627	-
6030 Total Expenditures	<u>187,321,622</u>	<u>46,783,494</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,132,771</u>	<u>(2,731,809)</u>
OTHER FINANCING SOURCES (USES)		
7912 <i>Sale of Real and Personal Property</i>	2,779	-
7915 <i>Transfers In</i>	1,400,000	-
8911 <i>Transfers Out</i>	(4,500,000)	-
7080 Total Other Financing Sources (Uses)	<u>(3,097,221)</u>	<u>-</u>
1200 Net Change in Fund Balances	2,035,550	(2,731,809)
0100 Fund Balances - Beginning	<u>34,147,955</u>	<u>4,466,719</u>
3000 Fund Balances - Ending	<u>\$ 36,183,505</u>	<u>\$ 1,734,910</u>

The accompanying notes are an integral part of this statement.

<u>Capital Projects Fund</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
\$ 1,469,971	\$ 6,208,103	\$ 143,676,672
-	1,462,684	98,021,636
-	16,211,523	20,160,051
<u>1,469,971</u>	<u>23,882,310</u>	<u>261,858,359</u>
2,569,811	8,697,686	123,740,099
43,566	95,316	2,875,971
52,683	1,100,443	7,345,669
-	64,603	2,509,428
2,156	156,915	11,446,734
5,175	355,608	7,842,773
-	59,602	667,386
6,466	76,051	2,450,887
-	5,839	8,424,783
93,747	11,308,383	11,533,728
-	1,257,838	6,330,540
-	1,702	4,034,743
9,575,685	440,919	23,532,248
2,147,263	9,421	4,803,572
6,184,910	-	9,236,604
-	58,095	63,951
-	-	22,751,503
-	-	24,561,224
-	-	41,165
17,042,204	-	18,540,484
-	255,472	2,314,664
-	-	1,892
-	-	722,627
<u>37,723,666</u>	<u>23,943,893</u>	<u>295,772,675</u>
<u>(36,253,695)</u>	<u>(61,583)</u>	<u>(33,914,316)</u>
-	-	2,779
3,000,000	-	4,400,000
-	-	(4,500,000)
<u>3,000,000</u>	<u>-</u>	<u>(97,221)</u>
(33,253,695)	(61,583)	(34,011,537)
<u>287,607,570</u>	<u>3,353,323</u>	<u>329,575,567</u>
<u>\$ 254,353,875</u>	<u>\$ 3,291,740</u>	<u>\$ 295,564,030</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

Exhibit B-2R

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2015**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ (34,011,537)

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. The governmental capital asset at year-end consist of:

Capital Assets <i>increased</i>	\$ 26,469,806	
Depreciation Expense	<u>(11,054,381)</u>	15,415,425

The net effect of miscellaneous transactions involving capital assets (transfers, adjustments and dispositions) is an increase (decrease) to net position. (1,001,271)

Because some property taxes will not be collected for several months after the District's fiscal year end, they are not considered "available" revenues and are deferred in the governmental funds. Deferred tax revenues increased (decreased) by this amount this year. (128,642)

Repayment of note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 441,503

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 22,310,000

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. The increase (decrease) in interest reported in the statement of activities consist of the following:

Accrued Interest on Current Interest Bonds Payable <i>decreased</i>	\$ 2,008,455	
Accrued Interest on Notes Payable <i>decreased</i>	5,901	
Amortization of Bond Premium	4,141,167	
Amortization of Deferred Charge on Refunding Bonds	<u>(2,095,147)</u>	4,060,376

The (increase) decrease in compensated absences 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. (731,910)

An internal service fund is used by the District to charge the costs of various services to the individual funds. The net activity of the following internal service fund is reported in the government-wide statements:

Health Insurance 1,489,069

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)	\$ 3,460,384	
Deferred Inflows (Increased) Decreased	(6,225,604)	
Net Pension Liability (Increased) Decreased	<u>4,638,486</u>	<u>1,873,266</u>

Change in Net Position for Governmental Activities (Exhibit A-2) \$ 9,716,279

The accompanying notes are an integral part of this statement.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AUGUST 31, 2015

Exhibit C-1

<u>Data Control Codes</u>		<u>Business-Type Activities</u>	<u>Governmental Activities</u>
		<u>Enterprise Fund - Extended Day Program</u>	<u>Internal Service Funds</u>
ASSETS			
Current Assets:			
1110	Cash and Cash Equivalents	\$ 240,928	\$ 1,932,576
1120	Current Investments	-	417,548
1250	Accrued Interest	-	82
1260	Due from Other Funds	-	1,500,000
1290	Other Receivables	30	4,504
1410	Prepaid Items	-	114,990
1490	Other Current Assets	-	317,500
	Total Current Assets	<u>240,958</u>	<u>4,287,200</u>
Noncurrent Assets:			
1520	Buildings and Improvements	89,600	-
1570	Accumulated Depreciation	(12,544)	-
1910	Long-term Investments	-	1,000,000
	Total Noncurrent Assets	<u>77,056</u>	<u>1,000,000</u>
1000	Total Assets	<u>318,014</u>	<u>5,287,200</u>
LIABILITIES			
Current Liabilities:			
2110	Accounts Payable	690	373,382
2160	Accrued Wages Payable	38,612	-
2170	Due to Other Funds	4,866	322,933
2300	Unearned Revenue	36,473	-
	Total Current Liabilities	<u>80,641</u>	<u>696,315</u>
Noncurrent Liabilities:			
2123	Claims Payable - Due Within One Year	-	1,320,982
	Total Noncurrent Liabilities	<u>-</u>	<u>1,320,982</u>
2000	Total Liabilities	<u>80,641</u>	<u>2,017,297</u>
NET POSITION			
3200	Net Investment in Capital Assets	77,056	-
3900	Unrestricted	160,317	3,269,903
3000	Total Net Position	<u>\$ 237,373</u>	<u>\$ 3,269,903</u>

The accompanying notes are an integral part of this statement.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2015

Exhibit C-2

<u>Data Control Codes</u>	<u>Business-Type Activities</u> <u>Enterprise</u> <u>Fund -</u> <u>Extended Day</u> <u>Program</u>	<u>Governmental Activities</u> <u>Internal Service</u> <u>Funds</u>
OPERATING REVENUES		
5739 Tuition	\$ 3,787,792	\$ -
5754 Interfund Services Provided	-	14,942,599
5020 Total Operating Revenues	<u>3,787,792</u>	<u>14,942,599</u>
OPERATING EXPENSES		
6100 Payroll Costs	1,993,006	16,230
6200 Purchased and Contracted Services	22,636	2,059,033
6300 Supplies and Materials	86,458	2,881
6400 Claims Expense and Other Operating Expenses	190,719	12,882,405
6449 Depreciation	<u>3,584</u>	<u>-</u>
6030 Total Operating Expenses	<u>2,296,403</u>	<u>14,960,549</u>
Operating Income (Loss)	<u>1,491,389</u>	<u>(17,950)</u>
NONOPERATING REVENUES		
7955 Investment Earnings - Deposits and Investments	-	7,019
8030 Total Nonoperating Revenues	<u>-</u>	<u>7,019</u>
Income (Loss) before Transfers	1,491,389	(10,931)
7915 Transfers In	-	1,500,000
8911 Transfers Out	<u>(1,400,000)</u>	<u>-</u>
1300 Change in Net Position	91,389	1,489,069
0100 Net Position - Beginning	<u>145,984</u>	<u>1,780,834</u>
3300 Net Position - Ending	<u>\$ 237,373</u>	<u>\$ 3,269,903</u>

The accompanying notes are an integral part of this statement.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2015

Exhibit C-3

	<u>Business-Type Activities Enterprise Fund - Extended Day Program</u>	<u>Governmental Activities Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Employee and Employer	\$ -	\$ 13,766,781
Cash Received from Registration Fees and Tuition	3,822,564	-
Cash Payments to Suppliers for Goods and Services	(309,848)	-
Cash Payments for Employees	(1,985,510)	-
Cash Payments for Claims	-	(13,378,649)
Cash Payments for Administrative Services	-	(2,078,144)
Net Cash Provided by (Used for) Operating Activities	<u>1,527,206</u>	<u>(1,690,012)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers from Other Funds	-	1,500,000
Transfers to Other Funds	(1,400,000)	-
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(1,400,000)</u>	<u>1,500,000</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and Dividends Received on Investments	-	7,237
Purchase of Investments	-	(1,157,374)
Proceeds on Sale of Investments	-	1,500,000
Net Cash Provided by Investing Activities	<u>-</u>	<u>349,863</u>
Net Increase in Cash and Cash Equivalents	127,206	159,851
Cash and Cash Equivalents at Beginning of Year	113,722	1,772,725
Cash and Cash Equivalents at End of Year	\$ <u>240,928</u>	\$ <u>1,932,576</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ 1,491,389	\$ (17,950)
Depreciation Expense	3,584	-
Change in Assets and Liabilities:		
Decrease in Other Receivables	17,789	4,982
(Increase) in Due from Other Funds	-	(1,498,751)
(Increase) in Prepaid Items	-	(114,990)
Increase (Decrease) in Accounts Payable	(10,035)	80,847
Increase in Accrued Wages Payable	2,667	-
Increase in Deferred Revenue	16,983	-
Decrease in Claims Payable	-	(467,083)
Increase in Due to Other Funds	4,829	322,933
Net Cash Provided by (Used for) Operating Activities	\$ <u>1,527,206</u>	\$ <u>(1,690,012)</u>

The accompanying notes are an integral part of this statement.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
FIDUCIARY FUND
AUGUST 31, 2015

Exhibit D-1

<u>Data Control Codes</u>	<u>Private- Purpose Trust Fund</u>	<u>Agency Fund</u>
ASSETS		
1110 <i>Cash and Cash Equivalents</i>	\$ 1,000	\$ 367,536
1120 <i>Current Investments</i>	248,471	-
1240 <i>Due from Other Governments</i>	-	75
1000 Total Assets	<u>249,471</u>	<u>\$ 367,611</u>
LIABILITIES		
2110 <i>Accounts Payable</i>	-	\$ 6,340
2180 <i>Due to Other Governments</i>	1,000	19,356
2190 <i>Due to Student Groups</i>	-	341,915
2000 Total Liabilities	<u>1,000</u>	<u>\$ 367,611</u>
NET POSITION		
3800 <i>Restricted Net Position</i>	<u>248,471</u>	
3000 Total Net Position	<u>\$ 248,471</u>	

The accompanying notes are an integral part of this statement.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED AUGUST 31, 2015

Exhibit D-2

<u>Data Control Codes</u>	<u>Private- Purpose Trust Fund</u>
ADDITIONS	
5742 <i>Interest</i>	\$ 349
5744 <i>Gifts and Contributions</i>	<u>5,210</u>
Total Additions	<u>5,559</u>
 DEDUCTIONS	
6400 <i>Scholarship Funds</i>	<u>1,350</u>
Total Deductions	<u>1,350</u>
Change in Net Position	4,209
Net Position - Beginning of Year	<u>244,262</u>
Net Position - End of Year	\$ <u><u>248,471</u></u>

The accompanying notes are an integral part of this statement.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2015

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

The Pflugerville Independent School District (District) is governed by a seven-member Board of Trustees (Board), which has governance responsibilities over all activities related to public elementary and secondary education within the District. Because members of the Board are elected by the public; have authority to make decisions; appoint management and significantly influence operations; and have primary accountability for fiscal matters; the District is not included in any other governmental reporting entity. The accompanying financial statements present the operations of the District. There are no component units, which are entities the District is considered to be financially accountable, included within the reporting entity.

The District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which are supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely on fees and charges for support. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Depreciation expense, self-insurance plans' net profit or loss, and compensated absences costs have been allocated to all applicable functions in order to present the expenditures of the District more accurately in the Statement of Activities. *Program revenues* include 1) charges to students or users 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 revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

New Accounting Standards Adopted

In fiscal year 2015, the District adopted five new statements of financial accounting standards issued by the Governmental Accounting Standards Board:

- Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*
- Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*
- Statement No. 69, *Government Combinations and Disposals of Government Operations*
- Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*
- Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2015

Statement No. 67 establishes financial reporting standards, but not funding or budgetary standards, for state and local government defined benefit pension plans and defined contribution pension plans that are administered through trusts or equivalent arrangements (Pension Trusts) in which:

1. Contributions from employers and nonemployer contributing entities to the pension plan and earnings on those contributions are irrevocable.
2. Pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms.
3. Pension plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the pension plan administrator. If the plan is a defined benefit pension plan, plan assets also are legally protected from creditors of the plan members.

For defined benefit pension plans, this Statement establishes standards of financial reporting for separately issued financial reports and presentation as pension trust funds in the financial statements of another government, and specifies the required approach to measuring the pension liability of employers and any nonemployer contributing entities for benefits provided through the pension plan (the net pension liability), about which certain information is required to be presented. Distinctions are made regarding the particular presentation requirements depending upon the type of pension plan administered. For defined contribution plans, the Statement provides specific note disclosure requirements.

The adoption of Statement No. 67 has no impact on the District's financial statements.

Statement No. 68 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for defined benefit pensions and defined contribution pensions provided to the employees of state and local government employers through pension plans that are administered through trusts or equivalent arrangements criteria detailed above in the description of Statement No. 67. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans within the scope of the Statement.

The requirements of Statement No. 68 apply to the financial statements of all state and local governmental employers whose employees are provided with pensions through pension plans that are administered through trusts or equivalent arrangements as described above, and to the financial statements of state and local governmental nonemployer contributing entities that have a legal obligation to make contributions directly to such pension plans. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures related to pensions. Note disclosure and RSI requirements about pensions also are addressed. For defined benefit pension plans, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

The adoption of Statement No. 68 has no impact on the District's governmental fund financial statements, which continue to report expenditures in the contribution amount determined legislatively for the TRS plan. The calculation of pension contributions is unaffected by the change. However, the adoption has resulted in the restatement of the District's beginning net position for the fiscal year 2014 government-wide financial statements to reflect the reporting of net pension liability and deferred inflows of resources and deferred outflows of resources for its qualified pension plan and the recognition of pension expense in accordance with the provisions of the Statement. Net position as of September 1, 2014, was decreased by \$23,058,407 to reflect the cumulative effect of adoption. The net pension liability of \$24,990,049 and the deferred outflows of resources of \$1,931,642 at August 31, 2014 were reported as a prior period adjustment to the net position on September 1, 2014. Refer to Note 12 for more information regarding the District's pensions.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2015

Statement No. 69 improves financial reporting by addressing accounting and financial reporting for government combinations and disposals of government operations. The term “government combinations” is used to refer to a variety of arrangements including mergers and acquisitions. Mergers include combinations of legally separate entities without the exchange of significant consideration. Government acquisitions are transactions in which a government acquires another entity, or its operations, in exchange for significant consideration. Government combinations also include transfers of operations that do not constitute entire legally separate entities in which no significant consideration is exchanged. Transfers of operations may be present in shared service arrangements, reorganizations, redistricting, annexations, and arrangements in which an operation is transferred to a new government created to provide those services.

There was no impact on the District’s financial statements as a result of the implementation of Statement No. 69.

Statement No. 70 was issued to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees.

The Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The Statement requires a government that has issued an obligation guaranteed in a nonexchange transaction to recognize revenue to the extent of the reduction in its guaranteed liabilities. The Statement requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. When a government is released as an obligor, the government should recognize revenue as a result of being relieved of the obligation. This Statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units.

There was no impact on the District’s financial statements as a result of the implementation of Statement No. 70.

Statement No. 71 amends Statement No. 68 to require that, at transition, a government recognizes a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Since the measurement date of the pension plan was different than the District’s fiscal year-end, the effects from the District’s reported contributions to the plan subsequent to the respective measurement date of the plan as an increase in deferred outflow of resources and a decrease in net position are as follows:

- TRS – The beginning deferred outflow includes contributions from September 1, 2013 through August 31, 2014, totaling \$1,931,642.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary and fiduciary trust 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 revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the 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 District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as required under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2015

The fiduciary fund financial statements reflect the District's trust and agency funds. The agency fund reports only assets and liabilities, and does not have a measurement focus. Both funds utilize the accrual basis of accounting.

Grant revenues and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

- The *general fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *debt service fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.
- The *capital projects fund* is used to account for proceeds from sales of bonds and other revenues to be used for authorized construction and other capital asset acquisitions.

The District reports the following nonmajor governmental funds:

- The *special revenue funds* are used to account for resources restricted to, or designated for specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a special revenue fund. Generally, unused balances are returned to the grantor at the close of the specified project periods. With respect to the *National School Breakfast and Lunch Program*, campus activity funds, special projects, and advanced placement grant funds are rolled over from year to year for use in the program.

Additionally, the District reports the following fund types:

- The *enterprise fund* accounts for the District's operation of an extended day school care program. This fund is supported principally by revenues generated through program fees.
- The *internal service funds* are used to account for the operations of the District's self-funded employee group health insurance and workers' compensation plans.
- *Private purpose trust funds* are used to account for resources legally held in trust under which principal and income benefit individuals, private organizations or other governments. The District's private-purpose trust funds represent scholarship funds being held in trust for students.
- The *agency fund* is used to account for assets held by the District as an agent for student organizations. The fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operation.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include 1) charges to students or users for goods, services, or privileges provided and 2) operating grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes and investment income.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service funds are charges to the funds and/or employees for self-funded health services and workers' compensation. Operating expenses for the internal service funds include the cost of services and administrative expenses. The principal operating revenues of the District's enterprise fund are fees charged for extended day program for students. Operating expenses of the enterprise fund include the cost of payroll, contracted services, supplies, and other miscellaneous operating costs to run the program. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses for the internal service funds and the enterprise fund.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2015

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and certificates of deposit, with original maturities of three months or less from the date of acquisition.

Investments for the District are reported at fair value based on quoted market prices at August 31, 2015. The investment pools operate in accordance with appropriate state laws and regulations. The reported value of the pools is the same as the fair value of the pool shares.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Property tax receivables, including unpaid property taxes, at year-end are shown net of an allowance for uncollectibles. The property tax receivable allowance is based on historical experience in collecting taxes. Revenues from property taxes are recognized when levied to the extent they are available. The District considers property taxes as available when collected. However, not all outstanding property taxes are expected to be collected within one year of the date of the financial statements. Property values are determined by Williamson Central Appraisal District and Travis Central Appraisal District as of January 1 of each year. Prior to September 1 of each year, the District must adopt its annual budget and as soon thereafter as practicable, shall adopt a tax rate thus creating the tax levy. Property taxes for the current calendar year are levied on approximately October 1 of each year and are payable by January 31 of the following year. Property tax receivables are recorded as of the date levied. Unpaid taxes become delinquent on February 1 and a tax lien on real property is created as of July 1 of each year. Delinquent taxes collected are prorated between the general fund and the debt service fund based on rates adopted for the year of levy. Deferred inflows of resources are recorded in an amount equal to the net taxes receivable less subsequent 60 day collection at the fund level.

Inventories and Prepaid items

Inventories consisting of supplies and materials are valued at weighted average cost and they include maintenance, transportation, office and instructional supplies, and food service commodities. Inventories are recorded under the consumption method. Inventories funds are recorded as expenditures when consumed rather than when purchased. Food service commodity inventory is recorded at fair market value on the date received. Commodities are recognized as revenues in the period received when all the eligibility requirements are met. Commodity inventory items are recorded as expenditures when distributed to user locations. The commodity inventory is not classified as nonspendable due to such amount is reported as a deferred revenue until consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Capital assets, which include land and improvements, construction in progress, buildings and improvements, and furniture and equipment, are reported in the governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost that equals or exceeds \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2015

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Buildings and improvements, and furniture and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings and Improvements	15-60
Furniture and Equipment	7-25

Compensated Absences

The State of Texas has created a minimum leave program consisting of five days per year of leave with no limit on accumulation and transferability among districts for every eligible employee regularly employed in Texas public schools. Each district's local Board of Education is required to establish a sick leave plan. Local school districts may provide additional leave beyond the state minimum.

The District has a policy in place for local sick leave earned. An employee who retires from employment with the District shall be eligible for reimbursement of local sick leave under the following conditions:

1. The employee retires in accordance with Teacher Retirement System of Texas (TRS) guidelines.
2. The employee provides advance written notice of intent to retire from employment.
3. The employee has at least four years of service with the District.
4. The employee has at least 22 days of available local sick leave.

The employee shall be reimbursed for each day of local sick leave at a rate established by the Board. If the employee is reemployed with the District, days for which the employee received payment shall not be available to that employee. The rate established by the Board shall be in effect until the Board adopts a new rate.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize 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. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources

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

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2015

The components of the deferred outflows of resources and deferred inflows of resources in the government-wide and fund level financial statements are as follows:

	<u>Statement of Net Position</u>	<u>Balance Sheet - Governmental Funds</u>	
	<u>Governmental Activities</u>	<u>General Fund</u>	<u>Debt Service Fund</u>
Deferred Outflows of Resources:			
Deferred Outflows from Pension Activities	\$ 5,392,026	\$ -	\$ -
Deferred Charge on Refunding	16,713,698	-	-
Total Deferred Outflows of Resources	\$ 22,105,724	\$ -	\$ -
Deferred Inflows of Resources:			
Deferred Inflows from Pension Activities	\$ 6,225,604	\$ -	\$ -
Unavailable Property Taxes	-	3,237,210	1,127,841
Total Deferred Inflows of Resources	\$ 6,225,604	\$ 3,237,210	\$ 1,127,841

Deferred outflows/inflows of resources are amortized as follows:

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

Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Balance Flow Assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). It is the District’s policy to use restricted resources first, then unrestricted resources as they are needed. In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental funds financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

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Fund Balance Policies

In the fund financial statements, governmental funds report fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which the amounts in the respective governmental funds can be spent. The District reports the following classifications of fund balance:

Nonspendable fund balance - amounts that are not in spendable form (such as inventory) or are required to be maintained intact.

