

Pflugerville Independent School District

Comprehensive Annual Financial Report
For the Fiscal Year Ended August 31, 2018



1401 West Pecan Street
Pflugerville, Texas 78660

www.pfisd.net

Pflugerville Independent School District

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Pflugerville, Texas 78660

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED AUGUST 31, 2018

PREPARED BY DEPARTMENT OF FINANCE

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

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Introductory Section

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

BOARD OF TRUSTEES

Ms. Vernagene Mott
President

Mr. Larry Bradley
Vice-President

Ms. Mary Kimmins
Secretary

Ms. Renae Mitchell
Member

Dr. Carol Fletcher
Member

Mr. Tony Hanson
Member

Mr. Rob Reyes
Member

ADMINISTRATION

Dr. Douglas Killian
Superintendent of Schools

Dr. Troy Galow
Deputy Superintendent

Eduardo Ramos
Chief Operating Officer

Ms. Brandy Baker, M. Ed.
Assistant Superintendent of Curriculum and Instruction

(Vacant)
Assistant Superintendent of Secondary Education

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

Mr. Willie Watson
Chief Human Resources Officer

Ms. Tamra Spence
Communications Officer

Victor Valdez
Chief Technology Officer

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

CONSULTANTS AND ADVISORS

Weaver and Tidwell, L.L.P.
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, 2018, at a meeting of the Board of Trustees of such school district on January 17, 2019.

Vernagene Mott
President of Board

Mary S. Simmons
Secretary of Board



January 17, 2019

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

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

The Finance Department is pleased to submit the Comprehensive Annual Financial Report for the Pflugerville Independent School District (Pflugerville ISD) for the fiscal year ended August 31, 2018.

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 over 25,000 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 was ranked as the third fastest growing city in the U.S. according to population estimates released by the U.S. Census Bureau in May 2018. The population growth rate is projected to be 6.5% per year over the next several years. With a population of 63,359 and being strategically located a few miles north of Austin along the I-35 corridor and 25 minutes from the Austin-Bergstrom International Airport, Pflugerville provides businesses a climate with easy access to several metropolitan areas without the big city challenges.

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

The U.S. economy continues to improve and the U.S. unemployment rate was 3.6% in September 2018. The Austin area unemployment rate was 2.9% according to the Bureau of Labor and Statistics. The District's taxable property values grew approximately \$1.5 billion 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 eighth consecutive year to \$51.2 million and has tripled over that time period due to strong financial management.

Through the third quarter of 2018, the district started 1,256 and closed 1,314 new homes on an annual basis. The district has 1,857 vacant developed lots and 11,665 future lots. The Pflugerville new housing market is positioned for continued growth with over 1,600 new home starts expected each year. The average district sale price for a new home in 2018 is approximately \$297,698. The average new home price rose more than 53% since 2010, a difference of almost \$102,000.

The district expects to grow by 2,914 students over the next 5 years to over 28,000 students. The district opened 3 new schools and a district stadium in 2017 and now has over 4 million square feet of building space with an average school building age of 18 years.

In May 2014, the citizens of the District passed a \$287 million, general obligation bond election. All of the major projects from that bond are now complete. Just after the 17-18 school year, in November 2018, the citizens of the District passed a \$332 million, general obligation bond election and a Tax Ratification Election which equated to an additional \$4.1 million in state funding and an overall two cent tax rate reduction to the overall Pflugerville ISD tax rate which will affect the 18-19 fiscal year.

For 2018, the Chief Appraisers of Travis and Williamson County Appraisal Districts certified all taxable properties in the District subject to appraisals to be valued at \$13,568,476,480. The total tax rate for the 2018-2019 school year is \$1.52 and consists of the maintenance and operations tax rate of \$1.06 and the debt service tax rate of \$0.46. This is an overall two cent tax rate decrease from the prior year.

FOR THE FUTURE - The Board of Trustees adopted its mission, vision and values for the 2017-2018 school year that set high standards for the students and staff of the School District and are reviewed by the Board on an annual basis.

Mission Statement:

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

Our Values:

We believe that:

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

Our Vision:

Our students are:

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

ACHIEVEMENTS

The Texas Education Agency (TEA) assigned Pflugerville ISD with an overall accountability rating of "B" for 2017-2018 in the new letter grade state accountability system. All campuses in the district were rated *Met Standard* for 2017-2018. Campuses receiving an accountability rating of *Met Standard* are eligible for either six distinction designations at elementary or seven at secondary. Distinction designations are awarded for recognition of outstanding achievement in specific areas and are based on indicators of student performance in comparison to forty similar campuses.

For 2018, distinction designations were awarded in the following areas:

- Academic Achievement in ELA/Reading
- Academic Achievement in Math
- Academic Achievement in Science
- Academic Achievement in Social Studies
- Top 25 Percent: Comparative Academic Growth
- Top 25 Percent: Comparative Closing the Gaps
- Postsecondary Readiness

Sixteen campuses received one or more distinction designations, with a total of forty-five awarded district-wide. Of the total distinctions earned, twenty-five were earned at elementary campuses, and twenty were earned at secondary campuses. Parmer Lane Elementary School earned all six possible distinction designations. Also of note are Highland Park Elementary School, River Oaks Elementary

School, and Windermere Elementary School, each earning four out of six possible distinctions; and Park Crest Middle School earning four out of seven possible distinctions. All Pflugerville high schools earned distinctions with Connally High School earning two, Hendrickson High and Weiss High Schools each earning three, and Pflugerville High School earning six out of seven possible distinctions.

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, 2018 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 for the General Fund, Food Service Fund and the Debt Services Fund.

GOVERNMENTAL CHANGES

The 2017 legislative session basically left school funding levels unchanged and the Basic Allotment was not increased from its previous level of \$5,140. The only real material funding change was that the New Instructional Facility Allotment (NIFA) was increased from \$250 to \$1,000 per Average Daily Attendance (ADA). However, the State did not provide enough additional funding to support this legislative change, so funding will be pro-rated based on available funds.

