

**PFLUGERVILLE INDEPENDENT
SCHOOL DISTRICT**

**Comprehensive Annual Financial Report
For the Fiscal Year Ended August 31, 2014**

Issued By

**Pflugerville Independent School District
Department of Finance**

Pflugerville, Texas



PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

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

BOARD OF TRUSTEES

Ms. Elva Gladney
President

Ms. Vernagene Mott
Vice-President

Dr. Cynthia Graves
Secretary

Dr. Carol Fletcher
Member

Mr. Larry Bradley
Member

Mr. Mario Acosta
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

Ms. Amanda Brim
Communications Officer

**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, 2014, at a meeting of the Board of Trustees of such school district on January 22, 2015.

President of Board

Secretary of Board



January 22, 2015

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

Dear Ms. Gladney, 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, 2014.

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 going to continue being the driving force behind Pflugerville's continuing growth. Housing development will thrive on the east side of Pflugerville near SH-130 as families will be 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 5.8% in October 2014. At the state and local level employment rates were better as the Texas unemployment rate was 5.1% and the Austin area was at 4.0% in October according to the Bureau of Labor and Statistics. 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 fifth consecutive year and more than doubled over that time period due to improved financial management and reducing cost.

Through the third quarter of 2014, the district started 908 and closed 797 new homes on an annual basis. The district has 1,021 vacant developed lots and 6,469 future lots. The Pflugerville new housing market is positioned for continued growth with 800 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 10,000 new home starts per year.

New businesses continued to open in Pflugerville during 2014. Pflugerville offers a good infrastructure, a long-range water supply and enviable demographics - an educated workforce and strong consumer base who want to work, live and shop close to home.

For 2014, the Chief Appraisers of Travis and Williamson County Appraisal Districts certified all taxable properties in the District subject to appraisals to be valued at \$8,326,484,822. The total tax rate for the 2014-2015 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 2014-2015 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 Association (TEA) rated PISD as Met Standard for 2014 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 2014, 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

Westview Middle School, Park Crest Middle School and Parmer Lane Elementary were three campuses that received all possible distinctions for their campus type. Six campuses received a distinction in at least 50 percent of the eligible distinctions. All but seven campuses received at least one distinction.

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, 2014 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 2013, the State restored a portion of public education funding that was significantly cut in 2011. This was mainly accomplished by increasing the Regular Program Adjustment Factor from 0.98 to 1.0 and increasing the Basic Allotment from \$4,765 to \$4,950. Senate Bill 1458 requires districts to start contributing 1.5 percent of their total salaries to TRS starting with the 2014-2015 school year. The State will reimburse districts for their contribution in 2014-2015, but future state reimbursements are contingent on the legislature's decision each biennium on whether or not to continue this funding.

RISK MANAGEMENT

On January 1, 2014 the District continued with both a self-funded employee group health insurance plan and a self-funded workers' compensation plan. The District maintained its monthly, medical insurance contribution at \$344 toward the total employee's cost for the medical plans that could include coverage for a spouse, child(ren) or family. The District has approximately a \$1,500,000 reserve in the Health Insurance account (Fund 753) in the event future claims are higher than expected and/or to pay "run-off" claims if the District went back to a fully-insured program. The District's stop-loss deductible is \$300,000 for each insured person.

For workers' compensation, the District purchased Excess Workers' Compensation insurance coverage. The District's self-insured retention is \$400,000 for each accident and the stop loss carrier indemnifies the District against specific losses in excess of \$400,000. For the 2014-2015 fiscal year, the District has a financially sound reserve set aside to offset potential fund deficits in future years.

The district purchases commercial insurance for Property in the amount of \$625,486,415. Lower sub-limits are provided for Computer Equipment, Musical Instruments/Uniforms, Audio and Mobile Equipment; Flood limit of \$100,000,000, Earthquake limit of \$100,000,000, General Liability, Law Enforcement, Employee Benefits Liability and Educator's Legal Liability (Professional) are insured for a limit of \$1,000,000 per occurrence; Automobile Liability limits are \$100,000, each person for Bodily Injury, \$300,000 for each Accident Bodily Injury and \$100,000 limit Property Damage. Within these policy limits, the District's exposure is limited to the deductibles and specific retentions. There has not been any significant reduction of insurance coverage from that of the prior year. The District has not had claims in excess of its coverage.

Solar panels are insured to a total limit of \$4,950,000 with a 2 percent maximum deductible. The District provides regular home-to-school and special education student transportation through a contracted service and the contractor maintains insurance coverage on the buses used to conduct operations.

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 fifth 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, 2013. 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 fifth 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, 2013. 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, Jackie Porter, Janet Maluschka, Dorothy Wright, Jennifer Davis, Jo Zaneck, Roxanna Jonse, Fiona Ellis, Kristin Baum, Paulina Torres, Diana Clark, Cheryl Smith, Susan Simpson, Lisa Wagner and Jill Mason 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. Together we are preparing Each Child for Their Future in Our World.

Respectfully submitted,

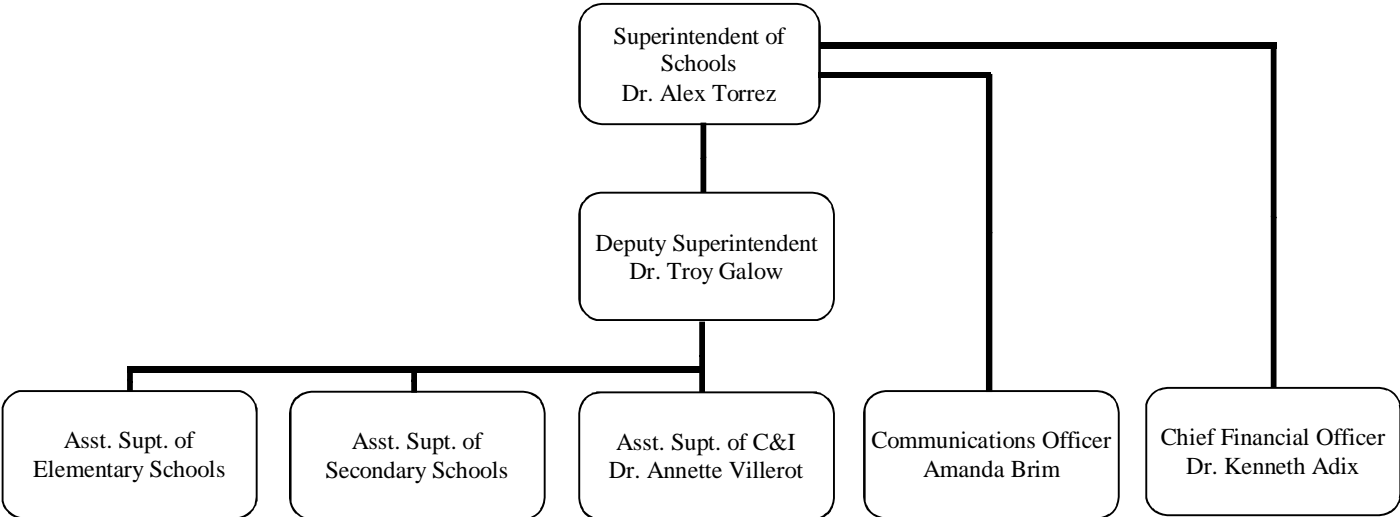


Alex Torres, Ph.D.
Superintendent of Schools



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, 2013

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, 2013*

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



A handwritten signature in black ink, reading "Terrie S. Simmons".

Terrie S. Simmons, RSBA, CSBO
President

A handwritten signature in black ink, reading "John D. Musso".

John D. Musso, CAE, RSBA
Executive Director

Financial Section

HLSK

Hereford, Lynch, Sellars & Kirkham

Certified Public Accountants • A Professional Corporation

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Cleveland, Texas 77327
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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, 2014, 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 assessments of the risk 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, 2014, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison 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.

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, combining and individual fund financial statements, supplementary information, and statistical section, 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 combining and individual fund financial statements, 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 combining and individual fund financial statements, 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 19, 2014, 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 19, 2014

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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, 2014. 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

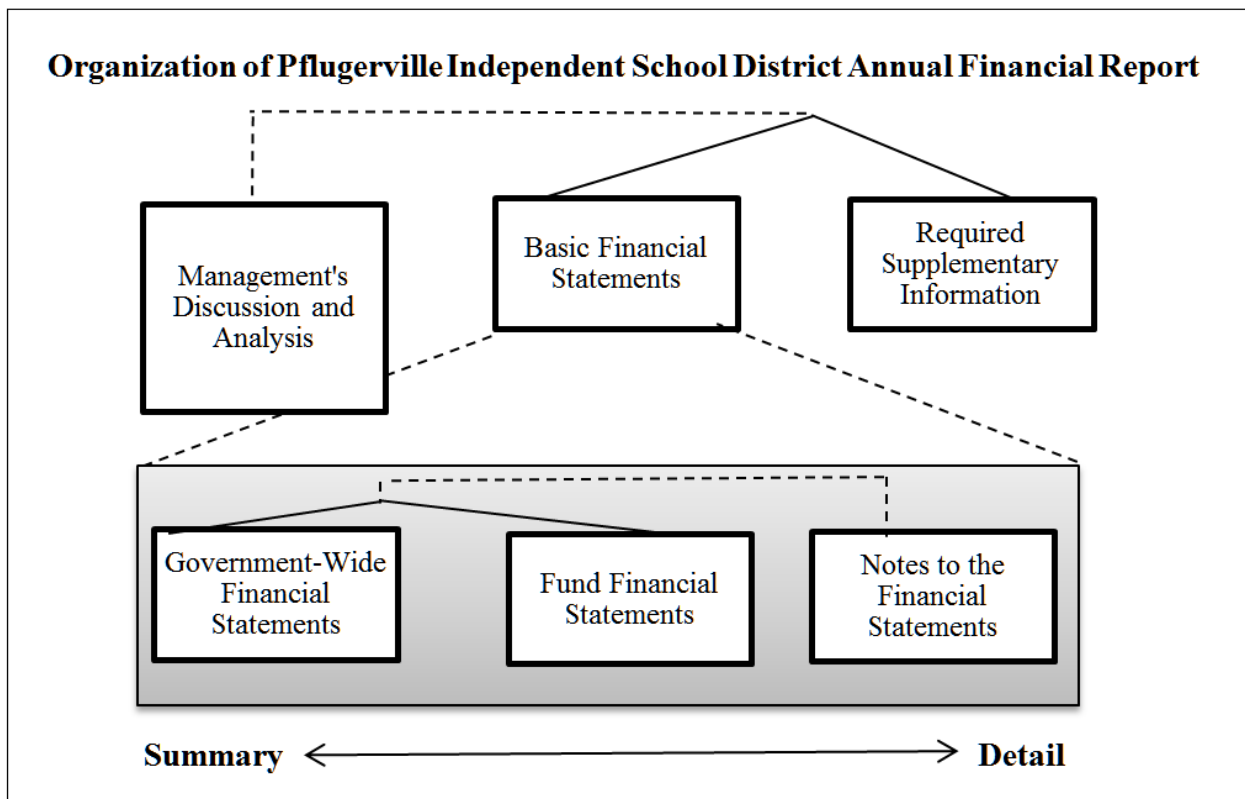
- The assets and deferred outflows of resources of the District exceeded its liabilities at the close of the most recent fiscal year by \$102,499,513 (*net position*). Of this amount, \$40,208,054 (*unrestricted net position*) may be used to meet the District’s ongoing obligations to students and creditors.
- Total net position of the District increased by \$16,399,673 from current operations or about 19.05%.
- The total fund balance of the general fund was \$34,147,955 and was a decrease of \$1,767,475 from the prior year. The unassigned fund balance of the General Fund was \$33,284,754, or 18.41% 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 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. 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.

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 \$102,499,513 at August 31, 2014. The following table compares twelve months of operations for the 2013-2014 fiscal year to twelve months of operations for the 2012-2013 fiscal year.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT'S NET POSITION

	Governmental Activities		Business-Type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Current and Other Assets	\$ 346,307,971	\$ 87,115,133	\$ 131,504	\$ 174,895	\$ 346,439,475	\$ 87,290,028
Capital Assets, net of						
Depreciation	352,013,458	334,321,809	80,640	84,224	352,094,098	334,406,033
Total Assets	698,321,429	421,436,942	212,144	259,119	698,533,573	421,696,061
Total Deferred Outflows of Resources	18,808,845	12,604,441	-	-	18,808,845	12,604,441
Long-term Liabilities						
Outstanding	603,066,958	334,107,238	-	-	603,066,958	334,107,238
Other Liabilities	11,709,787	14,024,167	66,160	69,257	11,775,947	14,093,424
Total Liabilities	614,776,745	348,131,405	66,160	69,257	614,842,905	348,200,662
Net Position						
Net Investment in Capital Assets	57,716,900	39,651,143	80,640	84,224	57,797,540	39,735,367
Restricted	4,493,919	2,833,628	-	-	4,493,919	2,833,628
Unrestricted	40,142,710	43,425,207	65,344	105,638	40,208,054	43,530,845
Total Net Position	\$ 102,353,529	\$ 85,909,978	\$ 145,984	\$ 189,862	\$ 102,499,513	\$ 86,099,840

Changes in net position

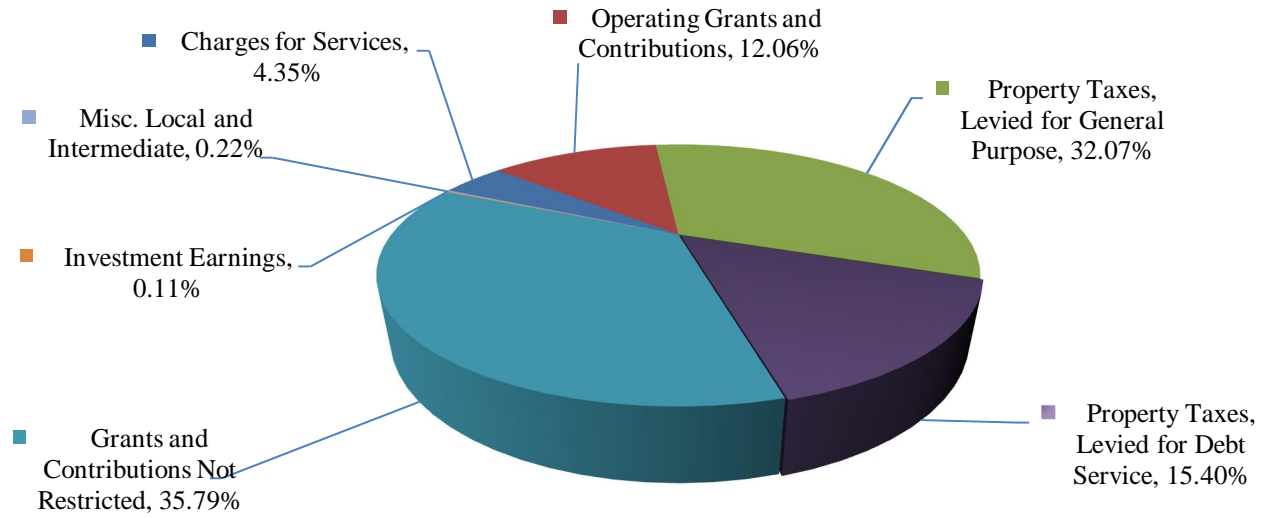
Net position increased overall by \$16.4 million from current operations primarily due to the following items:

- Increase in property tax revenue from increased property tax values.
- State restored a portion of the funding cuts made in 2011.
- Remainder of revenues and expenditures were consistent with a growing District and efficient use of resources.

The District's total general revenues, charges for services, and operating grants and contributions were \$250.7 million. A significant portion, 47%, of the District's revenue comes from taxes (see Figure A-3), 36% comes from state aid formula and certain federal government grants, 12% 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 \$234.3 million. Of these costs, 52% are related to instruction expenses.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Figure A-3 District Sources of Revenue for Fiscal Year 2014



PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT'S CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Totals	
	2014	2013	2014	2013	2014	2013
	Amount	Amount	Amount	Amount	Amount	Amount
Revenues						
Program Revenues:						
Charges for Services	\$ 7,578,587	\$ 7,600,258	\$ 3,321,725	\$ 2,775,480	\$ 10,900,312	\$ 10,375,738
Operating Grants and Contributions	30,227,697	27,680,515	-	-	30,227,697	27,680,515
General Revenues:						
Property Taxes, Levied for General Purpose	80,406,030	75,700,506	-	-	80,406,030	75,700,506
Property Taxes, Levied for Debt Service	38,628,467	36,425,476	-	-	38,628,467	36,425,476
Grants and Contributions Not Restricted	89,749,248	76,832,576	-	-	89,749,248	76,832,576
Investment Earnings	287,320	236,966	-	-	287,320	236,966
Misc. Local and Intermediate	548,849	295,589	-	-	548,849	295,589
Total Revenues	247,426,198	224,771,886	3,321,725	2,775,480	250,747,923	227,547,366
Expenses						
Instruction	122,256,562	114,690,363	-	-	122,256,562	114,690,363
Instructional Resources and Media Services	3,389,564	3,220,656	-	-	3,389,564	3,220,656
Curriculum and Instructional Staff Development	6,899,437	5,832,985	-	-	6,899,437	5,832,985
Instructional Leadership	2,591,939	2,351,868	-	-	2,591,939	2,351,868
School Leadership	11,399,172	10,831,744	-	-	11,399,172	10,831,744
Guidance, Counseling, and Evaluation Services	7,478,095	6,965,991	-	-	7,478,095	6,965,991
Social Work Services	642,344	539,198	-	-	642,344	539,198
Health Services	2,175,192	1,939,741	-	-	2,175,192	1,939,741
Student Transportation	8,253,644	7,688,544	-	-	8,253,644	7,688,544
Food Services	12,125,168	12,009,734	-	-	12,125,168	12,009,734
Extracurricular Activities	7,283,955	7,194,257	-	-	7,283,955	7,194,257
General Administration	4,185,979	3,705,361	-	-	4,185,979	3,705,361
Plant Maintenance and Operations	14,801,261	12,624,898	-	-	14,801,261	12,624,898
Security and Monitoring Services	3,165,308	2,758,741	-	-	3,165,308	2,758,741
Data Processing Services	4,341,709	3,878,344	-	-	4,341,709	3,878,344
Community Services	87,933	124,220	-	-	87,933	124,220
Interest on Long-term Debt	15,500,180	14,148,672	-	-	15,500,180	14,148,672
Issuance Costs and Fees	2,798,677	345,281	-	-	2,798,677	345,281
Facilities Repair and Maintenance	-	-	-	-	-	-
Payments Related to Shared Service Arrangements	2,204,665	2,092,300	-	-	2,204,665	2,092,300
Payments to Juvenile Justice Alternative Education Programs	1,978	-	-	-	1,978	-
Payments to Appraisal District	599,885	577,357	-	-	599,885	577,357
Extended Day Program	-	-	2,165,603	1,959,222	2,165,603	1,959,222
Total Expenses	232,182,647	213,520,255	2,165,603	1,959,222	234,348,250	215,479,477
Increase in Net Position Before Transfers	15,243,551	11,251,631	1,156,122	816,258	16,399,673	12,067,889
Transfers	1,200,000	700,000	(1,200,000)	(700,000)	-	-
Change in Net Position	16,443,551	11,951,631	(43,878)	116,258	16,399,673	12,067,889
Net Position - Beginning	85,909,978	74,112,120	189,862	73,604	86,099,840	74,185,724
Prior Period Adjustment - Implement GASB 65 for Bond Issuance Costs	-	(2,400,754)	-	-	-	(2,400,754)
Prior Period Adjustment -Capital Assets	-	2,246,981	-	-	-	2,246,981
Net Position - Beginning, as restated	85,909,978	73,958,347	189,862	73,604	86,099,840	74,031,951
Net Position - Ending	\$ 102,353,529	\$ 85,909,978	\$ 145,984	\$ 189,862	\$ 102,499,513	\$ 86,099,840

Governmental Activities

- Property tax rates for the 2013-2014 fiscal year remained the same from the prior year rate of \$1.54 per \$100 of valuation. Taxable values for the 2014 fiscal year increased by 6.0%.