Restricted fund balance - Amounts that can be spent only for specific purposes because of local, state or federal laws, or externally imposed conditions by grantors or creditors.

Committed fund balance - amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e. the Board of Trustees). To be reported as committed, amounts cannot be used for any other purposes unless the District takes the same highest level of action to remove or change the constraint. The District establishes (and modifies or rescinds) fund balance commitments by passage of a resolution.

Assigned fund balance - amounts the District intends to use for a specific purpose. The Board delegates to the Superintendent or the Superintendent's designee the responsibility to assign funds as authorized by board policy approved by the Board of Trustees. An assigned fund balance shall mean that portion of the fund balance that is spendable or available for appropriation but is tentatively earmarked for some specific purpose. The assigned intent may change over time as directed by the Superintendent or the Superintendent's designee. The Superintendent's designee, Chief Financial Officer, is not required to have board approval.

Unassigned fund balance - amounts that are available for any purpose.

In the fund financial statements, governmental funds report categories of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. The goal for the operating fund shall be an unrestricted fund balance at a minimum between 45 and 60 days of operations. The goal for the debt service funds shall be at a level adequate to meet bonded debt obligations.

Pension

In government-wide financial statements, pensions are required to be recognized and disclosed using the accrual basis of accounting (see Note 12 and the RSI section immediately following the Notes to the Financial Statements), regardless of the amount recognized as pension expenditures on the modified accrual basis of accounting. The District recognizes a net pension liability for the qualified pension plan in which it participates, which represents the excess of the total pension liability over the fiduciary net position of the qualified pension plan, or the District's proportionate share thereof in the case of a cost-sharing multiple-employer plan, measured as of the respective pensions' fiscal year-end. Changes in the net pension liability during the period are recorded as pension expense, or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and recorded as a component of pension expense beginning with the period in which they are incurred. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2015

Data Control Codes

The Data Control Codes refer to the account code structure prescribed by the Texas Education Agency (TEA) in the Financial Accountability System Resource Guide. TEA requires school districts to display these codes in the financial statements filed with the Agency in order to ensure accuracy in building a statewide database for policy development and funding plans.

Use of Estimates

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

Note 2 – Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, National School Breakfast and Lunch Program special revenue fund, and debt service fund. All other governmental funds adopt project length budgets. All annual appropriations lapse at fiscal year-end. The following procedures are followed in establishing the budgetary data reflected in the financial schedules.

1. Prior to August 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days’ public notice of the meeting has been given.
3. Prior to September 1, the budget is legally enacted through passage of a resolution by the Board.

The appropriated budget is prepared by fund, function, and campus/department. The District’s campus/department heads may make transfers of appropriations within a department. Transfers of appropriations between campus/department require the approval of the District’s management. Transfers of appropriations between functions require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the function level.

Encumbrances

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as restricted, committed, or assigned, as appropriate.

At August 31, 2015, certain amounts which were previously restricted, committed, or assigned for specific purposes have been encumbered in the governmental funds. Significant encumbrances included in governmental fund balances are as follows:

	<u>Encumbrances Included in:</u>	
	<u>Restricted</u>	<u>Assigned</u>
	<u>Fund Balance</u>	<u>Fund Balance</u>
General Fund	\$ -	\$ 1,753,000
Capital Projects Fund	92,607,133	-
Total Encumbrances	\$ 92,607,133	\$ 1,753,000

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2015

Note 3 - Deposits and Investments

Cash Deposits

The District's funds are required to be deposited and invested under the terms of a depository contract pursuant to the Texas School Depository Act. The depository bank pledges securities which comply with state law and these securities are held for safekeeping and trust with the District's and the depository bank's agent bank. The pledged securities shall be in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

Investments

The District's investment policy is in accordance with the Public Funds Investment Act, the Public Funds Collateral Act, and federal and state laws. For fiscal year 2015, the District invested in the money market, certificates of deposit, commercial paper, U.S. Government Agency Securities, LOGIC, Texas Association of School Boards Lone Star Investment Pool, Texas Cooperative Liquid Assets Securities System Trust (Texas CLASS), and TexasTERM. LOGIC, Lone Star, Texas CLASS, and TexasTERM operate in a manner consistent with the Security and Exchange Commission's Rule 2a-7 of the Investment Company Act of 1940. The investment pools use amortized cost to report net asset and share prices, since those amounts approximate fair value.

LOGIC is duly chartered by the State of Texas Interlocal Cooperation Act, is administered by First Southwest Asset Management, Inc. and J.P. Morgan Investment Management, Inc. (JPMIM), and managed by JPMIM. J.P. Morgan Chase provides custody, fund accounting and transfer agency services. LOGIC may invest in obligations of the U.S. or its agencies and instrumentalities; repurchase agreements; SEC-registered money market funds rated in the highest rating category by at least one NRSRO; and commercial paper rated A-1, P-1 or equivalent by on NRSRO and is fully secured by an irrevocable letter of credit.

Lone Star Investment Pool is duly chartered by the State of Texas Interlocal Cooperation Act, is administered by First Public, LLC, and managed by Standish Mellon Investment Managers and American Beacon Advisors. The State Street Bank is the custodial bank. Lone Star Investment Pool is restricted to invest in obligations of the United States or its agencies and instrumentalities; other obligations insured by the United States; fully collateralized repurchase agreements having a defined termination date, secured by obligations described previously; and SEC-registered no-load money market mutual funds, the assets which consist exclusively of the obligations described above.

Texas CLASS is a local government investment pool organized under the authority of the Interlocal Cooperation Act, chapter 791, Texas Government Code, and the Public Funds Investment Act, chapter 2256, Texas Government Code. Texas CLASS was established in 1996. Pursuant to the Trust Agreement, Texas CLASS is supervised by a Board of Trustees who are elected by the Participants. The Board of Trustees supervises the Trust and its affairs and acts as the liaison between the Participants, the Custodian and the Program Administrator. Public Trust Advisors, LLC serves as Program Administrator. It intends to maintain a Net Asset Value of approximately \$1 per share. Wells Fargo Bank, N.A. is the custodial bank.

TexasTERM is a local government investment pool organized in the year 2000 in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. TexasTERM is directed by an Advisory Board of experienced local government officials, finance directors and treasurers and is administered by PFM Asset Management, LLC. US Bank, N.A. is the custodial bank.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2015

At year-end, the District's cash and investments balances and the weighted average maturity of these investments for the governmental and business-type activities were as follows:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Cash and Cash Equivalents	\$ 22,557,522	N/A
Investment Type:		
Money Market	16,775,191	0
Certificates of Deposit	122,000,000	1.59
Commercial Paper	59,815,124	0.66
U.S. Government Agencies:		
Federal Home Loan Mortgage Corporation	30,379,770	2.25
FICO Strips	6,855,331	2.55
Federal National Mortgage Association	10,010,200	1.55
Federal Home Loan Bank	20,276,440	1.86
Local Government Investment Pools:		
LOGIC	380,307	0.11
Lone Star Corporate Overnight Fund	2,335,497	0.10
Lone Star Corporate Overnight Plus Fund	10,141,107	0.11
Texas CLASS	1,410,404	0.17
Texas TERM	5,406	0.09
Subtotal for Investments	<u>280,384,777</u>	
Total Fair Value	<u>\$ 302,942,299</u>	
Portfolio Weighted Average Maturity		1.34

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates may adversely affect the value of the investments. The District's investment policy limits the maturities of investments and prohibits any investment for speculative gains. Unless matched to a specific cash flow or specifically authorized by the Board, the District will not directly invest in securities maturing more than 24 months from the date of purchase. In no case will securities with a maturity of greater than 12 months exceed 50 percent of the total portfolio.

The District recognizes that investment risk can result from market price changes. Investment officers are expected to display prudence, discretion, and intelligence in the selection of securities, as a way to minimize risk. Investments of the District shall be selected in a manner that seeks to ensure the preservation of capital in the overall portfolio.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2015

At August 31, 2015, the District's exposure to interest rate risk as measured by the segmented time distribution by investment type is summarized below:

	Carrying Value	Fair Value	Investment Maturities in Years	
			Less than 1	Greater than 1
Money Market	\$ 16,775,191	\$ 16,775,191	\$ 16,775,191	\$ -
Certificates of Deposit	122,000,000	122,000,000	-	122,000,000
Commercial Paper	59,815,124	59,815,124	59,815,124	-
U.S. Government Agencies:				
Federal Home Loan Mortgage Corporation	30,379,770	30,379,770	-	30,379,770
FICO Strips	6,855,331	6,855,331	-	6,855,331
Federal National Mortgage Association	10,010,200	10,010,200	-	10,010,200
Federal Home Loan Bank	20,276,440	20,276,440	-	20,276,440
Local Government Investment Pools:				
LOGIC	380,307	380,307	380,307	-
Lone Star Corporate Overnight Fund	2,335,497	2,335,497	2,335,497	-
Lone Star Corporate Overnight Plus Fund	10,141,107	10,141,107	10,141,107	-
Texas CLASS	1,410,404	1,410,404	1,410,404	-
Texas TERM	5,406	5,406	5,406	-
Totals	\$ 280,384,777	\$ 280,384,777	\$ 90,863,036	\$ 189,521,741

Credit Risk

State law and the District's investment policy limits investments in all categories to top ratings issued by nationally recognized statistical rating organizations. As of August 31, 2015, the District's investments had the following ratings:

	Fair Value	Rating
Money Market	\$ 16,775,191	Not Rated
Certificates of Deposit	122,000,000	Not Rated
Commercial Paper	59,815,124	A-1
U.S. Government Agencies:		
Federal Home Loan Mortgage Corporation	30,379,770	AA+
FICO Strips	6,855,331	Aaa
Federal National Mortgage Association	10,010,200	AA+
Federal Home Loan Bank	20,276,440	AA+
Local Government Investment Pools:		
LOGIC	380,307	AAAm
Lone Star Corporate Overnight Fund	2,335,497	AAAm
Lone Star Corporate Overnight Plus Fund	10,141,107	AAAf/S1+
Texas CLASS	1,410,404	AAAm
Texas TERM	5,406	AAAm
Total Fair Value	\$ 280,384,777	

Custodial Credit Risk

The investments of the District shall be held by an independent third party with whom the District has a current custodial agreement. The District shall retain clearly marked receipts providing proof of the District's ownership. The District may delegate to an investment pool the authority to hold legal title as custodian of investments purchased with the District funds.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

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The District's funds on deposit with the depository bank were either fully-insured by the Federal Deposit Insurance Corporation or collateralized with securities held by the District or its agent and listing the District as owner.

All investments are made in the name of the Pflugerville Independent School District. All investments were purchased with the delivery versus payment method and are recorded at the District's name on the custodial banks' book entry system and confirmed to the District via safekeeping receipt maintained on the books of the depository bank's safekeeping department.

Concentration of Credit Risk

The District's investment policy requires the investment portfolio to be diversified in terms of investment instruments, maturity scheduling, and financial institutions in order to reduce the risk of loss resulting from over-concentration of assets in a specific class of investments, specific maturity, or specific issuer. The asset mix of the District's portfolio is expressed in terms of maximum commitment so as to allow sufficient flexibility to take advantage of market considerations within the context of its investment policy. The asset mix requirements are as follows:

U.S. Treasury Obligations	25% (maximum)
Money Market Mutual Fund	50% (maximum)
Commercial Paper	25% (maximum)
Certificates of Deposit	75% (maximum)
U.S. Government Securities	75% (maximum)
Public Funds Investment Pools	100% (maximum)
Repurchase Agreements	50% (maximum)

No issuer of U.S. government securities or a single public funds investment pool will comprise more than 75 percent of the District's investment portfolio. The District does not invest its portfolio in one investment pool. Funds are divided between five pools for diversification and security reasons.

As of August 31, 2015, the following was the composition of the District's non-interest bearing cash and investment portfolio:

Non-interest Bearing Cash	7%
Money Market	6%
Certificates of Deposit	40%
Commercial Paper	20%
Federal Home Loan Mortgage Corporation	10%
FICO Strips	2%
Federal National Mortgage Association	3%
Federal Home Loan Bank	7%
LOGIC	0%
Lone Star Corporate Overnight Fund	1%
Lone Star Corporate Overnight Plus Fund	3%
Texas CLASS	1%
Texas TERM	0%
	<hr/>
	100%

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2015

Note 4 - Receivables

Tax revenues of the general and debt service fund are reported net of estimated uncollectible amounts. Total uncollectible amounts related to revenues of the current period increased (decreased) revenues as follows:

Uncollectibles Related to General Fund Property Taxes	\$ 1,034
Uncollectibles Related to Debt Service Property Taxes	<u>266</u>
<i>Total Uncollectibles of the Current Fiscal Year</i>	<u><u>\$ 1,300</u></u>

Approximately 81% of the outstanding balance of property taxes receivable is not anticipated to be collected within the next year.

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenues reported in the governmental funds were as follows:

	<u>Unearned</u>
Season Ticket Sales (General Fund)	\$ 12,330
Rental Deposits (General Fund)	750
Kickstart (General Fund)	24,065
Funds Received Prior to Meeting all Eligibility Requirements, Primarily Grants (Special Revenue Funds)	<u>265,107</u>
<i>Total Unearned Revenue for Governmental Funds</i>	<u><u>302,252</u></u>
Tuition Fees for Next Year (Enterprise Fund)	<u>36,473</u>
<i>Total Unearned Revenue for Proprietary Funds</i>	<u><u>36,473</u></u>
<i>Total Unearned Revenue</i>	<u><u>\$ 338,725</u></u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2015

Note 5 - Capital Assets

The District's capital asset activity for the year ended August 31, 2015 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions and Adjustments</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land and Improvements	\$ 28,901,364	\$ 7,705,507	\$ -	\$ 36,606,871
Construction in Progress	50,530,257	15,288,949	(49,161,735)	16,657,471
<i>Total Capital Assets, not being Depreciated</i>	<u>79,431,621</u>	<u>22,994,456</u>	<u>(49,161,735)</u>	<u>53,264,342</u>
Capital Assets, being Depreciated:				
Buildings and Improvements	362,806,485	595,106	47,997,179	411,398,770
Furniture and Equipment	30,043,014	2,880,244	(1,473,657)	31,449,601
<i>Total Capital Assets, being Depreciated</i>	<u>392,849,499</u>	<u>3,475,350</u>	<u>46,523,522</u>	<u>442,848,371</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(103,219,255)	(8,508,658)	367,319	(111,360,594)
Furniture and Equipment	(17,048,407)	(2,545,723)	1,269,623	(18,324,507)
<i>Total Accumulated Depreciation</i>	<u>(120,267,662)</u>	<u>(11,054,381)</u>	<u>1,636,942</u>	<u>(129,685,101)</u>
<i>Total Capital Assets, being Depreciated, net</i>	<u>272,581,837</u>	<u>(7,579,031)</u>	<u>48,160,464</u>	<u>313,163,270</u>
<i>Governmental Activities Capital Assets, net</i>	<u>\$ 352,013,458</u>	<u>\$ 15,415,425</u>	<u>\$ (1,001,271)</u>	<u>\$ 366,427,612</u>
Business-type Activities:				
Capital Assets, being Depreciated:				
Buildings and Improvements	\$ 89,600	\$ -	\$ -	\$ 89,600
<i>Total Capital Assets, being Depreciated</i>	<u>89,600</u>	<u>-</u>	<u>-</u>	<u>89,600</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(8,960)	(3,584)	-	(12,544)
<i>Total Accumulated Depreciation</i>	<u>(8,960)</u>	<u>(3,584)</u>	<u>-</u>	<u>(12,544)</u>
<i>Business-type Activities Capital Assets, net</i>	<u>\$ 80,640</u>	<u>\$ (3,584)</u>	<u>\$ -</u>	<u>\$ 77,056</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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Depreciation expense was charged to functions/programs of the District as follows:

Governmental Activities:	
11 Instruction	\$ 5,567,447
12 Instructional Resources and Media Services	410,681
13 Curriculum Development and Instructional Staff Development	4,468
23 School Leadership	308,235
31 Guidance, Counseling, and Evaluation Services	65,740
32 Social Work Services	2,789
34 Student Transportation	33,718
35 Food Services	806,509
36 Extracurricular Activities	1,517,533
41 General Administration	92,000
51 Plant Maintenance and Operations	612,323
52 Security and Monitoring Services	483,425
53 Data Processing Services	1,140,577
61 Community Services	8,936
Total Depreciation Expense-Governmental Activities	\$ <u>11,054,381</u>

Construction Commitments

The District has active construction projects as of August 31, 2015. The projects include the construction and equipment of school facilities. At year-end, the District's commitments with contractors are as follows:

Project	Approved Construction Budget	Remaining Commitment
American Constructors Inc.-High School #4	\$ 89,616,096	\$ 86,764,783
PBK-Architect High School #4	4,876,966	936,377
Gil Engineering-High School #4	301,630	64,560
Raba Kistner-Engineers High School #4	323,000	304,402
Stantec-Architech Parkcrest Renovations	132,230	40,000
Stantec-Architect Parkcrest Additions	376,390	113,858
Stantec-Architect Riojas ES Additions	129,500	39,174
Huckabee & Assoc-Architect New Timmerman ES	1,321,790	414,969
Gil Engineering-New Timmerman ES	98,250	18,261
Huckabee & Assoc-Architect New District Stadium	1,294,000	354,307
Gil Engineering-New District Stadium	138,060	52,944
S & G Contracting-HHS Band Hall Addition	967,950	7,483
S & G Contracting-HHS Marching Band Tower	44,650	39,292
Educational Steel Products-PHS Band Tower	44,650	39,737
Bartlett Cocke Contractors-HVAC Replacement-PHS	2,008,815	541,193
Bartlett Cocke Contractors-HVAC Replacement-PMS	1,083,450	200,694
Bartlett Cocke Contractors-HVAC Replacement-PES	1,323,281	230,715
Bartlett Cocke Contractors-HVAC Replacement-MES	1,554,461	114,407
ESA Energy Systems-HVAC Controls Engineering	240,000	175,932
ESA Energy Systems-HVAC Engineering	715,028	468,163
Totals	\$ <u>106,590,197</u>	\$ <u>90,921,251</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2015

Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of August 31, 2015 is as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental Funds:		
General Fund	\$ 652,464	\$ 3,590,364
Capital Projects Fund	2,407,073	-
Nonmajor-Other Governmental Funds	6,224	647,598
Proprietary Funds:		
Enterprise Fund - Extended Day Program	-	4,866
Internal Service Funds	1,177,067	-
Totals	\$ 4,242,828	\$ 4,242,828

Interfund balances consist of short-term lending/borrowing arrangements that result primarily from payroll and other regularly occurring charges that are paid by the general fund and then charged back to the appropriate other fund. Additionally, some lending/borrowing may occur between two or more non-major governmental funds. All interfund balances are expected to be repaid within one year.

Interfund Transfers

Interfund transfers are defined as “flows of assets without equivalent flow of assets in return and without a requirement for repayment.” The following is a summary of the District’s transfers for the year ended August 31, 2015.

<u>Transfer Out</u>	<u>Transfers In</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 3,000,000
General Fund	Internal Service Fund - Health Insurance	1,500,000
Enterprise Fund-Extended Day Program	General Fund	1,400,000
Total		\$ 5,900,000

Transfers are used to supplement various programs accounted for in other funds in accordance with budgetary authorizations.

Transfers from the Enterprise Fund to the General Fund are to compensate for operating costs and building usage.

Transfers from the General Fund to the Internal Service Fund are to provide additional funds for operating cost.

Transfers from the General Fund to the Capital Projects Fund are to provide funds for potential capital projects not included in previous bonds and supplement bond funds for capital projects in the event cost overruns exceed the bonds.

Note 7 - Long-term Liabilities

The District’s long-term liabilities consist of bond indebtedness, notes payable, health insurance, workers’ compensation, compensated absences, and net pension liability. The current requirements for general obligation bonds principal and interest expenditures are accounted for in the debt service fund. The current requirements for health insurance and workers’ compensation are accounted for and liquidated in the respective internal service fund. Other long-term liabilities are generally liquidated with resources of the general fund.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2015

Changes in Long-term Liabilities

Long-term liability activity for the year ended August 31, 2015, was as follows:

	<u>Beginning Balance *</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<i>Governmental Activities:</i>					
Bonds Payable:					
General Obligation Bonds	\$ 539,430,000	\$ -	\$ (22,310,000)	\$ 517,120,000	\$ 18,975,000
Deferred Amounts:					
For Issuance Premiums	56,818,290	-	(4,141,167)	52,677,123	-
Total Bonds Payable, net	596,248,290	-	(26,451,167)	569,797,123	18,975,000
Notes Payable	4,464,683	-	(441,503)	4,023,180	454,250
Health Insurance Claims	1,267,083	12,310,734	(12,777,817)	800,000	800,000
Workers' Compensation	520,982	273,713	(273,713)	520,982	520,982
Compensated Absences	565,920	938,980	(207,070)	1,297,830	129,783
Net Pension Liability	24,990,049	13,967,660	(18,606,146)	20,351,563	-
Governmental Activity Long-term Liabilities	\$ 628,057,007	\$ 27,491,087	\$ (58,757,416)	\$ 596,790,678	\$ 20,880,015

*Per GASB 68, beginning balance for net pension liability includes the restatement of net pension liability at September 1, 2014.