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 ninth 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, 2017. 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 ninth 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, 2017. 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, Janie Ornelas, Nicole Ayer, Tamara Berding, Jackie Porter, Gracie Lopez, Dorothy Wright, Jennifer Davis, Jill Mason, Jennifer Valdez, Anna Riggs, Roxanna Jonse, Alisha Gonzales, Nora Delgado, Freda Ellison, Mary Lynch, Lisa Wagner and Sue Holmes for their combined efforts in closing out the accounting records and assisting in preparing the various financial reports at year-end.

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

Respectfully submitted,

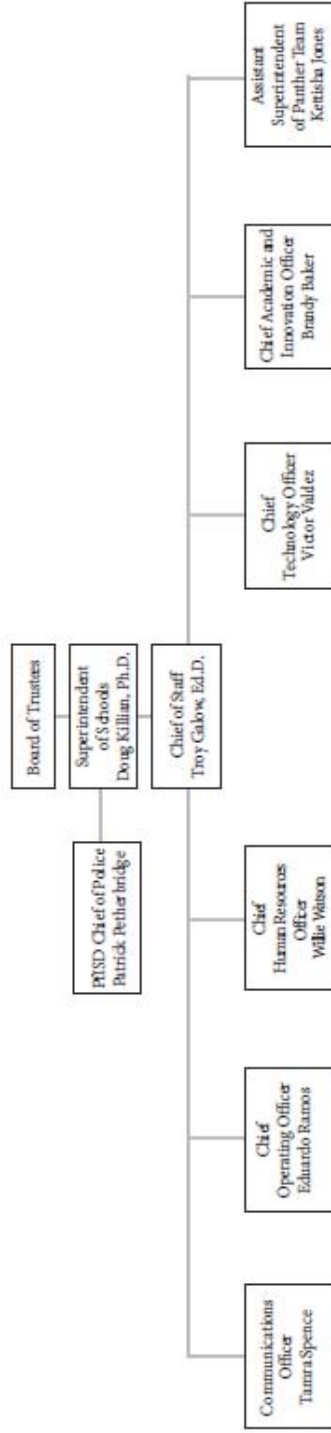
A handwritten signature in black ink, appearing to read "DK", with a long horizontal flourish extending to the right.

Douglas Killian, Ph.D.
Superintendent of Schools

A handwritten signature in blue ink, appearing to read "Eduardo Ramos", with a long horizontal flourish extending to the right.

Eduardo Ramos
Chief Operating 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, 2017

Christopher P. Morill

Executive Director/CEO



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

Pflugerville Independent School District

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended August 31, 2017.**

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



A handwritten signature in black ink, reading 'Charles E. Peterson, Jr.', written over a thin horizontal line.

Charles E. Peterson, Jr., SFO, RSBA, MBA
President

A handwritten signature in black ink, reading 'John D. Musso', written over a thin horizontal line.

John D. Musso, CAE
Executive Director

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Financial Section

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Pflugerville Independent School District (the District), as of and for the fiscal year ended August 31, 2018, 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Pflugerville Independent School District, as of August 31, 2018, and the respective changes in financial position and where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the basic financial statements, during the fiscal year ended August 31, 2018, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Beginning net position has been restated as a result of the implementation of this statement. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Pflugerville Independent School District's basic financial statements. The Introductory Section, Supplementary Information, and Statistical Section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

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

The Board of Trustees of
Pflugerville Independent School District

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 11, 2019 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Pflugerville Independent School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Pflugerville Independent School District's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Conroe, Texas
January 11, 2019

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, 2018. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Financial Highlights

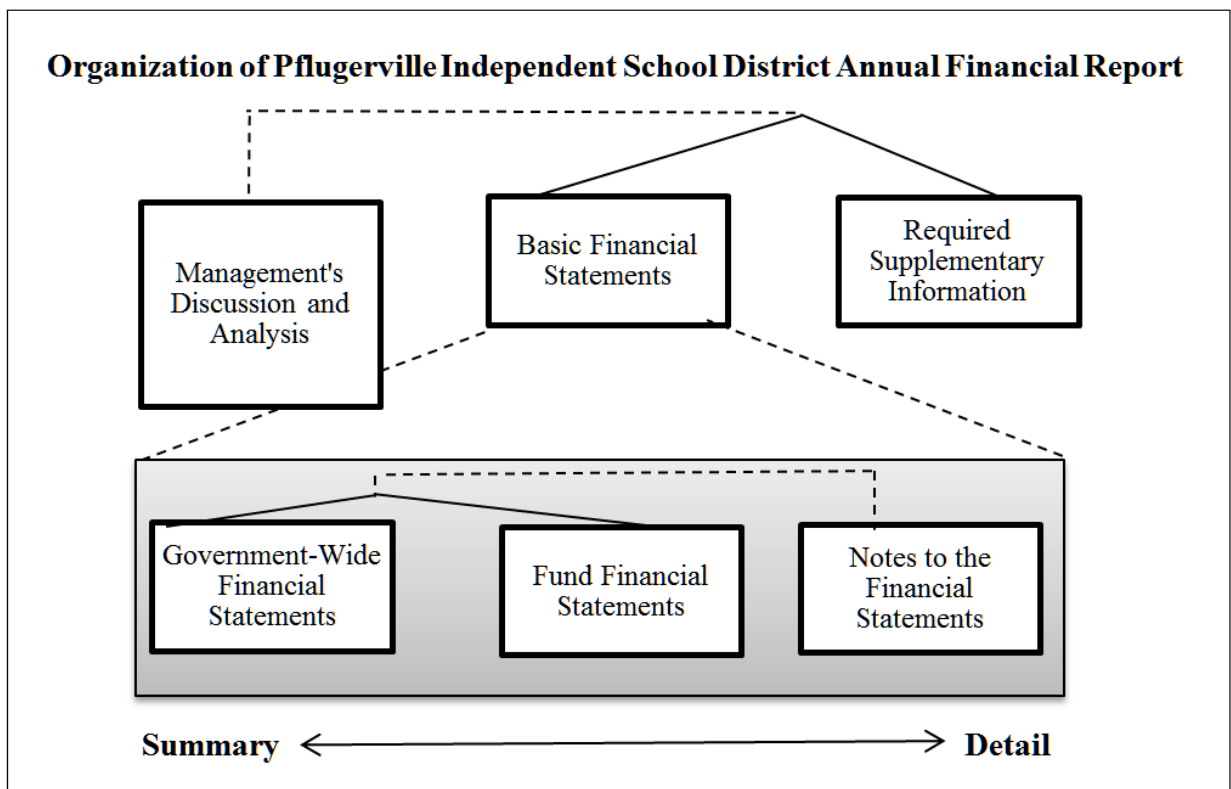
- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$32,558,298 (*net position*). Unrestricted net position reflects a deficit of \$48,575,567 as a result of a prior period adjustment for the implementation of GASB Statement No. 75, a new accounting standard for other postemployment benefits.
- Total net position of the District decreased by \$75,759,466 largely due to the implementation of GASB Statement No. 75.
- The total fund balance of the general fund was \$54,999,297 and was an increase of \$4,251,272 from the prior year. The unassigned fund balance of the General Fund was \$51,239,775, or 24% of total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information and supplementary and other 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)	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 or long-term debt 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
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