Business-type Activities

- Business-type activities increased net position before transfers by \$1,156,122 due to the operation of the extended day program, and \$1,200,000 was transferred to the general fund.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

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 \$232.2 million.
- The amount that local taxpayers paid for these activities through property taxes was \$119.0 million.
- Those who directly benefited from the programs paid \$7.6 million. Operating grants covered \$30.2 million in cost.

NET COST OF SELECTED DISTRICT FUNCTIONS

	Total Cost of Services		Percent Change	Net Cost of Services		Percent Change
	2014	2013		2014	2013	
Instruction	\$ 122,256,562	\$ 114,690,363	7%	\$ 106,439,478	\$ 99,684,166	7%
School Leadership	11,399,172	10,831,744	5%	10,712,159	10,025,984	7%
Food Services	12,125,168	12,009,734	1%	645,934	209,242	209%
Plant Maintenance and Operations	14,801,261	12,624,898	17%	13,706,483	11,955,222	15%
Debt Service - Interest	15,500,180	14,148,672	10%	12,498,895	12,494,586	0%

Financial Analysis of the District's Funds

Revenues from governmental fund types totaled \$247.0 million, an increase of \$22.2 million from the preceding year. State aid increased \$13.8 million due to an increase in state funding. The \$1.5 million increase in federal revenues is primarily due to the growth in School Health and Related Services (SHARS) funds received for direct services related to special education students.

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 \$4.2 million less than final budgeted amounts. The most significant favorable variances were in instruction cost (unfilled positions) and plant maintenance and operations.

Resources available were \$1.9 million more than the final budgeted amount and the main difference was in State programs.

Bottom-line, the change in fund balance for the year of (\$1.8) million was \$4.8 million better than the final budgeted net decrease of \$6.6 million.

Differences between the originally-adopted budget and the final amended budget of the general fund were to increase appropriations \$3,992,600. The most significant change was to increase appropriations for data processing services. 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>2014</u>	<u>2013</u>	<u>Percent Change</u>
General Fund	\$ 34,147,955	\$ 35,915,430	-5%
Debt Service	4,466,719	2,487,587	80%
Capital Projects	287,607,570	24,901,272	1055%

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 decreased by \$1.8 million due to planned increases in expenditures for instruction and facilities acquisition and construction to install solar panels. General Fund balance of \$34.1 million includes nonspendable inventories and prepaid items totaling \$0.9 million and unassigned fund balance of \$33.2 million.

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

<u>Revenue Sources</u>	<u>2014</u>	<u>Percent Realized</u>	<u>2013</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Local	\$ 82,692,152	46%	\$ 77,710,586	\$ 4,981,566	6%
State	93,636,898	52%	81,981,886	11,655,012	14%
Federal	3,996,155	2%	1,853,724	2,142,431	116%
Total	\$ 180,325,205	100%	\$ 161,546,196	\$ 18,779,009	

Local revenues, which are generated primarily from property taxes, increased by 6 percent relative to the 2012-2013 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 \$3,996,155 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 \$180,763,608, an increase of 12% from last year.

<u>Functional Categories</u>	<u>Expenditures 2014</u>	<u>Percent Expended</u>	<u>Expenditures 2013</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Instruction and Related Services	\$ 114,222,137	63%	\$ 104,913,844	\$ 9,308,293	9%
Instructional and School Leadership	12,922,877	7%	12,157,513	765,364	6%
Support (Pupil) Services	22,777,095	13%	21,074,020	1,703,075	8%
Administrative Support	4,058,271	2%	3,617,610	440,661	12%
Support Services - Nonstudent	17,820,922	10%	16,235,634	1,585,288	10%
Community Services	8,778	0%	10,468	(1,690)	-16%
Debt Service	570,398	1%	-	570,398	-
Facilities Acquisition and Construction	5,815,338	3%	1,494,167	4,321,171	289%
Intergovernmental Charges	2,567,792	1%	2,474,637	93,155	4%
Total	\$ 180,763,608	100%	\$ 161,977,893	\$ 18,785,715	

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Instruction and instructional related expenditures increased by \$9.3 million. This increase was largely due to hiring additional teachers and standard salary increases. Facilities acquisition and construction expenditures increased by \$4.3 million due to the installation of solar panels at 11 locations.

Debt Service Fund

The Debt Service Fund has a total fund balance of \$4.5 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, 2014 were \$40.8 million, which included \$7.9 million used to defease outstanding bonds. The Debt Service Fund balance increased due to increased property tax revenues resulting from the increase in debt service property tax values and state aid for debt, which exceeded the increase in debt service expenditures.

Capital Projects Fund

The Capital Projects Fund has a total fund balance of \$287,607,570 million, which \$285,607,570 is restricted for bond authorized construction projects and \$2,000,000 is assigned for planned construction projects. The net increase in fund balance during the current year of \$262.7 million was primarily due to the issuance of \$262.5 million of Unlimited Tax School Building Bonds in June 2014, which sold at a premium of \$26.5 million. Capital expenditures totaled \$28.4 million and included \$1.9 million of bond issuance costs.

Interest earned in the Capital Projects Fund for the 2013-2014 fiscal year was \$153,884.

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 \$7,971,620. Revenues exceeded expenditures and other uses in the school breakfast and lunch program by \$282,774.

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 \$1,156,122 before transfers to the general fund and is attributed to the growth in the student population.

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 decrease in net position for the employee group health insurance plan was \$489,728. The increase in net position for the workers' compensation program was \$181,481.

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, 2014, general governmental capital assets of the District amounted to \$352,013,458. Additional information is available in Note 4 to the financial statements.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Assets and Debt Administration

Capital Assets

As of August 31, 2014, the District had a net value of \$352,013,458 in a broad range of capital assets, including land and improvements, buildings and improvements, furniture and equipment, and construction in progress.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>
Land and Improvements	\$ 28,901,364	\$ 27,635,583	\$ -	\$ -	\$ 28,901,364	\$ 27,635,583
Buildings and Improvements	259,587,230	267,340,051	80,640	84,224	259,667,870	267,424,275
Furniture and Equipment	12,994,607	8,814,298	-	-	12,994,607	8,814,298
Construction in Progress	50,530,257	30,531,877	-	-	50,530,257	30,531,877
Totals	\$ 352,013,458	\$ 334,321,809	\$ 80,640	\$ 84,224	\$ 352,094,098	\$ 334,406,033

Construction Commitments

The District has active construction projects as of August 31, 2014. The projects include the construction and equipment of school facilities. At year end, the District's remaining commitments with contractors totaled \$5,046,770 for all ongoing projects.

Long Term Debt

At the end of the year, the District had \$596.2 million in bonds, which represents a 82.2 percent increase. 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 6 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 revenues and other sources over expenditures and other uses for the year amounted to \$2.0 million resulting in a fund balance of \$4.5 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. Twelve building and refunding bond issues (2005, 2005A, 2006, 2008, 2010, 2011, 2011A, 2012, 2012A, 2014, 2014A, and 2014 Refunding) 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 2013/2014 school year.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Economic Factors and Next Year's Budgets and Rates

- The appraised Net Taxable Value used for the 2014-2015 budget preparation is \$8.3 billion or \$900 million more than the 2013-2014 values. The higher values resulted in a budgeted increase of \$9.35 million in current local tax revenue for 2014-2015 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, the maximum allowable tax rate for maintenance and operations allowed by state law without a rollback election, which is the same tax rate used in 2013-2014.
- The District's student attendance was budgeted to increase by 255 students for a 2014-2015 total attendance of 22,500. The student attendance rate was budgeted at 96.0%.
- Compared to the 2013-2014 actual results, State aid decreased by approximately \$1.2 million for the 2014-2015 General Fund budget. This decrease in State funding was the result of the increase in local tax revenue which lowers the state's funding level.
- General Fund spending per attending student for the 2014-2015 budget increased by \$353 or 4.4% when compared to the 2013-2014 budget.
- General fund budgeted expenditures for 2014-2015 increased by \$8.75 million primarily due to a 3 percent pay raise (\$4.6 million), adding new positions for growth (\$1.8 million), staff to open Dearing Elementary School (\$1.3 million), additional TRS expense and raising the District's contribution toward employee medical insurance.
- If 2014-2015 budget estimates are realized, the District's, Unassigned General Fund Balance is expected to remain unchanged at \$33.3 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, 2014

Exhibit A-1

Data Control Codes	Governmental Activities	Business-type Activities	Total
ASSETS			
1110 <i>Cash and Cash Equivalents</i>	\$ 23,477,134	\$ 113,722	\$ 23,590,856
1120 <i>Current Investments</i>	237,890,236	-	237,890,236
1225 <i>Property Taxes Receivables (Net)</i>	4,493,693	-	4,493,693
1240 <i>Due from Other Governments</i>	6,716,437	-	6,716,437
1250 <i>Accrued Interest</i>	175,540	-	175,540
1260 <i>Internal Balances</i>	37	(37)	-
1267 <i>Due From External Parties</i>	1,048	-	1,048
1290 <i>Other Receivables</i>	49,931	17,819	67,750
1300 <i>Inventories, at Cost</i>	312,446	-	312,446
1410 <i>Prepaid Items</i>	627,269	-	627,269
1490 <i>Other Current Assets</i>	317,500	-	317,500
1910 <i>Long-term Investments</i>	72,246,700	-	72,246,700
Capital Assets:			
1510 <i>Land and Improvements</i>	28,901,364	-	28,901,364
1520 <i>Buildings and Improvements (Net)</i>	259,587,230	80,640	259,667,870
1530 <i>Furniture and Equipment (Net)</i>	12,994,607	-	12,994,607
1580 <i>Construction in Progress</i>	50,530,257	-	50,530,257
1000 Total Assets	<u>698,321,429</u>	<u>212,144</u>	<u>698,533,573</u>
DEFERRED OUTFLOWS OF RESOURCES			
1700 <i>Deferred Charge on Refunding</i>	18,808,845	-	18,808,845
Total Deferred Outflows of Resources	<u>18,808,845</u>	<u>-</u>	<u>18,808,845</u>
LIABILITIES			
2110 <i>Accounts Payable</i>	5,900,496	10,725	5,911,221
2140 <i>Interest Payable</i>	3,039,975	-	3,039,975
2165 <i>Accrued Liabilities</i>	1,962,061	35,945	1,998,006
2180 <i>Due to Other Governments</i>	501,374	-	501,374
2300 <i>Unearned Revenue</i>	305,881	19,490	325,371
Noncurrent Liabilities:			
2501 <i>Due Within One Year</i>	19,411,160	-	19,411,160
2502 <i>Due in More Than One Year</i>	583,655,798	-	583,655,798
2000 Total Liabilities	<u>614,776,745</u>	<u>66,160</u>	<u>614,842,905</u>
NET POSITION			
3200 <i>Net Investment in Capital Assets</i>	57,716,900	80,640	57,797,540
3820 <i>Restricted for Grants</i>	1,853,342	-	1,853,342
3850 <i>Restricted for Debt Service</i>	2,640,577	-	2,640,577
3900 <i>Unrestricted</i>	40,142,710	65,344	40,208,054
3000 Total Net Position	<u>\$ 102,353,529</u>	<u>\$ 145,984</u>	<u>\$ 102,499,513</u>

The accompanying notes are an integral part of this statement.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2014

Data Control Codes	Functions/Programs	Expenses	Program Revenues	
			Charges for Services	Operating Grants and Contributions
	Governmental Activities:			
0011	<i>Instruction</i>	\$ 122,256,562	\$ 1,080,924	\$ 14,736,160
0012	<i>Instructional Resources and Media Services</i>	3,389,564	-	136,680
0013	<i>Curriculum and Instructional Staff Development</i>	6,899,437	-	1,175,147
0021	<i>Instructional Leadership</i>	2,591,939	-	611,376
0023	<i>School Leadership</i>	11,399,172	-	687,013
0031	<i>Guidance, Counseling, and Evaluation Services</i>	7,478,095	-	480,343
0032	<i>Social Work Services</i>	642,344	-	97,619
0033	<i>Health Services</i>	2,175,192	-	174,250
0034	<i>Student Transportation</i>	8,253,644	-	121,146
0035	<i>Food Services</i>	12,125,168	3,910,949	7,568,285
0036	<i>Extracurricular Activities</i>	7,283,955	2,030,827	165,525
0041	<i>General Administration</i>	4,185,979	-	304,926
0051	<i>Plant Maintenance and Operations</i>	14,801,261	461,132	633,646
0052	<i>Security and Monitoring Services</i>	3,165,308	12,156	36,864
0053	<i>Data Processing Services</i>	4,341,709	-	75,912
0061	<i>Community Services</i>	87,933	-	59,686
0072	<i>Interest on Long-term Debt</i>	15,500,180	-	3,001,285
0073	<i>Issuance Costs and Fees</i>	2,798,677	-	-
0093	<i>Payments Related to Shared Services Arrangements</i>	2,204,665	82,599	161,834
0095	<i>Payments to Juvenile Justice Alternative Education Programs</i>	1,978	-	-
0099	<i>Payments to Appraisal District</i>	599,885	-	-
TG	Total Governmental Activities	<u>232,182,647</u>	<u>7,578,587</u>	<u>30,227,697</u>
	Business-type-Activities:			
01	<i>Extended Day Program</i>	<u>2,165,603</u>	<u>3,321,725</u>	<u>-</u>
TB	Total Business-type Activities	<u>2,165,603</u>	<u>3,321,725</u>	<u>-</u>
TP	Total Primary Government	<u>\$ 234,348,250</u>	<u>\$ 10,900,312</u>	<u>\$ 30,227,697</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			
NE	Net Position - Ending			

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (106,439,478)	\$ -	\$ (106,439,478)
(3,252,884)	-	(3,252,884)
(5,724,290)	-	(5,724,290)
(1,980,563)	-	(1,980,563)
(10,712,159)	-	(10,712,159)
(6,997,752)	-	(6,997,752)
(544,725)	-	(544,725)
(2,000,942)	-	(2,000,942)
(8,132,498)	-	(8,132,498)
(645,934)	-	(645,934)
(5,087,603)	-	(5,087,603)
(3,881,053)	-	(3,881,053)
(13,706,483)	-	(13,706,483)
(3,116,288)	-	(3,116,288)
(4,265,797)	-	(4,265,797)
(28,247)	-	(28,247)
(12,498,895)	-	(12,498,895)
(2,798,677)	-	(2,798,677)
(1,960,232)	-	(1,960,232)
(1,978)	-	(1,978)
(599,885)	-	(599,885)
<u>(194,376,363)</u>	<u>-</u>	<u>(194,376,363)</u>
-	1,156,122	1,156,122
-	<u>1,156,122</u>	<u>1,156,122</u>
<u>(194,376,363)</u>	<u>1,156,122</u>	<u>(193,220,241)</u>
80,406,030	-	80,406,030
38,628,467	-	38,628,467
89,749,248	-	89,749,248
287,320	-	287,320
548,849	-	548,849
1,200,000	(1,200,000)	-
<u>210,819,914</u>	<u>(1,200,000)</u>	<u>209,619,914</u>
16,443,551	(43,878)	16,399,673
85,909,978	189,862	86,099,840
<u>\$ 102,353,529</u>	<u>\$ 145,984</u>	<u>\$ 102,499,513</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
AUGUST 31, 2014

Data Control Codes		General Fund	Debt Service Fund
ASSETS			
1110	Cash and Cash Equivalents	\$ 14,316,820	\$ 1,239,656
1120	Current Investments	3,852,152	3,436,422
1225	Property Taxes Receivable (Net)	3,339,540	1,154,153
1240	Due from Other Governments	5,247,480	-
1250	Accrued Interest	54,884	-
1260	Due from Other Funds	1,483,035	-
1290	Other Receivables	25,672	-
1300	Inventories, at Cost	257,734	-
1410	Prepaid Items	605,467	-
1910	Long-term Investments	15,000,000	-
1000	Total Assets	<u>\$ 44,182,784</u>	<u>\$ 5,830,231</u>
LIABILITIES			
2110	Accounts Payable	\$ 2,581,111	\$ -
2150	Payroll Deductions and Withholdings	978,794	-
2160	Accrued Wages Payable	464,280	-
2170	Due to Other Funds	2,229,347	-
2180	Due to Other Governments	288,582	209,359
2200	Accrued Liabilities	75,007	-
2300	Unearned Revenues	78,168	-
2000	Total Liabilities	<u>6,695,289</u>	<u>209,359</u>
DEFERRED INFLOWS OF RESOURCES			
2600	Unavailable Revenue - Property Taxes	3,339,540	1,154,153
	Total Deferred Inflows of Resources	<u>3,339,540</u>	<u>1,154,153</u>
FUND BALANCES			
Nonspendable:			
3410	Inventories	257,734	-
3430	Prepaid Items	605,467	-
Restricted:			
3450	Grant Funds	-	-
3470	Capital Acquisitions and Contractual Obligations	-	-
3480	Debt Service	-	4,466,719
Committed:			
3545	Other	-	-
Assigned:			
3550	Construction	-	-
3600	Unassigned	33,284,754	-
3000	Total Fund Balances	<u>34,147,955</u>	<u>4,466,719</u>
4000	Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 44,182,784</u>	<u>\$ 5,830,231</u>

The accompanying notes are an integral part of this statement.