General Obligation Bonds

The District issues general obligation bonds to provide funds for the acquisition and construction/renovation of school buildings, equipment and technology (BLDG) and to refund general obligation bonds (REF). General obligation bonds are direct obligations and pledge the full faith and credit of the District. These bonds are issued as 9-25 year current interest bonds with various amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

<u>Series</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Maturity Date</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
2005 REF	5.00-5.25%	\$ 79,195,000	2016	\$ 13,530,000	\$ -	\$ (6,945,000)	\$ 6,585,000
2005A BLDG	3.625-5.25%	28,670,000	2015	1,025,000	-	(1,025,000)	-
2006 BLDG	4.00-5.00%	40,000,000	2031	1,320,000	-	(1,320,000)	-
2008 BLDG	3.00-5.00%	121,715,000	2033	14,350,000	-	(3,530,000)	10,820,000
2010 REF	4.00-5.00%	20,420,000	2019	10,105,000	-	(2,470,000)	7,635,000
2011 REF	4.00-5.00%	23,655,000	2025	23,575,000	-	-	23,575,000
2011A REF	2.00-5.00%	28,170,000	2028	27,590,000	-	(5,955,000)	21,635,000
2012 REF	2.00-5.00%	40,765,000	2030	40,420,000	-	(180,000)	40,240,000
2012A REF	0.50-5.00%	38,645,000	2026	37,775,000	-	-	37,775,000
2014 BLDG	0.50-5.00%	212,795,000	2039	212,795,000	-	(885,000)	211,910,000
2014A BLDG	2.00-7.00%	49,670,000	2039	49,670,000	-	-	49,670,000
2014 REF	4.00-5.00%	107,275,000	2033	107,275,000	-	-	107,275,000
Totals				\$ 539,430,000	\$ -	\$ (22,310,000)	\$ 517,120,000

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Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending August 31	Principal Value	Interest	Total Requirements
2016	\$ 18,975,000	\$ 21,819,838	\$ 40,794,838
2017	19,960,000	20,835,401	40,795,401
2018	20,285,000	19,946,725	40,231,725
2019	21,190,000	19,037,651	40,227,651
2020	19,090,000	21,137,601	40,227,601
2021	19,925,000	20,306,151	40,231,151
2022	20,855,000	19,369,401	40,224,401
2023	21,875,000	18,351,963	40,226,963
2024	22,905,000	17,322,100	40,227,100
2025	23,980,000	16,245,251	40,225,251
2026	25,275,000	14,947,757	40,222,757
2027	22,405,000	13,799,412	36,204,412
2028	23,500,000	12,733,031	36,233,031
2029	23,365,000	11,717,075	35,082,075
2030	22,455,000	10,792,000	33,247,000
2031	21,455,000	9,923,050	31,378,050
2032	22,570,000	9,102,750	31,672,750
2033	20,950,000	8,156,350	29,106,350
2034	18,105,000	7,174,350	25,279,350
2035	19,135,000	6,147,675	25,282,675
2036	20,290,000	4,991,175	25,281,175
2037	21,520,000	3,761,625	25,281,625
2038	22,830,000	2,453,675	25,283,675
2039	24,225,000	1,062,125	25,287,125
Totals	\$ 517,120,000	\$ 311,134,132	\$ 828,254,132

As of August 31, 2015, the District did not have authorized but unissued bonds remaining.

In June 2014, the District issued \$49,670,000 in variable rate unlimited tax school building bonds (2014A). These bonds are scheduled to mature on August 15, 2032-2039. Following the initial rate period, the bonds will bear interest at a term rate determined by the remarketing agent; provided; however, that the interest rate mode on the bonds may, at the District's option, be converted from time to time as provided in the order authorizing the bonds to a different term rate; or to a fixed rate until maturity. The bonds are subject to mandatory tender on the initial mandatory tender date, subject to successful remarketing thereof unless otherwise refunded.

Variable Rate Unlimited Tax School Building Bonds, Series 2014A

Principal Amount	Initial Rate Period Commencement	Initial Rate Period Expiration	Initial Mandatory Tender Date	Stated Maturity	Initial Rate	Initial Yield (1)	Stepped Rate
\$49,670,000	July 15, 2014	August 14, 2019	August 15, 2019	August 15, 2039	2.000%	1.700%	7.000%

The interest rate borne by the bonds cannot exceed the lesser of a maximum rate of 8 percent or the maximum net effective interest rate permitted under Chapter 1204, Texas Government Code, as amended. In the event of a failed remarketing, a step rate of 7 percent will be invoked until such a time as the bonds are successfully remarketed. A failed remarketing will not be considered an event of default.

In 2015, the District defeased \$5,185,000 outstanding bonds by placing funds accumulated by the Debt Service Fund in irrevocable escrow account to provide for redemption of future debt service payments on the Series 2011A bonds.

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Prior to August 31, 2015, the District defeased certain outstanding bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the escrow accounts to provide for all future debt service payments are not included in the District’s financial statements. At August 31, 2015, the following outstanding bonds are considered defeased:

2008	General Obligation Bonds (maturing 2033, callable February 15, 2016)	\$ 70,000
2008	General Obligation Bonds (maturing 2019-2033, callable February 15, 2017)	96,750,000
2011A	General Obligation Bonds (maturing 2018-2026, callable February 15, 2021)	5,185,000
		<u>\$ 102,005,000</u>

In accordance with the provisions of Section 148(f) of the Internal Revenue Code of 1986, as amended, bonds must satisfy certain arbitrage rebate requirements. Positive arbitrage is the excess of: (1) the amount earned on investments purchased with bond proceeds, or (2) the amount that such investments would have earned had such investments been invested at a rate equal to the yield on the bond issue. In order to comply with the arbitrage rebate requirements, positive arbitrage must be paid to the U.S. Treasury at the end of each five-year anniversary date of the bond issue. The District has estimated that it has no arbitrage liability as of August 31, 2015.

Notes Payable

The District issues notes to provide funds for operations, equipment, and capital improvements. The note payable is a direct obligation and pledges the full faith and credit of the District.

<u>Description</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Maturity Date</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Solar Panels	2.887%	4,926,823	2023	\$ 4,464,683	\$ -	\$ (441,503)	\$ 4,023,180
<i>Totals</i>				<u>\$ 4,464,683</u>	<u>\$ -</u>	<u>\$ (441,503)</u>	<u>\$ 4,023,180</u>

Annual debt service requirements to maturity of the note payable are as follows:

<u>Year Ending August 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2016	\$ 454,250	\$ 116,149	\$ 570,399
2017	467,364	103,035	570,399
2018	480,857	89,542	570,399
2019	494,739	75,660	570,399
2020	509,022	61,377	570,399
2021	523,718	46,681	570,399
2022	538,837	31,562	570,399
2023	554,393	16,006	570,399
<i>Totals</i>	<u>\$ 4,023,180</u>	<u>\$ 540,012</u>	<u>\$ 4,563,192</u>

Note 8 - Fund Balance

Other committed fund balance includes the following commitments of funds:

Other Governmental Funds:

Campus Activity	\$ 1,598,142
<i>Total Other Committed Fund Balance</i>	<u>\$ 1,598,142</u>

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Note 9 - Revenues from Local, Intermediate, and Out-of-State Sources

During the current year, revenues from local and intermediate sources consisted of the following:

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Property Taxes	\$ 90,365,814	\$ 43,429,942	\$ -	\$ -	\$ 133,795,756
Charges for Services	1,529,648	-	-	5,626,831	7,156,479
Investment Income	115,633	25,186	1,469,971	1,793	1,612,583
Other	522,780	9,595	-	579,479	1,111,854
Total	\$ 92,533,875	\$ 43,464,723	\$ 1,469,971	\$ 6,208,103	\$ 143,676,672

Note 10 - Risk Management

Property/Liability

The District is exposed to various risks of loss related to property/liability losses for which the District carries commercial insurance.

In addition, the District is a member of the Texas Association of Public Schools Property and Liability Fund (Fund). The Fund was created to formulate, develop and administer a program of modified self-funding for the property and/or liability coverage for its membership, provide claims administration, and develop a comprehensive loss control program. The District pays contributions to the Fund for its general and educators' liability coverage. The District's agreement with the Fund provides that the Fund will be self-sustaining through member premiums and will provide, through commercial companies, reinsurance contracts. There were no significant reductions in insurance coverage from the prior year or settlements exceeding insurance coverage for each of the past three fiscal years.

Health Insurance Coverage

On January 1, 2011, the District implemented a self-funded employee group health insurance plan and such transactions are accounted for in an Internal Service Fund. During the 2014-15 fiscal year, the District maintained its monthly, medical insurance contribution of \$344 for September 2014 through December 2014 and \$360 for January 2015 through August 2015 toward the total employee's cost for the medical plans that could include coverage for a spouse, qualifying individual, child(ren) or family.

Liabilities of the self-funded employee group health insurance plan are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities also include an estimated amount for claims that have been incurred by not reported (IBNR). The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. The result of the process to estimate the claims liability is based on the District's historical experience. An excess coverage insurance policy limits claims paid from the fund to an annual specific deductible of \$300,000. There were no significant reductions in insurance coverage from the prior year. Settlements have not exceeded coverages for each of the past three fiscal years. Changes in health insurance claims liability in fiscal years 2014 and 2015 were as follows:

Fiscal Year General	Beginning of Year Accrual	Current Year Estimates	Claims Payments	End of Year Accrual
2014	\$ 1,122,007	\$ 12,228,613	\$ 12,083,537	\$ 1,267,083
2015	1,267,083	12,310,734	12,777,817	800,000

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Workers' Compensation

The District is self-insured for worker's compensation coverage and such transactions are accounted for in an internal service fund. Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities also include an estimated amount for claims that have been incurred but not reported (IBNR). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards.

Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries for example from stop-loss or subrogation, are another component of the claims liability estimate.

The District contributed estimated premiums to the internal service fund based on standard state rates. The District purchased excess coverage from Midwest Employers Casualty Company, a commercial insurer licensed in the State of Texas. The District's retention under this excess policy is limited to \$400,000 per employee claim, with a cap on the District's liability for all claims at \$1,000,000 in a policy period. There were no significant reductions in insurance coverage from the prior year. Settlements have not exceeded coverages for each of the past three fiscal years. Changes in workers' compensation plan's claims liability in fiscal years 2014 and 2015 were as follows:

<u>Fiscal Year</u> <u>General</u>	<u>Beginning of</u> <u>Year Accrual</u>	<u>Current Year</u> <u>Estimates</u>	<u>Claims</u> <u>Payments</u>	<u>End of Year</u> <u>Accrual</u>
2014	\$ 363,522	\$ 477,370	\$ 319,910	\$ 520,982
2015	520,982	273,713	273,713	520,982

Note 11 - Litigation and Contingent Liabilities

The District is a defendant in various lawsuits arising principally in the normal course of operations. In the opinion of the District's management, the potential losses, after insurance coverage, on all allegations, claims, and lawsuits will not have a material effect on the District's financial position, results of operations or liquidity.

The District participates in a number of federal and state financial assistance programs. Although the District's grant programs have been audited in accordance with the provisions of the Single Audit Act through August 31, 2015, these programs are subject to financial and compliance audits by the grantor agencies. The District is also subject to audit by the TEA of the attendance data upon which payments from the agency are based. These audits could result in questioned costs or refunds to be paid back to the granting agencies.

Note 12 - Pension Information

Plan Description

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

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

Pension Plan Fiduciary Net Position

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

Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of services credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan Description above.

Contributions

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. It also added a 1.5% contribution for employers not paying Old Age Survivor and Disability Insurance (OASDI) on certain employees effective for fiscal year 2015 as discussed in Note 1 of the TRS 2014 CAFR. The 83rd Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for Plan fiscal years 2014 and 2015.

	<u>2015</u>	<u>2014</u>
Member	\$ 6.7%	\$ 6.4%
Non-Employer Contributing Entity (State)	6.8%	6.8%
Employers/District	6.8%	6.8%

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The contribution amounts for the District’s fiscal year 2015 are as follows:

District Contributions	\$ 3,754,408
Member Contributions	8,862,061
NECE On-behalf Contributions (State)	6,993,947

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

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

- On the portion of the member’s salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member’s first 90 days of employment.
- When any part or all of an employee’s salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

In addition to the employer contributions listed above, when employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

Actuarial Assumptions

The total pension liability in the August 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2014
Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level Percentage of Payroll, Open
Remaining Amortization Period	30 Years
Asset Valuation Method	5 Year Market Value
Discount Rate	8.00%
Long-term Expected Investment Rate of Return*	8.00%
Salary Increases*	4.25% to 7.25%
Weighted-Average at Valuation Date	5.55%
Payroll Growth Rate	3.50%

*Includes Inflation of 3%

The actuarial methods and assumptions are primarily based on a study of actual experience for the four year period ending August 31, 2010 and adopted on April 8, 2011. With the exception of the post-retirement mortality rates for healthy lives and a minor change to the expected retirement age for inactive vested members stemming from the actuarial audit performed in the Summer of 2014, the assumptions and methods are the same as used in

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

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the prior valuation. When the mortality assumptions were adopted in 2011 they contained a significant margin for possible future mortality improvement. As of the date of the valuation there has been a significant erosion of this margin to the point that the margin has been eliminated. Therefore, the post-retirement mortality rates for current and future retirees was decreased to add additional margin for future improvement in mortality in accordance with the Actuarial Standards of Practice No. 35.

Discount Rate

The discount rate used to measure the total pension liability was 8.0%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 8%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2014 are summarized below:

Asset Class	Target Allocation	Real Return Geometric Basis	Long-Term Expected Portfolio Real Rate of Return*
Global Equity			
U.S.	18.0%	7.0%	1.4%
Non-U.S. Developed	13.0%	7.3%	1.1%
Emerging Markets	9.0%	8.1%	0.9%
Directional Hedge Funds	4.0%	5.4%	0.2%
Private Equity	13.0%	9.2%	1.4%
Stable Value			
U.S. Treasuries	11.0%	2.9%	0.3%
Absolute Return	0.0%	4.0%	0.0%
Stable Value Hedge Funds	4.0%	5.2%	0.2%
Cash	1.0%	2.0%	0.0%
Real Return			
Global Inflation Linked Bonds	3.0%	3.1%	0.0%
Real Assets	16.0%	7.3%	1.5%
Energy and Natural Resources	3.0%	8.8%	0.3%
Commodities	0.0%	3.4%	0.0%
Risk Parity			
Risk Parity	5.0%	8.9%	0.4%
Alpha			1.0%
Total	100.0%		8.7%

*The expected contribution to returns incorporates the volatility drag resulting from the conversion between arithmetic and geometric mean returns.

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The following table presents the District’s proportionate share of net pension liability for TRS calculated using the discount rate of 8.0%, as well as the District’s proportionate share of the respective net pension liability if it was calculated using a discount rate that is 1-percentage-point lower (7%) or 1-percentage-point higher (9%) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
TRS	\$ 36,367,009	\$ 20,351,563	\$ 8,374,992

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

At August 31, 2015, the District reported a liability of \$20,351,563 for its proportionate share of the TRS’s net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District are as follows:

District’s Proportionate Share of the Net Pension Liability	\$ 20,351,563
State’s Proportionate Share of the Net Pension Liability Associated with the District	71,421,318
Total	\$ <u>91,772,881</u>

The net pension liability was measured as of August 31, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportion of the net pension liability was based on the District’s contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2013 through August 31, 2014.

At August 31, 2014, the employer’s proportion of the net pension liability was .0761906%. The change in the employer’s proportion of the net pension liability was immaterial and therefore disregarded this year.

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

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

There was a change in employer contribution requirements that occurred after the measurement date of the net pension liability and the employer’s reporting date. A 1.5 % contribution for employers not paying Old Age Survivor and Disability Insurance (OASDI) on certain employees went into law effective September 1, 2014. The amount of the expected resultant change in the employer’s proportion cannot be determined at this time.

For the year ended August 31, 2015, the District recognized pension expense of \$8,483,910 and revenue of \$6,602,768 for support provided by the state.

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At August 31, 2015, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actuarial Experience	\$ 314,744	\$ -
Changes of Assumptions	1,322,874	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	6,220,269
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions (Cost-Sharing Plan)	-	5,335
District Contribution after Measurement Date	3,754,408	-
Totals	\$ 5,392,026	\$ 6,225,604

\$3,754,408 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended August 31, 2016. Other amounts reported as deferred outflows of resources (deferred inflows of resources) related to pensions will be recognized in pension expense as follows:

Year Ending August 31:	
2016	\$ (1,279,702)
2017	(1,279,702)
2018	(1,279,702)
2019	(1,279,702)
2020	275,366
Thereafter	255,456
Total	\$ (4,587,986)

Note 13 - Retiree Health Plan

Plan Description

The Pflugerville Independent School District contributes to the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple-employer defined benefit postemployment health care plan administered by the Teacher Retirement System of Texas. TRS-Care provides health care coverage for certain persons (and their dependents) who retired under the Teacher Retirement System of Texas. The statutory authority for the program is Texas Insurance Code, Chapter 1575. Section 1575.052 grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants. The Teacher Retirement System of Texas issues a publicly available financial report that includes financial statements and required supplementary information for TRS-Care. That report may be obtained by visiting the TRS website at www.trs.state.tx.us under the TRS Publications heading, by calling the TRS Communications Department at 1-800-223-8778, or by writing to the Communications Department of the Teacher Retirement System of Texas at 1000 Red River Street, Austin, Texas 78701.

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Funding Policy

Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee and public school contributions, respectively. Funding for free basic coverage is provided by the program based upon public school district payroll. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. Funding for optional coverage is provided by those participants selecting the optional coverage. Contribution rates and amounts are shown in the table below for fiscal years 2015-2013.

Contribution Rates and Contribution Amounts

<u>Year</u>	<u>Active Member</u>		<u>State</u>		<u>District</u>	
	<u>Rate</u>	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>
2015	0.65%	\$ 859,752	1.00%	\$ 1,268,517	0.55%	\$ 727,483
2014	0.65%	\$ 818,340	1.00%	\$ 1,205,843	0.55%	\$ 692,441
2013	0.65%	\$ 781,579	0.50%	\$ 570,470	0.55%	\$ 661,336

For the current fiscal year and each of the past two years, the District’s actual contributions were equal to 100 percent of the required contributions. The contributions made by the State on behalf of the District have been recorded in the governmental funds financial statements of the District as both state revenues and expenditures. These contributions are the legal responsibility of the State.

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. Under Medicare Part D, TRS-Care receives retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the years ended August 31, 2015, 2014, and 2013, the subsidy payments received by TRS-Care on-behalf of the District were \$549,095, \$342,479, and \$322,725, respectively. These payments are recorded as equal revenues and expenditures in the governmental funds financial statements of the District.

Note 14 - Shared Service Arrangements

The District participates in a Shared Service Arrangement (SSA) for the Energy for Schools Program with 102 other school districts. Approximately 3.6% of the electricity costs paid by the SSA are attributable to the District. The District does not account for the revenues or expenditures for this program and does not disclose them in these financial statements. The District neither has a joint ownership interest in capital assets purchased by the fiscal agent, Deer Park Independent School District, nor does the District have a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal contingencies that would give rise to a future additional benefit or burden to Pflugerville Independent School District. The fiscal agent manager is responsible for all financial activities of the SSA.

Presented below are the revenues and expenditures attributable to the District’s participation at August 31, 2015.

Revenues	\$ 2,314,664
<i>Total</i>	<u><u>\$ 2,314,664</u></u>
Expenditures	\$ 2,314,664
<i>Total</i>	<u><u>\$ 2,314,664</u></u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2015

Note 15 – Nonmonetary Transactions

During 2015, the District received textbooks purchased by the State of Texas for the benefit of the District for a purchase price of \$1,240,222. The District receives the textbooks as part of state funding for textbook allotment. The textbooks have been recorded in the amount of \$1,240,222 in a special revenue fund as both state revenues and expenditures, which represents the amount of consideration given by the State of Texas.