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

Government-wide Financial Statements

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

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

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

In fiscal year 2018, the District implemented the Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* – which superseded GASB Statement No. 45.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Statement No. 75 establishes financial reporting standards and/or accounting standards for state and local government defined benefit other postemployment benefit (OPEB) plans and defined contribution OPEB plans. Statement No. 75 requires that, at transition, a government recognizes a beginning deferred outflow of resources for its OPEB contributions, if any, made subsequent to the measurement date of the beginning net OPEB liability. The implementation of this statement has no impact on the District's governmental fund financial statements. However, adoption has resulted in certain changes to the presentation of the financial statements of the District's government-wide financial statements. More information on the adoption of this statement and the District's OPEB plan is available in Note 1. and Note 13, respectively.

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 in the subsequent pages that provide a financial analysis of governmental funds.

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 \$33,017,156 at August 31, 2018. The following table compares balances for the 2017-2018 fiscal year to the 2016-2017 fiscal year.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT'S NET POSITION

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current and Other Assets	\$ 107,757,127	\$ 127,572,815	\$ 518,526	\$ 273,469	\$ 108,275,653	\$ 127,846,284
Capital Assets, net of Depreciation	521,360,781	525,970,089	66,304	69,888	521,427,085	526,039,977
Total Assets	629,117,908	653,542,904	584,830	343,357	629,702,738	653,886,261
Total Deferred Outflows of Resources	30,087,260	34,599,482	-	-	30,087,260	34,599,482
Other Liabilities	11,123,319	23,113,240	125,972	112,791	11,249,291	23,226,031
Long-term Liabilities Outstanding	578,203,210	553,811,648	-	-	578,203,210	553,811,648
Total Liabilities	589,326,529	576,924,888	125,972	112,791	589,452,501	577,037,679
Total Deferred Inflows of Resources	37,320,341	2,671,442	-	-	37,320,341	2,671,442
Net Position:						
Net Investment in Capital Assets	72,913,923	70,572,742	66,304	69,888	72,980,227	70,642,630
Restricted	8,219,942	5,078,400	-	-	8,219,942	5,078,400
Unrestricted (deficit)	(48,575,567)	32,894,914	392,554	160,678	(48,183,013)	33,055,592
Total Net Position	\$ 32,558,298	\$ 108,546,056	\$ 458,858	\$ 230,566	\$ 33,017,156	\$ 108,776,622