<u>Capital Projects Fund</u>	<u>Nonmajor Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 3,687,494	\$ 2,460,439	\$ 21,704,409
227,550,243	1,291,245	236,130,062
-	-	4,493,693
-	1,468,957	6,716,437
120,356	-	175,240
2,000,000	4,884	3,487,919
-	14,773	40,445
-	54,712	312,446
11,964	9,838	627,269
57,246,700	-	72,246,700
<u>\$ 290,616,757</u>	<u>\$ 5,304,848</u>	<u>\$ 345,934,620</u>
\$ 2,569,344	\$ 457,506	\$ 5,607,961
-	-	978,794
2,173	4,137	470,590
-	1,258,736	3,488,083
-	3,433	501,374
437,670	-	512,677
-	227,713	305,881
<u>3,009,187</u>	<u>1,951,525</u>	<u>11,865,360</u>
-	-	4,493,693
<u>-</u>	<u>-</u>	<u>4,493,693</u>
-	235	257,969
11,964	9,838	627,269
-	1,853,342	1,853,342
285,595,606	-	285,595,606
-	-	4,466,719
-	1,489,908	1,489,908
2,000,000	-	2,000,000
-	-	33,284,754
<u>287,607,570</u>	<u>3,353,323</u>	<u>329,575,567</u>
<u>\$ 290,616,757</u>	<u>\$ 5,304,848</u>	<u>\$ 345,934,620</u>

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PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
AUGUST 31, 2014

Exhibit B-1R

Total Fund Balances - Governmental Funds (Exhibit B-1) **\$ 329,575,567**

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	\$ 472,281,120	
Accumulated Depreciation of Governmental Capital Assets	<u>(120,267,662)</u>	352,013,458

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.		4,493,693
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Long-term liabilities, including bonds payable, notes payable, and compensated absences, 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	\$ (539,430,000)	
Premium on Bonds Payable	(56,818,290)	
Deferred Charge on Refunding	18,808,845	
Accrued Interest on the Bonds	(2,980,295)	
Notes Payable	(4,464,683)	
Accrued Interest on Notes Payable	(59,680)	
Compensated Absences	<u>(565,920)</u>	(585,510,023)

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	\$ 1,501,954	
Workers' Compensation	<u>278,880</u>	<u>1,780,834</u>

Total Net Position - Governmental Activities (Exhibit A-1) **\$ 102,353,529**

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, 2014

Data Control Codes		General Fund	Debt Service Fund
REVENUES			
5700	<i>Local, Intermediate, and Out-of-State</i>	\$ 82,692,152	\$ 38,486,120
5800	<i>State Programs</i>	93,636,898	3,001,285
5900	<i>Federal Programs</i>	<u>3,996,155</u>	-
5020	Total Revenues	<u>180,325,205</u>	<u>41,487,405</u>
EXPENDITURES			
Current:			
0011	<i>Instruction</i>	105,646,068	-
0012	<i>Instructional Resources and Media Services</i>	2,651,090	-
0013	<i>Curriculum and Instructional Staff Development</i>	5,924,979	-
0021	<i>Instructional Leadership</i>	2,079,477	-
0023	<i>School Leadership</i>	10,843,400	-
0031	<i>Guidance, Counseling, and Evaluation Services</i>	7,119,064	-
0032	<i>Social Work Services</i>	571,482	-
0033	<i>Health Services</i>	2,089,011	-
0034	<i>Student Transportation</i>	8,101,587	-
0035	<i>Food Services</i>	138,452	-
0036	<i>Extracurricular Activities</i>	4,757,499	-
0041	<i>General Administration</i>	4,058,271	-
0051	<i>Plant Maintenance and Operations</i>	12,487,606	-
0052	<i>Security and Monitoring Services</i>	2,324,050	-
0053	<i>Data Processing Services</i>	3,009,266	-
0061	<i>Community Services</i>	8,778	-
Debt Service:			
0071	<i>Principal on Long-term Debt</i>	462,140	26,065,000
0072	<i>Interest on Long-term Debt</i>	108,258	13,907,135
0073	<i>Issuance Costs and Fees</i>	-	866,228
Capital Outlay:			
0081	<i>Facilities Acquisition and Construction</i>	5,815,338	-
Intergovernmental:			
0093	<i>Payments to Shared Services Arrangements</i>	1,965,929	-
0095	<i>Payments to Juvenile Justice Alternative Education Programs</i>	1,978	-
0099	<i>Payments to Appraisal District</i>	<u>599,885</u>	-
6030	Total Expenditures	<u>180,763,608</u>	<u>40,838,363</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(438,403)</u>	<u>649,042</u>
OTHER FINANCING SOURCES (USES)			
7911	<i>Issuance of Bonds</i>	-	107,275,000
7912	<i>Sale of Real and Personal Property</i>	11,596	-
7915	<i>Transfers In</i>	1,200,000	495,493
7916	<i>Premium from Issuance of Bonds</i>	-	14,635,045
8911	<i>Transfers Out</i>	(2,495,493)	-
8912	<i>Settlement of Lawsuit</i>	(45,175)	-
8940	<i>Payment to Bond Refunding Escrow Agent</i>	-	(121,075,448)
7080	Total Other Financing Sources (Uses)	<u>(1,329,072)</u>	<u>1,330,090</u>
1200	Net Change in Fund Balances	<u>(1,767,475)</u>	<u>1,979,132</u>
0100	Fund Balances - Beginning	<u>35,915,430</u>	<u>2,487,587</u>
3000	Fund Balances - Ending	<u>\$ 34,147,955</u>	<u>\$ 4,466,719</u>

The accompanying notes are an integral part of this statement.

<u>Capital Projects Fund</u>	<u>Nonmajor Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 153,884	\$ 6,489,375	\$ 127,821,531
-	2,398,700	99,036,883
-	16,111,821	20,107,976
<u>153,884</u>	<u>24,999,896</u>	<u>246,966,390</u>
1,660,641	9,171,896	116,478,605
240,442	84,451	2,975,983
49,825	903,055	6,877,859
-	502,190	2,581,667
59,268	165,904	11,068,572
12,074	248,277	7,379,415
-	65,603	637,085
7,517	72,877	2,169,405
-	115,343	8,216,930
51,507	11,154,980	11,344,939
61,618	1,194,569	6,013,686
-	19,838	4,078,109
1,640,869	459,623	14,588,098
267,248	41,048	2,632,346
1,402,790	-	4,412,056
-	71,443	80,221
-	-	26,527,140
-	-	14,015,393
1,932,449	-	2,798,677
20,993,787	-	26,809,125
-	238,736	2,204,665
-	-	1,978
-	-	599,885
<u>28,380,035</u>	<u>24,509,833</u>	<u>274,491,839</u>
(28,226,151)	490,063	(27,525,449)
262,465,000	-	369,740,000
-	-	11,596
2,000,000	-	3,695,493
26,467,449	-	41,102,494
-	-	(2,495,493)
-	-	(45,175)
-	-	(121,075,448)
<u>290,932,449</u>	<u>-</u>	<u>290,933,467</u>
262,706,298	490,063	263,408,018
24,901,272	2,863,260	66,167,549
<u>\$ 287,607,570</u>	<u>\$ 3,353,323</u>	<u>\$ 329,575,567</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
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, 2014

Exhibit B-2R

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ 263,408,018

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.

Capital Assets <i>increased</i>	\$ 28,647,180	
Depreciation Expense	<u>(10,118,402)</u>	18,528,778

The net effect of miscellaneous transactions involving capital assets (transfers, adjustments and dispositions) is an increase (decrease) to net position. (837,129)

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. 497,414

Issuance of bonds provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.

Par Value	\$ (369,740,000)	
Premium	<u>(41,102,494)</u>	(410,842,494)

Repayment of note principle is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 462,140

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 26,065,000

Payment to escrow agent to refund bonds from refunding proceeds. 121,075,448

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>increased</i>	\$ (2,363,641)	
Accrued Interest on Notes Payable <i>increased</i>	(28,862)	
Amortization of Bond Premium	2,294,101	
Amortization of Deferred Charge on Refunding Bonds	(1,464,959)	
Interest Adjustment for Cash Defeasance	<u>78,574</u>	(1,484,787)

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. (120,590)

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 funds are reported in the government-wide statements:

Health Insurance	\$ (489,728)	
Workers' Compensation	<u>181,481</u>	<u>(308,247)</u>

Change in Net Position for Governmental Activities (Exhibit A-2) \$ 16,443,551

The accompanying notes are an integral part of this statement.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AUGUST 31, 2014

Exhibit C-1

<u>Data Control Codes</u>	<u>Business-Type Activities Enterprise Fund - Extended Day Program</u>	<u>Governmental Activities Internal Service Funds</u>
ASSETS		
Current Assets:		
1110	\$ 113,722	\$ 1,772,725
1120	-	1,760,174
1250	-	300
1260	-	1,249
1290	17,819	9,486
1490	-	317,500
	<u>131,541</u>	<u>3,861,434</u>
Noncurrent Assets:		
1520	89,600	-
1570	(8,960)	-
	<u>80,640</u>	<u>-</u>
1000	<u>212,181</u>	<u>3,861,434</u>
LIABILITIES		
Current Liabilities:		
2110	10,725	292,535
2160	35,945	-
2170	37	-
2300	19,490	-
	<u>66,197</u>	<u>292,535</u>
Noncurrent Liabilities:		
2123	-	1,788,065
	<u>-</u>	<u>1,788,065</u>
2000	<u>66,197</u>	<u>2,080,600</u>
NET POSITION		
3200	80,640	-
3900	65,344	1,780,834
3000	<u>\$ 145,984</u>	<u>\$ 1,780,834</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, 2014

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</u> <u>Service</u> <u>Funds</u>
OPERATING REVENUES		
5739 Tuition	\$ 3,321,725	\$ -
5754 Interfund Services Provided	-	14,433,574
5020 Total Operating Revenues	<u>3,321,725</u>	<u>14,433,574</u>
OPERATING EXPENSES		
6100 Payroll Costs	1,846,158	173
6200 Purchased and Contracted Services	26,453	1,864,396
6300 Supplies and Materials	106,165	1,024
6400 Claims Expense and Other Operating Expenses	183,243	12,883,797
6449 Depreciation	3,584	-
6030 Total Operating Expenses	<u>2,165,603</u>	<u>14,749,390</u>
Operating Income (Loss)	<u>1,156,122</u>	<u>(315,816)</u>
NONOPERATING REVENUES		
7955 Investment Earnings - Deposits and Investments	-	7,569
8030 Total Nonoperating Revenues	<u>-</u>	<u>7,569</u>
Income (Loss) before Transfers	1,156,122	(308,247)
8911 Transfers Out	<u>(1,200,000)</u>	<u>-</u>
1300 Change in Net Position	(43,878)	(308,247)
0100 Net Position - Beginning	189,862	2,089,081
3300 Net Position - Ending	<u>\$ 145,984</u>	<u>\$ 1,780,834</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, 2014

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	\$ -	\$ 14,432,308
Cash Received from Registration Fees and Tuition	3,309,705	-
Cash Payments to Suppliers for Goods and Services	(324,189)	-
Cash Payments for Employees	(1,852,654)	-
Cash Payments for Claims	-	(12,848,512)
Cash Payments for Administrative Services	-	(1,865,593)
Net Cash Provided by (Used for) Operating Activities	<u>1,132,862</u>	<u>(281,797)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers to Other Funds	<u>(1,200,000)</u>	-
Net Cash Used for Noncapital Financing Activities	<u>(1,200,000)</u>	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and Dividends Received on Investments	-	7,569
Sale of Investments	-	23,754
Net Cash Provided by Investing Activities	<u>-</u>	<u>31,323</u>
Net Decrease in Cash and Cash Equivalents	(67,138)	(250,474)
Cash and Cash Equivalents at Beginning of Year	180,860	2,023,199
Cash and Cash Equivalents at End of Year	\$ <u>113,722</u>	\$ <u>1,772,725</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ 1,156,122	\$ (315,816)
Depreciation Expense	3,584	-
Change in Assets and Liabilities:		
(Increase) in Other Receivables	(17,290)	(716)
(Increase) in Due from Other Funds	-	(1,249)
(Increase) in Other Assets	-	(83,750)
(Decrease) in Accounts Payable	(8,328)	(182,785)
(Decrease) in Accrued Wages Payable	(39)	-
Increase in Deferred Revenue	5,270	-
Increase in Claims Payable	-	302,536
(Decrease) in Due to Other Funds	(6,457)	(17)
Net Cash Provided by (Used for) Operating Activities	\$ <u>1,132,862</u>	\$ <u>(281,797)</u>

The accompanying notes are an integral part of this statement.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
AUGUST 31, 2014

Exhibit D-1

Data Control Codes	Private- Purpose Trust Fund	Agency Fund
ASSETS		
1110 <i>Cash and Cash Equivalents</i>	\$ 1,000	\$ 331,032
1120 <i>Current Investments</i>	244,262	-
1260 <i>Due from Other Funds</i>	<u>-</u>	<u>957</u>
1000 Total Assets	<u>245,262</u>	<u>\$ 331,989</u>
LIABILITIES		
2110 <i>Accounts Payable</i>	-	\$ 693
2170 <i>Due to Other Funds</i>	1,000	1,005
2190 <i>Due to Student Groups</i>	<u>-</u>	<u>330,291</u>
2000 Total Liabilities	<u>1,000</u>	<u>\$ 331,989</u>
NET POSITION		
3800 <i>Restricted Net Position</i>	<u>244,262</u>	
3000 Total Net Position	<u>\$ 244,262</u>	

The accompanying notes are an integral part of this statement.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED AUGUST 31, 2014

Exhibit D-2

<u>Data Control Codes</u>	<u>Private- Purpose Trust Fund</u>
ADDITIONS	
5742 <i>Interest</i>	\$ 259
5744 <i>Gifts and Contributions</i>	<u>5,055</u>
Total Additions	<u>5,314</u>
DEDUCTIONS	
6400 <i>Scholarship Funds</i>	<u>43,700</u>
Total Deductions	<u>43,700</u>
Change in Net Position	(38,386)
Net Position - Beginning of Year	<u>282,648</u>
Net Position - End of Year	<u>\$ <u>244,262</u></u>

The accompanying notes are an integral part of this statement.

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 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. For the most part, the effect of interfund activity has been removed from these 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.

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.

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 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, 2014

Exhibit E-1
(Continued)

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.

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, 2014. 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.

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, 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.

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 that employees with four or more full creditable years of experience in the District shall be paid for the number of unused local sick days upon retirement under Teacher Retirement System of Texas. An employee must have at least 22 unused local sick leave days remaining and the District will pay a maximum of 50 days.

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 bonds outstanding 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

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District only has one item that qualifies for reporting in this

category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the reacquisition price over the carrying value of refunded debt. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. Accordingly, the District reports *unavailable revenue - property taxes* in the governmental fund balance sheet. Unavailable revenue - property taxes is deferred and recognized as an inflow of resources in the period that 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.

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. Positive amounts are reported only in the general fund.

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.

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 - 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 2014, 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). LOGIC, Lone Star, and Texas CLASS 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

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2014

Exhibit E-1
(Continued)

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.

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 Deposits	\$ 23,590,856	N/A
Investment Type:		
Money Market	75,012,931	0
Certificates of Deposit	40,500,000	1.74
Commercial Paper	59,867,780	0.69
U.S. Government Agencies:		
Federal Home Loan Mortgage Corporation	30,392,371	2.25
FICO Strips	6,854,329	2.55
Local Government Investment Pools:		
LOGIC	27,207,017	0.15
Lone Star Corporate Overnight Fund	9,422,712	0.13
Lone Star Corporate Overnight Plus Fund	37,161,045	0.18
Texas CLASS	23,718,751	0.18
Subtotal for Investments	<u>310,136,936</u>	
Total Fair Value	<u>\$ 333,727,792</u>	
 Portfolio Weighted Average Maturity		 0.69

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.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2014

Exhibit E-1
(Continued)

Investments of the District shall be selected in a manner that seeks to ensure the preservation of capital in the overall portfolio.

At August 31, 2014, 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	\$ 75,012,931	\$ 75,012,931	\$ 75,012,931	\$ -
Certificates of Deposit	40,500,000	40,500,000	5,500,000	35,000,000
Commercial Paper	59,867,780	59,867,780	59,867,780	-
U.S. Government Agencies:				
Federal Home Loan Mortgage Corporation	30,392,371	30,392,371	-	30,392,371
FICO Strips	6,854,329	6,854,329	-	6,854,329
Local Government Investment Pools:				
LOGIC	27,207,017	27,207,017	27,207,017	-
Lone Star Corporate Overnight Fund	9,422,712	9,422,712	9,422,712	-
Lone Star Corporate Overnight Plus Fund	37,161,045	37,161,045	37,161,045	-
Texas CLASS	23,718,751	23,718,751	23,718,751	-
	\$ 310,136,936	\$ 310,136,936	\$ 237,890,236	\$ 72,246,700

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, 2014, the District's investments had the following ratings:

	Fair Value	Rating
Money Market	\$ 75,012,931	Not Rated
Certificates of Deposit	40,500,000	Not Rated
Commercial Paper	59,867,780	A-1
U.S. Government Agencies:		
Federal Home Loan Mortgage Corporation	30,392,371	AA+
FICO Strips	6,854,329	Aaa
Local Government Investment Pools:		
LOGIC	27,207,017	AAA
Lone Star Corporate Overnight Fund	9,422,712	AAAm
Lone Star Corporate Overnight Plus Fund	37,161,045	AAAf/S1+
Texas CLASS	23,718,751	AAAm
	\$ 310,136,936	

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.

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 three pools for diversification and security reasons.

As of August 31, 2014, the following was the composition of the District's non-interest bearing cash and investment portfolio:

Non-interest Bearing Cash	7%
Money Market	23%
Commercial Paper	18%
Certificates of Deposit	12%
Federal Home Loan Mortgage Corporation	9%
FICO Strips	2%
LOGIC	8%
Lone Star Corporate Overnight Fund	3%
Lone Star Corporate Overnight Plus Fund	11%
Texas CLASS	7%

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2014

Exhibit E-1
(Continued)

Note 3 - Receivables

Receivables as of year-end for the District's individual major and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Fund Type				Proprietary Fund Type		Total
	General Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Enterprise Fund	Internal Service Funds	
Receivables:							
Property Taxes	\$ 3,373,273	\$ 1,165,811	\$ -	\$ -	\$ -	\$ -	\$ 4,539,084
Due From Other Governments:							
State	5,247,480	-	-	2,144	-	-	5,249,624
Federal	-	-	-	1,461,265	-	-	1,461,265
Local	-	-	-	5,548	-	-	5,548
Interest	54,884	-	120,356	-	-	300	175,540
Other	25,672	-	-	14,773	17,819	9,486	67,750
Gross Receivables	8,701,309	1,165,811	120,356	1,483,730	17,819	9,786	11,498,811
Less: Allowance for Uncollectibles	(33,733)	(11,658)	-	-	-	-	(45,391)
Net Total Receivables	\$ 8,667,576	\$ 1,154,153	\$ 120,356	\$ 1,483,730	\$ 17,819	\$ 9,786	\$ 11,453,420

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	\$ (3,402)
Uncollectibles Related to Debt Service Property Taxes	(1,623)
Total Uncollectibles of the Current Fiscal Year	\$ (5,025)

Approximately 90% 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)	\$ 13,630
Rental Deposits (General Fund)	16,738
Kickstart (General Fund)	47,800
Funds Received Prior to Meeting all Eligibility Requirements, Primarily Grants (Special Revenue Funds)	<u>227,713</u>
Total Unearned Revenue For Governmental Funds	\$ <u>305,881</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2014

Exhibit E-1
(Continued)

Note 4 - Capital Assets

The District's capital asset activity for the year ended August 31, 2014 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	\$ 27,635,583	\$ 1,265,781	\$ -	\$ 28,901,364
Construction in Progress	30,531,877	25,001,057	(5,002,677)	50,530,257
<i>Total Capital Assets, not being Depreciated</i>	<u>58,167,460</u>	<u>26,266,838</u>	<u>(5,002,677)</u>	<u>79,431,621</u>
Capital Assets, being Depreciated:				
Buildings and Improvements	364,084,934	542,286	(1,820,735)	362,806,485
Furniture and Equipment	23,424,872	1,838,056	4,780,086	30,043,014
<i>Total Capital Assets, being Depreciated</i>	<u>387,509,806</u>	<u>2,380,342</u>	<u>2,959,351</u>	<u>392,849,499</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(96,744,883)	(7,514,336)	1,039,964	(103,219,255)
Furniture and Equipment	(14,610,574)	(2,604,066)	166,233	(17,048,407)
<i>Total Accumulated Depreciation</i>	<u>(111,355,457)</u>	<u>(10,118,402)</u>	<u>1,206,197</u>	<u>(120,267,662)</u>
<i>Total Capital Assets, being Depreciated, net</i>	<u>276,154,349</u>	<u>(7,738,060)</u>	<u>4,165,548</u>	<u>272,581,837</u>
<i>Governmental Activities Capital Assets, net</i>	<u>\$ 334,321,809</u>	<u>\$ 18,528,778</u>	<u>\$ (837,129)</u>	<u>\$ 352,013,458</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	(5,376)	(3,584)	-	(8,960)
<i>Total Accumulated Depreciation</i>	<u>(5,376)</u>	<u>(3,584)</u>	<u>-</u>	<u>(8,960)</u>
<i>Business-type Activities Capital Assets, net</i>	<u>\$ 84,224</u>	<u>\$ (3,584)</u>	<u>\$ -</u>	<u>\$ 80,640</u>

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

Governmental Activities:	
11 Instruction	\$ 5,068,669
12 Instructional Resources and Media Services	375,124
13 Curriculum Development and Instructional Staff Development	4,468
23 School Leadership	275,515
31 Guidance, Counseling, and Evaluation Services	71,088
32 Social Work Services	2,789
34 Student Transportation	33,718
35 Food Services	727,844
36 Extracurricular Activities	1,196,993
41 General Administration	92,000
51 Plant Maintenance and Operations	519,680
52 Security and Monitoring Services	493,462
53 Data Processing Services	1,248,116
61 Community Services	8,936
<i>Total Depreciation Expense-Governmental Activities</i>	<u>\$ 10,118,402</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2014

Exhibit E-1
(Continued)

Construction Commitments

The District has active construction projects as of August 31, 2014. 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
Balfour Beatty Construction - Cele MS #6	\$ 24,619,000	\$ 418,672
Bartlett Cocke Construction - Elementary School #20	17,150,000	284,035
PBK - Architects - High School #4	4,540,000	3,532,000
American Constructors - PHS Ag Barn Expansion	700,000	4,921
American Constructors - HHS Ag Barn Expansion	700,000	6,391
PHS Locker Room Renovations	1,167,000	524,043
Hellas - Stadium Turf & Track	2,966,549	276,708
Totals	\$ 51,842,549	\$ 5,046,770

Note 5 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of August 31, 2014 is as follows:

Fund	Interfund Receivables	Interfund Payables
Governmental Funds:		
General Fund	\$ 1,483,035	\$ 2,229,347
Capital Projects Fund	2,000,000	-
Nonmajor-Other Governmental Funds	4,884	1,258,736
Proprietary Funds:		
Enterprise Fund - Extended Day Program	-	37
Internal Service Funds	1,249	-
Fiduciary Funds:		
Private-Purpose Trust Fund	-	1,000
Agency Fund	957	1,005
Totals	\$ 3,490,125	\$ 3,490,125

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, 2014.