Note 16 – Prior Period Adjustment

Net position at September 1, 2014 was restated per the following table for the implementation of GASB 68 and 71:

	Governmental Activities
Beginning Net Position, as Previously Reported	\$ 102,353,529
Implementation of GASB 68 and 71 for Pension	<u>(23,058,407)</u>
Beginning Net Position, Restated	<u>\$ 79,295,122</u>

Required Supplementary Information

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

Exhibit E-1

REQUIRED SUPPLEMENTARY INFORMATION

GENERAL FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**

FOR THE YEAR ENDED AUGUST 31, 2015

Data Control Codes	Budgeted Amounts			Variance with Final Budget Positive (Negative)	
	1	2	3		
	Original	Final	Actual		
REVENUES					
5700	Local, Intermediate, and Out-of-State	\$ 92,000,000	\$ 92,600,000	\$ 92,533,875	\$ (66,125)
5800	State Programs	92,400,000	95,100,000	95,971,990	871,990
5900	Federal Programs	4,000,000	4,900,000	3,948,528	(951,472)
5020	Total Revenues	<u>188,400,000</u>	<u>192,600,000</u>	<u>192,454,393</u>	<u>(145,607)</u>
EXPENDITURES					
Current:					
0011	Instruction	114,162,651	114,363,251	112,472,602	1,890,649
0012	Instructional Resources and Media Services	2,884,634	2,884,634	2,737,089	147,545
0013	Curriculum and Instructional Staff Development	6,521,743	6,521,743	6,192,543	329,200
0021	Instructional Leadership	2,548,896	2,548,896	2,444,825	104,071
0023	School Leadership	12,080,161	11,780,161	11,287,663	492,498
0031	Guidance, Counseling, and Evaluation Services	7,474,998	7,554,998	7,481,990	73,008
0032	Social Work Services	619,048	644,048	607,784	36,264
0033	Health Services	2,460,785	2,560,785	2,368,370	192,415
0034	Student Transportation	8,482,664	8,482,664	8,418,944	63,720
0035	Food Services	134,742	184,742	131,598	53,144
0036	Extracurricular Activities	4,807,452	5,207,452	5,072,702	134,750
0041	General Administration	4,297,962	4,297,362	4,033,041	264,321
0051	Plant Maintenance and Operations	14,264,008	14,664,008	13,515,644	1,148,364
0052	Security and Monitoring Services	2,547,655	3,047,655	2,646,888	400,767
0053	Data Processing Services	3,109,167	3,359,167	3,051,694	307,473
0061	Community Services	35,516	35,516	5,856	29,660
Debt Service:					
0071	Principal on Long-term Debt	441,503	441,503	441,503	-
0072	Interest on Long-term Debt	128,897	128,897	128,895	2
Capital Outlay:					
0081	Facilities Acquisition and Construction	-	2,100,000	1,498,280	601,720
Intergovernmental:					
0093	Payments to Shared Services Arrangements	2,025,528	2,175,528	2,059,192	116,336
0095	Payments to Juvenile Justice Alternative Education Programs	28,000	28,000	1,892	26,108
0099	Payments to Appraisal District	710,000	760,000	722,627	37,373
6030	Total Expenditures	<u>189,766,010</u>	<u>193,771,010</u>	<u>187,321,622</u>	<u>6,449,388</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,366,010)</u>	<u>(1,171,010)</u>	<u>5,132,771</u>	<u>6,303,781</u>
OTHER FINANCING SOURCES (USES)					
7912	Sale of Real and Personal Property	-	-	2,779	2,779
7915	Transfers In	(1,400,000)	-	1,400,000	1,400,000
8911	Transfers Out	-	-	(4,500,000)	(4,500,000)
7080	Total Other Financing Sources (Uses)	<u>(1,400,000)</u>	<u>-</u>	<u>(3,097,221)</u>	<u>(3,097,221)</u>
1200	Net Change in Fund Balance	(2,766,010)	(1,171,010)	2,035,550	3,206,560
0100	Fund Balance - Beginning	34,147,955	34,147,955	34,147,955	-
3000	Fund Balance - Ending	<u>\$ 31,381,945</u>	<u>\$ 32,976,945</u>	<u>\$ 36,183,505</u>	<u>\$ 3,206,560</u>

See accompanying notes to the required supplementary information.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT*Exhibit E-2***REQUIRED SUPPLEMENTARY INFORMATION****SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY****OF A COST-SHARING MULTIPLE-EMPLOYER PENSION PLAN****TEACHER RETIREMENT SYSTEM OF TEXAS (TRS)****FOR THE YEAR ENDED AUGUST 31, 2015***

	<u>2015</u>
District's Proportion of the Net Pension Liability	0.076190600%
District's Proportionate Share of the Net Pension Liability	\$ 20,351,563
State's Proportionate Share of the Net Pension Liability Associated with the District	71,421,318
Total	\$ <u>91,772,881</u>
District's Covered-Employee Payroll	\$ 125,898,401
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	16.17%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.25%

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

See accompanying notes to the required supplementary information.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

Exhibit E-3

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS TO THE TEACHER RETIREMENT

SYSTEM PENSION PLAN (TRS)

FOR THE YEAR ENDED AUGUST 31, 2015*

	<u>2015</u>
TRS	
Contractually Required Contributions	\$ 3,754,408
Contributions in Relation to the Contractually Required Contributions	<u>(3,754,408)</u>
Contribution Deficiency (Excess)	\$ <u>-</u>
 District's Covered-Employee Payroll	 \$ 132,269,564
 Contributions as a Percentage of Covered- Employee Payroll	 2.84%

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

See accompanying notes to the required supplementary information.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

AUGUST 31, 2015

Note 1 – Budget

Budgetary Information

The District adopts annual appropriations type budgets for the General Fund, *National School Breakfast and Lunch Program* Special Revenue Fund, and the Debt Service Fund using the same method of accounting as for financial reporting, as required by law. The remaining Special Revenue Funds (primarily federal grant programs) utilize a managerial type budget approved at the fund level by the Board of Trustees upon acceptance of the grants. These grants are subject to Federal, State and locally imposed project length budgets and monitoring through submission of reimbursement reports. The budgets are prepared on a basis of accounting that is used for reporting in accordance with generally accepted accounting principles.

Expenditures may not legally exceed budgeted appropriations at the function or activity level. Expenditure requests which would require an increase in total budgeted appropriations must be approved by the Trustees through formal budget amendment. State law prohibits trustees from making budget appropriations in excess of funds available and estimated revenues. State law also prohibits amendment of the budget after fiscal year end. Supplemental appropriations were made to the General Fund during the fiscal year ended August 31, 2015.

The administrative level at which responsibility for control of budgeted appropriations begins is at the organizational level within each function of operations. The finance department reviews closely the expenditure requests submitted by the various organizational heads (principal and department heads) throughout the year to ensure proper spending compliance. No public funds of the District shall be expended in any manner other than as provided for in the budget adopted by the Board of Trustees.

The official school budget was prepared for adoption for budgeted governmental fund types prior to August 20, 2014. The budget was formally adopted by the Board of Trustees at a duly advertised public meeting prior to the expenditure of funds. The final amended budget is filed with the Texas Education Agency (TEA) through inclusion in the annual financial and compliance report.

Encumbrance accounting is utilized in all government fund types. Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at year-end and encumbrances outstanding at that time are appropriately provided for in the subsequent year's budget.

Variances with Final Budget

The District's general fund budget differs from the original budget due to budget revisions that were made during the fiscal period. The most significant difference between the original budget and the final amended budget of the general fund was the \$2.1 million added to Facilities Acquisition and Construction. These funds were mainly used to purchase portables and expand a high school's band hall. There were no significant differences between the final amended budget and actual results.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
AUGUST 31, 2015

Note 2 – Pension

TRS

Actuarial Assumptions – The Information presented in the required supplementary schedules was used in the actuarial valuation for determining the actuarially determined contribution rate and the net pension liability in accordance with GASB 67. Actuarial methods and assumptions used for funding purposes can be found in the Actuarial Section. The GASB 67 assumptions are as follows:

Valuation Date	August 31, 2014
Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level Percentage of Payroll, Open
Remaining Amortization Period	30 Years
Asset Valuation Method	5 Year Market Value
Actuarial Assumptions:	
Discount Rate	8.00%
Long-term Expected Investment Rate of Return	8.00%
Inflation	3.00%
Salary Increases	4.25% to 7.25% Including Inflation
Ad hoc Post-Employment Benefit Changes	None*

*The COLA for the period beginning September 1, 2013 was paid starting October 1, 2013 and was included in the 2013 actuarial valuation and thus is not considered an ad hoc post-employment benefit change assumption for fiscal year 2014.

Changes in Assumptions - There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

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

Supplementary Information

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PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON STATEMENT
DEBT SERVICE FUND
FOR THE YEAR ENDED AUGUST 31, 2015

Exhibit F-1

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
REVENUES					
5700	<i>Local, Intermediate, and Out-of-State</i>	\$ 43,280,000	\$ 43,280,000	\$ 43,464,723	\$ 184,723
5800	<i>State Programs</i>	400,000	400,000	586,962	186,962
5020	Total Revenues	<u>43,680,000</u>	<u>43,680,000</u>	<u>44,051,685</u>	<u>371,685</u>
EXPENDITURES					
Debt Service:					
0071	<i>Principal on Long-term Debt</i>	22,310,000	22,310,000	22,310,000	-
0072	<i>Interest on Long-term Debt</i>	18,648,128	24,432,329	24,432,329	-
0073	<i>Issuance Costs and Fees</i>	-	55,799	41,165	14,634
6030	Total Expenditures	<u>40,958,128</u>	<u>46,798,128</u>	<u>46,783,494</u>	<u>14,634</u>
1200	Net Change in Fund Balance	2,721,872	(3,118,128)	(2,731,809)	386,319
0100	Fund Balance - Beginning	<u>4,466,719</u>	<u>4,466,719</u>	<u>4,466,719</u>	-
3000	Fund Balance - Ending	<u>\$ 7,188,591</u>	<u>\$ 1,348,591</u>	<u>\$ 1,734,910</u>	<u>\$ 386,319</u>

Nonmajor Governmental Funds

Special Revenue Funds

The Special Revenue Funds are used to account for financial resources restricted to or designated for specific purposes by a grantor. These funds may be locally, state, or federally funded.

Programs accounted for in the Special Revenue Funds include:

ESEA, Title X, Part C – Education for the Homeless Children and Youth

Funds used to provide enriched and educational services, including tutoring, to enable homeless students to be promoted or to show academic progress toward on-grade level expectations. Also to ensure that these students have access to needed specialized services, that they are able to regularly and safely get to school, and that these students and their families are aware of all community and district resources available to meet their basic needs.

ESEA, Title I, Part A – Improving Basic Programs

Funds granted to provide opportunities for children served to acquire the knowledge and skills contained in the challenging State content standards and to meet State performance standards developed for all children.

IDEA – Part B, Formula

Funds granted to operate educational programs for children with disabilities.

IDEA – Part B, Preschool

Funds granted for preschool children with disabilities.

National School Breakfast and Lunch Program (Child Nutrition)

Funds used to account for allowable expenditures as determined under the National School Breakfast and Lunch Program for the operation and improvement of Child Nutrition programs.

Career and Technical – Basic Grant

Funds granted to provide career and technical education to develop new and/or improve career and technical education programs for paid and unpaid employment.

ESEA, Title II, Part A – Teacher and Principal Training and Recruiting

Funds for increasing student academic achievement through improving teacher and principal quality and increasing the number of highly qualified teachers in classrooms and highly qualified principals and assistant principals in schools.

Title III, Part A – English Language Acquisition and Language Enhancement

Funds granted to improve the education of limited English proficient children, by assisting the children to learn English and meet challenging State academic content and student academic achievement standards.

Medicaid Administrative Claiming Program – MAC

Funds allocated for reimbursement of eligible administrative costs for activities attributed to the implementation of the Medicaid state plan.

LEP Summer School

Funds to provide summer school instruction for LEP students.

State Supplemental Visually Impaired (SSVI)

Funds granted to support the education needs of students who have visual impairments.

Noneducational Community-Based Support

Funds granted to provide noneducational community-based support services to students with disabilities who would remain or have to be placed in residential facilities for educational reasons without the provision of these services.

Advanced Placement Incentives

Funds intended to reward students, teachers, and campuses for high achievement. Campuses are awarded money for each student who scored three or above on an AP examination or four or above on an IB examination.

State Textbook Fund

Funds to be used to account, on a project basis, for funds awarded to school districts under the textbook allotment.

Texas Reading, Math and Science Initiative

Funds to be used to improve student performance in reading, math and science.

Read to Succeed (License Plate Program)

Funds to be used to provide access to quality reading materials in the library and encourage children to visit the school library.

Campus Activity Funds

This fund classification is used to account for transactions related to a principal's activity fund.

Special Projects

This fund classification is used to account for special local grants such as the Pflugerville Education Foundation Grant.

After the Bell Program

Funds to implement a program with supplemental activities and opportunities for students and their families beyond the regular school day and into the summer at designated campuses. The program will provide a range of high-quality activities relevant to TEKS based courses. In addition, it will promote parental involvement, family literacy services, and enrichment through community collaborations.

STEM Grant and CTE Initiative

Funds to be used to improve student performance in science, technology, engineering, and math (STEM) and career and technical education (CTE).

Arabic Flagship Program - Local

Funds to establish centers for the teaching of critical languages that enable students to reach or exceed Level 3 in proficiency based on the Interagency Language Roundtable (ILR) scale in Arabic to develop curricular, institutional, and instructional models for advanced language learning, to test those models, to stimulate institutional support and long term commitment to reforming language learning, and to improve national capacity in critical languages.

CHS Culinary Arts/Aramark

Funds to be used for the Culinary Arts Program and Connally High School for 2012 – 2013 through 2015 – 2016.

Miscellaneous Local Grants

Funds received from other local sources with restricted purposes.

Advanced Placement Grant

Funds intended to reward students, teachers, and campuses for high achievement. Campuses are awarded money for each student who scored three or above on an AP examination or four or above on a IB examination.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2015

<u>Data Control Codes</u>	206	211
	ESEA, Title X, Part C - Education for the Homeless Children and Youth	ESEA Title I, Part A - Improving Basic Programs
ASSETS		
1110 <i>Cash and Cash Equivalents</i>	\$ -	\$ -
1120 <i>Current Investments</i>	-	-
1240 <i>Due from Other Governments</i>	6,015	279,156
1260 <i>Due from Other Funds</i>	-	1,341
1290 <i>Other Receivables</i>	-	-
1300 <i>Inventories, at Cost</i>	-	-
1410 <i>Prepaid Items</i>	-	-
1000 Total Assets	\$ 6,015	\$ 280,497
LIABILITIES		
2110 <i>Accounts Payable</i>	\$ 150	\$ 40,684
2160 <i>Accrued Wages Payable</i>	-	10,533
2170 <i>Due to Other Funds</i>	5,865	229,280
2180 <i>Due to Other Governments</i>	-	-
2300 <i>Unearned Revenues</i>	-	-
2000 Total Liabilities	6,015	280,497
FUND BALANCES		
Nonspendable:		
3410 <i>Inventories</i>	-	-
3430 <i>Prepaid Items</i>	-	-
Restricted:		
3450 <i>Grant Funds</i>	-	-
Committed:		
3545 <i>Other</i>	-	-
3000 Total Fund Balances	-	-
4000 Total Liabilities and Fund Balances	\$ 6,015	\$ 280,497

224	225	240	244
<u>IDEA - Part B, Formula</u>	<u>IDEA - Part B, Preschool</u>	<u>National School Breakfast and Lunch Program</u>	<u>Career and Technical - Basic Grant</u>
\$ -	\$ -	\$ 341,743	\$ -
-	-	1,516,149	-
266,190	5,250	195,895	-
-	-	1,189	-
-	-	2,547	-
-	-	44,876	-
-	-	-	-
<u>\$ 266,190</u>	<u>\$ 5,250</u>	<u>\$ 2,102,399</u>	<u>\$ -</u>
\$ 5,549	\$ -	\$ 367,229	\$ -
-	-	-	-
260,641	5,250	7,065	-
-	-	-	-
-	-	44,876	-
<u>266,190</u>	<u>5,250</u>	<u>419,170</u>	<u>-</u>
-	-	-	-
-	-	-	-
-	-	1,683,229	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>1,683,229</u>	<u>-</u>
<u>\$ 266,190</u>	<u>\$ 5,250</u>	<u>\$ 2,102,399</u>	<u>\$ -</u>

Continued

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2015

<u>Data Control Codes</u>	255	263
	ESEA, Title II, Part A - Teacher and Principal Training and Recruiting	Title III, Part A - English Language Acquisition and Language Enhancement
ASSETS		
1110 <i>Cash and Cash Equivalents</i>	\$ -	\$ -
1120 <i>Current Investments</i>	-	-
1240 <i>Due from Other Governments</i>	20,563	104,663
1260 <i>Due from Other Funds</i>	-	-
1290 <i>Other Receivables</i>	-	-
1300 <i>Inventories, at Cost</i>	-	-
1410 <i>Prepaid Items</i>	-	-
1000 Total Assets	<u>\$ 20,563</u>	<u>\$ 104,663</u>
LIABILITIES		
2110 <i>Accounts Payable</i>	\$ -	\$ 772
2160 <i>Accrued Wages Payable</i>	-	532
2170 <i>Due to Other Funds</i>	20,563	103,359
2180 <i>Due to Other Governments</i>	-	-
2300 <i>Unearned Revenues</i>	-	-
2000 Total Liabilities	<u>20,563</u>	<u>104,663</u>
FUND BALANCES		
<i>Nonspendable:</i>		
3410 <i>Inventories</i>	-	-
3430 <i>Prepaid Items</i>	-	-
<i>Restricted:</i>		
3450 <i>Grant Funds</i>	-	-
<i>Committed:</i>		
3545 <i>Other</i>	-	-
3000 Total Fund Balances	<u>-</u>	<u>-</u>
4000 Total Liabilities and Fund Balances	<u>\$ 20,563</u>	<u>\$ 104,663</u>

272	286	385	392
Medicaid Administrative Claiming Program - MAC	LEP Summer School	State Supplemental Visually Impaired (SSVI)	Noneducational Community - Based Support
\$ 78,326	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	6,328
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ 78,326</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,328</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	6,328
-	-	-	-
78,326	-	-	-
<u>78,326</u>	<u>-</u>	<u>-</u>	<u>6,328</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ 78,326</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,328</u>

Continued

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2015

<u>Data Control Codes</u>	397	410
	<u>Advanced Placement Incentives</u>	<u>State Textbook Fund</u>
ASSETS		
1110 <i>Cash and Cash Equivalents</i>	\$ 39,921	\$ -
1120 <i>Current Investments</i>	-	-
1240 <i>Due from Other Governments</i>	-	-
1260 <i>Due from Other Funds</i>	-	-
1290 <i>Other Receivables</i>	-	-
1300 <i>Inventories, at Cost</i>	-	-
1410 <i>Prepaid Items</i>	-	-
1000 Total Assets	<u>\$ 39,921</u>	<u>\$ -</u>
LIABILITIES		
2110 <i>Accounts Payable</i>	\$ 110	\$ -
2160 <i>Accrued Wages Payable</i>	-	-
2170 <i>Due to Other Funds</i>	-	-
2180 <i>Due to Other Governments</i>	-	-
2300 <i>Unearned Revenues</i>	39,811	-
2000 Total Liabilities	<u>39,921</u>	<u>-</u>
FUND BALANCES		
<i>Nonspendable:</i>		
3410 <i>Inventories</i>	-	-
3430 <i>Prepaid Items</i>	-	-
<i>Restricted:</i>		
3450 <i>Grant Funds</i>	-	-
<i>Committed:</i>		
3545 <i>Other</i>	-	-
3000 Total Fund Balances	<u>-</u>	<u>-</u>
4000 Total Liabilities and Fund Balances	<u>\$ 39,921</u>	<u>\$ -</u>

414	422	461	481
<u>Texas Reading, Math and Science Initiative</u>	<u>Read to Succeed</u>	<u>Campus Activity Funds</u>	<u>Special Projects</u>
\$ -	\$ -	\$ 1,668,716	\$ 43,593
-	-	-	-
-	-	3,694	-
-	-	911	-
-	-	525	-
-	-	2,505	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,676,351</u>	<u>\$ 43,593</u>
\$ -	\$ -	\$ 70,467	\$ -
-	-	2,604	-
-	-	-	-
-	-	2,108	-
-	-	-	41,204
<u>-</u>	<u>-</u>	<u>75,179</u>	<u>41,204</u>
-	-	525	-
-	-	2,505	-
-	-	-	2,389
-	-	1,598,142	-
<u>-</u>	<u>-</u>	<u>1,601,172</u>	<u>2,389</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,676,351</u>	<u>\$ 43,593</u>

Continued

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2015

<u>Data Control Codes</u>	482	483
	<u>After the Bell Program</u>	<u>STEM Grant and CTE Initiative</u>
ASSETS		
1110 Cash and Cash Equivalents	\$ 35,373	\$ 14,319
1120 Current Investments	-	-
1240 Due from Other Governments	140	-
1260 Due from Other Funds	-	-
1290 Other Receivables	-	-
1300 Inventories, at Cost	-	-
1410 Prepaid Items	-	-
1000 Total Assets	\$ 35,513	\$ 14,319
LIABILITIES		
2110 Accounts Payable	\$ -	\$ -
2160 Accrued Wages Payable	-	-
2170 Due to Other Funds	-	-
2180 Due to Other Governments	-	-
2300 Unearned Revenues	35,513	14,319
2000 Total Liabilities	35,513	14,319
FUND BALANCES		
<i>Nonspendable:</i>		
3410 Inventories	-	-
3430 Prepaid Items	-	-
<i>Restricted:</i>		
3450 Grant Funds	-	-
<i>Committed:</i>		
3545 Other	-	-
3000 Total Fund Balances	-	-
4000 Total Liabilities and Fund Balances	\$ 35,513	\$ 14,319

488	490	491	492	
<u>Arabic Flagship Program - Local</u>	<u>CHS Culinary Arts/Aramark</u>	<u>Miscellaneous Local Grants</u>	<u>Advanced Placement Grant</u>	<u>Total Nonmajor Funds (See Exhibit B-1)</u>
\$ -	\$ 9,358	\$ 1,700	\$ 7,125	\$ 2,240,174
-	-	-	-	1,516,149
-	-	-	-	884,200
-	-	-	-	6,224
9,247	-	-	-	12,705
-	-	-	-	45,401
-	-	-	-	2,505
<u>\$ 9,247</u>	<u>\$ 9,358</u>	<u>\$ 1,700</u>	<u>\$ 7,125</u>	<u>\$ 4,707,358</u>
\$ -	\$ -	\$ -	\$ 2,175	\$ 487,136
-	-	-	-	13,669
9,247	-	-	-	647,598
-	-	-	-	2,108
-	9,358	1,700	-	265,107
<u>9,247</u>	<u>9,358</u>	<u>1,700</u>	<u>2,175</u>	<u>1,415,618</u>
-	-	-	-	525
-	-	-	-	2,505
-	-	-	4,950	1,690,568
-	-	-	-	1,598,142
<u>-</u>	<u>-</u>	<u>-</u>	<u>4,950</u>	<u>3,291,740</u>
<u>\$ 9,247</u>	<u>\$ 9,358</u>	<u>\$ 1,700</u>	<u>\$ 7,125</u>	<u>\$ 4,707,358</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2015