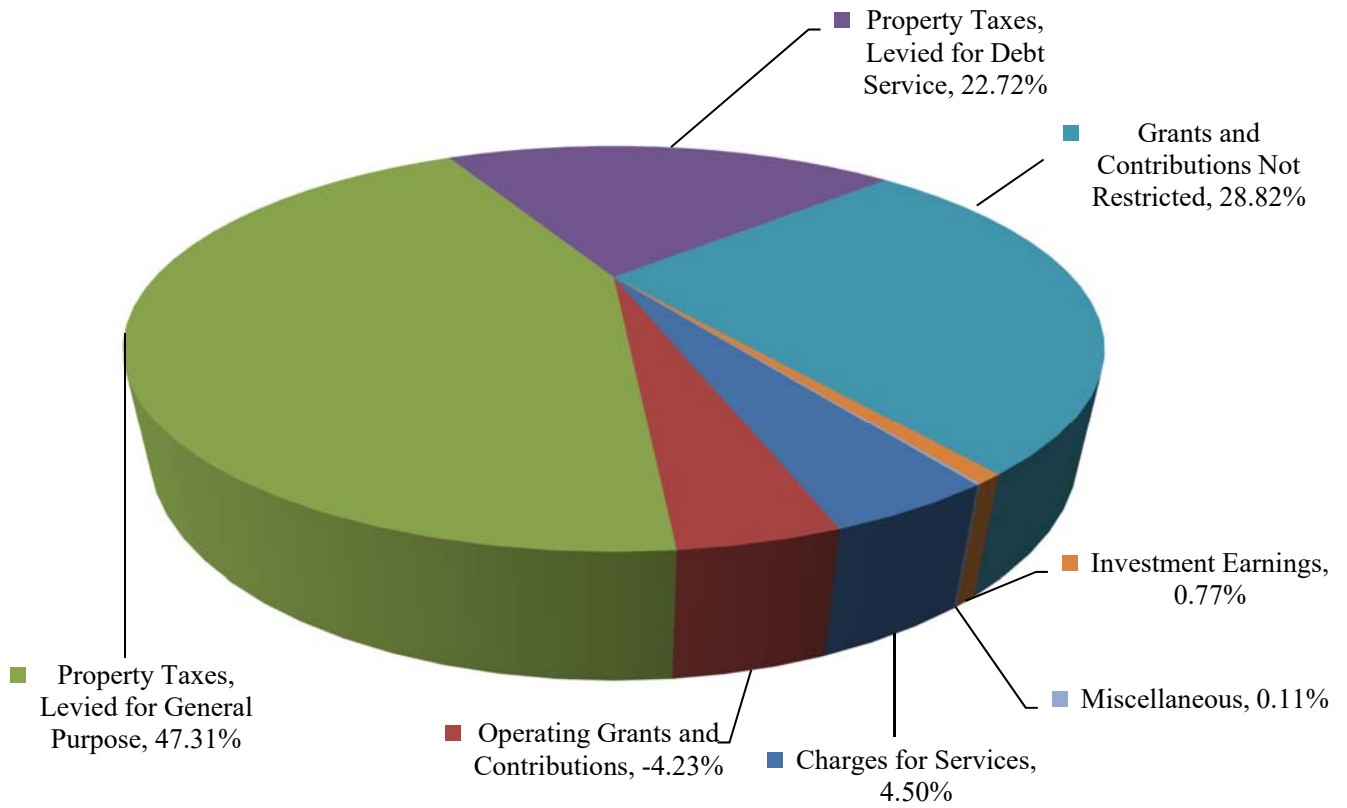
Changes in Net Position

Net position decreased overall by \$75.7 million from prior year primarily due to the change in account principle related to the implementation of GASB Statement No. 75 in the current fiscal year for OPEB. Although the District's overall net position is positive, the District's unrestricted net position reports a deficit due to reporting the District's proportionate share of the net OPEB liability. The total district liability is reported in the governmental activities; however, the actual liability does not require the use of current resources at the fund level, which results in a timing difference since the TRS-Care plan is funded on a pay-as-you-go basis. The District has made all contractually required contributions as noted in the required supplementary information and has sufficient fund balance to meet the District's ongoing obligations to students and creditors.

The District's total general revenues, charges for services, and operating grants and contributions were \$269 million. A significant portion, 70%, of the District's revenue comes from taxes (see Figure A-3), 29% comes from grants and contributions not restricted, -4% from operating grants and contributions and 5% relates to investment earnings, charges for services, and miscellaneous local and intermediate sources. The negative revenue is a result of negative on-behalf revenue related to OPEB. The total cost of all programs and services was \$214.1 million. Of these costs, 46% are related to instruction expenses.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Figure A-3 District Sources of Revenue for Fiscal Year 2018



PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT'S CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
	Amount	Amount	Amount	Amount	Amount	Amount
Revenues						
Program Revenues:						
Charges for Services	\$ 8,063,266	\$ 7,537,694	\$ 4,031,954	\$ 3,681,867	\$ 12,095,220	\$ 11,219,561
Operating Grants and Contributions	(11,395,882)	32,160,644	-	-	(11,395,882)	32,160,644
General Revenues:						
Property Taxes, Levied for General Purposes	127,266,914	112,203,219	-	-	127,266,914	112,203,219
Property Taxes, Levied for Debt Service	61,148,106	54,222,292	-	-	61,148,106	54,222,292
Grants and Contributions Not Restricted	77,541,625	79,229,802	-	-	77,541,625	79,229,802
Investment Earnings	2,088,058	1,575,711	-	-	2,088,058	1,575,711
Miscellaneous	286,793	373,695	-	-	286,793	373,695
Total Revenues	264,998,880	287,303,057	4,031,954	3,681,867	269,030,834	290,984,924
Expenses						
Instruction	99,151,716	146,006,306	-	-	99,151,716	146,006,306
Instructional Resources and Media Services	3,221,620	4,229,686	-	-	3,221,620	4,229,686
Curriculum and Instructional Staff Development	5,205,104	7,347,015	-	-	5,205,104	7,347,015
Instructional Leadership	2,939,047	3,997,004	-	-	2,939,047	3,997,004
School Leadership	9,305,411	13,983,079	-	-	9,305,411	13,983,079
Guidance, Counseling, and Evaluation Services	6,425,061	9,308,458	-	-	6,425,061	9,308,458
Social Work Services	582,370	792,648	-	-	582,370	792,648
Health Services	1,997,439	2,781,144	-	-	1,997,439	2,781,144
Student Transportation	8,758,989	7,735,715	-	-	8,758,989	7,735,715
Food Services	13,429,761	12,507,829	-	-	13,429,761	12,507,829
Extracurricular Activities	8,784,211	9,111,862	-	-	8,784,211	9,111,862
General Administration	4,920,448	5,830,302	-	-	4,920,448	5,830,302
Plant Maintenance and Operations	19,346,545	25,520,649	-	-	19,346,545	25,520,649
Security and Monitoring Services	3,527,878	4,038,212	-	-	3,527,878	4,038,212
Data Processing Services	5,391,129	8,805,884	-	-	5,391,129	8,805,884
Community Services	93,124	193,103	-	-	93,124	193,103
Interest on Long-term Debt	17,691,309	18,890,061	-	-	17,691,309	18,890,061
Issuance Costs and Fees	31,305	31,309	-	-	31,305	31,309
Facilities Repair and Maintenance	221,547	415,375	-	-	221,547	415,375
Payments to Juvenile Justice Alternative						
Education Programs	13,588	2,580	-	-	13,588	2,580
Payments to Appraisal District	877,432	803,603	-	-	877,432	803,603
Extended Day Program	-	-	2,228,662	2,187,963	2,228,662	2,187,963
Total Expenses	211,915,034	282,331,824	2,228,662	2,187,963	214,143,696	284,519,787
Increase in Net Position Before Transfers	53,083,846	4,971,233	1,803,292	1,493,904	54,887,138	6,465,137
Transfers In (Out)	1,575,000	1,500,000	(1,575,000)	(1,500,000)	-	-
Change in Net Position	54,658,846	6,471,233	228,292	(6,096)	54,887,138	6,465,137
Net Position - Beginning	108,546,056	102,074,823	230,566	236,662	108,776,622	102,311,485
Prior Period Adjustment - Implement GASB Statement No. 75 for OPEB (a)	(130,646,604)	-	-	-	(130,646,604)	-
Net Position - Beginning, as restated	(22,100,548)	102,074,823	230,566	236,662	(21,869,982)	102,311,485
Net Position - Ending	\$ 32,558,298	\$ 108,546,056	\$ 458,858	\$ 230,566	\$ 33,017,156	\$ 108,776,622