Transfer Out	Transfers In	Amount
General Fund	Capital Projects Fund	\$ 2,000,000
General Fund	Debt Service Fund	495,493
Enterprise Fund-Extended Day Program	General Fund	1,200,000
Total		\$ 3,695,493

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

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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Exhibit E-1
(Continued)

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 Debt Service Fund are to provide additional funds for early retirement of future debt requirements.

Transfers from the General Fund to the Capital Projects Fund are to supplement bond funds for capital projects in the event cost overruns exceed the bonds.

Note 6 - Long-term Liabilities

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

Changes in Long-term Liabilities

Long-term liability activity for the year ended August 31, 2014, 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	\$ 306,575,000	\$ 369,740,000	\$ (136,885,000)	\$ 539,430,000	\$ 17,125,000
Deferred Amounts:					
For Issuance Premiums	20,674,556	41,102,494	(4,958,760)	56,818,290	-
Total Bonds Payable, net	<u>327,249,556</u>	<u>410,842,494</u>	<u>(141,843,760)</u>	<u>596,248,290</u>	<u>17,125,000</u>
Notes Payable	4,926,823	-	(462,140)	4,464,683	441,503
Health Insurance Claims	1,122,007	12,228,613	(12,083,537)	1,267,083	1,267,083
Workers' Compensation	363,522	477,370	(319,910)	520,982	520,982
Compensated Absences	445,330	190,398	(69,808)	565,920	56,592
Governmental Activity Long-term Liabilities	<u><u>\$ 334,107,238</u></u>	<u><u>\$ 423,738,875</u></u>	<u><u>\$ (154,779,155)</u></u>	<u><u>\$ 603,066,958</u></u>	<u><u>\$ 19,411,160</u></u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2014

Exhibit E-1
(Continued)

General Obligation Bonds

The District issues general obligation bonds to provide funds for the acquisition and construction/renovation of school buildings, equipment and technology. General obligation bonds are direct obligations and pledge the full faith and credit of the District. General obligation bonds currently outstanding are as follows:

Series	Interest Rate	Original Issue	Maturity Date	Beginning Balance	Additions	Reductions	Ending Balance
2003 BLDG	4.00%	\$ 20,000,000	2014	\$ 680,000	\$ -	\$ (680,000)	\$ -
2004 BLDG	4.00%	25,915,000	2014	1,455,000	-	(1,455,000)	-
2004A REF	3.75-5.00%	14,090,000	2014	3,595,000	-	(3,595,000)	-
2005 REF	5.00-5.25%	79,195,000	2016	20,195,000	-	(6,665,000)	13,530,000
2005A BLDG	3.625-5.25%	28,670,000	2015	3,020,000	-	(1,995,000)	1,025,000
2006 BLDG	4.00-5.00%	40,000,000	2031	25,290,000	-	(23,970,000)	1,320,000
2008 BLDG	3.00-5.00%	121,715,000	2033	110,295,000	-	(95,945,000)	14,350,000
2010 REF	4.00-5.00%	20,420,000	2019	12,510,000	-	(2,405,000)	10,105,000
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	-	-	27,590,000
2012 REF	2.00-5.00%	40,765,000	2030	40,595,000	-	(175,000)	40,420,000
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	-	212,795,000
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				\$ 306,575,000	\$ 369,740,000	\$ (136,885,000)	\$ 539,430,000

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

Year Ending August 31	Principal Value	Interest	Total Requirements
2015	\$ 17,125,000	\$ 23,820,128	\$ 40,945,128
2016	18,975,000	22,044,038	41,019,038
2017	19,960,000	21,059,600	41,019,600
2018	20,860,000	20,159,426	41,019,426
2019	21,755,000	19,227,551	40,982,551
2020	19,680,000	21,304,400	40,984,400
2021	20,540,000	20,445,776	40,985,776
2022	21,505,000	19,477,400	40,982,400
2023	22,560,000	18,426,589	40,986,589
2024	23,385,000	17,372,100	40,757,100
2025	24,480,000	16,279,626	40,759,626
2026	25,800,000	14,960,882	40,760,882
2027	22,405,000	13,799,413	36,204,413
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	\$ 539,430,000	\$ 336,391,810	\$ 875,821,810

As of August 31, 2014, the District did not have authorized but unissued bonds remaining.

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Exhibit E-1
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In July 2014, the District issued \$107,275,000 of refunding bonds. The proceeds of the refunding bonds were used to legally defease \$110,820,000 of previously issued District bonds in order to lower its overall debt service requirements. The reacquisition price exceeded the net carrying value of the old debt by \$7,683,079. The amount is netted against the new debt and amortized over the life of the new debt. The refunding resulted in an economic gain of \$8,395,936.

In 2014, the District defeased \$7,880,000 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 2004, 2004A, 2005A, 2006 and 2008 bonds.

Prior to August 31, 2014, 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, 2014, the following outstanding bonds are considered defeased:

2005	General Obligation Bonds (maturing 2017-2026, callable August 15, 2015)	\$ 33,405,000
2005A	General Obligation Bonds (maturing 2017-2030, callable February 15, 2015)	22,425,000
2006	General Obligation Bonds (maturing 2018-2023, callable February 15, 2015)	13,315,000
2006	General Obligation Bonds (maturing 2024-2031, callable February 15, 2015)	19,865,000
2008	General Obligation Bonds (maturing 2033, callable February 15, 2015)	190,000
2008	General Obligation Bonds (maturing 2033, callable February 15, 2016)	70,000
2008	General Obligation Bonds (maturing 2033, callable February 15, 2017)	5,795,000
2008	General Obligation Bonds (maturing 2019-2033, callable February 15, 2017)	90,955,000
		<u>\$ 186,020,000</u>

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	\$ 4,926,823	\$ -	\$ (462,140)	\$ 4,464,683
Totals				<u>\$ 4,926,823</u>	<u>\$ -</u>	<u>\$ (462,140)</u>	<u>\$ 4,464,683</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>
2015	\$ 441,503	\$ 128,895	\$ 570,398
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
Totals	<u>\$ 4,464,683</u>	<u>\$ 668,907</u>	<u>\$ 5,133,590</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
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Note 7 - Fund Balance

Other committed fund balance includes the following commitments of funds:

Other Governmental Funds:

Campus Activity	\$ 1,489,908
Total Other Committed Fund Balance	\$ 1,489,908

Note 8 - 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 Other Governmental Funds	Total
Property Taxes	\$ 80,069,256	\$ 38,467,827	\$ -	\$ -	\$ 118,537,083
Charges for Services	1,644,079	-	-	5,934,508	7,578,587
Contributions	629,162	-	-	552,159	1,181,321
Investment Income	104,866	18,293	153,884	2,708	279,751
Other	244,789	-	-	-	244,789
Total	\$ 82,692,152	\$ 38,486,120	\$ 153,884	\$ 6,489,375	\$ 127,821,531

Note 9 - Pension Information

Plan Description

The Pflugerville Independent School District contributes to the Teacher Retirement System of Texas (TRS), a cost-sharing multiple employer defined benefit pension plan. TRS administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school systems of Texas. It operates primarily under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C. TRS also administers proportional retirement benefits and service credit transfer under Texas Government Code, Title 8, Chapter 803 and 805, respectively. The Texas state legislature has the authority to establish and amend benefit provisions of the pension plan and may, under certain circumstances, grant special authority to the TRS Board of Trustees. TRS issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit pension plan. That report may be obtained by downloading the report from the TRS Internet website, www.trstate.tx.us, under the TRS Publications heading, by calling the TRS Communications Department at 1-800-223-8778, or by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701.

Funding Policy

Contribution requirements are not actuarially determined but are established and amended pursuant to the following state funding policy: (1) the state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10% of the aggregate annual compensation of all members of the system during the fiscal year; (2) state statute prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

Contributions

Contribution rates and contributions for fiscal years 2014-2012 are shown in the table below. These rates are set by the General Appropriations Act. In certain instances, the reporting district is required to make all or a portion

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
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of the state's and/or member's contribution and on the portion of the employees' salaries that exceeded the statutory minimum.

Contribution Rates and Contribution Amounts

<u>Year</u>	<u>Member</u>		<u>State</u>		<u>School District</u> <u>Statutory Minimum</u>
	<u>Rate</u>	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>	<u>Amount</u>
2014	6.4%	\$ 8,057,498	6.800%	\$ 6,694,653	\$ 1,326,841
2013	6.4%	\$ 7,695,552	6.400%	\$ 6,012,064	\$ 1,121,863
2012	6.4%	\$ 7,359,362	6.000%	\$ 5,424,287	\$ 999,251

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 are on behalf of the District and 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.

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.

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 2013-14 fiscal year, the District maintained its monthly, medical insurance contribution of \$344 for September 2013 through August 2014 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 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 2013 and 2014 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>
2013	\$ 900,000	\$ 10,577,320	\$ 10,355,313	\$ 1,122,007
2014	1,122,007	12,228,613	12,083,537	1,267,083

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 2013 and 2014 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>
2013	\$ 354,275	\$ 291,794	\$ 282,547	\$ 363,522
2014	363,522	477,370	319,910	520,982

Note 11 - 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 Web site 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.

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 2014-2012.

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>
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
2012	0.65%	\$ 747,435	1.00%	\$ 1,090,692	0.55%	\$ 632,445

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, 2014, 2013, and 2012, the subsidy payments received by TRS-Care on-behalf of the District were \$342,479, \$322,725, and \$571,247, respectively. These payments are recorded as equal revenues and expenditures in the governmental funds financial statements of the District.

Note 12 - 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, 2014, 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 13 - Arbitrage

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, 2014.

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% 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.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2014

Exhibit E-1

Presented below are the revenues and expenditures attributable to the District's participation.

Revenues	\$ 2,169,939
<i>Total</i>	<u><u>\$ 2,169,939</u></u>
Expenditures	\$ 2,169,939
<i>Total</i>	<u><u>\$ 2,169,939</u></u>

Note 15 – Nonmonetary Transactions

During 2014, the District received textbooks purchased by the State of Texas for the benefit of the District for a purchase price of \$511,794. The District receives the textbooks as part of state funding for textbook allotment. The textbooks have been recorded in the amount of \$511,794 in a special revenue fund as both state revenues and expenditures, which represents the amount of consideration given by the State of Texas.

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Required Supplementary Information

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2014

Exhibit F-1

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	\$ 82,100,000	\$ 82,400,000	\$ 82,692,152	\$ 292,152
5800	State Programs	90,000,000	92,100,000	93,636,898	1,536,898
5900	Federal Programs	2,800,000	3,923,000	3,996,155	73,155
5020	Total Revenues	<u>174,900,000</u>	<u>178,423,000</u>	<u>180,325,205</u>	<u>1,902,205</u>
EXPENDITURES					
Current:					
0011	Instruction	106,877,729	106,677,729	105,646,068	1,031,661
0012	Instructional Resources and Media Services	2,690,017	2,740,017	2,651,090	88,927
0013	Curriculum and Instructional Staff Development	6,170,555	6,170,555	5,924,979	245,576
0021	Instructional Leadership	2,043,657	2,203,657	2,079,477	124,180
0023	School Leadership	11,158,495	11,158,495	10,843,400	315,095
0031	Guidance, Counseling, and Evaluation Services	7,084,430	7,259,430	7,119,064	140,366
0032	Social Work Services	587,556	662,556	571,482	91,074
0033	Health Services	2,106,004	2,206,004	2,089,011	116,993
0034	Student Transportation	8,166,077	8,366,077	8,101,587	264,490
0035	Food Services	98,187	173,187	138,452	34,735
0036	Extracurricular Activities	4,660,990	5,000,990	4,757,499	243,491
0041	General Administration	3,635,409	4,245,409	4,058,271	187,138
0051	Plant Maintenance and Operations	12,995,205	13,282,425	12,487,606	794,819
0052	Security and Monitoring Services	2,280,332	2,380,332	2,324,050	56,282
0053	Data Processing Services	2,409,959	3,209,959	3,009,266	200,693
0061	Community Services	21,343	21,343	8,778	12,565
	Total Support Services	<u>172,985,945</u>	<u>175,758,165</u>	<u>171,810,080</u>	<u>3,948,085</u>
Debt Service:					
0071	Principal on Long-term Debt	462,140	462,140	462,140	-
0072	Interest on Long-term Debt	108,259	108,259	108,258	1
	Total Debt Service	<u>570,399</u>	<u>570,399</u>	<u>570,398</u>	<u>1</u>
Capital Outlay:					
0081	Facilities Acquisition and Construction	4,910,628	5,928,628	5,815,338	113,290
	Total Capital Outlay	<u>4,910,628</u>	<u>5,928,628</u>	<u>5,815,338</u>	<u>113,290</u>
Intergovernmental:					
0093	Payments to Shared Services Arrangements	1,911,264	2,111,264	1,965,929	145,335
0095	Payments to Juvenile Justice Alternative Education Programs	28,000	28,000	1,978	26,022
0099	Payments to Appraisal District	610,000	612,380	599,885	12,495
	Total Intergovernmental	<u>2,549,264</u>	<u>2,751,644</u>	<u>2,567,792</u>	<u>183,852</u>
6030	Total Expenditures	<u>181,016,236</u>	<u>185,008,836</u>	<u>180,763,608</u>	<u>4,245,228</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,116,236)</u>	<u>(6,585,836)</u>	<u>(438,403)</u>	<u>6,147,433</u>
OTHER FINANCING SOURCES (USES)					
7912	Sale of Real and Personal Property	-	-	11,596	11,596
7915	Transfers In	-	-	1,200,000	1,200,000
8911	Transfers Out	-	-	(2,495,493)	(2,495,493)
8912	Settlement of Lawsuit	-	-	(45,175)	(45,175)
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(1,329,072)</u>	<u>(1,329,072)</u>
1200	Net Change in Fund Balances	<u>(6,116,236)</u>	<u>(6,585,836)</u>	<u>(1,767,475)</u>	<u>4,818,361</u>
0100	Fund Balances - Beginning	35,915,430	35,915,430	35,915,430	-
3000	Fund Balances - Ending	<u>\$ 29,799,194</u>	<u>\$ 29,329,594</u>	<u>\$ 34,147,955</u>	<u>\$ 4,818,361</u>

See accompanying notes to the required supplementary information.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
AUGUST 31, 2014

Exhibit F-2

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.

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, 2014.

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, 2013. 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.

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**Combining and Individual Fund Financial Statements and
Supplementary Information**

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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.

Title IV, Part B – 21st Century Community Learning Centers

Funds granted to provide opportunities for communities to establish or expand activities in community learning centers that provide opportunities for academic enrichment and additional services to students and literary and related educational development for families of students.

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.

I-CAN Grant

Funds to conduct and support laboratory research, clinical trials, and studies with people that explore health processes, to examine the impact of disabilities, diseases, and defects on the lives of individuals.

Arabic Flagship Program - UT

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.

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.