Data Control Codes	206 ESEA, Title X, Part C - Education for the Homeless Children and Youth	211 ESEA Title I, Part A - Improving Basic Programs
REVENUES		
5700 <i>Local, Intermediate, and Out-of-State</i>	\$ -	\$ -
5800 <i>State Programs</i>	-	-
5900 <i>Federal Programs</i>	37,791	3,486,223
5020 Total Revenues	<u>37,791</u>	<u>3,486,223</u>
EXPENDITURES		
Current:		
0011 <i>Instruction</i>	3,764	2,608,966
0012 <i>Instructional Resources and Media Services</i>	-	1,337
0013 <i>Curriculum and Instructional Staff Development</i>	-	632,227
0021 <i>Instructional Leadership</i>	132	52,458
0023 <i>School Leadership</i>	-	57,368
0031 <i>Guidance, Counseling, and Evaluation Services</i>	-	67,250
0032 <i>Social Work Services</i>	33,496	26,106
0033 <i>Health Services</i>	-	1,542
0034 <i>Student Transportation</i>	-	5,839
0035 <i>Food Services</i>	-	-
0036 <i>Extracurricular Activities</i>	-	-
0041 <i>General Administration</i>	-	-
0051 <i>Plant Maintenance and Operations</i>	-	547
0052 <i>Security and Monitoring Services</i>	-	-
0061 <i>Community Services</i>	399	32,583
Intergovernmental:		
0093 <i>Payments to Shared Services Arrangements</i>	-	-
6030 Total Expenditures	<u>37,791</u>	<u>3,486,223</u>
1200 Net Change in Fund Balances	-	-
0100 Fund Balances - Beginning	-	-
3000 Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>

224	225	240	244
<u>IDEA - Part B, Formula</u>	<u>IDEA - Part B, Preschool</u>	<u>National School Breakfast and Lunch Program</u>	<u>Career and Technical - Basic Grant</u>
\$ -	\$ -	\$ 3,810,930	\$ -
-	-	61,527	-
<u>3,628,202</u>	<u>35,528</u>	<u>7,954,871</u>	<u>247,880</u>
<u>3,628,202</u>	<u>35,528</u>	<u>11,827,328</u>	<u>247,880</u>
3,517,273	35,528	-	223,823
-	-	-	-
3,555	-	-	14,517
-	-	-	765
-	-	-	2,181
98,853	-	-	6,594
-	-	-	-
8,521	-	-	-
-	-	-	-
-	-	11,308,383	-
-	-	-	-
-	-	-	-
-	-	416,367	-
-	-	-	-
-	-	-	-
-	-	255,472	-
<u>3,628,202</u>	<u>35,528</u>	<u>11,980,222</u>	<u>247,880</u>
-	-	(152,894)	-
-	-	1,836,123	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,683,229</u>	<u>\$ -</u>

Continued

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2015

<u>Data Control Codes</u>	255	263
	ESEA, Title II, Part A - Teacher and Principal Training and Recruiting	Title III, Part A - English Language Acquisition and Language Enhancement
REVENUES		
5700 <i>Local, Intermediate, and Out-of-State</i>	\$ -	\$ -
5800 <i>State Programs</i>	-	-
5900 <i>Federal Programs</i>	252,066	488,467
5020 Total Revenues	<u>252,066</u>	<u>488,467</u>
EXPENDITURES		
Current:		
0011 <i>Instruction</i>	252,066	105,304
0012 <i>Instructional Resources and Media Services</i>	-	-
0013 <i>Curriculum and Instructional Staff Development</i>	-	376,194
0021 <i>Instructional Leadership</i>	-	422
0023 <i>School Leadership</i>	-	-
0031 <i>Guidance, Counseling, and Evaluation Services</i>	-	2,486
0032 <i>Social Work Services</i>	-	-
0033 <i>Health Services</i>	-	-
0034 <i>Student Transportation</i>	-	-
0035 <i>Food Services</i>	-	-
0036 <i>Extracurricular Activities</i>	-	-
0041 <i>General Administration</i>	-	-
0051 <i>Plant Maintenance and Operations</i>	-	-
0052 <i>Security and Monitoring Services</i>	-	-
0061 <i>Community Services</i>	-	4,061
Intergovernmental:		
0093 <i>Payments to Shared Services Arrangements</i>	-	-
6030 Total Expenditures	<u>252,066</u>	<u>488,467</u>
1200 Net Change in Fund Balances	-	-
0100 Fund Balances - Beginning	-	-
3000 Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>

272	286	385	392
<u>Medicaid Administrative Claiming Program - MAC</u>	<u>LEP Summer School</u>	<u>State Supplemental Visually Impaired (SSVI)</u>	<u>Noneducational Community - Based Support</u>
\$ -	\$ -	\$ -	\$ -
-	-	14,100	8,992
58,363	22,132	-	-
<u>58,363</u>	<u>22,132</u>	<u>14,100</u>	<u>8,992</u>
-	22,132	14,040	-
-	-	-	-
-	-	60	-
-	-	-	-
-	-	-	-
58,363	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	8,992
-	-	-	-
<u>58,363</u>	<u>22,132</u>	<u>14,100</u>	<u>8,992</u>
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Continued

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2015

<u>Data Control Codes</u>	397	410
	Advanced Placement Incentives	State Textbook Fund
REVENUES		
5700 <i>Local, Intermediate, and Out-of-State</i>	\$ -	\$ -
5800 <i>State Programs</i>	5,436	1,361,224
5900 <i>Federal Programs</i>	-	-
5020 Total Revenues	<u>5,436</u>	<u>1,361,224</u>
EXPENDITURES		
Current:		
0011 <i>Instruction</i>	-	1,361,224
0012 <i>Instructional Resources and Media Services</i>	-	-
0013 <i>Curriculum and Instructional Staff Development</i>	5,436	-
0021 <i>Instructional Leadership</i>	-	-
0023 <i>School Leadership</i>	-	-
0031 <i>Guidance, Counseling, and Evaluation Services</i>	-	-
0032 <i>Social Work Services</i>	-	-
0033 <i>Health Services</i>	-	-
0034 <i>Student Transportation</i>	-	-
0035 <i>Food Services</i>	-	-
0036 <i>Extracurricular Activities</i>	-	-
0041 <i>General Administration</i>	-	-
0051 <i>Plant Maintenance and Operations</i>	-	-
0052 <i>Security and Monitoring Services</i>	-	-
0061 <i>Community Services</i>	-	-
Intergovernmental:		
0093 <i>Payments to Shared Services Arrangements</i>	-	-
6030 Total Expenditures	<u>5,436</u>	<u>1,361,224</u>
1200 Net Change in Fund Balances	-	-
0100 Fund Balances - Beginning	-	-
3000 Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>

414	422	461	481
<u>Texas Reading, Math and Science Initiative</u>	<u>Read to Succeed</u>	<u>Campus Activity Funds</u>	<u>Special Projects</u>
\$ -	\$ -	\$ 2,180,566	\$ 66,129
11,220	185	-	-
-	-	-	-
<u>11,220</u>	<u>185</u>	<u>2,180,566</u>	<u>66,129</u>
11,220	-	354,130	52,358
-	185	87,714	6,080
-	-	49,999	790
-	-	-	-
-	-	97,366	-
-	-	180,425	-
-	-	-	-
-	-	3,856	-
-	-	-	-
-	-	-	-
-	-	1,254,145	3,693
-	-	-	1,702
-	-	23,377	628
-	-	9,421	-
-	-	11,182	878
-	-	-	-
<u>11,220</u>	<u>185</u>	<u>2,071,615</u>	<u>66,129</u>
-	-	108,951	-
-	-	1,492,221	2,389
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,601,172</u>	<u>\$ 2,389</u>

Continued

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2015

<u>Data Control Codes</u>	482	483
	<u>After the Bell Program</u>	<u>STEM Grant and CTE Initiative</u>
REVENUES		
5700 <i>Local, Intermediate, and Out-of-State</i>	\$ 122,482	\$ -
5800 <i>State Programs</i>	-	-
5900 <i>Federal Programs</i>	-	-
5020 Total Revenues	<u>122,482</u>	<u>-</u>
EXPENDITURES		
Current:		
0011 <i>Instruction</i>	107,862	-
0012 <i>Instructional Resources and Media Services</i>	-	-
0013 <i>Curriculum and Instructional Staff Development</i>	25	-
0021 <i>Instructional Leadership</i>	10,826	-
0023 <i>School Leadership</i>	-	-
0031 <i>Guidance, Counseling, and Evaluation Services</i>	-	-
0032 <i>Social Work Services</i>	-	-
0033 <i>Health Services</i>	3,769	-
0034 <i>Student Transportation</i>	-	-
0035 <i>Food Services</i>	-	-
0036 <i>Extracurricular Activities</i>	-	-
0041 <i>General Administration</i>	-	-
0051 <i>Plant Maintenance and Operations</i>	-	-
0052 <i>Security and Monitoring Services</i>	-	-
0061 <i>Community Services</i>	-	-
Intergovernmental:		
0093 <i>Payments to Shared Services Arrangements</i>	-	-
6030 Total Expenditures	<u>122,482</u>	<u>-</u>
1200 Net Change in Fund Balances	-	-
0100 Fund Balances - Beginning	-	-
3000 Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>

488	490	491	492	
<u>Arabic Flagship Program - Local</u>	<u>CHS Culinary Arts/Aramark</u>	<u>Miscellaneous Local Grants</u>	<u>Advanced Placement Grant</u>	<u>Total Nonmajor Funds (See Exhibit B-2)</u>
\$ 20,923	\$ 7,073	\$ -	\$ -	\$ 6,208,103
-	-	-	-	1,462,684
-	-	-	-	16,211,523
<u>20,923</u>	<u>7,073</u>	<u>-</u>	<u>-</u>	<u>23,882,310</u>
20,923	7,073	-	-	8,697,686
-	-	-	-	95,316
-	-	-	17,640	1,100,443
-	-	-	-	64,603
-	-	-	-	156,915
-	-	-	-	355,608
-	-	-	-	59,602
-	-	-	-	76,051
-	-	-	-	5,839
-	-	-	-	11,308,383
-	-	-	-	1,257,838
-	-	-	-	1,702
-	-	-	-	440,919
-	-	-	-	9,421
-	-	-	-	58,095
-	-	-	-	255,472
<u>20,923</u>	<u>7,073</u>	<u>-</u>	<u>17,640</u>	<u>23,943,893</u>
-	-	-	(17,640)	(61,583)
-	-	-	22,590	3,353,323
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,950</u>	<u>\$ 3,291,740</u>

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Internal Service Funds

Internal Service Funds are used to account for the operations of the District's self-funded insurance programs.

Health Insurance Fund

This fund is used to account for the operations of the District's medical insurance program, which is supported by both employee and employer contributions. Expenses include claims, excess loss insurance premiums, and related administrative costs.

Workers' Compensation Fund

This fund is used to account for the operations of the District's self-funded workers' compensation plan, which is supported by employer contributions. Expenses include benefit payments for employees, excess loss insurance premiums, and related administrative costs.

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PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
AUGUST 31, 2015

Exhibit H-1

<u>Data Control Codes</u>	<u>753 Health Insurance</u>	<u>772 Workers' Compensation</u>	<u>Total Internal Service Funds</u>
ASSETS			
Current Assets:			
1110	\$ 1,275,416	\$ 657,160	\$ 1,932,576
1120	-	417,548	417,548
1250	82	-	82
1260	1,500,000	-	1,500,000
1290	4,504	-	4,504
1410	114,990	-	114,990
1490	260,000	57,500	317,500
	<u>3,154,992</u>	<u>1,132,208</u>	<u>4,287,200</u>
Noncurrent Assets:			
1910	1,000,000	-	1,000,000
	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>
1000	<u>4,154,992</u>	<u>1,132,208</u>	<u>5,287,200</u>
LIABILITIES			
Current Liabilities:			
2110	363,969	9,413	373,382
2170	-	322,933	322,933
	<u>363,969</u>	<u>332,346</u>	<u>696,315</u>
Noncurrent Liabilities:			
2123	800,000	520,982	1,320,982
	<u>800,000</u>	<u>520,982</u>	<u>1,320,982</u>
2000	<u>1,163,969</u>	<u>853,328</u>	<u>2,017,297</u>
NET POSITION			
3900	2,991,023	278,880	3,269,903
3000	<u>\$ 2,991,023</u>	<u>\$ 278,880</u>	<u>\$ 3,269,903</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2015

Exhibit H-2

<u>Data Control Codes</u>	<u>753</u>	<u>772</u>	<u>Total Internal Service Funds</u>
	<u>Health Insurance</u>	<u>Workers' Compensation</u>	
OPERATING REVENUES			
5754 <i>Interfund Services Provided</i>	\$ 14,548,304	\$ 394,295	\$ 14,942,599
5020 Total Operating Revenues	<u>14,548,304</u>	<u>394,295</u>	<u>14,942,599</u>
OPERATING EXPENSES			
6100 <i>Payroll Costs</i>	16,230	-	16,230
6200 <i>Purchased and Contracted Services</i>	2,016,975	42,058	2,059,033
6300 <i>Supplies and Materials</i>	2,881	-	2,881
6400 <i>Claims Expense and Other Operating Expenses</i>	<u>12,529,736</u>	<u>352,669</u>	<u>12,882,405</u>
6030 Total Operating Expenses	<u>14,565,822</u>	<u>394,727</u>	<u>14,960,549</u>
Operating Income (Loss)	<u>(17,518)</u>	<u>(432)</u>	<u>(17,950)</u>
NONOPERATING REVENUES			
7955 <i>Investment Earnings - Deposits and Investments</i>	<u>6,587</u>	<u>432</u>	<u>7,019</u>
8030 Total Nonoperating Revenues	<u>6,587</u>	<u>432</u>	<u>7,019</u>
Income before Transfers	(10,931)	-	(10,931)
7915 <i>Transfers In</i>	<u>1,500,000</u>	<u>-</u>	<u>1,500,000</u>
1300 Change in Net Position	1,489,069	-	1,489,069
0100 Net Position - Beginning	<u>1,501,954</u>	<u>278,880</u>	<u>1,780,834</u>
3300 Net Position - Ending	<u><u>\$ 2,991,023</u></u>	<u><u>\$ 278,880</u></u>	<u><u>\$ 3,269,903</u></u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2015

Exhibit H-3

	753	772	Total
	Health Insurance	Workers' Compensation	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Employee and Employer	\$ 13,048,304	\$ 718,477	\$ 13,766,781
Cash Payments for Claims	(12,994,586)	(384,063)	(13,378,649)
Cash Payments for Administrative Services	(2,036,086)	(42,058)	(2,078,144)
Net Cash Provided by (Used for) Operating Activities	<u>(1,982,368)</u>	<u>292,356</u>	<u>(1,690,012)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from Other Funds	1,500,000	-	1,500,000
Net Cash Provided by Noncapital Financing Activities	<u>1,500,000</u>	<u>-</u>	<u>1,500,000</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and Dividends Received on Investments	6,805	432	7,237
Purchase of Investments	(1,000,000)	(157,374)	(1,157,374)
Proceeds on Sale of Investments	1,500,000	-	1,500,000
Net Cash Provided by (Used for) Investing Activities	<u>506,805</u>	<u>(156,942)</u>	<u>349,863</u>
Net Increase in Cash and Cash Equivalents	24,437	135,414	159,851
Cash and Cash Equivalents at Beginning of Year	1,250,979	521,746	1,772,725
Cash and Cash Equivalents at End of Year	<u>\$ 1,275,416</u>	<u>\$ 657,160</u>	<u>\$ 1,932,576</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:			
Operating Income (Loss)	\$ (17,518)	\$ (432)	\$ (17,950)
Change in Assets and Liabilities:			
Decrease in Other Receivables	4,982	-	4,982
(Increase) Decrease in Due from Other Funds	(1,500,000)	1,249	(1,498,751)
(Increase) in Prepaid Items	(114,990)	-	(114,990)
Increase (Decrease) in Accounts Payable	112,241	(31,394)	80,847
Decrease in Claims Payable	(467,083)	-	(467,083)
Increase in Due to Other Funds	-	322,933	322,933
Net Cash Provided by (Used for) Operating Activities	<u>\$ (1,982,368)</u>	<u>\$ 292,356</u>	<u>\$ (1,690,012)</u>

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Fiduciary Fund

Agency Fund

The District's agency fund is used to account for assets held by the District as an agent for student organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUND
FOR THE YEAR ENDED AUGUST 31, 2015

Exhibit I-1

AGENCY FUND:

Data Control Codes	Beginning Balance 9/1/14	Additions	Deductions	Ending Balance 8/31/15
ASSETS				
1110 <i>Cash and Cash Equivalents</i>	\$ 331,032	\$ 1,070,116	\$ 1,033,612	\$ 367,536
1260 <i>Due from Other Funds</i>	957	23,511	24,468	-
1240 <i>Due from Other Governments</i>	-	75	-	75
1000 Total Assets	<u>\$ 331,989</u>	<u>\$ 1,093,702</u>	<u>\$ 1,058,080</u>	<u>\$ 367,611</u>
LIABILITIES				
2110 <i>Accounts Payable</i>	\$ 693	\$ 6,385	\$ 738	\$ 6,340
2170 <i>Due to Other Funds</i>	1,005	9,686	10,691	-
2180 <i>Due to Other Governments</i>	-	59,148	39,792	19,356
2190 <i>Due to Student Groups</i>	330,291	1,465,839	1,454,215	341,915
2000 Total Liabilities	<u>\$ 331,989</u>	<u>\$ 1,541,058</u>	<u>\$ 1,505,436</u>	<u>\$ 367,611</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE YEAR ENDED AUGUST 31, 2015

<u>Year Ended August 31</u>	<u>Tax Rates</u>		<u>3 Net Assessed/Appraised Value For School Tax Purposes</u>
	<u>1</u>	<u>2</u>	
	<u>Maintenance</u>	<u>Debt Service</u>	
2006 and Prior Years	\$ Various	\$ Various	\$ Various
2007	1.36	0.32	5,878,350,774
2008	1.04	0.43	6,602,774,490
2009	1.04	0.42	7,230,322,945
2010	1.04	0.42	7,460,985,822
2011	1.04	0.42	7,200,603,973
2012	1.04	0.44	7,151,132,095
2013	1.04	0.50	7,294,605,195
2014	1.04	0.50	7,744,462,403
2015	1.04	0.50	8,712,782,857
1000 Totals			

10	20	31	32	40	50
Beginning	Current	Maintenance	Debt Service	Entire	Ending
Balance	Year's	Collections	Collections	Year's	Balance
9/1/14	Total Levy			Adjustments	8/31/15
\$ 1,806,994	\$ -	\$ 5,650	\$ 1,318	\$ (1,088)	\$ 1,798,938
114,648	-	3,879	913	(2,985)	106,871
139,724	-	5,617	2,322	(2,447)	129,338
219,186	-	(29,151)	(11,774)	(50,228)	209,883
235,054	-	40,721	16,448	(892)	176,993
261,683	-	55,864	22,564	21,398	204,653
403,675	-	91,559	38,737	27,630	301,009
465,810	-	(56,236)	(27,040)	(238,424)	310,662
892,310	-	109,600	52,698	(286,322)	443,690
-	134,176,856	89,789,098	43,167,836	(492,817)	727,105
<u>\$ 4,539,084</u>	<u>\$ 134,176,856</u>	<u>\$ 90,016,601</u>	<u>\$ 43,264,022</u>	<u>\$ (1,026,175)</u>	<u>\$ 4,409,142</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
CHILD NUTRITION FUND
FOR THE YEAR ENDED AUGUST 31, 2015

Exhibit J-2

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts			
		Original	Final	Actual	
REVENUES					
5700	<i>Local, Intermediate, and Out-of-State</i>	\$ 4,341,632	\$ 4,341,632	\$ 3,810,930	\$ (530,702)
5800	<i>State Programs</i>	61,000	61,000	61,527	527
5900	<i>Federal Programs</i>	8,171,407	8,171,407	7,954,871	(216,536)
5020	Total Revenues	<u>12,574,039</u>	<u>12,574,039</u>	<u>11,827,328</u>	<u>(746,711)</u>
EXPENDITURES					
Current:					
0035	<i>Food Services</i>	11,639,817	11,841,317	11,308,383	532,934
0051	<i>Plant Maintenance and Operations</i>	435,033	435,033	416,367	18,666
Intergovernmental:					
0093	<i>Payments to Shared Services Arrangements</i>	<u>255,472</u>	<u>255,472</u>	<u>255,472</u>	<u>-</u>
6030	Total Expenditures	<u>12,330,322</u>	<u>12,531,822</u>	<u>11,980,222</u>	<u>551,600</u>
1200	Net Change in Fund Balance	243,717	42,217	(152,894)	(195,111)
0100	Fund Balance - Beginning	<u>1,836,123</u>	<u>1,836,123</u>	<u>1,836,123</u>	<u>-</u>
3000	Fund Balance - Ending	<u>\$ 2,079,840</u>	<u>\$ 1,878,340</u>	<u>\$ 1,683,229</u>	<u>\$ (195,111)</u>

Statistical Section
(Unaudited)

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PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

STATISTICAL SECTION

The statistical section of the Pflugerville Independent School District's Comprehensive Annual 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 District's economic condition and overall financial health. To assist financial statement users, the information contained within this section is categorized as follows:

Financial Trends

These schedules contain trend information to show how the District's financial performance and position have changed over time

Revenue Capacity

These schedules contain information to help assess the factors affecting the District's most significant local revenue source, property tax.