(a) The restatement of the beginning net position in fiscal year 2018 is the result of the District implementing GASB Statement No. 75 in fiscal year 2018. The implementation is discussed previously in MD&A.

Governmental Activities

- Property tax rates for the 2017-2018 fiscal year remained the same from the prior year rate of \$1.54 per \$100 of valuation. Taxable values for the 2018 fiscal year increased by 12.8%.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Business-type Activities

- Business-type activities increased net position before transfers by \$1,803,292 due to the operation of the extended day program, and \$1,575,000 was transferred to the general fund.

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

- The cost of all activities this year was \$158.9 million.
- The amount that local taxpayers paid for these activities through property taxes was \$187.8 million.
- Those who directly benefited from the programs paid \$12 million. Operating grants covered a negative \$11.3 million in cost, largely related to the accounting change for GASB Statement No. 75 implementation.
- Increased revenues in the Food Services function yielded a lower Net Cost of Services.

NET COST OF SELECTED DISTRICT FUNCTIONS

	Total Cost of Services		Percent Change	Net Cost of Services		Percent Change
	2018	2017		2018	2017	
Instruction	\$ 99,151,716	\$ 146,006,306	-32%	\$ 112,248,656	\$ 127,523,062	-12%
School Leadership	9,305,411	13,983,079	-33%	11,328,107	13,166,526	-14%
Food Services	13,429,761	12,507,829	7%	610,397	790,892	-23%
Plant Maintenance and Operations	19,346,545	25,520,649	-24%	19,451,546	24,137,918	-19%
Debt Service - Interest	17,691,309	18,890,061	-6%	16,713,381	17,535,965	-5%

Financial Analysis of the District's Funds

Revenues from governmental fund types totaled \$307.5 million, an increase of \$21.7 million from the preceding year. Property tax revenue increased \$21.3 million due to an approximate 12.8% increase in property tax values.

General Fund Budgetary Highlights

Over the course of the year, the District recommended and the Board approved revisions to budgeted revenue and appropriations. The budget adjustments were to revise estimated revenues, primarily state revenue. Actual expenditures were \$4.6 million less than final budgeted amounts. The most significant favorable functional variances were in plant maintenance and operations.

Resources available were \$2 million more than the final budgeted amounts and the largest difference was in the state aid program as weighted average daily attendance was higher than budget.

The bottom line increase in fund balance for the year of \$4.2 million was \$6.7 million higher than the final budgeted net decrease of \$2.4 million. Of this favorable variance, \$2.3 million was due to less spending related to plant maintenance and operations expenditures.

Differences between the originally-adopted budget and the final amended budget of the general fund were to increase revenues by \$4 million. 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 GOVERNMENTAL FUND BALANCES

<u>Fund</u>	<u>2018</u>	<u>2017</u>	<u>Percent Change</u>
General Fund	\$ 54,999,297	\$ 50,748,025	8%
Debt Service	5,369,917	2,588,975	107%
Capital Projects	22,517,934	38,700,749	-42%

General Fund

The General Fund encompasses the general governmental functions of the District and all other functions not accounted for in other funds. General Fund revenue exceeded expenses prior to other financing sources (uses) by \$2.7 million which is down \$2.1 million from last year. This decrease was the result of the payroll costs increasing by \$14.2 million as a result of a 2.5 percent pay raise, increases in the District's additional staff to handle student growth.

General Fund balance of \$54.9 million includes nonspendable inventories and prepaid items totaling \$402,247, committed fund balance of \$462,000 for the Kickstart Program, assigned fund balance of \$2.8 million for the debt payments related to the District's solar panels and \$43,280 for next fiscal year budget items, and unassigned fund balance of \$51.2 million.

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

<u>Revenue Sources</u>	<u>2018</u>	<u>Percent Realized</u>	<u>2017</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Local	\$ 130,384,850	60%	\$ 115,571,440	\$ 14,813,410	13%
State	83,988,442	38%	84,473,857	(485,415)	-1%
Federal	4,258,967	2%	4,402,775	(143,808)	-3%
Totals	\$ 218,632,259	100%	\$ 204,448,072	\$ 14,184,187	

Local revenues, which are generated primarily from property taxes, increased by 13 percent relative to the 2016-2017 school year, due to the incline in property values. The decrease in State revenue was the result of the increase in local tax revenues, which lowered the state's funding level. Federal revenues make up only 2 percent of total realized revenues. The amount of \$4,258,967 represents primarily grant revenue and indirect cost earned from federal programs.

Expenditures for the General Fund totaled \$215,955,987, an increase of 8.2% from last year.