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, 2014

<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>	4,969	599,903
1260 <i>Due from Other Funds</i>	-	1,341
1290 <i>Other Receivables</i>	-	647
1300 <i>Inventories, at Cost</i>	-	-
1410 <i>Prepaid Items</i>	-	-
1000 Total Assets	<u>\$ 4,969</u>	<u>\$ 601,891</u>
LIABILITIES		
2110 <i>Accounts Payable</i>	\$ -	\$ 34,663
2160 <i>Accrued Wages Payable</i>	-	746
2170 <i>Due to Other Funds</i>	4,969	566,482
2180 <i>Due to Other Governments</i>	-	-
2300 <i>Unearned Revenues</i>	-	-
2000 Total Liabilities	<u>4,969</u>	<u>601,891</u>
FUND BALANCES		
3410 <i>Nonspendable - Inventories</i>	-	-
3430 <i>Nonspendable - Prepaid Items</i>	-	-
3450 <i>Restricted - Grant Funds</i>	-	-
3545 <i>Committed - Other</i>	-	-
3000 Total Fund Balances	<u>-</u>	<u>-</u>
4000 Total Liabilities and Fund Balances	<u>\$ 4,969</u>	<u>\$ 601,891</u>

224	225	240	244	255
<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>	<u>ESEA, Title II, Part A - Teacher and Principal Training and Recruiting</u>
\$ -	\$ -	\$ 687,140	\$ -	\$ -
-	-	1,286,119	-	-
534,013	5,079	187,562	-	42,325
-	-	-	-	-
-	-	2,547	-	-
-	-	54,477	-	-
-	-	7,760	-	-
<u>\$ 534,013</u>	<u>\$ 5,079</u>	<u>\$ 2,225,605</u>	<u>\$ -</u>	<u>\$ 42,325</u>
\$ 592	\$ -	\$ 329,975	\$ -	\$ -
288	-	-	-	-
533,133	5,079	5,030	-	42,325
-	-	-	-	-
-	-	54,477	-	-
<u>534,013</u>	<u>5,079</u>	<u>389,482</u>	<u>-</u>	<u>42,325</u>
-	-	-	-	-
-	-	7,760	-	-
-	-	1,828,363	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>1,836,123</u>	<u>-</u>	<u>-</u>
<u>\$ 534,013</u>	<u>\$ 5,079</u>	<u>\$ 2,225,605</u>	<u>\$ -</u>	<u>\$ 42,325</u>

Continued

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2014

<u>Data Control Codes</u>	263	265
	Title III, Part A - English Language Acquisition and Language Enhancement	Title IV, Part B - 21st Century Community Learning Centers
ASSETS		
1110 <i>Cash and Cash Equivalents</i>	\$ -	\$ -
1120 <i>Current Investments</i>	-	-
1240 <i>Due from Other Governments</i>	87,414	-
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>\$ 87,414</u>	<u>\$ -</u>
LIABILITIES		
2110 <i>Accounts Payable</i>	\$ 8,937	\$ -
2160 <i>Accrued Wages Payable</i>	-	-
2170 <i>Due to Other Funds</i>	78,477	-
2180 <i>Due to Other Governments</i>	-	-
2300 <i>Unearned Revenues</i>	-	-
2000 Total Liabilities	<u>87,414</u>	<u>-</u>
FUND BALANCES		
3410 <i>Nonspendable - Inventories</i>	-	-
3430 <i>Nonspendable - Prepaid Items</i>	-	-
3450 <i>Restricted - Grant Funds</i>	-	-
3545 <i>Committed - Other</i>	-	-
3000 Total Fund Balances	<u>-</u>	<u>-</u>
4000 Total Liabilities and Fund Balances	<u>\$ 87,414</u>	<u>\$ -</u>

272	286	287	288	385
Medicaid Administrative Claiming Program - MAC	LEP Summer School	I-CAN Grant	Arabic Flagship Program - UT	State Supplemental Visually Impaired (SSVI)
\$ 69,670	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	6,376	-
-	-	-	-	-
<u>\$ 69,670</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,376</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	6,376	-
-	-	-	-	-
<u>69,670</u>	<u>-</u>	<u>-</u>	<u>6,376</u>	<u>-</u>
<u>69,670</u>	<u>-</u>	<u>-</u>	<u>6,376</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 69,670</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,376</u>	<u>\$ -</u>

Continued

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2014

<u>Data Control Codes</u>	392	397
	<u>Noneducational Community - Based Support</u>	<u>Advanced Placement Incentives</u>
ASSETS		
1110 <i>Cash and Cash Equivalents</i>	\$ -	\$ 13,747
1120 <i>Current Investments</i>	-	-
1240 <i>Due from Other Governments</i>	5,548	-
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>\$ 5,548</u>	<u>\$ 13,747</u>
LIABILITIES		
2110 <i>Accounts Payable</i>	\$ -	\$ -
2160 <i>Accrued Wages Payable</i>	-	-
2170 <i>Due to Other Funds</i>	5,548	-
2180 <i>Due to Other Governments</i>	-	-
2300 <i>Unearned Revenues</i>	-	13,747
2000 Total Liabilities	<u>5,548</u>	<u>13,747</u>
FUND BALANCES		
3410 <i>Nonspendable - Inventories</i>	-	-
3430 <i>Nonspendable - Prepaid Items</i>	-	-
3450 <i>Restricted - Grant Funds</i>	-	-
3545 <i>Committed - Other</i>	-	-
3000 Total Fund Balances	<u>-</u>	<u>-</u>
4000 Total Liabilities and Fund Balances	<u>\$ 5,548</u>	<u>\$ 13,747</u>

410	422	461	481	482
State Textbook Fund	Read to Succeed	Campus Activity Funds	Special Projects	After the Bell Program
\$ -	\$ -	\$ 1,577,925	\$ 55,517	\$ -
-	-	-	5,126	-
2,144	-	-	-	-
-	-	1,102	-	-
-	-	433	-	-
-	-	235	-	-
-	-	2,078	-	-
<u>\$ 2,144</u>	<u>\$ -</u>	<u>\$ 1,581,773</u>	<u>\$ 60,643</u>	<u>\$ -</u>
\$ -	\$ -	\$ 81,939	\$ -	\$ -
-	-	3,103	-	-
2,144	-	1,077	885	-
-	-	3,433	-	-
-	-	-	57,369	-
<u>2,144</u>	<u>-</u>	<u>89,552</u>	<u>58,254</u>	<u>-</u>
-	-	235	-	-
-	-	2,078	-	-
-	-	-	2,389	-
-	-	1,489,908	-	-
<u>-</u>	<u>-</u>	<u>1,492,221</u>	<u>2,389</u>	<u>-</u>
<u>\$ 2,144</u>	<u>\$ -</u>	<u>\$ 1,581,773</u>	<u>\$ 60,643</u>	<u>\$ -</u>

Continued

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2014

<u>Data Control Codes</u>	483	488
	STEM Grant and CTE Initiative	Arabic Flagship Program - Local
ASSETS		
1110 <i>Cash and Cash Equivalents</i>	\$ 14,319	\$ -
1120 <i>Current Investments</i>	-	-
1240 <i>Due from Other Governments</i>	-	-
1260 <i>Due from Other Funds</i>	-	2,441
1290 <i>Other Receivables</i>	-	4,770
1300 <i>Inventories, at Cost</i>	-	-
1410 <i>Prepaid Items</i>	-	-
1000 Total Assets	<u>\$ 14,319</u>	<u>\$ 7,211</u>
LIABILITIES		
2110 <i>Accounts Payable</i>	\$ -	\$ -
2160 <i>Accrued Wages Payable</i>	-	-
2170 <i>Due to Other Funds</i>	-	7,211
2180 <i>Due to Other Governments</i>	-	-
2300 <i>Unearned Revenues</i>	14,319	-
2000 Total Liabilities	<u>14,319</u>	<u>7,211</u>
FUND BALANCES		
3410 <i>Nonspendable - Inventories</i>	-	-
3430 <i>Nonspendable - Prepaid Items</i>	-	-
3450 <i>Restricted - Grant Funds</i>	-	-
3545 <i>Committed - Other</i>	-	-
3000 Total Fund Balances	<u>-</u>	<u>-</u>
4000 Total Liabilities and Fund Balances	<u>\$ 14,319</u>	<u>\$ 7,211</u>

490	491	492	
<u>CHS Culinary Arts/Aramark</u>	<u>Miscellaneous Local Grants</u>	<u>Advanced Placement Grant</u>	<u>Nonmajor Other Governmental Funds</u>
\$ 16,431	\$ 1,700	\$ 23,990	\$ 2,460,439
-	-	-	1,291,245
-	-	-	1,468,957
-	-	-	4,884
-	-	-	14,773
-	-	-	54,712
-	-	-	9,838
<u>\$ 16,431</u>	<u>\$ 1,700</u>	<u>\$ 23,990</u>	<u>\$ 5,304,848</u>
\$ -	\$ -	\$ 1,400	\$ 457,506
-	-	-	4,137
-	-	-	1,258,736
-	-	-	3,433
<u>16,431</u>	<u>1,700</u>	<u>-</u>	<u>227,713</u>
<u>16,431</u>	<u>1,700</u>	<u>1,400</u>	<u>1,951,525</u>
-	-	-	235
-	-	-	9,838
-	-	22,590	1,853,342
-	-	-	1,489,908
<u>-</u>	<u>-</u>	<u>22,590</u>	<u>3,353,323</u>
<u>\$ 16,431</u>	<u>\$ 1,700</u>	<u>\$ 23,990</u>	<u>\$ 5,304,848</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2014

<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
REVENUES		
5700 <i>Local, Intermediate, and Out-of-State</i>	\$ -	\$ -
5800 <i>State Programs</i>	-	-
5900 <i>Federal Programs</i>	37,909	3,005,976
5020 Total Revenues	<u>37,909</u>	<u>3,005,976</u>
EXPENDITURES		
Current:		
0011 <i>Instruction</i>	4,136	2,319,906
0012 <i>Instructional Resources and Media Services</i>	-	-
0013 <i>Curriculum and Instructional Staff Development</i>	-	405,025
0021 <i>Instructional Leadership</i>	30	90,473
0023 <i>School Leadership</i>	-	61,443
0031 <i>Guidance, Counseling, and Evaluation Services</i>	-	37,757
0032 <i>Social Work Services</i>	33,044	32,013
0033 <i>Health Services</i>	-	4,132
0034 <i>Student Transportation</i>	-	11,538
0035 <i>Food Services</i>	-	-
0036 <i>Extracurricular Activities</i>	-	-
0041 <i>General Administration</i>	-	-
0051 <i>Plant Maintenance and Operations</i>	-	233
0052 <i>Security and Monitoring Services</i>	-	-
0061 <i>Community Services</i>	699	43,456
Intergovernmental:		
0093 <i>Payments to Shared Services Arrangements</i>	-	-
6030 Total Expenditures	<u>37,909</u>	<u>3,005,976</u>
1200 Net Change in Fund Balances	-	-
0100 Fund Balances - Beginning	-	-
3000 Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>

224	225	240	244	255
<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>	<u>ESEA, Title II, Part A - Teacher and Principal Training and Recruiting</u>
\$ -	\$ -	\$ 4,099,814	\$ -	\$ -
-	-	61,071	-	-
3,378,996	38,104	7,971,620	217,606	246,358
<u>3,378,996</u>	<u>38,104</u>	<u>12,132,505</u>	<u>217,606</u>	<u>246,358</u>
3,337,284	38,104	-	173,495	246,358
-	-	-	-	-
5,150	-	-	15,630	-
450	-	-	800	-
-	-	-	983	-
25,436	-	-	16,391	-
-	-	-	-	-
10,676	-	-	-	-
-	-	-	-	-
-	-	11,154,820	-	-
-	-	-	10,307	-
-	-	-	-	-
-	-	421,041	-	-
-	-	35,134	-	-
-	-	-	-	-
-	-	238,736	-	-
<u>3,378,996</u>	<u>38,104</u>	<u>11,849,731</u>	<u>217,606</u>	<u>246,358</u>
-	-	282,774	-	-
-	-	1,553,349	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,836,123</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, 2014

<u>Data Control Codes</u>	263	265
	Title III, Part A - English Language Acquisition and Language Enhancement	Title IV, Part B - 21st Century Community Learning Centers
REVENUES		
5700 <i>Local, Intermediate, and Out-of-State</i>	\$ -	\$ -
5800 <i>State Programs</i>	-	-
5900 <i>Federal Programs</i>	461,163	635,403
5020 Total Revenues	<u>461,163</u>	<u>635,403</u>
EXPENDITURES		
Current:		
0011 <i>Instruction</i>	37,994	140,252
0012 <i>Instructional Resources and Media Services</i>	-	-
0013 <i>Curriculum and Instructional Staff Development</i>	398,671	-
0021 <i>Instructional Leadership</i>	3,611	391,072
0023 <i>School Leadership</i>	10,283	-
0031 <i>Guidance, Counseling, and Evaluation Services</i>	1,240	-
0032 <i>Social Work Services</i>	-	-
0033 <i>Health Services</i>	-	-
0034 <i>Student Transportation</i>	-	103,805
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>	9,364	274
Intergovernmental:		
0093 <i>Payments to Shared Services Arrangements</i>	-	-
6030 Total Expenditures	<u>461,163</u>	<u>635,403</u>
1200 Net Change in Fund Balances	-	-
0100 Fund Balances - Beginning	-	-
3000 Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>

272	286	287	288	385
Medicaid Administrative Claiming Program - MAC	LEP Summer School	I-CAN Grant	Arabic Flagship Program - UT	State Supplemental Visually Impaired (SSVI)
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	11,965
52,984	23,375	29,758	12,569	-
<u>52,984</u>	<u>23,375</u>	<u>29,758</u>	<u>12,569</u>	<u>11,965</u>
-	23,375	25,379	12,569	11,965
-	-	-	-	-
-	-	4,379	-	-
-	-	-	-	-
-	-	-	-	-
52,984	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>52,984</u>	<u>23,375</u>	<u>29,758</u>	<u>12,569</u>	<u>11,965</u>
-	-	-	-	-
-	-	-	-	-
<u>\$ -</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, 2014

<u>Data Control Codes</u>	392	397
	<u>Noneducational Community - Based Support</u>	<u>Advanced Placement Incentives</u>
REVENUES		
5700 <i>Local, Intermediate, and Out-of-State</i>	\$ -	\$ -
5800 <i>State Programs</i>	5,548	6,308
5900 <i>Federal Programs</i>	-	-
5020 Total Revenues	<u>5,548</u>	<u>6,308</u>
EXPENDITURES		
Current:		
0011 <i>Instruction</i>	-	-
0012 <i>Instructional Resources and Media Services</i>	-	-
0013 <i>Curriculum and Instructional Staff Development</i>	-	6,308
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>	5,548	-
Intergovernmental:		
0093 <i>Payments to Shared Services Arrangements</i>	-	-
6030 Total Expenditures	<u>5,548</u>	<u>6,308</u>
1200 Net Change in Fund Balances	-	-
0100 Fund Balances - Beginning	-	-
3000 Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>

410	422	461	481	482
State Textbook Fund	Read to Succeed	Campus Activity Funds	Special Projects	After the Bell Program
\$ -	\$ -	\$ 2,186,628	\$ 44,637	\$ 69,166
2,313,754	54	-	-	-
-	-	-	-	-
<u>2,313,754</u>	<u>54</u>	<u>2,186,628</u>	<u>44,637</u>	<u>69,166</u>
2,313,754	-	322,246	65,608	57,791
-	54	83,379	1,018	-
-	-	55,411	-	-
-	-	-	-	11,375
-	-	93,195	-	-
-	-	159,453	-	-
-	-	546	-	-
-	-	5,085	-	-
-	-	-	-	-
-	-	160	-	-
-	-	1,182,514	1,748	-
-	-	19,838	-	-
-	-	38,349	-	-
-	-	5,914	-	-
-	-	12,102	-	-
-	-	-	-	-
<u>2,313,754</u>	<u>54</u>	<u>1,978,192</u>	<u>68,374</u>	<u>69,166</u>
-	-	208,436	(23,737)	-
-	-	1,283,785	26,126	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,492,221</u>	<u>\$ 2,389</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, 2014

<u>Data Control Codes</u>	483	488
	<u>STEM Grant and CTE Initiative</u>	<u>Arabic Flagship Program - Local</u>
REVENUES		
5700 <i>Local, Intermediate, and Out-of-State</i>	\$ 19,724	\$ 11,979
5800 <i>State Programs</i>	-	-
5900 <i>Federal Programs</i>	-	-
5020 Total Revenues	<u>19,724</u>	<u>11,979</u>
EXPENDITURES		
Current:		
0011 <i>Instruction</i>	19,724	11,979
0012 <i>Instructional Resources and Media Services</i>	-	-
0013 <i>Curriculum and Instructional Staff Development</i>	-	-
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>19,724</u>	<u>11,979</u>
1200 Net Change in Fund Balances	-	-
0100 Fund Balances - Beginning	-	-
3000 Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>

490	491	492	
<u>CHS Culinary Arts/Aramark</u>	<u>Miscellaneous Local Grants</u>	<u>Advanced Placement Grant</u>	<u>Total Other Governmental Funds</u>
\$ 9,977	\$ 8,000	\$ 39,450	\$ 6,489,375
-	-	-	2,398,700
-	-	-	16,111,821
<u>9,977</u>	<u>8,000</u>	<u>39,450</u>	<u>24,999,896</u>
9,977	-	-	9,171,896
-	-	-	84,451
-	-	16,860	903,055
-	-	-	502,190
-	-	-	165,904
-	8,000	-	248,277
-	-	-	65,603
-	-	-	72,877
-	-	-	115,343
-	-	-	11,154,980
-	-	-	1,194,569
-	-	-	19,838
-	-	-	459,623
-	-	-	41,048
-	-	-	71,443
-	-	-	238,736
<u>9,977</u>	<u>8,000</u>	<u>16,860</u>	<u>24,509,833</u>
-	-	22,590	490,063
-	-	-	2,863,260
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,590</u>	<u>\$ 3,353,323</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, 2014

Exhibit H-1

<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>	
ASSETS			
Current Assets:			
1110	\$ 1,250,979	\$ 521,746	\$ 1,772,725
1120	1,500,000	260,174	1,760,174
1250	300	-	300
1260	-	1,249	1,249
1290	9,486	-	9,486
1490	260,000	57,500	317,500
	<u>3,020,765</u>	<u>840,669</u>	<u>3,861,434</u>
1000	<u>3,020,765</u>	<u>840,669</u>	<u>3,861,434</u>
LIABILITIES			
Current Liabilities:			
2110	251,728	40,807	292,535
	<u>251,728</u>	<u>40,807</u>	<u>292,535</u>
Noncurrent Liabilities:			
2123	1,267,083	520,982	1,788,065
	<u>1,267,083</u>	<u>520,982</u>	<u>1,788,065</u>
2000	<u>1,518,811</u>	<u>561,789</u>	<u>2,080,600</u>
NET POSITION			
3900	1,501,954	278,880	1,780,834
3000	<u>\$ 1,501,954</u>	<u>\$ 278,880</u>	<u>\$ 1,780,834</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2014

Exhibit H-2

<u>Data Control Codes</u>	<u>753 Health Insurance</u>	<u>772 Workers' Compensation</u>	<u>Total Internal Service Funds</u>
OPERATING REVENUES			
5754 <i>Interfund Services Provided</i>	\$ 13,811,514	\$ 622,060	\$ 14,433,574
5020 Total Operating Revenues	<u>13,811,514</u>	<u>622,060</u>	<u>14,433,574</u>
OPERATING EXPENSES			
6100 <i>Payroll Costs</i>	173	-	173
6200 <i>Purchased and Contracted Services</i>	1,823,343	41,053	1,864,396
6300 <i>Supplies and Materials</i>	1,024	-	1,024
6400 <i>Claims Expense and Other Operating Expenses</i>	12,483,927	399,870	12,883,797
6030 Total Operating Expenses	<u>14,308,467</u>	<u>440,923</u>	<u>14,749,390</u>
Operating Income (Loss)	<u>(496,953)</u>	<u>181,137</u>	<u>(315,816)</u>
NONOPERATING REVENUES			
7955 <i>Investment Earnings - Deposits and Investments</i>	7,225	344	7,569
8030 Total Nonoperating Revenues	<u>7,225</u>	<u>344</u>	<u>7,569</u>
1300 Change in Net Position	(489,728)	181,481	(308,247)
0100 Net Position - Beginning	<u>1,991,682</u>	<u>97,399</u>	<u>2,089,081</u>
3300 Net Position - Ending	<u>\$ 1,501,954</u>	<u>\$ 278,880</u>	<u>\$ 1,780,834</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2014