Debt Capacity

These schedules present information to help assess the affordability of the District's current debt burden and its ability to issue additional debt in the future

Demographic and Economic Information

These schedules provide demographic and economic indicators to help in understanding the environment in which the District operates and to facilitate in comparisons over time.

Operating Information

These schedules provide information about the District's operations and resources to assist in using the financial statement information to better understand and assess the District's economic condition.

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Governmental Activities:				
Net Investment in Capital Assets	\$ 63,674,882	\$ 57,716,900	\$ 39,651,143	\$ 31,823,815
Restricted	3,581,479	4,493,919	2,833,628	2,553,638
Unrestricted	21,755,040	40,142,710	43,425,207	39,734,667
Total Governmental Activities Net Position	\$ <u>89,011,401</u>	\$ <u>102,353,529</u>	\$ <u>85,909,978</u>	\$ <u>74,112,120</u>
Business-type Activities:				
Net Investment in Capital Assets	\$ 77,056	\$ 80,640	\$ -	\$ 87,808
Unrestricted	160,317	65,344	189,862	(14,204)
Total Business-type Activities Net Position	\$ <u>237,373</u>	\$ <u>145,984</u>	\$ <u>189,862</u>	\$ <u>73,604</u>
Primary Government:				
Net Investment in Capital Assets	\$ 63,751,938	\$ 57,797,540	\$ 39,651,143	\$ 31,911,623
Restricted	3,581,479	4,493,919	2,833,628	2,553,638
Unrestricted	21,915,357	40,208,054	43,615,069	39,720,463
Total Primary Government Net Position	\$ <u>89,248,774</u>	\$ <u>102,499,513</u>	\$ <u>86,099,840</u>	\$ <u>74,185,724</u>

Table 1

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 31,462,570	\$ 30,170,927	\$ 32,247,876	\$ 31,191,545	\$ 22,719,417	\$ 29,806,066
3,014,281	3,955,354	4,766,734	3,662,850	3,179,559	3,019,023
28,326,217	20,008,756	13,836,085	18,891,768	25,592,424	9,135,897
<u>\$ 62,803,068</u>	<u>\$ 54,135,037</u>	<u>\$ 50,850,695</u>	<u>\$ 53,746,163</u>	<u>\$ 51,491,400</u>	<u>\$ 41,960,986</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(32,578)	-	-	-	-	-
<u>\$ (32,578)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 31,462,570	\$ 30,170,927	\$ 32,247,876	\$ 31,191,545	\$ 22,719,417	\$ 29,806,066
3,014,281	3,955,354	4,766,734	3,662,850	3,179,559	3,019,023
28,293,639	20,008,756	13,836,085	18,891,768	25,592,424	9,135,897
<u>\$ 62,770,490</u>	<u>\$ 54,135,037</u>	<u>\$ 50,850,695</u>	<u>\$ 53,746,163</u>	<u>\$ 51,491,400</u>	<u>\$ 41,960,986</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Expenses				
Governmental Activities:				
Instruction	\$ 128,212,451	\$ 122,256,562	\$ 114,690,363	\$ 109,251,840
Instructional Resources and Media Services	3,277,760	3,389,564	3,220,656	3,279,662
Curriculum and Instructional Staff Development	7,275,734	6,899,437	5,832,985	6,335,867
Instructional Leadership	2,536,160	2,591,939	2,351,868	2,219,164
School Leadership	11,642,765	11,399,172	10,831,744	10,173,649
Guidance, Counseling, and Evaluation Services	7,818,428	7,478,095	6,965,991	6,576,716
Social Work Services	665,804	642,344	539,198	501,903
Health Services	2,428,883	2,175,192	1,939,741	1,899,532
Student Transportation	8,457,815	8,253,644	7,688,544	7,104,168
Food Services	12,324,547	12,125,168	12,009,734	11,264,856
Extracurricular Activities	7,804,164	7,283,955	7,194,257	6,838,249
General Administration	4,110,257	4,185,979	3,705,361	3,643,282
Plant Maintenance and Operations	18,611,278	14,801,261	12,624,898	12,636,964
Security and Monitoring Services	5,262,884	3,165,308	2,758,741	2,708,046
Data Processing Services	8,227,751	4,341,709	3,878,344	3,394,096
Community Services	103,863	87,933	124,220	134,188
Interest on Long-term Debt & Bond Fees	20,542,013	18,298,857	14,493,953	14,439,419
Facilities Repair and Maintenance	-	-	-	2,277,256
Payments Related to Shared Service Arrangements	2,314,664	2,204,665	2,092,300	1,810,439
Payments to Juvenile Justice Alternative Ed. Program	1,892	1,978	-	15,319
Payments to Appraisal District	722,627	599,885	577,357	466,306
Total Governmental Activities Expenses	<u>252,341,740</u>	<u>232,182,647</u>	<u>213,520,255</u>	<u>206,970,921</u>
Business-type Activities:				
Extended Day Program	2,296,403	2,165,603	1,959,222	1,648,334
Total Primary Government Expenses	<u>254,638,143</u>	<u>234,348,250</u>	<u>215,479,477</u>	<u>208,619,255</u>
Program Revenues				
Governmental Activities:				
Charges for Services:				
Instruction	1,028,362	1,080,924	1,104,995	908,105
Food Services	3,937,867	3,910,949	4,238,437	3,890,454
Extracurricular Activities	1,696,779	2,030,827	1,456,031	1,537,818
Other Activities	493,471	555,887	800,795	928,113
Operating Grants and Contributions	27,167,670	30,227,697	27,680,515	33,479,272
Total Primary Government Governmental Activities Program Revenues	<u>34,324,149</u>	<u>37,806,284</u>	<u>35,280,773</u>	<u>40,743,762</u>
Business-type Activities:				
Charges for Services	3,787,792	3,321,725	2,775,480	2,154,516
Total Primary Government Program Revenues	<u>38,111,941</u>	<u>41,128,009</u>	<u>38,056,253</u>	<u>42,898,278</u>
Net (Expense)/Revenue				
Total Primary Government Net Expense	<u>\$ (216,526,202)</u>	<u>\$ (193,220,241)</u>	<u>\$ (177,423,224)</u>	<u>\$ (165,720,977)</u>

Table 2
Page 1 of 2

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 108,337,542	\$ 108,060,717	\$ 103,394,889	\$ 94,650,337	\$ 85,939,489	\$ 77,640,628
3,196,747	3,188,391	3,705,657	3,471,299	3,820,581	3,514,660
6,099,548	6,051,164	5,482,628	4,088,992	3,303,276	2,579,484
2,456,580	2,557,375	2,027,673	1,672,599	1,162,792	1,022,484
10,159,941	10,098,502	10,818,210	10,110,269	8,464,935	7,576,769
6,588,865	6,792,197	6,033,629	5,948,106	4,722,770	4,321,876
475,137	441,736	441,932	423,094	264,432	172,844
1,828,229	1,594,137	1,597,561	1,479,424	1,440,727	1,166,643
7,466,658	7,139,172	7,008,750	6,875,115	5,916,371	5,750,299
11,457,443	10,620,252	9,830,910	9,108,389	7,486,650	7,153,506
6,651,685	6,067,801	6,013,120	5,559,634	5,081,456	5,003,610
3,840,998	3,709,032	3,764,274	3,769,737	4,043,427	3,714,824
13,208,973	15,502,842	15,368,510	16,034,590	14,572,997	13,677,476
2,383,226	2,137,943	2,325,743	1,202,334	829,415	1,084,024
3,767,644	3,851,350	3,246,828	3,051,548	3,428,639	3,366,470
251,683	136,274	125,400	113,423	90,737	114,557
17,453,765	17,507,086	18,422,579	14,791,698	13,817,715	13,957,491
13,136	-	29,257	4,181,777	453,026	186,230
2,505,714	2,379,337	2,881,565	-	-	-
15,642	-	19,987	14,141	3,068	3,540
564,007	555,974	568,410	513,372	-	-
<u>208,723,163</u>	<u>208,391,282</u>	<u>203,107,512</u>	<u>187,059,878</u>	<u>164,842,503</u>	<u>152,007,415</u>
211,715	-	-	-	-	-
<u>208,934,878</u>	<u>208,391,282</u>	<u>203,107,512</u>	<u>187,059,878</u>	<u>164,842,503</u>	<u>152,007,415</u>
1,080,738	886,652	1,056,284	892,791	643,611	653,310
3,814,485	3,791,705	3,904,617	3,568,350	3,211,394	3,133,213
1,441,675	1,319,423	992,532	980,685	874,388	957,687
877,405	798,091	843,827	950,666	733,246	868,231
<u>34,786,457</u>	<u>34,150,601</u>	<u>22,515,245</u>	<u>20,132,811</u>	<u>15,463,959</u>	<u>16,062,555</u>
<u>42,000,760</u>	<u>40,946,472</u>	<u>29,312,505</u>	<u>26,525,303</u>	<u>20,926,598</u>	<u>21,674,996</u>
179,137	-	-	-	-	-
<u>42,179,897</u>	<u>40,946,472</u>	<u>29,312,505</u>	<u>26,525,303</u>	<u>20,926,598</u>	<u>21,674,996</u>
<u>\$ (166,754,981)</u>	<u>\$ (167,444,810)</u>	<u>\$ (173,795,007)</u>	<u>\$ (160,534,575)</u>	<u>\$ (143,915,905)</u>	<u>\$ (130,332,419)</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes, Levied for General Purposes	\$ 90,263,484	\$ 80,406,030	\$ 75,700,506	\$ 74,620,548
Property Taxes, Levied for Debt Service	43,403,630	38,628,467	36,425,476	31,339,637
Grants and Contributions Not Restricted to Specific Prog.	91,045,377	89,749,248	76,832,576	74,534,585
Investment Earnings	1,619,602	287,320	236,966	475,331
Miscellaneous	1,777	548,849	295,589	272,522
Transfers	1,400,000	1,200,000	700,000	400,000
Special Item - Gain on Sale of Asset	-	-	-	-
Total Governmental Activities General Revenues	<u>227,733,870</u>	<u>210,819,914</u>	<u>190,191,113</u>	<u>181,642,623</u>
Business-type Activities:				
Transfers	<u>(1,400,000)</u>	<u>(1,200,000)</u>	<u>(700,000)</u>	<u>(400,000)</u>
Total Business-type Activities General Revenues	<u>(1,400,000)</u>	<u>(1,200,000)</u>	<u>(700,000)</u>	<u>(400,000)</u>
Total Primary Government General Revenues	<u>\$ 226,333,870</u>	<u>\$ 209,619,914</u>	<u>\$ 189,491,113</u>	<u>\$ 181,242,623</u>
Change in Net Position				
Governmental Activities	9,716,279	16,443,551	11,951,631	15,415,464
Business-type Activities	91,389	(43,878)	116,258	106,182
Total Change in Net Position	<u>\$ 9,807,668</u>	<u>\$ 16,399,673</u>	<u>\$ 12,067,889</u>	<u>\$ 15,521,646</u>

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$	74,151,360	\$ 77,282,606	\$ 74,503,421	\$ 67,412,374	\$ 82,211,619	\$ 78,954,378
	29,893,334	31,230,001	30,245,042	27,692,617	19,516,637	18,340,815
	70,295,035	61,748,632	63,570,162	64,369,942	44,600,806	30,395,557
	493,138	417,602	2,409,191	3,154,609	3,162,914	2,221,687
	557,567	50,311	171,723	159,794	135,298	641,285
	-	-	-	-	-	-
	-	-	-	-	3,819,045	-
	<u>175,390,434</u>	<u>170,729,152</u>	<u>170,899,539</u>	<u>162,789,336</u>	<u>153,446,319</u>	<u>130,553,722</u>
	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$	<u><u>175,390,434</u></u>	<u><u>170,729,152</u></u>	<u><u>170,899,539</u></u>	<u><u>162,789,336</u></u>	<u><u>153,446,319</u></u>	<u><u>130,553,722</u></u>
	8,668,031	3,284,342	(2,895,468)	2,254,761	9,530,414	221,303
	(32,578)	-	-	-	-	-
\$	<u><u>8,635,453</u></u>	<u><u>3,284,342</u></u>	<u><u>(2,895,468)</u></u>	<u><u>2,254,761</u></u>	<u><u>9,530,414</u></u>	<u><u>221,303</u></u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Fund				
Nonspendable:				
Investment in Inventories	\$ 268,390	\$ 257,734	\$ 328,717	\$ 379,652
Prepaid Items	159,852	605,467	215,032	145,746
Assigned:				
Other Purposes	1,753,000	-	7,411,000	3,500,000
Unassigned	34,002,263	33,284,754	27,960,681	26,586,007
Total General Fund	<u>\$ 36,183,505</u>	<u>\$ 34,147,955</u>	<u>\$ 35,915,430</u>	<u>\$ 30,611,405</u>
 All Other Governmental Funds				
Nonspendable:				
Investment in Inventories	\$ 525	\$ 235	\$ -	\$ -
Prepaid Items	8,487	21,802	42,885	125,537
Restricted:				
Grant Funds	1,690,568	1,853,342	-	-
Land Acquisitions and Construction Projects	254,347,893	285,595,606	24,883,326	44,268,455
Debt Service	1,734,910	4,466,719	2,487,587	2,291,476
Committed:				
Other	1,598,142	1,489,908	2,838,321	2,638,972
Assigned:				
Construction	-	2,000,000	-	-
Unassigned	-	-	-	-
Total All Other Governmental Funds	<u>\$ 259,380,525</u>	<u>\$ 295,427,612</u>	<u>\$ 30,252,119</u>	<u>\$ 49,324,440</u>

Source: District Financial Statements

Fund balance classifications for fiscal years prior to 2011 have been recast to reflect GASB Statement No. 54 classifications for comparative purposes.

Table 3

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 268,198	\$ 279,763	\$ 118,398	\$ 162,937	\$ 181,528	\$ 230,335
788,398	777,320	618,129	161,630	145,240	-
10,548	-	-	-	-	-
24,206,347	16,625,462	12,685,986	16,177,531	18,805,325	11,612,955
<u>\$ 25,273,491</u>	<u>\$ 17,682,545</u>	<u>\$ 13,422,513</u>	<u>\$ 16,502,098</u>	<u>\$ 19,132,093</u>	<u>\$ 11,843,290</u>
\$ 108,093	\$ -	\$ -	\$ -	\$ -	\$ -
167,593	13,398	-	-	-	-
808,623	1,899,183	1,677,007	2,455,148	3,124,536	2,402,284
77,757,689	86,530,605	106,398,420	135,301,946	18,789,413	-
1,643,443	3,096,937	4,116,832	3,696,794	1,845,631	2,489,505
1,210,069	985,576	878,098	783,375	771,607	757,850
-	-	-	-	-	-
-	-	(56)	(183,955)	(116,314)	(6,712,267)
<u>\$ 81,695,510</u>	<u>\$ 92,525,699</u>	<u>\$ 113,070,301</u>	<u>\$ 142,053,308</u>	<u>\$ 24,414,873</u>	<u>\$ (1,062,628)</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
REVENUES				
Local, Intermediate, and Out-of-State	\$ 143,676,672	\$ 127,821,531	\$ 120,887,281	\$ 112,740,450
State Programs	98,021,636	99,036,883	85,211,438	85,904,547
Federal Programs	20,160,051	20,107,976	18,651,369	21,840,457
Total Revenues	<u>261,858,359</u>	<u>246,966,390</u>	<u>224,750,088</u>	<u>220,485,454</u>
EXPENDITURES				
Current:				
Instruction	123,740,099	116,478,605	110,756,591	105,862,543
Instructional Resources and Media Services	2,875,971	2,975,983	2,860,617	2,938,099
Curriculum and Instructional Staff Development	7,345,669	6,877,859	5,847,046	6,347,636
Instructional Leadership	2,509,428	2,581,667	2,365,694	2,227,204
School Leadership	11,446,734	11,068,572	10,600,647	9,931,249
Guidance, Counseling, and Evaluation Services	7,842,773	7,379,415	6,893,336	6,361,976
Social Work Services	667,386	637,085	557,922	502,321
Health Services	2,450,887	2,169,405	1,945,694	1,903,195
Student Transportation	8,424,783	8,216,930	7,654,405	7,059,718
Food Services	11,533,728	11,344,939	11,299,912	10,564,654
Extracurricular Activities	6,330,540	6,013,686	5,948,147	5,559,113
General Administration	4,034,743	4,078,109	3,623,407	3,548,814
Plant Maintenance and Operations	23,532,248	14,588,098	13,052,981	12,498,011
Security and Monitoring Services	4,803,572	2,632,346	2,406,386	2,300,852
Data Processing Services	9,236,604	4,412,056	3,622,916	5,342,106
Community Services	63,951	80,221	118,474	136,429
Debt Service:				
Principal on Long-term Debt	22,751,503	26,527,140	18,160,000	15,960,000
Interest on Long-term Debt	24,561,224	14,015,393	14,181,497	15,572,477
Issuance Costs and Fees	41,165	2,798,677	345,281	681,314
Capital Outlay:				
Facilities Acquisition and Construction	18,540,484	26,809,125	14,069,207	28,613,772
Intergovernmental:				
Payments Related to Shared Services Arrange.	2,314,664	2,204,665	2,092,300	1,810,439
Payments to Juvenile Justice Alt. Ed. Prgm.	1,892	1,978	-	15,319
Payments to Appraisal District	722,627	599,885	577,357	466,306
Total Expenditures	<u>295,772,675</u>	<u>274,491,839</u>	<u>238,979,817</u>	<u>246,203,547</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(33,914,316)</u>	<u>(27,525,449)</u>	<u>(14,229,729)</u>	<u>(25,718,093)</u>

Table 4
Page 1 of 2

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$	112,980,468	\$ 116,404,455	\$ 113,426,921	\$ 107,933,585	\$ 107,849,751	\$ 106,355,368
	80,241,196	70,435,028	73,381,316	73,095,749	50,877,181	36,262,538
	24,618,084	25,303,610	12,669,277	11,233,950	8,995,786	9,598,405
	<u>217,839,748</u>	<u>212,143,093</u>	<u>199,477,514</u>	<u>192,263,284</u>	<u>167,722,718</u>	<u>152,216,311</u>
	104,586,009	104,374,052	99,246,993	91,042,438	82,344,130	74,274,567
	2,888,856	2,877,675	3,390,660	3,161,886	3,524,940	3,241,542
	6,118,963	6,056,306	5,472,684	4,085,028	3,298,576	2,576,041
	2,455,813	2,563,892	2,016,242	1,671,651	1,161,885	1,020,874
	9,941,114	9,863,547	10,576,334	9,894,351	8,220,585	7,355,922
	6,373,232	6,633,242	5,969,339	5,918,195	4,685,561	4,283,200
	473,573	441,668	441,284	422,553	265,076	172,198
	1,832,548	1,596,312	1,585,411	1,478,116	1,438,394	1,164,311
	7,421,508	7,094,022	6,963,600	6,862,075	5,871,150	5,698,488
	10,533,520	9,723,969	9,222,653	8,603,027	7,092,533	6,725,532
	5,712,394	5,661,053	4,852,312	4,413,903	4,037,054	4,073,224
	3,780,020	3,631,310	3,692,732	3,686,453	3,951,122	3,577,837
	12,974,345	15,314,846	14,900,930	15,590,266	14,139,174	13,627,565
	3,818,430	2,752,632	2,260,900	1,125,442	960,688	1,079,581
	3,557,499	4,069,284	2,268,351	1,768,997	1,599,842	1,482,856
	251,683	136,274	125,400	113,423	62,456	96,539
	11,784,934	14,870,000	12,140,000	17,565,319	9,950,000	8,956,835
	19,789,263	17,624,815	19,528,347	13,436,105	14,321,841	13,830,485
	276,591	210,049	4,450	6,900	5,616	11,642
	3,679,392	10,102,907	23,460,093	11,881,210	12,134,341	29,500,286
	2,505,714	2,379,337	-	-	-	-
	15,642	-	19,987	14,141	3,068	3,540
	564,007	555,974	3,449,975	513,372	-	-
	<u>221,335,050</u>	<u>228,533,166</u>	<u>231,588,677</u>	<u>203,254,851</u>	<u>179,068,032</u>	<u>182,753,065</u>
	<u>(3,495,302)</u>	<u>(16,390,073)</u>	<u>(32,111,163)</u>	<u>(10,991,567)</u>	<u>(11,345,314)</u>	<u>(30,536,754)</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
OTHER FINANCING SOURCES (USES)				
Refunding Bonds Issued	\$ -	\$ 107,275,000	\$ 38,645,000	\$ 68,935,000
Issuance of Capital Related Debt (Regular Bonds)	-	262,465,000	-	-
Premium/Discount from Issuance of Bonds	-	41,102,494	5,994,931	8,209,802
Non-current Loan Proceeds	-	-	4,926,823	-
Sale of Real and Personal Property	2,779	11,596	-	-
Other Sources (Uses)	-	(45,175)	(2,600)	(3,000)
Transfers In	4,400,000	3,695,493	811,499	400,000
Transfers Out	(4,500,000)	(2,495,493)	(111,499)	(2,000,000)
Payment to Refunded Bond Escrow Agent	-	(121,075,448)	(49,802,721)	(76,856,865)
Total Other Financing Sources (Uses)	<u>(97,221)</u>	<u>290,933,467</u>	<u>461,433</u>	<u>(1,315,063)</u>
Special Items (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	\$ <u>(34,011,537)</u>	\$ <u>263,408,018</u>	\$ <u>(13,768,296)</u>	\$ <u>(27,033,156)</u>
Debt Service (Principal and Interest) Expenditures as a Percentage of Noncapital Expenditures	17.57%	16.49%	14.54%	14.80%

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$	23,655,000	\$ 20,420,000	\$ -	\$ -	\$ -	\$ -
	-	-	-	121,715,000	40,000,000	-
	1,467,626	2,413,495	-	4,220,319	1,867	-
	-	-	-	-	-	-
	5,478	-	43,440	55,912	4,106,574	100
	-	(63,245)	5,138	8,774	3,177	-
	1,073,910	-	56,650	-	-	78,378
	(1,073,910)	-	(56,650)	-	-	(78,378)
	(24,859,196)	(22,625,843)	-	-	-	-
	<u>268,908</u>	<u>144,407</u>	<u>48,578</u>	<u>126,000,005</u>	<u>44,111,618</u>	<u>100</u>
	<u>(12,850)</u>	<u>(38,904)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$	<u><u>(3,239,244)</u></u>	<u><u>(16,284,570)</u></u>	<u><u>(32,062,585)</u></u>	<u><u>115,008,438</u></u>	<u><u>32,766,304</u></u>	<u><u>(30,536,654)</u></u>
	14.69%	15.06%	15.24%	15.89%	14.55%	14.94%

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PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Table 5

Fiscal Year Ended August 31,	Appraised Value			Taxable Assessed Value	Total Direct Rate (2)
	Real Property Value Travis & Williamson (1)	Personal Property Value Travis	Less Exemptions Travis		
2015	\$ 8,919,029,573	\$ 1,215,447,201	\$ 1,780,018,574	\$ 8,354,458,200	\$ 1.5400
2014	7,726,915,912	1,206,193,486	1,588,427,053	7,344,682,345	1.5400
2013	7,101,732,589	1,043,205,885	1,250,911,712	6,894,026,762	1.5400
2012	6,927,223,361	927,076,504	1,227,911,047	6,626,388,818	1.4800
2011	6,990,955,971	928,000,481	1,128,460,284	6,790,496,168	1.4600
2010	7,001,868,479	1,168,252,825	1,236,404,902	6,933,716,402	1.4600
2009	6,975,643,971	1,498,765,369	1,439,680,945	7,034,728,395	1.4600
2008	6,060,160,682	1,640,470,968	1,548,427,041	6,152,204,609	1.4700
2007	5,474,463,029	1,547,238,633	1,278,540,063	5,743,161,599	1.6800
2006	4,988,896,471	1,103,365,959	1,136,709,701	4,955,552,729	1.8500

Sources: Travis Central Appraisal District and Williamson Central Appraisal District

(1) Williamson County values are before freeze. Prior to fiscal year 2008, Williamson appraisal information maintained by and included in Travis Central Appraisal totals.