<u>Functional Categories</u>	<u>Expenditures 2018</u>	<u>Percent Expended</u>	<u>Expenditures 2017</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Instruction and Related Services	\$ 140,558,490	65%	\$ 128,163,302	\$ 12,395,188	10%
Instructional and School Leadership	17,212,046	8%	16,616,529	595,517	4%
Support (Pupil) Services	28,168,857	13%	25,435,015	2,733,842	11%
Administrative Support	5,666,991	3%	5,593,702	73,289	1%
Support Services - Nonstudent	22,879,627	11%	22,379,718	499,909	2%
Community Services	8,557	0%	45,116	(36,559)	-81%
Debt Service	570,399	0%	570,399	-	0%
Intergovernmental Charges	891,020	0%	806,183	84,837	11%
Totals	\$ 215,955,987	100%	\$ 199,609,964	\$ 16,346,023	

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Instruction and instructional related expenditures increased by \$12.4 million and instructional and school leadership expenditures increased by \$595,517. This increase was largely due to hiring additional staff and standard salary increases. Student support services expenditures increased by \$2.7 million due to increase in staff, pay increase, and increased transportation costs.

Debt Service Fund

The Debt Service Fund has a total fund balance of \$5.3 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, 2018 were \$59.5 million, which included \$17.7 million used to defease outstanding bonds. The Debt Service Fund balance increased due to the increase in property tax revenues as a result of property value increases.

Capital Projects Fund

The Capital Projects Fund has a total fund balance of \$22.5 million, all but \$3.4 million (for future capital projects) is restricted for bond authorized construction projects. The net decrease in fund balance during the current year of \$16.2 million was primarily due to the District's continuing construction projects. Capital expenditures totaled \$16.8 million.

Interest earned in the Capital Projects Fund for the 2017-2018 fiscal year was \$543,616, which is due to investments held from bond proceeds issued in prior years.

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 \$9.1 million. Revenues exceeded expenditures and other uses in the school breakfast and lunch program by \$91,279.

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 remained stable at \$1.8 million before transfers to the general fund.

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 \$450,000. The increase in net position for the employee group health insurance plan of \$584,955 was the result of a stable health insurance costs that were exceeded by the premiums paid in. The ending fund balance of approximately \$4.1 million ensures the District's self-funded health insurance program is well-funded. The net position for the workers' compensation program decreased to \$196,564 as a result of higher workers compensation claims that exceeded interfund services provided.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Assets and Long-term Liabilities

Capital Assets

The majority of capital assets of the District were those used in the performance of general governmental functions. The District has a policy of capitalizing items with a cost of over \$5,000. As of August 31, 2018, general governmental capital assets of the District amounted to \$521,360,781 and included land, buildings and improvements, furniture and equipment, and construction in progress. Additional information is available in Note 5 to the financial statements.

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

	Governmental Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
	Amount	Amount	Amount	Amount	Amount	Amount
Land	\$ 38,869,407	\$ 38,869,407	\$ -	\$ -	\$ 38,869,407	\$ 38,869,407
Buildings and Improvements	333,401,809	295,679,850	66,304	69,888	333,468,113	295,749,738
Furniture and Equipment	24,516,047	21,709,071	-	-	24,516,047	21,709,071
Construction in Progress	124,573,518	169,711,761	-	-	124,573,518	169,711,761
Totals	\$ 521,360,781	\$ 525,970,089	\$ 66,304	\$ 69,888	\$ 521,427,085	\$ 526,039,977

Construction Commitments

The District has active construction projects as of August 31, 2018. The projects include the construction and equipment of school facilities. At year end, the District's remaining commitments with contractors totaled \$3.3 million for all ongoing projects.

Long-Term Liabilities

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT'S LONG-TERM LIABILITIES OUTSTANDING

	Governmental Activities					
	2018		2017		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
General Obligation Bonds (Net)	\$ 458,734,866	80	\$ 501,712,380	74	\$ (42,977,514)	(9)
Notes Payable	2,620,709	-	3,101,566	-	(480,857)	(16)
Health Insurance Claims	918,617	-	1,021,113	-	(102,496)	(10)
Workers' Compensation	468,988	-	377,170	-	91,818	24
Compensated Absences	717,041	-	1,264,034	-	(546,993)	(43)
Net Pension Liability	40,236,542	7	46,335,385	7	(6,098,843)	(13)
Net OPEB Liability*	74,506,447	13	131,537,368	19	(57,030,921)	(43)
Totals	\$ 578,203,210	100	\$ 685,349,016	100	\$ (107,145,806)	

*Beginning balance for net OPEB liability includes the restatement of the liability per GASB Statement No. 75.

At the end of the year, the District had \$458.7 million in bonds, which represents a 9 percent decrease. The District's bonds carry "AAA" rating because the Permanent School Fund (PSF) of Texas guarantees the repayment of the bond issues. More detailed information about the District's debt is presented in Note 7 to the financial statements.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 over expenditures for the year amounted to \$2.7 million resulting in an ending fund balance of \$5.3 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. Eight building and refunding bond issues remain outstanding and mature serially through the year 2038.

The applicable debt service fund tax rate was \$0.50/\$100 for the assessed valuation for the 2017/2018 school year.

Additional information on the District's long-term liabilities can be found in the notes to the financial statements as indicated in the table of contents of this report.

Additional information on the District's Pension liability can be found in Note 12 to the financial statements as indicated in the table of contents of this report.

Additional information on the District's OPEB liability can be found in Note 13 to the financial statements as indicated in the table of contents of this report.

Economic Factors and Next Year's Budgets and Rates

- The appraised Net Taxable Value used for the 2018-2019 budget preparation is \$13.6 billion or \$1.8 billion more than the 2017-2018 values. The higher values resulted in a budgeted increase of \$20.7 million in current local tax revenue for 2018-2019 compared to actual collections in the prior year in the General Fund. The District is currently taxing at \$1.06 per \$100 in assessed valuation which is a two cent increase over the 2017-2018 maintenance and operations tax rate. Pflugerville Independent School District voters passed a two cent ratification election to maximize the "Golden Pennies" and State Funding.
- The District's student attendance was budgeted to increase by 798 students for a 2018-2019 total attendance of 26,223. The student attendance rate was budgeted at 96%.
- Compared to the 2017-2018 actual results, State aid decreased by approximately \$3.0 million for the 2018-2019 General Fund budget. This decrease in State funding was the result of the increase in local tax revenue from the prior year, which lowers the state's funding level given the fact the State did not increase the Basic Allotment.
- General Fund spending per attending student for the 2018-2019 budget increased by \$68 or 1% when compared to the 2017-2018 budget.
- General fund budgeted expenditures for 2018-2019 increased by \$8.7 million over the prior year's budget primarily due to a 1.5 percent pay raise and cost associated with student growth.
- If 2018-2019 budget estimates are realized, the District's Unassigned General Fund Balance is expected to increase by \$2.8 million to \$54.0 million or 85 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 Operating 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, 2018