Exhibit H-3

	753	772	Total
	Health	Workers'	Internal
	Insurance	Compensation	Service
	Funds		Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Employee and Employer	\$ 13,811,514	\$ 620,794	\$ 14,432,308
Cash Payments for Claims	(12,511,251)	(337,261)	(12,848,512)
Cash Payments for Administrative Services	(1,824,540)	(41,053)	(1,865,593)
Net Cash Provided by (Used for) Operating Activities	<u>(524,277)</u>	<u>242,480</u>	<u>(281,797)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and Dividends Received on Investments	7,225	344	7,569
Sale of Investments	-	23,754	23,754
Net Cash Provided by Investing Activities	<u>7,225</u>	<u>24,098</u>	<u>31,323</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(517,052)	266,578	(250,474)
Cash and Cash Equivalents at Beginning of Year	1,768,031	255,168	2,023,199
Cash and Cash Equivalents at End of Year	<u>\$ 1,250,979</u>	<u>\$ 521,746</u>	<u>\$ 1,772,725</u>
RECONCILIATION OF OPERATING INCOME			
(LOSS) TO NET CASH PROVIDED BY			
(USED FOR) OPERATING ACTIVITIES:			
Operating Income (Loss)	\$ (496,953)	\$ 181,137	\$ (315,816)
Change in Assets and Liabilities:			
(Increase) in Other Receivables	(716)	-	(716)
(Increase) in Due from Other Funds	-	(1,249)	(1,249)
(Increase) in Other Assets	(83,750)	-	(83,750)
(Decrease) in Accounts Payable	(87,934)	(94,851)	(182,785)
Increase in Claims Payable	145,076	157,460	302,536
(Decrease) in Due to Other Funds	-	(17)	(17)
Net Cash Provided by (Used for) Operating Activities	<u>\$ (524,277)</u>	<u>\$ 242,480</u>	<u>\$ (281,797)</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, 2014

Exhibit I-1

AGENCY FUND:

Data Control Codes	Beginning Balance 9/1/13	Additions	Deductions	Ending Balance 8/31/14
ASSETS				
1110 <i>Cash and Cash Equivalents</i>	\$ 303,221	\$ 1,319,770	\$ 1,291,959	\$ 331,032
1260 <i>Due from Other Funds</i>	2,276	976	2,295	957
1000 Total Assets	<u>\$ 305,497</u>	<u>\$ 1,320,746</u>	<u>\$ 1,294,254</u>	<u>\$ 331,989</u>
LIABILITIES				
2110 <i>Accounts Payable</i>	\$ 153	\$ 540	\$ -	\$ 693
2170 <i>Due to Other Funds</i>	5,643	7,073	11,711	1,005
2190 <i>Due to Student Groups</i>	299,701	1,377,946	1,347,356	330,291
2000 Total Liabilities	<u>\$ 305,497</u>	<u>\$ 1,385,559</u>	<u>\$ 1,359,067</u>	<u>\$ 331,989</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE YEAR ENDED AUGUST 31, 2014

<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>	
2005 and Prior Years	\$ Various	\$ Various	\$ Various
2006	1.50	0.35	5,248,037,564
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
1000 Totals			

10	20	31	32	40	50
Beginning	Current	Maintenance	Debt Service	Entire	Ending
Balance	Year's	Collections	Collections	Year's	Balance
9/1/13	Total Levy			Adjustments	8/31/14
\$ 1,690,771	\$ -	\$ 5,563	\$ 1,270	\$ (29)	\$ 1,683,909
126,474	-	2,737	639	(13)	123,085
119,606	-	(2,717)	(639)	(8,314)	114,648
148,787	-	(29,136)	(12,046)	(50,245)	139,724
234,026	-	5,377	2,171	(7,292)	219,186
235,340	-	22,692	9,165	31,571	235,054
276,834	-	34,996	14,135	33,980	261,683
435,967	-	66,257	28,032	61,997	403,675
768,840	-	35,176	16,914	(250,940)	465,810
-	119,264,721	79,637,798	38,287,403	(447,210)	892,310
\$ 4,036,645	\$ 119,264,721	\$ 79,778,743	\$ 38,347,044	\$ (636,495)	\$ 4,539,084

Reconciliation of Ending Balance to Exhibit B-1:

Ending Balance at 8/31/14	\$ 4,539,084
Less: Uncollectible Taxes	(45,391)
Adjusted Ending Balance	<u>4,493,693</u>
Property Taxes Receivable (Net) per Exhibit B-1	<u>\$ 4,493,693</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
CHILD NUTRITION FUND
FOR THE YEAR ENDED AUGUST 31, 2014

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>	\$ 4,237,005	\$ 4,237,005	\$ 4,099,814	\$ (137,191)
5800	<i>State Programs</i>	59,345	59,345	61,071	1,726
5900	<i>Federal Programs</i>	7,984,508	7,984,508	7,971,620	(12,888)
5020	Total Revenues	<u>12,280,858</u>	<u>12,280,858</u>	<u>12,132,505</u>	<u>(148,353)</u>
EXPENDITURES					
Current:					
Support Services - Student (Pupil):					
0035	<i>Food Services</i>	<u>11,434,760</u>	<u>11,434,760</u>	<u>11,154,820</u>	<u>279,940</u>
	Total Support Services - Student (Pupil)	<u>11,434,760</u>	<u>11,434,760</u>	<u>11,154,820</u>	<u>279,940</u>
Support Services - Nonstudent Based:					
0051	<i>Plant Maintenance and Operations</i>	426,130	451,130	421,041	30,089
0052	<i>Security and Monitoring Services</i>	<u>35,134</u>	<u>35,134</u>	<u>35,134</u>	<u>-</u>
	Total Support Services - Nonstudent Based:	<u>461,264</u>	<u>486,264</u>	<u>456,175</u>	<u>30,089</u>
Intergovernmental:					
0093	<i>Payments to Shared Services Arrangements</i>	<u>238,736</u>	<u>238,736</u>	<u>238,736</u>	<u>-</u>
	Total Intergovernmental	<u>238,736</u>	<u>238,736</u>	<u>238,736</u>	<u>-</u>
6030	Total Expenditures	<u>12,134,760</u>	<u>12,159,760</u>	<u>11,849,731</u>	<u>310,029</u>
1200	Net Change in Fund Balances	146,098	121,098	282,774	161,676
0100	Fund Balances - Beginning	<u>1,553,349</u>	<u>1,553,349</u>	<u>1,553,349</u>	<u>-</u>
3000	Fund Balances - Ending	<u>\$ 1,699,447</u>	<u>\$ 1,674,447</u>	<u>\$ 1,836,123</u>	<u>\$ 161,676</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE YEAR ENDED AUGUST 31, 2014

Exhibit J-3

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>	\$ 38,397,000	\$ 38,397,000	\$ 38,486,120	\$ 89,120
5800	<i>State Programs</i>	1,800,000	1,800,000	3,001,285	1,201,285
5020	Total Revenues	<u>40,197,000</u>	<u>40,197,000</u>	<u>41,487,405</u>	<u>1,290,405</u>
EXPENDITURES					
Debt Service:					
0071	<i>Principal on Long-term Debt</i>	26,065,000	26,065,000	26,065,000	-
0072	<i>Interest on Long-term Debt</i>	5,913,342	13,907,135	13,907,135	-
0073	<i>Issuance Costs and Fees</i>	-	891,207	866,228	24,979
	Total Debt Service	<u>31,978,342</u>	<u>40,863,342</u>	<u>40,838,363</u>	<u>24,979</u>
6030	Total Expenditures	<u>31,978,342</u>	<u>40,863,342</u>	<u>40,838,363</u>	<u>24,979</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	<u>8,218,658</u>	<u>(666,342)</u>	<u>649,042</u>	<u>1,315,384</u>
OTHER FINANCING SOURCES (USES)					
7911	<i>Issuance of Bonds</i>	-	107,275,000	107,275,000	-
7915	<i>Transfers In</i>	-	-	495,493	495,493
7916	<i>Premium from Issuance of Bonds</i>	-	14,635,045	14,635,045	-
8940	<i>Payment to Bond Refunding Escrow Agent</i>	-	(121,075,448)	(121,075,448)	-
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>834,597</u>	<u>1,330,090</u>	<u>495,493</u>
1200	Net Change in Fund Balances	8,218,658	168,255	1,979,132	1,810,877
0100	Fund Balances - Beginning	<u>2,487,587</u>	<u>2,487,587</u>	<u>2,487,587</u>	<u>-</u>
3000	Fund Balances - Ending	<u>\$ 10,706,245</u>	<u>\$ 2,655,842</u>	<u>\$ 4,466,719</u>	<u>\$ 1,810,877</u>

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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, the 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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Governmental Activities:				
Net Investment in Capital Assets	\$ 57,716,900	\$ 39,651,143	\$ 31,823,815	\$ 31,462,570
Restricted	4,493,919	2,833,628	2,553,638	3,014,281
Unrestricted	40,142,710	43,425,207	39,734,667	28,326,217
Total Governmental Activities Net Position	\$ <u>102,353,529</u>	\$ <u>85,909,978</u>	\$ <u>74,112,120</u>	\$ <u>62,803,068</u>
Business-type Activities:				
Net Investment in Capital Assets	\$ 80,640	\$ -	\$ 87,808	\$ -
Unrestricted	65,344	189,862	(14,204)	(32,578)
Total Business-type Activities Net Position	\$ <u>145,984</u>	\$ <u>189,862</u>	\$ <u>73,604</u>	\$ <u>(32,578)</u>
Primary Government:				
Net Investment in Capital Assets	\$ 57,797,540	\$ 39,651,143	\$ 31,911,623	\$ 31,462,570
Restricted	4,493,919	2,833,628	2,553,638	3,014,281
Unrestricted	40,208,054	43,615,069	39,720,463	28,293,639
Total Primary Government Net Position	\$ <u>102,499,513</u>	\$ <u>86,099,840</u>	\$ <u>74,185,724</u>	\$ <u>62,770,490</u>

Table 1

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 30,170,927	\$ 32,247,876	\$ 31,191,545	\$ 22,719,417	\$ 29,806,066	\$ 21,382,098
3,955,354	4,766,734	3,662,850	3,179,559	3,019,023	1,074,704
20,008,756	13,836,085	18,891,768	25,592,424	9,135,897	19,282,881
<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>	<u>\$ 41,739,683</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 30,170,927	\$ 32,247,876	\$ 31,191,545	\$ 22,719,417	\$ 29,806,066	\$ 21,382,098
3,955,354	4,766,734	3,662,850	3,179,559	3,019,023	1,074,704
20,008,756	13,836,085	18,891,768	25,592,424	9,135,897	19,282,881
<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>	<u>\$ 41,739,683</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Expenses				
Governmental Activities:				
Instruction	\$ 122,256,562	\$ 114,690,363	\$ 109,251,840	\$ 108,337,542
Instructional Resources and Media Services	3,389,564	3,220,656	3,279,662	3,196,747
Curriculum and Instructional Staff Development	6,899,437	5,832,985	6,335,867	6,099,548
Instructional Leadership	2,591,939	2,351,868	2,219,164	2,456,580
School Leadership	11,399,172	10,831,744	10,173,649	10,159,941
Guidance, Counseling, and Evaluation Services	7,478,095	6,965,991	6,576,716	6,588,865
Social Work Services	642,344	539,198	501,903	475,137
Health Services	2,175,192	1,939,741	1,899,532	1,828,229
Student Transportation	8,253,644	7,688,544	7,104,168	7,466,658
Food Services	12,125,168	12,009,734	11,264,856	11,457,443
Extracurricular Activities	7,283,955	7,194,257	6,838,249	6,651,685
General Administration	4,185,979	3,705,361	3,643,282	3,840,998
Plant Maintenance and Operations	14,801,261	12,624,898	12,636,964	13,208,973
Security and Monitoring Services	3,165,308	2,758,741	2,708,046	2,383,226
Data Processing Services	4,341,709	3,878,344	3,394,096	3,767,644
Community Services	87,933	124,220	134,188	251,683
Interest on Long-term Debt & Bond Fees	18,298,857	14,493,953	14,439,419	17,453,765
Facilities Repair and Maintenance	-	-	2,277,256	13,136
Payments Related to Shared Service Arrangements	2,204,665	2,092,300	1,810,439	2,505,714
Payments to Juvenile Justice Alternative Ed. Program	1,978	-	15,319	15,642
Payments to Appraisal District	599,885	577,357	466,306	564,007
Total Governmental Activities Expenses	<u>232,182,647</u>	<u>213,520,255</u>	<u>206,970,921</u>	<u>208,723,163</u>
Business-type Activities:				
Extended Day Program	2,165,603	1,959,222	1,648,334	211,715
Total Primary Government Expenses	<u>234,348,250</u>	<u>215,479,477</u>	<u>208,619,255</u>	<u>208,934,878</u>
Program Revenues				
Governmental Activities:				
Charges for Services:				
Instruction	1,080,924	1,104,995	908,105	1,080,738
Food Services	3,910,949	4,238,437	3,890,454	3,814,485
Extracurricular Activities	2,030,827	1,456,031	1,537,818	1,441,675
Other Activities	555,887	800,795	928,113	877,405
Operating Grants and Contributions	30,227,697	27,680,515	33,479,272	34,786,457
Total Primary Government Governmental Activities Program Revenues	<u>37,806,284</u>	<u>35,280,773</u>	<u>40,743,762</u>	<u>42,000,760</u>
Business-type Activities:				
Charges for Services	3,321,725	2,775,480	2,154,516	179,137
Total Primary Government Program Revenues	<u>41,128,009</u>	<u>38,056,253</u>	<u>42,898,278</u>	<u>42,179,897</u>
Net (Expense)/Revenue				
Total Primary Government Net Expense	<u>\$ (193,220,241)</u>	<u>\$ (177,423,224)</u>	<u>\$ (165,720,977)</u>	<u>\$ (166,754,981)</u>

Table 2
Page 1 of 2

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 108,060,717	\$ 103,394,889	\$ 94,650,337	\$ 85,939,489	\$ 77,640,628	\$ 68,800,517
3,188,391	3,705,657	3,471,299	3,820,581	3,514,660	3,143,224
6,051,164	5,482,628	4,088,992	3,303,276	2,579,484	2,268,760
2,557,375	2,027,673	1,672,599	1,162,792	1,022,484	849,633
10,098,502	10,818,210	10,110,269	8,464,935	7,576,769	7,001,025
6,792,197	6,033,629	5,948,106	4,722,770	4,321,876	3,967,392
441,736	441,932	423,094	264,432	172,844	198,232
1,594,137	1,597,561	1,479,424	1,440,727	1,166,643	1,109,559
7,139,172	7,008,750	6,875,115	5,916,371	5,750,299	5,243,935
10,620,252	9,830,910	9,108,389	7,486,650	7,153,506	6,239,179
6,067,801	6,013,120	5,559,634	5,081,456	5,003,610	4,391,876
3,709,032	3,764,274	3,769,737	4,043,427	3,714,824	3,410,368
15,502,842	15,368,510	16,034,590	14,572,997	13,677,476	12,258,394
2,137,943	2,325,743	1,202,334	829,415	1,084,024	923,009
3,851,350	3,246,828	3,051,548	3,428,639	3,366,470	3,307,263
136,274	125,400	113,423	90,737	114,557	52,110
17,507,086	18,422,579	14,791,698	13,817,715	13,957,491	13,264,035
-	29,257	4,181,777	453,026	186,230	6,750
2,379,337	2,881,565	-	-	-	-
-	19,987	14,141	3,068	3,540	5,192
555,974	568,410	513,372	-	-	-
<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>	<u>136,440,453</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>	<u>136,440,453</u>
886,652	1,056,284	892,791	643,611	653,310	274,933
3,791,705	3,904,617	3,568,350	3,211,394	3,133,213	3,073,719
1,319,423	992,532	980,685	874,388	957,687	349,648
798,091	843,827	950,666	733,246	868,231	289,166
<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>13,955,970</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>17,943,436</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>17,943,436</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>	<u>\$ (118,497,017)</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes, Levied for General Purposes	\$ 80,406,030	\$ 75,700,506	\$ 74,620,548	\$ 74,151,360
Property Taxes, Levied for Debt Service	38,628,467	36,425,476	31,339,637	29,893,334
Grants and Contributions Not Restricted to Specific Prog.	89,749,248	76,832,576	74,534,585	70,295,035
Investment Earnings	287,320	236,966	475,331	493,138
Miscellaneous	548,849	295,589	272,522	557,567
Transfers	1,200,000	700,000	400,000	-
Special Item - Gain on Sale of Asset	-	-	-	-
Total Governmental Activities General Revenues	<u>210,819,914</u>	<u>190,191,113</u>	<u>181,642,623</u>	<u>175,390,434</u>
Business-type Activities:				
Transfers	(1,200,000)	(700,000)	(400,000)	-
Total Business-type Activities General Revenues	<u>(1,200,000)</u>	<u>(700,000)</u>	<u>(400,000)</u>	<u>-</u>
Total Primary Government General Revenues	<u>\$ 209,619,914</u>	<u>\$ 189,491,113</u>	<u>\$ 181,242,623</u>	<u>\$ 175,390,434</u>
Change in Net Position				
Governmental Activities	16,443,551	11,951,631	15,415,464	8,668,031
Business-type Activities	(43,878)	116,258	106,182	(32,578)
Total Change in Net Position	<u>\$ 16,399,673</u>	<u>\$ 12,067,889</u>	<u>\$ 15,521,646</u>	<u>\$ 8,635,453</u>