(2) Tax Rates are per \$100 of taxable assessed value.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$100 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS

<u>Taxing Authority</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<i>Overlapping Rates:</i>				
Austin, City of	\$ 0.4589	\$ 0.4809	\$ 0.5027	\$ 0.4811
Austin Community College District	0.1005	0.0942	0.0949	-
Kelly Lane WCID #1	0.9500	0.9500	0.9500	0.9500
Lakeside MUD #3	0.8470	0.8775	0.9000	0.9000
Lakeside WCID #2D	0.9700	0.9700	0.9700	0.9700
Lakeside WCID #1	0.8000	0.8000	0.8500	0.9000
Lakeside WCID #2B	0.9700	0.9700	0.9700	0.9700
Lakeside WCID #2C	0.9700	0.9700	0.9700	0.9700
Northeast Travis County UD	0.8610	0.8760	0.8993	0.8993
Northtown MUD	0.7220	0.7360	0.7500	0.7500
Pflugerville, City of	0.5405	0.5336	0.5736	0.5990
Travis County	0.4169	0.4563	0.4946	0.4855
Travis Co. Healthcare District	0.1178	0.1264	0.1290	-
Travis County Emergency Service #2	0.1000	0.0982	0.1000	0.1000
Travis County MUD #15	0.3325	0.3325	0.3325	0.3325
Travis County MUD #17	0.9500	-	-	-
Wells Branch MUD	0.3900	0.4300	0.4600	0.4700
Williamson County	0.4415	0.4465	0.4490	0.4600
Williamson Co. Water, Sewer, Irrigation and DD #3	0.7306	0.8082	0.8150	0.8150
Total Overlapping Rates	\$ <u>11.6692</u>	\$ <u>10.9563</u>	\$ <u>11.2106</u>	\$ <u>11.0524</u>
<i>District Direct Rates:</i>				
Pflugerville ISD				
Maintenance and Operations	\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.0400
Debt Service	0.5000	0.5000	0.5000	0.4400
Total District Direct Rates	\$ <u>1.5400</u>	\$ <u>1.5400</u>	\$ <u>1.5400</u>	\$ <u>1.4800</u>

Source: The Municipal Advisory Council of Texas

1) Data for Kelly Lane WCID #1, Lakeside MUD #3, and Lakeside WCID #2D not available prior to 2008

2) Data for Williamson County not available prior to 2011

Table 6

	<u>2011 (2)</u>	<u>2010</u>	<u>2009</u>	<u>2008 (1)</u>	<u>2007</u>	<u>2006</u>
\$	0.4571	\$ 0.4209	\$ 0.4012	\$ 0.4034	\$ 0.4126	\$ 0.4430
	-	-	-	-	-	-
	0.9500	0.9500	0.9500	0.9500	-	-
	0.9000	0.9000	0.9000	0.9000	-	-
	0.9700	0.9700	0.9700	0.9700	-	-
	0.9000	0.8500	0.8500	0.8500	0.8700	0.8700
	0.9700	0.9700	0.9700	0.9700	0.8700	0.8700
	0.9700	0.9400	0.9000	0.9000	0.8200	0.8700
	0.8993	0.8993	0.8993	0.8993	0.9300	0.9300
	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500
	0.6040	0.6090	0.6140	0.6190	0.6240	0.6350
	0.4215	0.4215	0.4122	0.4216	0.4499	0.4993
	-	-	-	-	-	-
	0.1000	0.0997	0.1000	0.1000	0.1000	0.1000
	0.3325	0.3325	0.2925	0.2500	0.2500	0.2300
	-	-	-	-	-	-
	0.4700	0.4700	0.4700	0.4800	0.4800	0.4800
	0.4600	-	-	-	-	-
	0.8150	0.7999	0.7730	0.7730	0.8500	0.8500
\$	<u>10.9694</u>	<u>10.3828</u>	<u>10.2522</u>	<u>10.2363</u>	<u>7.4065</u>	<u>7.5273</u>
\$	1.0400	\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.3600	\$ 1.5000
	0.4200	0.4200	0.4200	0.4300	0.3200	0.3500
\$	<u>1.4600</u>	<u>1.4600</u>	<u>1.4600</u>	<u>1.4700</u>	<u>1.6800</u>	<u>1.8500</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Table 7

Taxpayer	2015			2006		
	Assessed Value	Rank	Percentage of Total Assessed Value	Assessed Value	Rank	Percentage of Total Assessed Value
Dell Inc	\$ 144,019,593	1	1.72%	\$ 340,973,772	1	6.88%
Oracle USA Inc	124,340,713	2	1.49%	91,351,340	2	1.84%
A-S 93 SH 130-SH 45 LP	98,054,782	3	1.17%			
TX13 Austin LLC	58,338,229	4	0.70%			
Realty Associates Fund IX LP The	57,858,459	5	0.69%			
Parmer Tech Ridge LLC	52,516,275	6	0.63%			
BRE MF Stone Hill LLC	48,128,169	7	0.58%			
San Paloma Apartments 100 LP	46,500,000	8	0.56%			
Target Corporation	45,172,923	9	0.54%			
Tech Ridge Austin LLC	45,000,000	10	0.54%			
DDR DB Tech Ventures LP				46,679,460	3	0.94%
AMB/TR Four 2001 Ltd				42,269,863	4	0.85%
Oncor Electric Delivery Co LLC				35,269,610	5	0.71%
Dell Inc.				33,560,558	6	0.68%
MBS-SAGE Creek				33,500,000	7	0.68%
Zavala Properties II, Inc.				31,965,600	8	0.65%
Tech Ridge Phase I LP				27,196,392	9	0.55%
Sears Roebuck & Co.				24,511,553	10	0.49%
TOTALS	\$ 719,929,143		8.62%	\$ 707,278,148		14.27%
TOTAL ASSESSED VALUE	\$ 8,354,458,200			\$ 4,955,552,729		

Source: Travis Central Appraisal District.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Table 8

Fiscal Year	Tax Levy For The Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date (Including 60 Day Accrual)	
		Amount	Percentage of Net Tax Levy		Amount	Percent of Total Tax Collections To Net Tax Levy
2015	\$ 133,684,039	\$ 132,956,934	99.46%	\$ -	\$ 132,956,934	99.46%
2014	118,531,189	117,925,201	99.49%	162,298	118,087,499	99.63%
2013	111,385,652	111,106,176	99.75%	(31,186)	111,074,990	99.72%
2012	105,400,719	104,531,967	99.18%	567,743	105,099,710	99.71%
2011	104,326,252	103,466,286	99.18%	655,313	104,121,599	99.80%
2010	108,161,065	107,041,100	98.96%	942,972	107,984,072	99.84%
2009	104,260,157	103,367,737	99.14%	682,537	104,050,274	99.80%
2008	95,712,970	95,563,864	99.84%	19,768	95,583,632	99.86%
2007	98,029,145	97,306,560	99.26%	615,714	97,922,274	99.89%
2006	96,854,992	95,756,426	98.87%	980,658	96,737,084	99.88%

(1) Appraised value less exemptions equals taxable assessed value. The beginning taxable value net of adjustments times the tax rate set by the District's Board of Trustees each fall less any subsequent adjustments equals the total net tax levy. The net tax levy for prior years reflects ongoing adjustments applied to that year's tax levy.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Table 9

<u>Fiscal Year</u>	<u>Governmental Activities</u>			<u>Ratio of Debt to Assessed Value (1)</u>	<u>Debt Per Student (2)</u>
	<u>General Obligation Bonds</u>	<u>Capital Leases/Notes Payable</u>	<u>Total Primary Government</u>		
2015	\$ 569,797,123	\$ 4,023,180	\$ 573,820,303	6.87%	\$ 25,367
2014	596,248,290	4,464,683	600,712,973	8.18%	27,013
2013	327,249,556	4,926,823	332,176,379	4.82%	15,077
2012	349,287,496	-	349,287,496	5.27%	16,044
2011	359,814,211	-	359,814,211	5.30%	16,814
2010	374,299,609	-	374,299,609	5.40%	18,067
2009	389,105,174	-	389,105,174	5.53%	19,134
2008	401,664,307	-	401,664,307	6.53%	20,619
2007	292,665,776	-	292,665,776	5.10%	15,745
2006	263,383,063	-	263,383,063	5.31%	14,950

(1) See Table 5 for assessed value data.

(2) See Table 12 for student average daily attendance.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
RATIOS OF NET GENERAL OBLIGATION BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Table 10

<u>Fiscal Year</u>	<u>Gross Bonded Debt</u>	<u>Less Amount Available in Debt Service Fund</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt To Assessed Value (1)</u>	<u>Net Bonded Debt Per Student (2)</u>
2015	\$ 569,797,123	\$ 1,734,910	\$ 568,062,213	6.80%	\$ 25,112
2014	596,248,290	4,466,719	591,781,571	8.06%	26,611
2013	327,249,556	2,487,587	324,761,969	4.71%	14,740
2012	349,287,496	2,291,826	346,995,670	5.24%	15,938
2011	359,814,211	1,643,443	358,170,768	5.27%	16,737
2010	374,299,609	3,096,937	371,202,672	5.35%	17,918
2009	389,105,174	4,116,832	384,988,342	5.47%	18,931
2008	401,664,307	3,696,794	397,967,513	6.47%	20,430
2007	292,665,776	1,845,631	290,820,145	5.06%	15,646
2006	263,383,063	2,489,505	260,893,558	5.26%	14,808

(1) See Table 5 for assessed value data.

(2) See Table 12 for student average daily attendance.

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PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMPUTATION OF ESTIMATED DIRECT AND OVERLAPPING DEBT
AUGUST 31, 2015

Table 11

Taxing Body	Gross Debt Amount	Outstanding As of	Percent Overlapping	Share of Debt
Overlapping:				
City of Austin	\$ 1,376,869,994	08/31/15	3.44%	\$ 47,364,328
Austin Community College District	245,488,659	08/31/15	3.96%	9,721,351
Kelly Lane WCID #1	9,125,000	08/31/15	100.00%	9,125,000
Lakeside MUD #3	8,900,000	08/31/15	100.00%	8,900,000
Lakeside WCID #1	4,850,000	08/31/15	100.00%	4,850,000
Lakeside WCID #2-B	7,385,000	08/31/15	100.00%	7,385,000
Lakeside WCID #2-C	7,175,000	08/31/15	100.00%	7,175,000
Lakeside WCID #2D	9,170,000	08/31/15	100.00%	9,170,000
Northeast Travis County UD	20,015,000	08/31/15	100.00%	20,015,000
Northtown MUD	24,685,000	08/31/15	100.00%	24,685,000
City of Pflugerville	183,610,000	08/31/15	100.00%	183,610,000
Travis County	695,034,987	08/31/15	6.83%	47,470,890
Travis County Emergency Service #2	530,000	08/31/15	100.00%	530,000
Travis Co Healthcare District	12,305,000	08/31/15	6.83%	840,432
Travis County MUD #15	12,350,000	08/31/15	100.00%	12,350,000
Travis County MUD #17	2,100,000	08/31/15	100.00%	2,100,000
Wells Branch MUD	380,000	08/31/15	39.28%	149,264
Williamson County	966,599,942	08/31/15	0.02%	193,320
Williamson Co. Water, Sewer, Irrigation and DD #3	33,915,000	08/31/15	15.89%	<u>5,389,094</u>
Total Net Overlapping Debt				<u>401,023,679</u>
Direct				
Pflugerville ISD	573,820,303	08/31/15	100.0%	<u>573,820,303</u>
TOTAL NET OVERLAPPING AND DIRECT DEBT				<u><u>\$ 974,843,982</u></u>

Source: Specialized Public Finance

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Pflugerville Independent School District. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and therefore responsible for paying the debt of the overlapping government.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Table 12

Fiscal Year	Residential Units (1)	Total Assessed Value of Residential Units (2)	Average Assessed Value Per Residential Unit	Average Daily Attendance (3)	Unemployment Rate (4)
2014-15	36,395	\$ 6,552,264,664	\$ 180,032	22,621	3.5%
2013-14	35,500	5,745,745,609	161,852	22,238	4.6%
2012-13	34,745	5,375,057,344	154,700	22,032	5.6%
2011-12	34,069	5,419,191,612	159,065	21,771	6.4%
2010-11	33,455	5,416,319,648	161,899	21,400	7.6%
2009-10	32,846	5,528,542,649	168,317	20,717	7.3%
2008-09	32,166	5,193,604,881	161,463	20,336	7.3%
2007-08	30,925	4,670,793,854	151,036	19,480	4.4%
2006-07	29,630	4,192,599,530	141,498	18,588	4.0%
2005-06	28,359	3,891,915,270	137,237	17,618	4.4%

(1) Source: Travis County Appraisal District Certified Totals, October supplement Residential Units include: Single Family Residences, Multifamily Residences and Mobile Homes.

(2) Source: Travis Central Appraisal District

(3) Source: Texas Education Agency

(4) Source: U.S. Bureau of Labor Statistics, July, Not Seasonally Adjusted

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Table 13

<u>Employer</u>	<u>2015</u>			<u>2006</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
Pflugerville Independent School District	2,901	1	0.28%	1,905	1	0.25%
City of Pflugerville	326	2	0.03%	200	3	0.03%
Mtech	265	3	0.03%	-	-	-
Wal-Mart (1)	262	4	0.02%	-	-	-
HEB Grocery (1)	200	5	0.02%	400	2	0.05%
Flextronics	195	6	0.02%	-	-	-
Target (1)	192	7	0.02%	-	-	-
Avant Technologies	155	8	0.02%	-	-	-
FedEx	120	9	0.01%	-	-	-
Austin Foam Plastics	115	10	0.01%	180	4	0.02%
Pflugerville Care Center	-	-	-	75	5	0.01%
Merit Electric	-	-	-	65	6	0.01%
Southwestern Bell	-	-	-	40	7	0.01%
Travis County ESD	-	-	-	37	8	0.00%
U.S. Post Office	-	-	-	23	9	0.00%
Seton Pflugerville	-	-	-	8	10	0.00%
Total Employed per Top Ten Employers	<u>4,731</u>		<u>0.46%</u>	<u>2,933</u>		<u>0.38%</u>
Total Employed (2)	1,018,600			766,878		

Sources: Pflugerville Community Development Corp and PISD Business Office

1) Updated data for 2015 unavailable for this employer. Number of employees from 2011 used.

2) See Table 14 for total employed.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

DEMOGRAPHIC STATISTICS

LAST TEN YEARS

Fiscal Year	(A) Estimated School District Population	(B) Area Population	(C) Personal Income	(D) Per Capita Personal Income	(E) Labor Force	(E) Employment
2015	-	-	\$ -	\$ -	1,053,100	1,018,600
2014	-	1,943,299	-	-	1,032,500	989,000
2013	126,949	1,883,051	84,285,529,000	44,760	989,700	938,800
2012	124,202	1,834,303	78,695,523,000	42,902	943,997	882,739
2011	120,523	1,783,519	74,168,909,000	41,651	904,067	838,282
2010	116,859	1,728,307	66,936,889,000	38,730	902,915	834,432
2009	86,896	1,682,338	64,014,645,000	38,051	869,525	813,212
2008	84,434	1,633,870	64,411,889,000	39,423	853,810	818,843
2007	82,389	1,577,856	59,924,200,000	37,978	831,964	798,734
2006	76,962	1,515,485	56,105,865,000	37,022	803,219	766,878

(A) U.S. Census Bureau. 2014 and 2015 data unavailable.

(B) American Community Survey. Data for 2015 unavailable.

(C) TRACER, MSA 2000. Data for 2014 and 2015 unavailable.

(D) 2006-2010 data from Bureau of Economic Analysis. Data for 2014 and 2015 unavailable.

(E) Bureau of Labor Statistics

Table 14

(E) Unemployment	(E) Percent Unemployment	(E) Construction	(E) Manufacturing	(E) Trades	(E) Government
34,400	3.3%	52,200	57,000	161,800	169,400
43,500	4.2%	48,700	53,300	161,600	168,400
50,900	5.1%	46,100	51,400	154,100	166,200
61,258	6.4%	40,700	50,800	139,800	166,700
65,785	7.3%	40,200	49,100	138,300	163,800
68,483	7.6%	39,500	46,500	129,800	166,300
56,313	6.5%	42,400	50,700	136,900	164,600
34,967	4.1%	48,000	58,800	138,400	160,000
33,230	4.0%	45,700	59,200	131,900	154,000
36,341	4.5%	41,200	57,300	123,200	149,400

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY POSITION

LAST TEN FISCAL YEARS

POSITION	2015	2014	2013	2012
Teachers:				
Teacher/Special Duty Teacher	1,649.6	1,623.0	1,563.1	1,511.6
Substitute Teacher	1.2	0.4	0.2	0.2
Teacher Totals	1,650.8	1,623.4	1,563.3	1,511.8
Professional Support:				
Counselor	57.0	53.8	53.4	49.4
Educational Diagnostician	13.8	12.9	9.8	9.0
Librarian	24.8	24.9	20.6	21.0
Occupational Therapist	7.1	5.0	5.6	4.6
Orientation and Mobility Specialist	2.0	2.0	2.0	1.0
Physical Therapist	4.0	2.8	2.0	2.0
Nurse	33.0	31.0	28.9	26.9
LSSP/Psychologist	19.4	20.0	19.8	18.0
Social Worker	8.5	7.5	7.0	7.0
Speech Language Pathologist	24.7	24.8	23.3	24.0
Truant Officer	4.0	3.0	4.0	3.6
Teacher Facilitator	64.9	67.9	39.3	42.0
Athletic Trainer	4.0	2.6	4.1	2.5
Campus Professional Personnel	27.8	33.9	37.1	10.5
Non-Campus Professional Personnel	70.9	62.9	63.3	56.3
Professional Support Totals	365.9	355.0	320.2	277.8
Campus Administration:				
Assistant Principal	58.0	57.1	53.1	49.1
Executive Director/Program Director	4.0	5.0	4.3	8.0
Principal	29.0	28.0	27.0	25.9
Teacher Supervisor	7.8	2.0	3.5	25.0
Athletic Director	3.7	4.9	4.2	5.5
Campus Administration Totals	102.5	97.0	92.1	113.5
Central Administration:				
Assistant/Deputy Supt	2.0	3.0	3.0	3.0
Instructional Officer	13.5	14.0	15.0	22.6
Superintendent	1.0	0.9	1.0	1.0
Teacher Supervisor	22.0	22.9	22.0	5.0
Business Manager	1.0	1.0	1.0	1.0
Director of HR	-	1.0	1.0	1.0
Central Administration Totals	39.5	42.8	43.0	33.6
Educational Aides:				
Aides	360.4	353.4	294.4	299.7
Educational Aides Totals	360.4	353.4	294.4	299.7
Auxiliary Support:				
Includes: Clerical, Secretarial, Grounds, Custodial, Maintenance	381.8	367.7	380.9	337.9
Auxiliary Support Totals	381.8	367.7	380.9	337.9
Total Employees	2,900.9	2,839.3	2,693.9	2,574.3

Source: PEIMS

Note: Instructional Coaches and Interventionists housed in Admin Building beginning later part of 12-13; which explains why the Teacher Supervisor numbers have moved from Campus Administration to Central Administration.