Exhibit A-1

Data Control Codes	Primary Government		Total	
	Governmental Activities	Business-type Activities		
ASSETS				
1110	Cash and Cash Equivalents	\$ 11,043,862	\$ 519,886	\$ 11,563,748
1120	Current Investments	78,263,774	-	78,263,774
1220	Property Taxes Receivables	5,090,255	-	5,090,255
1230	Allowance For Uncollectible Taxes (Credit)	(50,902)	-	(50,902)
1240	Due from Other Governments	11,985,195	-	11,985,195
1250	Accrued Interest	48,064	-	48,064
1260	Internal Balances	1,360	(1,360)	-
1290	Other Receivables	520,900	-	520,900
1300	Inventories, at Cost	312,687	-	312,687
1410	Prepaid Items	102,818	-	102,818
1490	Other Current Assets	439,114	-	439,114
	Capital Assets:			
1510	Land	38,869,407	-	38,869,407
1520	Buildings and Improvements (Net)	333,401,809	66,304	333,468,113
1530	Furniture and Equipment (Net)	24,516,047	-	24,516,047
1580	Construction in Progress	124,573,518	-	124,573,518
1000	Total Assets	<u>629,117,908</u>	<u>584,830</u>	<u>629,702,738</u>
DEFERRED OUTFLOWS OF RESOURCES				
1705	Deferred Outflows - Pension	15,919,860	-	15,919,860
1706	Deferred outflows - OPEB	1,258,683	-	1,258,683
1710	Deferred Charge on Refunding	12,908,717	-	12,908,717
1700	Total Deferred Outflows of Resources	<u>30,087,260</u>	<u>-</u>	<u>30,087,260</u>
LIABILITIES				
2110	Accounts Payable	6,188,077	10,125	6,198,202
2140	Interest Payable	836,779	-	836,779
2150	Payroll Deductions and Withholdings	1,564,349	-	1,564,349
2160	Accrued Wages Payable	2,036,860	58,371	2,095,231
2180	Due to Other Governments	3,022	-	3,022
2200	Accrued Liabilities	299,832	-	299,832
2300	Unearned Revenue	194,400	57,476	251,876
	Noncurrent Liabilities:			
2501	Due Within One Year	23,144,048	-	23,144,048
2502	Due in More Than One Year	440,316,173	-	440,316,173
2540	Net Pension Liability	40,236,542	-	40,236,542
2545	Net OPEB Liability	74,506,447	-	74,506,447
2000	Total Liabilities	<u>589,326,529</u>	<u>125,972</u>	<u>589,452,501</u>
DEFERRED INFLOWS OF RESOURCES				
2605	Deferred Inflows - Pension	6,154,153	-	6,154,153
2606	Deferred inflows - OPEB	31,166,188	-	31,166,188
2600	Total Deferred Inflows of Resources	<u>37,320,341</u>	<u>-</u>	<u>37,320,341</u>
NET POSITION				
3200	Net Investment in Capital Assets	72,913,923	66,304	72,980,227
3820	Restricted for Grants	2,111,397	-	2,111,397
3850	Restricted for Debt Service	6,108,545	-	6,108,545
3900	Unrestricted (deficit)	(48,575,567)	392,554	(48,183,013)
3000	Total Net Position	<u>\$ 32,558,298</u>	<u>\$ 458,858</u>	<u>\$ 33,017,156</u>

The accompanying notes to the financial statements are an integral part of this statement.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED AUGUST 31, 2018

Data Control Codes	Functions/Programs	Expenses	Program Revenues	
			Charges for Services	Operating Grants and Contributions
Primary Government:				
Governmental Activities:				
0011	<i>Instruction</i>	\$ 99,151,716	\$ 1,415,477	\$ (14,512,417)
0012	<i>Intructional Resources and Media Services</i>	3,221,620	-	(440,273)
0013	<i>Curriculum and Instructional Staff Development</i>	5,205,104	-	(337,077)
0021	<i>Instructional Leadership</i>	2,939,047	-	(435,786)
0023	<i>School Leadership</i>	9,305,411	-	(2,022,696)
0031	<i>Guidance, Counseling, and Evaluation Services</i>	6,425,061	-	(1,448,543)
0032	<i>Social Work Services</i>	582,370	-	(32,643)
0033	<i>Health Services</i>	1,997,439	-	(399,434)
0034	<i>Student Transportation</i>	8,758,989	-	1,579
0035	<i>Food Services</i>	13,429,761	4,253,912	8,565,452
0036	<i>Extracurricular Activities</i>	8,784,211	1,753,955	(392,710)
0041	<i>General Administration</i>	4,920,448	-	(277,550)
0051	<i>Plant Maintenance and Operations</i>	19,346,545	552,858	(657,859)
0052	<i>Security and Monitoring Services</i>	3,527,878	87,064	139,833
0053	<i>Data Processing Services</i>	5,391,129	-	(251,311)
0061	<i>Community Services</i>	93,124	-	112,016
0072	<i>Interest on Long-term Debt</i>	17,691,309	-	977,928
0073	<i>Issuance Costs and Fees</i>	31,305	-	-
0081	<i>Facilities Repair and Maintenance</i>	221,547	-	15,609
0095	<i>Payments to Juvenile Justice Alternative Education Programs</i>	13,588	-	-
0099	<i>Payments to Appraisal District</i>	877,432	-	-
TG	Total Governmental Activities	<u>211,915,034</u>	<u>8,063,266</u>	<u>(11,395,882)</u>
Business-type-Activities:				
01	<i>Extended Day Program</i>	<u>2,228,662</u>	<u>4,031,954</u>	<u>-</u>
TB	Total Business-type Activities	<u>2,228,662</u>	<u>4,031,954</u>	<u>-</u>
TP	Total Primary Government	<u>\$ 214,143,696</u>	<u>\$ 12,095,220</u>	<u>\$ (11,395,882)</u>
General Revenues:				
MT	<i>Property Taxes, Levied for General Purposes</i>			
DT	<i>Property Taxes, Levied for Debt Service</i>			
GC	<i>Grants and Contributions Not Restricted to Specific Programs</i>			
IE	<i>Investment Earnings</i>			
MI	<i>Miscellaneous</i>			
FR	<i>Transfers</i>			
TR	Total General Revenues and Transfers			
CN	Change in Net Position			
NB	Net Position - Beginning			
PA	<i>Prior Period Adjustment - implement GASB 75 for OPEB</i>			
	Net Position - Beginning, as Restated			
NE	Net Position - Ending			