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 77,282,606	\$ 74,503,421	\$ 67,412,374	\$ 82,211,619	\$ 78,954,378	\$ 73,138,632
31,230,001	30,245,042	27,692,617	19,516,637	18,340,815	17,114,748
61,748,632	63,570,162	64,369,942	44,600,806	30,395,557	28,131,476
417,602	2,409,191	3,154,609	3,162,914	2,221,687	2,171,642
50,311	171,723	159,794	135,298	641,285	188,198
-	-	-	-	-	-
-	-	-	3,819,045	-	-
<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>120,744,696</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>\$ 120,744,696</u>
3,284,342	(2,895,468)	2,254,761	9,530,414	221,303	2,247,679
-	-	-	-	-	-
<u>\$ 3,284,342</u>	<u>\$ (2,895,468)</u>	<u>\$ 2,254,761</u>	<u>\$ 9,530,414</u>	<u>\$ 221,303</u>	<u>\$ 2,247,679</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund				
Nonspendable:				
Investment in Inventories	\$ 257,734	\$ 328,717	\$ 379,652	\$ 268,198
Prepaid Items	605,467	215,032	145,746	788,398
Assigned:				
Other Purposes	-	7,411,000	3,500,000	10,548
Unassigned:	33,284,754	27,960,681	26,586,007	24,206,347
Total General Fund	<u>\$ 34,147,955</u>	<u>\$ 35,915,430</u>	<u>\$ 30,611,405</u>	<u>\$ 25,273,491</u>
All Other Governmental Funds				
Nonspendable:				
Investment in Inventories	\$ 235	\$ -	\$ -	\$ 108,093
Prepaid Items	21,802	42,885	125,537	167,593
Restricted:				
Grant Funds	1,853,342	-	-	808,623
Land Acquisitions and Construction Projects	285,595,606	24,883,326	44,268,455	77,757,689
Debt Service	4,466,719	2,487,587	2,291,476	1,643,443
Committed:				
Other	3,489,908	2,838,321	2,638,972	1,210,069
Assigned:				
Other	-	-	-	-
Unassigned:	-	-	-	-
Total All Other Governmental Funds	<u>\$ 295,427,612</u>	<u>\$ 30,252,119</u>	<u>\$ 49,324,440</u>	<u>\$ 81,695,510</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>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 279,763	\$ 118,398	\$ 162,937	\$ 181,528	\$ 230,335	\$ 112,175
777,320	618,129	161,630	145,240	-	52,209
-	-	-	-	-	-
16,625,462	12,685,986	16,177,531	18,805,325	11,612,955	8,066,264
<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>	<u>\$ 8,230,648</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13,398	-	-	-	-	-
1,899,183	1,677,007	2,455,148	3,124,536	2,402,284	1,064,459
86,530,605	106,398,420	135,301,946	18,789,413	-	27,925,290
3,096,937	4,116,832	3,696,794	1,845,631	2,489,505	2,096,576
985,576	878,098	783,375	771,607	757,850	1,734,984
-	-	-	-	-	-
-	(56)	(183,955)	(116,314)	(6,712,267)	(88,613)
<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>	<u>\$ 32,732,696</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
REVENUES				
Local, Intermediate, and Out-of-State	\$ 127,821,531	\$ 120,887,281	\$ 112,740,450	\$ 112,980,468
State Programs	99,036,883	85,211,438	85,904,547	80,241,196
Federal Programs	20,107,976	18,651,369	21,840,457	24,618,084
Total Revenues	<u>246,966,390</u>	<u>224,750,088</u>	<u>220,485,454</u>	<u>217,839,748</u>
EXPENDITURES				
Current:				
Instruction	116,478,605	110,756,591	105,862,543	104,586,009
Instructional Resources and Media Services	2,975,983	2,860,617	2,938,099	2,888,856
Curriculum and Instructional Staff Development	6,877,859	5,847,046	6,347,636	6,118,963
Instructional Leadership	2,581,667	2,365,694	2,227,204	2,455,813
School Leadership	11,068,572	10,600,647	9,931,249	9,941,114
Guidance, Counseling, and Evaluation Services	7,379,415	6,893,336	6,361,976	6,373,232
Social Work Services	637,085	557,922	502,321	473,573
Health Services	2,169,405	1,945,694	1,903,195	1,832,548
Student Transportation	8,216,930	7,654,405	7,059,718	7,421,508
Food Services	11,344,939	11,299,912	10,564,654	10,533,520
Extracurricular Activities	6,013,686	5,948,147	5,559,113	5,712,394
General Administration	4,078,109	3,623,407	3,548,814	3,780,020
Plant Maintenance and Operations	14,588,098	13,052,981	12,498,011	12,974,345
Security and Monitoring Services	2,632,346	2,406,386	2,300,852	3,818,430
Data Processing Services	4,412,056	3,622,916	5,342,106	3,557,499
Community Services	80,221	118,474	136,429	251,683
Debt Service:				
Principal on Long-term Debt	26,527,140	18,160,000	15,960,000	11,784,934
Interest on Long-term Debt	14,015,393	14,181,497	15,572,477	19,789,263
Issuance Costs and Fees	2,798,677	345,281	681,314	276,591
Capital Outlay:				
Facilities Acquisition and Construction	26,809,125	14,069,207	28,613,772	3,679,392
Intergovernmental:				
Payments Related to Shared Services Arrange.	2,204,665	2,092,300	1,810,439	2,505,714
Payments to Juvenile Justice Alt. Ed. Prgm.	1,978	-	15,319	15,642
Payments to Appraisal District	599,885	577,357	466,306	564,007
Total Expenditures	<u>274,491,839</u>	<u>238,979,817</u>	<u>246,203,547</u>	<u>221,335,050</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(27,525,449)</u>	<u>(14,229,729)</u>	<u>(25,718,093)</u>	<u>(3,495,302)</u>

Table 4
Page 1 of 2

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 116,404,455	\$ 113,426,921	\$ 107,933,585	\$ 107,849,751	\$ 106,355,368	\$ 98,199,466
70,435,028	73,381,316	73,095,749	50,877,181	36,262,538	33,038,480
25,303,610	12,669,277	11,233,950	8,995,786	9,598,405	7,816,368
<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>	<u>139,054,314</u>
104,374,052	99,246,993	91,042,438	82,344,130	74,274,567	65,614,093
2,877,675	3,390,660	3,161,886	3,524,940	3,241,542	2,877,924
6,056,306	5,472,684	4,085,028	3,298,576	2,576,041	2,265,606
2,563,892	2,016,242	1,671,651	1,161,885	1,020,874	881,600
9,863,547	10,576,334	9,894,351	8,220,585	7,355,922	6,810,296
6,633,242	5,969,339	5,918,195	4,685,561	4,283,200	3,934,529
441,668	441,284	422,553	265,076	172,198	197,332
1,596,312	1,585,411	1,478,116	1,438,394	1,164,311	1,108,736
7,094,022	6,963,600	6,862,075	5,871,150	5,698,488	5,190,783
9,723,969	9,222,653	8,603,027	7,092,533	6,725,532	5,739,430
5,661,053	4,852,312	4,413,903	4,037,054	4,073,224	3,621,513
3,631,310	3,692,732	3,686,453	3,951,122	3,577,837	3,319,737
15,314,846	14,900,930	15,590,266	14,139,174	13,627,565	12,516,801
2,752,632	2,260,900	1,125,442	960,688	1,079,581	1,075,320
4,069,284	2,268,351	1,768,997	1,599,842	1,482,856	963,767
136,274	125,400	113,423	62,456	96,539	51,930
14,870,000	12,140,000	17,565,319	9,950,000	8,956,835	9,215,278
17,624,815	19,528,347	13,436,105	14,321,841	13,830,485	12,847,738
210,049	4,450	6,900	5,616	11,642	-
10,102,907	23,460,093	11,881,210	12,134,341	29,500,286	26,032,431
2,379,337	-	-	-	-	-
-	19,987	14,141	3,068	3,540	5,192
555,974	3,449,975	513,372	-	-	-
<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>164,270,036</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>	<u>(25,215,722)</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
OTHER FINANCING SOURCES (USES)				
Refunding Bonds Issued	\$ 107,275,000	\$ 38,645,000	\$ 68,935,000	\$ 23,655,000
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	1,467,626
Non-current Loan Proceeds	-	4,926,823	-	-
Sale of Real and Personal Property	11,596	-	-	5,478
Other Sources (Uses)	(45,175)	(2,600)	(3,000)	-
Transfers In	3,695,493	811,499	400,000	1,073,910
Transfers Out	(2,495,493)	(111,499)	(2,000,000)	(1,073,910)
Payment to Refunded Bond Escrow Agent	(121,075,448)	(49,802,721)	(76,856,865)	(24,859,196)
Total Other Financing Sources (Uses)	<u>290,933,467</u>	<u>461,433</u>	<u>(1,315,063)</u>	<u>268,908</u>
Special Items (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,850)</u>
Net Change in Fund Balances	<u>\$ 263,408,018</u>	<u>\$ (13,768,296)</u>	<u>\$ (27,033,156)</u>	<u>\$ (3,239,244)</u>
Debt Service (Principal and Interest) Expenditures as a Percentage of Noncapital Expenditures	16.49%	14.54%	14.80%	14.69%

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 20,420,000	\$ -	\$ -	\$ -	\$ -	\$ 101,253,912
-	-	121,715,000	40,000,000	-	30,281,476
2,413,495	-	4,220,319	1,867	-	-
-	-	-	-	-	-
-	43,440	55,912	4,106,574	100	2,394
(63,245)	5,138	8,774	3,177	-	111,836
-	56,650	-	-	78,378	35,062
-	(56,650)	-	-	(78,378)	(35,062)
(22,625,843)	-	-	-	-	(100,392,454)
<u>144,407</u>	<u>48,578</u>	<u>126,000,005</u>	<u>44,111,618</u>	<u>100</u>	<u>31,257,164</u>
<u>(38,904)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<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>	<u><u>\$ 6,041,442</u></u>
15.06%	15.24%	15.89%	14.55%	14.94%	16.05%

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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		
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
2005	4,705,279,643	835,499,798	714,074,051	4,826,705,390	1.8300

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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011 (2)</u>
<i>Overlapping Rates:</i>				
Austin, City of	\$ 0.4809	\$ 0.5027	\$ 0.4811	\$ 0.4571
Austin Community College District	0.0942	0.0949	-	-
Kelly Lane WCID #1	0.9500	0.9500	0.9500	0.9500
Lakeside MUD #3	0.8775	0.9000	0.9000	0.9000
Lakeside WCID #2D	0.9700	0.9700	0.9700	0.9700
Lakeside WCID #1	0.8000	0.8500	0.9000	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	0.8760	0.8993	0.8993	0.8993
Northtown MUD	0.7360	0.7500	0.7500	0.7500
Pflugerville, City of	0.5336	0.5736	0.5990	0.6040
Travis County	0.4563	0.4946	0.4855	0.4215
Travis Co. Healthcare District	0.1264	0.1290	-	-
Travis County Emergency Service #2	0.0982	0.1000	0.1000	0.1000
Travis County MUD #15	0.3325	0.3325	0.3325	0.3325
Wells Branch MUD	0.4300	0.4600	0.4700	0.4700
Williamson County	0.4465	0.4490	0.4600	0.4600
Williamson Co. Water, Sewer, Irrigation and DD #3	0.8082	0.8150	0.8150	0.8150
Total Overlapping Rates	\$ <u>10.9563</u>	\$ <u>11.2106</u>	\$ <u>11.0524</u>	\$ <u>10.9694</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	0.4400	0.4200
Total District Direct Rates	\$ <u>1.5400</u>	\$ <u>1.5400</u>	\$ <u>1.4800</u>	\$ <u>1.4600</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

3) Data for Williamson Co. Water, Sewer, Irrigation and DD #3 not available prior to 2006

Table 6

<u>2010</u>	<u>2009</u>	<u>2008 (1)</u>	<u>2007</u>	<u>2006 (3)</u>	<u>2005</u>
\$ 0.4209	\$ 0.4012	\$ 0.4034	\$ 0.4126	\$ 0.4430	\$ 0.4430
-	-	-	-	-	-
0.9500	0.9500	0.9500	-	-	-
0.9000	0.9000	0.9000	-	-	-
0.9700	0.9700	0.9700	-	-	-
0.8500	0.8500	0.8500	0.8700	0.8700	0.8700
0.9700	0.9700	0.9700	0.8700	0.8700	0.8700
0.9400	0.9000	0.9000	0.8200	0.8700	0.8700
0.8993	0.8993	0.8993	0.9300	0.9300	0.9300
0.7500	0.7500	0.7500	0.7500	0.7500	0.7500
0.6090	0.6140	0.6190	0.6240	0.6350	0.6400
0.4215	0.4122	0.4216	0.4499	0.4993	0.4872
-	-	-	-	-	-
0.0997	0.1000	0.1000	0.1000	0.1000	0.1000
0.3325	0.2925	0.2500	0.2500	0.2300	0.4940
0.4700	0.4700	0.4800	0.4800	0.4800	0.4800
-	-	-	-	-	-
0.7999	0.7730	0.7730	0.8500	0.8500	-
<u>\$ 10.3828</u>	<u>\$ 10.2522</u>	<u>\$ 10.2363</u>	<u>\$ 7.4065</u>	<u>\$ 7.5273</u>	<u>\$ 6.9342</u>
\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.3600	\$ 1.5000	\$ 1.4900
0.4200	0.4200	0.4300	0.3200	0.3500	0.3400
<u>\$ 1.4600</u>	<u>\$ 1.4600</u>	<u>\$ 1.4700</u>	<u>\$ 1.6800</u>	<u>\$ 1.8500</u>	<u>\$ 1.8300</u>

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

Table 7

Taxpayer	2014			2005		
	Assessed Value	Rank	Percentage of Total Assessed Value	Assessed Value	Rank	Percentage of Total Assessed Value
Dell USA Inc	\$ 156,779,565	1	2.13%	\$ 314,479,798	1	6.52%
Oracle USA Inc	137,097,375	2	1.87%	64,119,558	2	1.33%
A-S 93 SH 130-SH 45 LP	67,779,022	3	0.92%			
Apple Inc	50,764,987	4	0.69%			
Parmer Tech Ridge LLC	47,943,449	5	0.65%			
TX13 Austin LLC	45,806,066	6	0.62%			
Realty Associates Fund IX LP	43,004,774	7	0.59%			
BRE MF Stone Hill LLC	43,000,000	8	0.59%			
San Paloma Apartments 100 LP	42,250,000	9	0.58%			
Oncor Electric Delivery Co LLC	40,240,190	10	0.55%	33,501,080	5	0.69%
DDR DB Tech Ventures LP				40,429,229	3	0.84%
Scofield Ranch Apartment Homes				36,261,540	4	0.75%
Zavala Properties II, Inc.				29,207,700	6	0.61%
Wal-Mart Stores Texas LP #1185				21,850,382	7	0.45%
Southwestern Bell Tel Co				21,571,070	8	0.45%
Tech Ridge Phase I LP				21,138,186	9	0.44%
Sun Secured Financing Houston				20,527,452	10	0.43%
TOTALS	\$ 674,665,428		9.19%	\$ 603,085,995		12.49%
TOTAL ASSESSED VALUE	\$ 7,344,682,345			\$ 4,826,705,390		

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
2014	\$ 118,817,511	\$ 117,925,201	99.25%	\$ -	\$ 117,925,201	99.25%
2013	111,624,076	111,106,176	99.54%	52,090	111,158,266	99.58%
2012	105,373,089	104,531,967	99.20%	437,447	104,969,414	99.62%
2011	104,304,854	103,466,286	99.20%	576,885	104,043,171	99.75%
2010	108,161,957	107,041,100	98.96%	885,803	107,926,903	99.78%
2009	104,310,385	103,367,737	99.10%	723,462	104,091,199	99.79%
2008	95,715,417	95,563,864	99.84%	11,829	95,575,693	99.85%
2007	98,032,130	97,306,560	99.26%	610,922	97,917,482	99.88%
2006	96,856,080	95,756,426	98.86%	976,569	96,732,995	99.87%
2005	89,621,882	88,400,947	98.64%	1,090,124	89,491,071	99.85%

(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>		
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
2005	272,587,589	-	272,587,589	5.65%	16,423

(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

Fiscal Year	Gross Bonded Debt	Less Amount Available in Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt To Assessed Value (1)	Net Bonded Debt Per Student (2)
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
2005	272,587,589	2,096,576	270,491,013	5.60%	16,297

(1) See Table 5 for assessed value data.

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

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMPUTATION OF ESTIMATED DIRECT AND OVERLAPPING DEBT
AUGUST 31, 2014

Table 11

<u>Taxing Body</u>	<u>Gross Debt Amount</u>	<u>Outstanding As of</u>	<u>Percent Overlapping</u>	<u>Share of Debt</u>
<i>Overlapping:</i>				
City of Austin	\$ 1,310,669,994	08/31/14	3.44%	\$ 45,087,048
Austin Community College District	82,713,659	08/31/14	3.96%	3,275,461
Kelly Lane WCID #1	6,270,000	08/31/14	100.00%	6,270,000
Lakeside MUD #3	7,150,000	08/31/14	100.00%	7,150,000
Lakeside WCID #1	5,090,000	08/31/14	100.00%	5,090,000
Lakeside WCID #2-B	7,300,000	08/31/14	100.00%	7,300,000
Lakeside WCID #2-C	7,340,000	08/31/14	100.00%	7,340,000
Lakeside WCID #2D	6,860,000	08/31/14	100.00%	6,860,000
Northeast Travis County UD	19,415,000	08/31/14	100.00%	19,415,000
Northtown MUD	25,925,000	08/31/14	100.00%	25,925,000
City of Pflugerville	153,450,000	08/31/14	100.00%	153,450,000
Travis County	660,879,987	08/31/14	6.88%	45,468,543
Travis County Emergency Service #2	875,000	08/31/14	100.00%	875,000
Travis Co Healthcare District	13,240,000	08/31/14	6.88%	910,912
Travis County MUD #15	10,300,000	08/31/14	100.00%	10,300,000
Wells Branch MUD	710,000	08/31/14	39.28%	278,888
Williamson County	849,554,942	08/31/14	0.02%	169,911
Williamson Co. Water, Sewer, Irrigation and DD #3	30,785,000	08/31/14	18.87%	<u>5,809,130</u>
Total Net Overlapping Debt				<u><u>350,974,892</u></u>
<i>Direct</i>				
Pflugerville ISD	600,712,973	08/31/14	100.0%	<u><u>600,712,973</u></u>
TOTAL NET OVERLAPPING AND DIRECT DEBT				<u><u>\$ 951,687,865</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)
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%
2004-05	27,088	3,643,127,874	134,492	16,598	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

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

Table 13

<u>Employer</u>	<u>2014</u>			<u>2005</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	2,839	1	0.29%	1,905	2	0.25%
City of Pflugerville	322	2	0.03%	200	7	0.03%
Wal-Mart (1)	268	3	0.03%	-	-	-
Mtech	260	4	0.03%	-	-	-
HEB Grocery (1)	200	5	0.02%	400	6	0.05%
Flextronics	195	6	0.02%	-	-	-
Target (2)	192	7	0.02%	-	-	-
Avant Technologies	155	8	0.02%	-	-	-
FedEx	120	9	0.01%	180	9	0.02%
Austin Foam Plastics	115	10	0.01%	-	-	-
Dell Computers	-	-	-	18,000	1	2.41%
Samsung	-	-	-	1,117	3	0.15%
Sears TeleServ	-	-	-	650	4	0.09%
Compaq Computers	-	-	-	500	5	0.07%
Datum-Austin	-	-	-	200	8	0.03%
Carroll Systems	-	-	-	140	10	0.02%
Total Employed per Top Ten Employers	<u>4,666</u>		<u>0.47%</u>	<u>23,292</u>		<u>3.1%</u>
Total Employed (3)	989,000			747,924		

Sources: Pflugerville Community Development Corp and PISD Business Office

- 1) Updated data for 2014 unavailable for these employers. Number of employees from 2013 used.
- 2) Updated data for 2014 unavailable for this employer. Number of employees from 2011 used.
- 3) 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
2014	-	-	\$ -	\$ -	1,032,500	989,000
2013	-	1,883,051	-	-	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
2005	74,333	1,453,358	51,047,445,000	35,124	787,187	747,924

(A) U.S. Census Bureau. 2013 and 2014 data unavailable.

(B) American Community Survey. Data for 2014 unavailable.

(C) TRACER, MSA 2000. Data for 2013 and 2014 unavailable.

(D) 2005-2010 data from Bureau of Economic Analysis. Data for 2013 and 2014 unavailable.