Table 15

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
1,508.2	1,450.2	1,458.0	1,379.3	1,256.0	1,174.9
0.1	-	-	-	-	-
<u>1,508.3</u>	<u>1,450.2</u>	<u>1,458.0</u>	<u>1,379.3</u>	<u>1,256.0</u>	<u>1,174.9</u>
49.5	40.4	45.1	49.6	36.2	35.1
8.0	8.9	8.0	7.0	5.0	7.0
25.0	24.4	25.7	24.0	24.0	22.0
5.2	4.6	4.4	3.7	4.5	4.3
1.0	1.0	1.0	1.0	-	0.8
2.0	4.0	4.0	3.5	3.0	2.8
27.0	25.4	24.9	24.7	24.6	22.9
19.0	18.1	20.0	20.0	20.0	17.9
7.0	5.5	6.5	6.5	4.0	4.0
24.6	20.8	22.4	20.2	20.8	19.9
1.0	-	-	-	-	-
51.7	28.0	41.1	24.1	30.1	21.5
4.9	4.8	3.9	1.0	1.0	-
10.6	11.0	12.0	8.0	3.0	3.0
56.6	37.0	34.0	26.0	22.0	20.0
<u>293.1</u>	<u>233.9</u>	<u>253.0</u>	<u>219.3</u>	<u>198.2</u>	<u>181.2</u>
47.0	47.0	53.0	45.0	41.0	36.4
6.0	-	-	-	-	-
25.9	24.4	27.0	27.0	24.9	22.0
20.6	-	-	-	-	-
5.8	-	-	-	-	-
<u>105.3</u>	<u>71.4</u>	<u>80.0</u>	<u>72.0</u>	<u>65.9</u>	<u>58.4</u>
4.0	1.0	4.0	1.0	1.0	1.0
27.0	23.0	26.9	14.4	14.0	16.8
1.0	1.0	1.0	1.0	1.6	1.0
3.0	4.5	5.0	5.0	6.0	-
1.0	-	-	-	-	-
-	1.0	1.0	2.0	1.0	1.0
<u>36.0</u>	<u>30.5</u>	<u>37.9</u>	<u>23.4</u>	<u>23.6</u>	<u>19.8</u>
318.7	275.6	269.6	207.1	199.5	144.9
<u>318.7</u>	<u>275.6</u>	<u>269.6</u>	<u>207.1</u>	<u>199.5</u>	<u>144.9</u>
369.6	456.4	376.2	435.2	357.6	387.8
<u>369.6</u>	<u>456.4</u>	<u>376.2</u>	<u>435.2</u>	<u>357.6</u>	<u>387.8</u>
<u>2,631.0</u>	<u>2,518.0</u>	<u>2,474.7</u>	<u>2,336.3</u>	<u>2,100.8</u>	<u>1,967.0</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

OPERATING STATISTICS

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Average Daily Attendance (3)</u>	<u>Operating Expenditures (1)</u>	<u>Cost Per Student</u>	<u>Percentage Change</u>
2015	22,621	\$ 221,948,977	\$ 9,812	7.75%
2014	22,238	202,503,449	9,106	5.75%
2013	22,032	189,708,360	8,611	3.62%
2012	21,771	180,912,541	8,310	-2.87%
2011	21,400	183,079,098	8,555	-4.57%
2010	20,717	185,725,395	8,965	3.32%
2009	20,336	176,455,787	8,677	5.40%
2008	19,480	160,365,317	8,232	7.27%
2007	18,588	142,656,234	7,675	3.65%
2006	17,618	130,453,817	7,405	5.79%

(1) Operating expenditures are total expenditures less debt service principal, interest, debt service fees, and capital expenditures (to the extent capitalized for the government-wide statement of net position)

(2) Source: District documents.

(3) See Table 12 for student average daily attendance

Table 16

<u>Government Wide Expenses</u>	<u>Cost Per Student</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Student to Teacher Ratio</u>	<u>Percentage of Students in Free/Reduced Lunch Program (2)</u>
\$ 254,638,143	\$ 11,257	6.82%	1651	13.70	53.37%
234,348,250	10,538	7.75%	1623	13.70	55.13%
215,479,477	9,780	2.06%	1563	14.10	53.63%
208,619,255	9,582	-1.85%	1512	14.40	53.92%
208,934,878	9,763	-2.94%	1502	14.25	52.59%
208,391,282	10,059	0.71%	1475	14.05	50.40%
203,107,512	9,988	4.01%	1458	13.95	42.31%
187,059,878	9,603	8.28%	1382	14.10	44.30%
164,842,503	8,868	2.78%	1256	14.80	41.71%
152,007,415	8,628	4.96%	1175	14.99	40.21%

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PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
TEACHER BASE SALARIES
LAST TEN FISCAL YEARS

Table 17

Fiscal Year	Minimum Salary (1)	Maximum Salary (1)	Region Average Salary (2)	Statewide Average Salary (2)
2015	\$ 43,675	\$ 59,891	\$ 48,341	\$ 50,715
2014	43,000	59,431	47,624	49,692
2013	41,000	57,850	47,596	48,821
2012	41,000	57,350	46,930	48,375
2011	41,000	57,350	47,158	48,638
2010	41,000	57,350	46,979	48,263
2009	40,950	57,350	45,604	47,159
2008	40,000	56,400	44,752	46,179
2007	38,000	53,500	43,781	44,897
2006	35,200	51,000	40,170	41,744

(1) Source: District records.

(2) Source: Texas Education Agency website, Texas Academic Performance Report.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

Building:	2015	2014	2013	2012
HIGH SCHOOLS				
Pflugerville High School				
Square Footage	388,246	335,550	335,550	335,550
Capacity	2,475	2,475	2,475	2,475
Enrollment	2,191	2,185	2,212	2,221
Hendrickson High School				
Square Footage	380,130	380,130	380,130	380,130
Capacity	2,500	2,500	2,500	2,500
Enrollment	2,729	2,606	2,370	2,213
Connally High School				
Square Footage	314,876	314,876	314,876	314,876
Capacity	2,325	2,325	2,325	2,325
Enrollment	1,856	1,876	1,939	1,935
Opportunity Center				
Square Footage	19,691	19,691	19,691	19,691
Capacity	256	256	256	256
Enrollment	-	-	-	-
MIDDLE SCHOOLS				
Pflugerville Middle School				
Square Footage	111,036	111,036	111,036	111,036
Capacity	1,375	1,375	1,375	1,375
Enrollment	1,029	1,046	1,114	1,039
Westview Middle School				
Square Footage	112,245	112,245	112,245	112,245
Capacity	1,100	1,100	1,100	1,100
Enrollment	877	853	907	851
Park Crest Middle School				
Square Footage	116,800	116,800	116,800	116,800
Capacity	1,300	1,300	1,300	1,300
Enrollment	949	934	993	1,017
Dessau Middle School				
Square Footage	121,200	121,200	121,200	121,200
Capacity	1,300	1,300	1,300	1,300
Enrollment	820	848	1,080	1,016
Kelly Lane Middle School				
Square Footage	139,000	139,000	139,000	139,000
Capacity	1,250	1,250	1,250	1,250
Enrollment	1,088	1,019	1,249	1,176
Cele Middle School				
Square Footage	163,473	163,473	-	-
Capacity	1,200	1,200	-	-
Enrollment	783	687	-	-
Opportunity Center				
Square Footage	-	-	-	-
Capacity	-	-	-	-
Enrollment	-	-	-	-

Source: District Records

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
335,550	310,448	285,346	285,346	285,346	285,346
2,475	2,475	2,400	2,400	2,400	2,400
2,237	2,244	2,290	2,219	2,110	2,029
380,130	380,130	380,130	380,130	380,130	380,130
2,500	2,500	2,500	2,500	2,500	2,500
2,108	1,911	1,947	1,810	1,436	1,277
314,876	298,333	281,790	281,790	281,790	281,790
2,325	2,325	2,400	2,400	2,400	2,400
1,946	2,044	2,084	2,006	1,969	1,852
19,691	19,691	19,691	19,691	19,691	-
256	256	256	256	256	-
-	-	-	183	167	129
111,036	111,036	111,036	111,036	111,036	111,036
1,375	1,375	1,375	1,375	1,375	1,375
1,028	1,069	1,074	1,153	1,063	1,080
112,245	112,245	112,245	112,245	112,245	112,245
1,100	1,100	1,100	1,100	1,100	1,100
955	896	858	821	843	848
116,800	116,800	116,800	116,800	116,800	116,800
1,300	1,300	1,300	1,300	1,300	1,300
942	874	862	921	903	1,371
121,200	121,200	121,200	121,200	121,200	121,200
1,300	1,300	1,300	1,300	1,300	1,300
995	1,007	1,029	1,033	990	962
139,000	139,000	139,000	139,000	139,000	139,000
1,250	1,250	1,250	1,250	1,250	1,250
1,106	1,029	1,022	861	655	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	21	13	18

Continued

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

Building:	2015	2014	2013	2012
ELEMENTARY SCHOOLS				
Parmer Lane Elementary School				
Square Footage	63,634	63,634	63,634	63,634
Capacity	650	650	650	650
Enrollment	457	435	480	519
Timmerman Elementary School				
Square Footage	58,792	58,792	58,792	58,792
Capacity	550	550	550	550
Enrollment	442	502	523	550
Pflugerville Elementary School				
Square Footage	77,922	77,922	77,922	77,922
Capacity	600	600	600	600
Enrollment	470	477	496	531
Northwest Elementary School				
Square Footage	62,000	62,000	62,000	62,000
Capacity	600	600	600	600
Enrollment	561	563	514	614
Dessau Elementary School				
Square Footage	64,150	64,150	64,150	64,150
Capacity	650	650	650	650
Enrollment	509	430	404	602
Windermere Elementary School				
Square Footage	66,272	66,272	66,272	66,272
Capacity	750	750	750	750
Enrollment	438	494	503	525
River Oaks Elementary School				
Square Footage	66,512	66,512	66,512	66,512
Capacity	750	750	750	750
Enrollment	525	509	572	536
Brookhollow Elementary School				
Square Footage	66,512	66,512	66,512	66,512
Capacity	750	750	750	750
Enrollment	511	548	517	501
Spring Hill Elementary School				
Square Footage	68,600	68,600	68,600	68,600
Capacity	750	750	750	750
Enrollment	674	710	705	719
Windermere Primary School				
Square Footage	68,752	68,752	68,752	68,752
Capacity	750	750	750	750
Enrollment	465	471	490	558

Source: District Records

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
63,634	63,634	63,634	63,634	63,634	63,634
650	650	650	650	650	650
543	613	619	615	674	677
58,792	58,792	58,792	58,792	58,792	58,792
550	550	550	550	550	550
574	530	524	516	478	497
77,922	77,922	77,922	77,922	77,922	77,922
600	600	600	600	600	600
520	519	530	538	540	523
62,000	62,000	62,000	62,000	62,000	62,000
600	600	600	600	600	600
623	599	584	528	498	533
64,150	64,150	64,150	64,150	64,150	64,150
650	650	650	650	650	650
623	588	586	525	539	524
66,272	66,272	66,272	66,272	66,272	66,272
750	750	750	750	750	750
488	477	481	492	513	570
66,512	66,512	66,512	66,512	66,512	66,512
750	750	750	750	750	750
526	475	476	473	528	529
66,512	66,512	66,512	66,512	66,512	66,512
750	750	750	750	750	750
549	577	572	611	645	793
68,600	68,600	68,600	68,600	68,600	68,600
750	750	750	750	750	750
741	746	743	706	637	579
68,752	68,752	68,752	68,752	68,752	68,752
750	750	750	750	750	750
612	642	650	565	614	683

Continued

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

Building:	2015	2014	2013	2012
Copperfield Elementary School				
Square Footage	77,922	77,922	77,922	77,922
Capacity	850	850	850	850
Enrollment	484	519	504	586
Murchison Elementary School				
Square Footage	77,922	77,922	77,922	77,922
Capacity	850	850	850	850
Enrollment	732	897	843	852
Delco Primary School				
Square Footage	68,752	68,752	68,752	68,752
Capacity	750	750	750	750
Enrollment	564	534	527	748
Caldwell Elementary School				
Square Footage	73,007	73,007	73,007	73,007
Capacity	800	800	800	800
Enrollment	669	659	731	739
Rowe Lane Elementary School				
Square Footage	75,007	75,007	75,007	75,007
Capacity	750	750	750	750
Enrollment	816	922	867	793
Highland Park Elementary School				
Square Footage	75,007	75,007	75,007	75,007
Capacity	750	750	750	750
Enrollment	743	829	762	732
Wieland Elementary School				
Square Footage	75,490	75,490	75,490	75,490
Capacity	750	750	750	750
Enrollment	471	544	544	741
Riojas Elementary School				
Square Footage	71,624	71,624	71,624	71,624
Capacity	700	700	700	700
Enrollment	732	652	624	540
Ruth Barron Elementary School				
Square Footage	86,899	86,899	86,899	-
Capacity	900	900	900	-
Enrollment	695	713	754	-
Dearing Elementary School				
Square Footage	93,376	-	-	-
Capacity	850	-	-	-
Enrollment	573	-	-	-

Source: District Records

2011	2010	2009	2008	2007	2006
77,922	77,922	77,922	77,922	77,922	77,922
850	850	850	850	850	850
600	621	613	630	783	742
77,922	77,922	77,922	77,922	77,922	77,922
850	850	850	850	850	850
834	861	860	798	598	557
68,752	68,752	68,752	68,752	68,752	68,752
750	750	750	750	750	750
701	649	630	625	648	635
73,007	73,007	73,007	73,007	73,007	73,007
800	800	800	800	800	800
760	729	750	734	664	808
75,007	75,007	75,007	75,007	75,007	75,007
750	750	750	750	750	750
728	726	698	681	550	488
75,007	75,007	75,007	75,007	75,007	75,007
750	750	750	750	750	750
692	849	845	858	666	-
75,490	75,490	75,490	75,490	75,490	-
750	750	750	750	750	-
766	676	680	648	-	-
71,624	71,624	-	-	-	-
700	700	-	-	-	-
453	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

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Federal Awards Section

HLSK

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INDEPENDENT AUDITORS' 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*

The Board of Trustees of
Pflugerville Independent School District
1401 West Pecan
Pflugerville, Texas 78660

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Pflugerville Independent School District (District), as of and for the year ended August 31, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 18, 2015.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully,

Hereford, Lynch, Sellars & Kirkham, P.C.

HEREFORD, LYNCH, SELLARS & KIRKHAM, P.C.
Certified Public Accountants

Conroe, Texas
December 18, 2015

HLSK

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

The Board of Trustees of
Pflugerville Independent School District
1401 West Pecan
Pflugerville, Texas 78660

Report on Compliance for Each Major Federal Program

We have audited Pflugerville Independent School District's (District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2015. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Pflugerville Independent School District 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 August 31, 2015.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Respectfully,

Hereford, Lynch, Sellars & Kirkham, P.C.

HEREFORD, LYNCH, SELLARS & KIRKHAM, P.C.
Certified Public Accountants

Conroe, Texas
December 18, 2015

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PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED AUGUST 31, 2015

I. Summary Of Auditors’ Results

Financial Statements

Type of auditors’ report issued Unmodified

Internal control over financial reporting:

Material weakness (es) identified? No

Significant deficiencies identified that are not considered to be material weaknesses? None reported

Noncompliance material to the financial statements noted? No

Federal Awards

Internal controls over major programs:

Material weakness (es) identified? No

Significant deficiencies identified that are not considered to be material weaknesses? None Reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section .510(a) 2-7 of OMB Circular A-133? No

Identification of Major Programs:

CFDA Numbers Name of Federal Program or Cluster:

84.365A Title III, Part A
10.553 Child Nutrition Cluster
and 10.555

Dollar threshold used to distinguish between type A and type B federal programs \$492,915

Auditee qualified as a low-risk auditee? Yes

II. Financial Statement Findings

None noted

III. Federal Awards Findings and Questioned Costs

None noted

IV. Status of Prior Year Findings

None noted

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2015

Exhibit K-1
Page 1 of 2

(1) Federal Grantor/ Pass-Through Grantor/ Program Title	(2) Federal CFDA Number	(2A) Pass-Through Entity Identifying Number	(3) Total Federal Expenditures
U.S. DEPARTMENT OF EDUCATION:			
Passed Through State Department of Education:			
<i>ESEA Title I, Part A - Improving Basic Programs</i>	84.010A	15610101227904	\$ 3,327,894
<i>ESEA Title I, Part A - Improving Basic Programs</i>	84.010A	16610101227904	223,670
Total Program 84.010A			<u>3,551,564</u>
Special Education Cluster (IDEA):			
<i>IDEA - Part B, Formula</i>	84.027A	156600012279046600	3,432,788
<i>IDEA - Part B, Formula</i>	84.027A	166600012279046600	263,528
<i>IDEA - Part B, Preschool</i>	84.173A	156610012279046610	30,804
<i>IDEA - Part B, Preschool</i>	84.173A	166610012279046610	5,391
Total Special Education Cluster (IDEA)			<u>3,732,511</u>
<i>Career and Technical - Basic Grant</i>	84.048A	15420006227904	252,186
<i>Title III, Part A - English Language Acquisition and Language Enhancement</i>	84.365A	15671001227904	396,414
<i>Title III, Part A - English Language Acquisition and Language Enhancement</i>	84.365A	16671001227904	100,561
Total Program 84.365A			<u>496,975</u>
<i>ESEA Title II, Part A - Teacher and Principal Training and Recruiting</i>	84.367A	15694501227904	235,524
<i>ESEA Title II, Part A - Teacher and Principal Training and Recruiting</i>	84.367A	16694501227904	21,105
Total Program 84.367A			<u>256,629</u>
<i>LEP Summer School Program</i>	84.369A	69551402	22,132
Passed Through Education Service Center Region X:			
<i>ESEA Title X, Part C - Education for the Homeless Children and Youth</i>	84.196A	15-050	34,300
Passed Through Education Service Center Region XIII:			
<i>ESEA Title X, Part C - Education for the Homeless Children and Youth</i>	84.196A	509465	4,047
Total Program 84.196A			<u>38,347</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>8,350,344</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:			
Passed Through State Department of Health and Human Services:			
<i>Medicaid Administrative Claiming Program (MAC)</i>	93.778	529-07-0157-00121	58,363
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>58,363</u>
U.S. DEPARTMENT OF AGRICULTURE:			
Child Nutrition Cluster:			
Passed Through State Department of Agriculture - Noncash Assistance:			
<i>National School Lunch Program</i>	10.555	01069	593,582
Passed Through State Department of Education - Cash Assistance:			
<i>National School Breakfast Program</i>	10.553	71401501	1,683,782
<i>National School Lunch Program</i>	10.555	71301501	5,523,607
Total Child Nutrition Cluster			<u>7,800,971</u>

Continued

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2015

Exhibit K-1
Page 2 of 2

(1) Federal Grantor/ Pass-Through Grantor/ Program Title	(2) Federal CFDA Number	(2A) Pass-Through Entity Identifying Number	(3) Total Federal Expenditures
Passed Through State Department of Agriculture:			
<i>Child and Adult Care Food Program</i>	10.558	01069	153,316
<i>Direct Certification Performance Award</i>	10.589	01069	584
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>7,954,871</u>
<u>U.S. DEPARTMENT OF DEFENSE:</u>			
Direct:			
<i>Reserve Officers' Training Corps</i>	12.000	N/A	66,917
TOTAL U.S. DEPARTMENT OF DEFENSE			<u>66,917</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 16,430,495</u>

The accompanying notes are an integral part of this statement.

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PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

Exhibit K-2

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1 - Basis of Accounting

The District accounts for all awards under federal programs in the General and certain Special Revenue Funds in accordance with the Texas Education Agency’s *Financial Accountability System Resource Guide*. These programs are accounted for using a current financial resources measurement focus.

The modified accrual basis of accounting is used for these funds. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the liability is incurred, if measurable, except for certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

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 specified project periods.

Note 2 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of the District under programs of the federal government for the year ended August 31, 2015. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Government, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

Note 3 - Reconciliation of Basic Financial Statements

Total Expenditures of Federal Awards per Exhibit K-1	\$ 16,430,495
General Fund - Federal Revenue Excluded:	
SHARS Revenue	<u>3,729,556</u>
Total Federal Revenues per Exhibit B-2	<u><u>\$ 20,160,051</u></u>

Note 4 - General Fund Federal Program Revenues

For purposes of regulatory requirements of the Texas Education Agency, a summary of federal program revenues received in the general fund for the year ended August 31, 2015, are as follows:

<u>Program Source</u>	<u>CFDA Number</u>	<u>Amount</u>
SHARS	N/A	\$ 3,729,556
ROTC	12.000	66,917
Indirect Costs:		
ESEA Title I - Improving Basic Programs	84.010A	65,341
IDEA Part B - Formula	84.027A	68,114
IDEA Part B - Preschool	84.173A	667
Career and Technical - Basic Grant	84.048A	4,306
ESEA Title II, Part A - Teacher and Principal Training and Recruiting	84.367A	4,563
ESEA Title III, Part A - English Language Acquisition and Language Enhancement	84.365A	8,508
ESEA Title X, Part C - Education for the Homeless	84.196	556
Total		<u><u>\$ 3,948,528</u></u>