(E) Bureau of Labor Statistics

Table 14

(E) Unemployment	(E) Percent Unemployment	(E) Construction	(E) Manufacturing	(E) Trades	(E) Government
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
39,263	5.0%	37,800	57,300	117,800	146,900

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY POSITION

LAST TEN FISCAL YEARS

POSITION	2014	2013	2012	2011
Teachers:				
Teacher/Special Duty Teacher	1,623.0	1,563.1	1,511.6	1,508.2
Substitute Teacher	0.4	0.2	0.2	0.1
Teacher Totals	1,623.4	1,563.3	1,511.8	1,508.3
Professional Support:				
Counselor	53.8	53.4	49.4	49.5
Educational Diagnostician	12.9	9.8	9.0	8.0
Librarian	24.9	20.6	21.0	25.0
Occupational Therapist	5.0	5.6	4.6	5.2
Orientation and Mobility Specialist	2.0	2.0	1.0	1.0
Physical Therapist	2.8	2.0	2.0	2.0
Nurse	31.0	28.9	26.9	27.0
LSSP/Psychologist	20.0	19.8	18.0	19.0
Social Worker	7.5	7.0	7.0	7.0
Speech Language Pathologist	24.8	23.3	24.0	24.6
Truant Officer	3.0	4.0	3.6	1.0
Teacher Facilitator	67.9	39.3	42.0	51.7
Athletic Trainer	2.6	4.1	2.5	4.9
Campus Professional Personnel	33.9	37.1	10.5	10.6
Non Campus Professional Personnel	62.9	63.3	56.3	56.6
Professional Support Totals	355.0	320.2	277.8	293.1
Campus Administration:				
Assistant Principal	57.1	53.1	49.1	47.0
Executive Director/Program Director	5.0	4.3	8.0	6.0
Principal	28.0	27.0	25.9	25.9
Teacher Supervisor	2.0	3.5	25.0	20.6
Athletic Director	4.9	4.2	5.5	5.8
Campus Administration Totals	97.0	92.1	113.5	105.3
Central Administration:				
Assistant/Deputy Supt	3.0	3.0	3.0	4.0
Instructional Officer	14.0	15.0	22.6	27.0
Superintendent	0.9	1.0	1.0	1.0
Teacher Supervisor	22.9	22.0	5.0	3.0
Business Manager	1.0	1.0	1.0	1.0
Director of HR	1.0	1.0	1.0	-
Central Administration Totals	42.8	43.0	33.6	36.0
Educational Aides:				
Aides	353.4	294.4	299.7	318.7
Educational Aides Totals	353.4	294.4	299.7	318.7
Auxiliary Support:				
Includes: Clerical, Secretarial, Grounds, Custodial, Maintenance	367.7	380.9	337.9	369.6
Auxiliary Support Totals	367.7	380.9	337.9	369.6
Total Employees	2,839.3	2,693.9	2,574.3	2,631.0

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>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
1,450.2	1,458.0	1,379.3	1,256.0	1,174.9	1,082.1
-	-	-	-	-	-
<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>	<u>1,082.1</u>
40.4	45.1	49.6	36.2	35.1	32.5
8.9	8.0	7.0	5.0	7.0	7.5
24.4	25.7	24.0	24.0	22.0	20.0
4.6	4.4	3.7	4.5	4.3	4.3
1.0	1.0	1.0	-	0.8	0.5
4.0	4.0	3.5	3.0	2.8	2.5
25.4	24.9	24.7	24.6	22.9	20.7
18.1	20.0	20.0	20.0	17.9	14.9
5.5	6.5	6.5	4.0	4.0	6.8
20.8	22.4	20.2	20.8	19.9	17.4
-	-	-	-	-	-
28.0	41.1	24.1	30.1	21.5	13.5
4.8	3.9	1.0	1.0	-	-
11.0	12.0	8.0	3.0	3.0	1.8
37.0	34.0	26.0	22.0	20.0	20.0
<u>233.9</u>	<u>253.0</u>	<u>219.3</u>	<u>198.2</u>	<u>181.2</u>	<u>162.4</u>
47.0	53.0	45.0	41.0	36.4	32.6
-	-	-	-	-	-
24.4	27.0	27.0	24.9	22.0	22.0
-	-	-	-	-	-
-	-	-	-	-	0.3
<u>71.4</u>	<u>80.0</u>	<u>72.0</u>	<u>65.9</u>	<u>58.4</u>	<u>54.9</u>
1.0	4.0	1.0	1.0	1.0	1.3
23.0	26.9	14.4	14.0	16.8	15.4
1.0	1.0	1.0	1.6	1.0	-
4.5	5.0	5.0	6.0	-	-
-	-	-	-	-	-
1.0	1.0	2.0	1.0	1.0	1.0
<u>30.5</u>	<u>37.9</u>	<u>23.4</u>	<u>23.6</u>	<u>19.8</u>	<u>17.7</u>
275.6	269.6	207.1	199.5	144.9	156.3
<u>275.6</u>	<u>269.6</u>	<u>207.1</u>	<u>199.5</u>	<u>144.9</u>	<u>156.3</u>
456.4	376.2	435.2	357.6	387.8	353.0
<u>456.4</u>	<u>376.2</u>	<u>435.2</u>	<u>357.6</u>	<u>387.8</u>	<u>353.0</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>	<u>1,826.4</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

OPERATING STATISTICS

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Average Daily Attendance</u>	<u>Operating Expenditures (1)</u>	<u>Cost Per Student</u>	<u>Percentage Change</u>
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%
2005	16,598	116,174,589	6,999	3.62%

(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.

Table 16

	Government Wide Expenses	Cost Per Student	Percentage Change	Teaching Staff	Student to Teacher Ratio	Percentage of Students in Free/Reduced Lunch Program (2)
\$	232,182,647	\$ 10,441	7.74%	1,623	13.70	55.13%
	213,520,255	9,691	1.94%	1,563	14.10	53.63%
	206,970,921	9,507	-2.63%	1,512	14.40	53.92%
	208,934,878	9,763	-2.94%	1,502	14.25	52.59%
	208,391,282	10,059	0.71%	1,475	14.05	50.40%
	203,107,512	9,988	4.01%	1,458	13.95	42.31%
	187,059,878	9,603	8.28%	1,382	14.10	44.30%
	164,842,503	8,868	2.78%	1,256	14.80	41.71%
	152,007,415	8,628	4.96%	1,175	14.99	40.21%
	136,440,453	8,220	4.15%	1,082	15.34	36.86%

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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)
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
2005	34,500	50,500	39,856	41,011

(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:	2014	2013	2012	2011
HIGH SCHOOLS				
Pflugerville High School				
Square Footage	335,550	335,550	335,550	335,550
Capacity	2,475	2,475	2,475	2,475
Enrollment	2,185	2,212	2,221	2,237
Hendrickson High School				
Square Footage	380,130	380,130	380,130	380,130
Capacity	2,500	2,500	2,500	2,500
Enrollment	2,606	2,370	2,213	2,108
Connally High School				
Square Footage	314,876	314,876	314,876	314,876
Capacity	2,325	2,325	2,325	2,325
Enrollment	1,876	1,939	1,935	1,946
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	1,046	1,114	1,039	1,028
Westview Middle School				
Square Footage	112,245	112,245	112,245	112,245
Capacity	1,100	1,100	1,100	1,100
Enrollment	853	907	851	955
Park Crest Middle School				
Square Footage	116,800	116,800	116,800	116,800
Capacity	1,300	1,300	1,300	1,300
Enrollment	934	993	1,017	942
Dessau Middle School				
Square Footage	121,200	121,200	121,200	121,200
Capacity	1,300	1,300	1,300	1,300
Enrollment	848	1,080	1,016	995
Kelly Lane Middle School				
Square Footage	139,000	139,000	139,000	139,000
Capacity	1,250	1,250	1,250	1,250
Enrollment	1,019	1,249	1,176	1,106
Cele Middle School				
Square Footage	163,473	-	-	-
Capacity	1,200	-	-	-
Enrollment	687	-	-	-
Opportunity Center				
Square Footage	-	-	-	-
Capacity	-	-	-	-
Enrollment	-	-	-	-

Source: District Records

Table 18
Page 1 of 3

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
310,448	285,346	285,346	285,346	285,346	285,346
2,475	2,400	2,400	2,400	2,400	2,400
2,244	2,290	2,219	2,110	2,029	2,065
380,130	380,130	380,130	380,130	380,130	380,130
2,500	2,500	2,500	2,500	2,500	2,500
1,911	1,947	1,810	1,436	1,277	853
298,333	281,790	281,790	281,790	281,790	281,790
2,325	2,400	2,400	2,400	2,400	2,400
2,044	2,084	2,006	1,969	1,852	1,850
19,691	19,691	19,691	19,691	-	-
256	256	256	256	-	-
-	-	183	167	129	128
111,036	111,036	111,036	111,036	111,036	111,036
1,375	1,375	1,375	1,375	1,375	1,375
1,069	1,074	1,153	1,063	1,080	1,031
112,245	112,245	112,245	112,245	112,245	112,245
1,100	1,100	1,100	1,100	1,100	1,100
896	858	821	843	848	842
116,800	116,800	116,800	116,800	116,800	116,800
1,300	1,300	1,300	1,300	1,300	1,300
874	862	921	903	1,371	1,253
121,200	121,200	121,200	121,200	121,200	121,200
1,300	1,300	1,300	1,300	1,300	1,300
1,007	1,029	1,033	990	962	893
139,000	139,000	139,000	139,000	139,000	-
1,250	1,250	1,250	1,250	1,250	-
1,029	1,022	861	655	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	21	13	18	23

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

Building:	2014	2013	2012	2011
ELEMENTARY SCHOOLS				
Parmer Lane Elementary School				
Square Footage	63,634	63,634	63,634	63,634
Capacity	650	650	650	650
Enrollment	435	480	519	543
Timmerman Elementary School				
Square Footage	58,792	58,792	58,792	58,792
Capacity	550	550	550	550
Enrollment	502	523	550	574
Pflugerville Elementary School				
Square Footage	77,922	77,922	77,922	77,922
Capacity	600	600	600	600
Enrollment	477	496	531	520
Northwest Elementary School				
Square Footage	62,000	62,000	62,000	62,000
Capacity	600	600	600	600
Enrollment	563	514	614	623
Dessau Elementary School				
Square Footage	64,150	64,150	64,150	64,150
Capacity	650	650	650	650
Enrollment	430	404	602	623
Windermere Elementary School				
Square Footage	66,272	66,272	66,272	66,272
Capacity	750	750	750	750
Enrollment	494	503	525	488
River Oaks Elementary School				
Square Footage	66,512	66,512	66,512	66,512
Capacity	750	750	750	750
Enrollment	509	572	536	526
Brookhollow Elementary School				
Square Footage	66,512	66,512	66,512	66,512
Capacity	750	750	750	750
Enrollment	548	517	501	549
Spring Hill Elementary School				
Square Footage	68,600	68,600	68,600	68,600
Capacity	750	750	750	750
Enrollment	710	705	719	741
Windermere Primary School				
Square Footage	68,752	68,752	68,752	68,752
Capacity	750	750	750	750
Enrollment	471	490	558	612

Source: District Records

2010	2009	2008	2007	2006	2005
63,634	63,634	63,634	63,634	63,634	63,634
650	650	650	650	650	650
613	619	615	674	677	661
58,792	58,792	58,792	58,792	58,792	58,792
550	550	550	550	550	550
530	524	516	478	497	488
77,922	77,922	77,922	77,922	77,922	77,922
600	600	600	600	600	600
519	530	538	540	523	507
62,000	62,000	62,000	62,000	62,000	62,000
600	600	600	600	600	600
599	584	528	498	533	515
64,150	64,150	64,150	64,150	64,150	64,150
650	650	650	650	650	650
588	586	525	539	524	477
66,272	66,272	66,272	66,272	66,272	66,272
750	750	750	750	750	750
477	481	492	513	570	562
66,512	66,512	66,512	66,512	66,512	66,512
750	750	750	750	750	750
475	476	473	528	529	559
66,512	66,512	66,512	66,512	66,512	66,512
750	750	750	750	750	750
577	572	611	645	793	702
68,600	68,600	68,600	68,600	68,600	68,600
750	750	750	750	750	750
746	743	706	637	579	557
68,752	68,752	68,752	68,752	68,752	68,752
750	750	750	750	750	750
642	650	565	614	683	668

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

Building:	2014	2013	2012	2011
Copperfield Elementary School				
Square Footage	77,922	77,922	77,922	77,922
Capacity	850	850	850	850
Enrollment	519	504	586	600
Murchison Elementary School				
Square Footage	77,922	77,922	77,922	77,922
Capacity	850	850	850	850
Enrollment	897	843	852	834
Delco Primary School				
Square Footage	68,752	68,752	68,752	68,752
Capacity	750	750	750	750
Enrollment	534	527	748	701
Caldwell Elementary School				
Square Footage	73,007	73,007	73,007	73,007
Capacity	800	800	800	800
Enrollment	659	731	739	760
Rowe Lane Elementary School				
Square Footage	75,007	75,007	75,007	75,007
Capacity	750	750	750	750
Enrollment	922	867	793	728
Highland Park Elementary School				
Square Footage	75,007	75,007	75,007	75,007
Capacity	750	750	750	750
Enrollment	829	762	732	692
Wieland Elementary School				
Square Footage	75,490	75,490	75,490	75,490
Capacity	750	750	750	750
Enrollment	544	544	741	766
Riojas Elementary School				
Square Footage	71,624	71,624	71,624	71,624
Capacity	700	700	700	700
Enrollment	652	624	540	453
Ruth Barron Elementary School				
Square Footage	86,899	86,899	-	-
Capacity	900	900	-	-
Enrollment	713	754	-	-

Source: District Records

2010	2009	2008	2007	2006	2005
77,922	77,922	77,922	77,922	77,922	77,922
850	850	850	850	850	850
621	613	630	783	742	705
77,922	77,922	77,922	77,922	77,922	77,922
850	850	850	850	850	850
861	860	798	598	557	874
68,752	68,752	68,752	68,752	68,752	68,752
750	750	750	750	750	750
649	630	625	648	635	539
73,007	73,007	73,007	73,007	73,007	73,007
800	800	800	800	800	800
729	750	734	664	808	773
75,007	75,007	75,007	75,007	75,007	-
750	750	750	750	750	-
726	698	681	550	488	-
75,007	75,007	75,007	75,007	75,007	-
750	750	750	750	750	-
849	845	858	666	-	-
75,490	75,490	75,490	75,490	-	-
750	750	750	750	-	-
676	680	648	-	-	-
71,624	-	-	-	-	-
700	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

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Federal Awards Section

HLSK

Hereford, Lynch, Sellars & Kirkham

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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, 2014, 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 19, 2014.

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 19, 2014

HLSK

Hereford, Lynch, Sellars & Kirkham

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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, 2014. 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, 2014.

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 19, 2014

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED AUGUST 31, 2014

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:
84.010A 84.027A and 84.173A	Title I, Part A Special Education Cluster

Dollar threshold used to distinguish between type A and type B federal programs	\$490,114
Auditee qualified as a low-risk auditee?	Yes

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED AUGUST 31, 2014

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, 2014

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>U.S. DEPARTMENT OF EDUCATION:</u>			
Passed Through State Department of Education:			
<i>ESEA Title I, Part A - School Improvement Program</i>	84.010A	13610104227904041	\$ 510
<i>ESEA Title I, Part A - School Improvement Program</i>	84.010A	13610104227904042	820
<i>ESEA Title I, Part A - School Improvement Program</i>	84.010A	13610110227904042	18,305
<i>ESEA Title I, Part A - Improving Basic Programs</i>	84.010A	14610101227904	2,820,163
<i>ESEA Title I, Part A - Improving Basic Programs</i>	84.010A	15610101227904	218,487
Total Program 84.010A			<u>3,058,285</u>
Special Education Cluster (IDEA):			
<i>IDEA - Part B, Formula</i>	84.027A	136600012279046600	30,632
<i>IDEA - Part B, Formula</i>	84.027A	146600012279046600	3,135,105
<i>IDEA - Part B, Formula</i>	84.027A	156600012279046600	272,466
<i>IDEA - Part B, Preschool</i>	84.173A	146610012279046610	33,603
<i>IDEA - Part B, Preschool</i>	84.173A	156610012279046610	5,167
Total Special Education Cluster (IDEA)			<u>3,476,973</u>
<i>Career and Technical - Basic Grant</i>	84.048A	14420006227904	221,425
<i>Title IV, Part B - 21st Century Community Learning Centers</i>	84.287C	136950147110044	645,165
<i>Title III, Part A - English Language Acquisition and Language Enhancement</i>	84.365A	14671001227904	447,276
<i>Title III, Part A - English Language Acquisition and Language Enhancement</i>	84.365A	15671001227904	21,965
Total Program 84.365A			<u>469,241</u>
<i>ESEA Title II, Part A - Teacher and Principal Training and Recruiting</i>	84.367A	14694501227904	229,205
<i>ESEA Title II, Part A - Teacher and Principal Training and Recruiting</i>	84.367A	15694501227904	21,469
Total Program 84.367A			<u>250,674</u>
<i>LEP Summer School Program</i>	84.369A	69551302	23,375
Passed Through Education Service Center Region X:			
<i>ESEA Title X, Part C - Education for the Homeless Children and Youth</i>	84.196A	14-013	34,183
Passed Through Education Service Center Region XIII:			
<i>ESEA Title X, Part C - Education for the Homeless Children and Youth</i>	84.196A	14-031	4,315
Total Program 84.196A			<u>38,498</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>8,183,636</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u>			
Passed Through State Department of Health and Human Services:			
<i>Medicaid Administrative Claiming Program (MAC)</i>	93.778	529-07-0157-00121	52,984
Passed Through The University of Texas at Austin:			
<i>I-CAN Project</i>	93.865	UTA11-000489	30,280
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>83,264</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2014

Exhibit K-1
Page 2 of 2

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	563,793
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Passed Through State Department of Education - Cash Assistance:

<i>National School Breakfast Program</i>	10.553	71401401	1,680,809
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<i>National School Lunch Program</i>	10.555	71301401	5,427,978
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Total Child Nutrition Cluster			<u><u>7,672,580</u></u>
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Passed Through State Department of Agriculture:

<i>Child and Adult Care Food Program</i>	10.558	01069	299,040
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TOTAL U.S. DEPARTMENT OF AGRICULTURE

7,971,620

U.S. DEPARTMENT OF DEFENSE:

Direct:

<i>Reserve Officers' Training Corps</i>	12.000	N/A	86,038
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Passed Through The University of Texas at Austin:

<i>Arabic Flagship Program</i>	12.550	UTA13-001225	12,569
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TOTAL U.S. DEPARTMENT OF DEFENSE

98,607

TOTAL EXPENDITURES OF FEDERAL AWARDS

\$ 16,337,127

The accompanying notes are an integral part of this statement.

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, 2014. 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	\$ 16,337,127
General Fund - Federal Revenue Excluded:	
SHARS Revenue	<u>3,770,849</u>
Total Federal Revenues per Exhibit B-2	<u><u>\$ 20,107,976</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, 2014, are as follows:

<u>Program Source</u>	<u>CFDA Number</u>	<u>Amount</u>
SHARS	N/A	\$ 3,770,849
ROTC	12.000	86,038
Arabic Flagship Program	12.550	12,569
Indirect Costs:		
ESEA Title I - Improving Basic Programs	84.010A	51,970
ESEA Title I - School Improvement Program	84.010A	339
IDEA Part B - Formula	84.027A	59,206
IDEA Part B - Preschool	84.173A	667
Career and Technical - Basic Grant	84.048A	3,819
ESEA Title II, Part A - Teacher and Principal Training and Recruiting	84.367A	4,316
ESEA Title III, Part A - English Language Acquisition and Language Enhancement	84.365A	8,078
ESEA Title X, Part C - Education for the Homeless	84.196	589
Texas 21st Community Learning Centers	84.287C	9,762
I-CAN Project	93.865	522
Total		<u><u>\$ 4,008,724</u></u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
AUGUST 31, 2014

Exhibit L-1

<u>Data Control Codes</u>	<u>Responses</u>
SF2 Were there any disclosures in the Annual Financial Report and/or other sources of information concerning default on bonded indebtedness obligations?	No
SF4 Did the district receive a clean audit? - Was there an unmodified opinion in the Annual Financial Report?	Yes
SF5 Did the Annual Financial Report disclose any instances of material weaknesses in internal controls?	No
SF9 Was there any disclosure in the Annual Financial Report of material noncompliance?	No
SF10 What was the total accumulated accretion on capital appreciation bonds included in the government-wide financial statements at fiscal year-end?	\$ -