The accompanying notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (112,248,656)	\$ -	\$ (112,248,656)
(3,661,893)	-	(3,661,893)
(5,542,181)	-	(5,542,181)
(3,374,833)	-	(3,374,833)
(11,328,107)	-	(11,328,107)
(7,873,604)	-	(7,873,604)
(615,013)	-	(615,013)
(2,396,873)	-	(2,396,873)
(8,757,410)	-	(8,757,410)
(610,397)	-	(610,397)
(7,422,966)	-	(7,422,966)
(5,197,998)	-	(5,197,998)
(19,451,546)	-	(19,451,546)
(3,300,981)	-	(3,300,981)
(5,642,440)	-	(5,642,440)
18,892	-	18,892
(16,713,381)	-	(16,713,381)
(31,305)	-	(31,305)
(205,938)	-	(205,938)
(13,588)	-	(13,588)
(877,432)	-	(877,432)
<u>(215,247,650)</u>	<u>-</u>	<u>(215,247,650)</u>
-	1,803,292	1,803,292
-	1,803,292	1,803,292
<u>(215,247,650)</u>	<u>1,803,292</u>	<u>(213,444,358)</u>
127,266,914	-	127,266,914
61,148,106	-	61,148,106
77,541,625	-	77,541,625
2,088,058	-	2,088,058
286,793	-	286,793
1,575,000	(1,575,000)	-
<u>269,906,496</u>	<u>(1,575,000)</u>	<u>268,331,496</u>
54,658,846	228,292	54,887,138
108,546,056	230,566	108,776,622
(130,646,604)	-	(130,646,604)
<u>(22,100,548)</u>	<u>230,566</u>	<u>(21,869,982)</u>
<u>\$ 32,558,298</u>	<u>\$ 458,858</u>	<u>\$ 33,017,156</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
AUGUST 31, 2018

<u>Data Control Codes</u>		<u>General Fund</u>	<u>Debt Service Fund</u>
ASSETS			
1110	Cash and Cash Equivalents	\$ 7,042,569	\$ 193,685
1120	Current Investments	41,445,041	5,172,431
1220	Property Taxes Receivable	3,534,321	1,555,934
1230	Allowance For Uncollectible Taxes (Credit)	(35,343)	(15,559)
1240	Due from Other Governments	10,667,851	-
1250	Accrued Interest	31,178	3,801
1260	Due from Other Funds	790,607	-
1290	Other Receivables	27,703	-
1300	Inventories, at Cost	299,429	-
1410	Prepaid Items	102,818	-
1000	Total Assets	\$ 63,906,174	\$ 6,910,292
1000a	Total Assets and Deferred Outflows of Resources	\$ 63,906,174	\$ 6,910,292
LIABILITIES			
2110	Accounts Payable	\$ 1,801,953	\$ -
2150	Payroll Deductions and Withholdings	1,564,349	-
2160	Accrued Wages Payable	2,017,001	-
2170	Due to Other Funds	6,055	-
2180	Due to Other Governments	-	-
2200	Accrued Liabilities	5,686	-
2300	Unearned Revenues	12,855	-
2000	Total Liabilities	5,407,899	-
DEFERRED INFLOWS OF RESOURCES			
2600	Unavailable Revenue - Property Taxes	3,498,978	1,540,375
	Total Deferred Inflows of Resources	3,498,978	1,540,375
FUND BALANCES			
Nonspendable:			
3410	Inventories	299,429	-
3430	Prepaid Items	102,818	-
Restricted:			
3450	Grant Funds	-	-
3470	Capital Acquisitions and Contractual Obligations	-	-
3480	Debt Service	-	5,369,917
Committed:			
3544	Other	462,000	-
3545	Campus Activity	-	-
Assigned:			
3550	Construction	-	-
3565	Solar Panels	2,851,995	-
3590	Other	43,280	-
3600	Unassigned	51,239,775	-
3000	Total Fund Balances	54,999,297	5,369,917
4000	Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 63,906,174	\$ 6,910,292

The accompanying notes to the financial statements are an integral part of this statement.

Exhibit B-1

<u>Capital Projects Fund</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
\$ 1,491,685	\$ 1,640,728	\$ 10,368,667
24,323,237	2,400,725	73,341,434
-	-	5,090,255
-	-	(50,902)
-	1,317,344	11,985,195
8,249	2,062	45,290
-	6,511	797,118
-	13,988	41,691
12,882	376	312,687
-	-	102,818
<u>\$ 25,836,053</u>	<u>\$ 5,381,734</u>	<u>\$ 102,034,253</u>
<u>\$ 25,836,053</u>	<u>\$ 5,381,734</u>	<u>\$ 102,034,253</u>
\$ 3,022,417	\$ 563,085	\$ 5,387,455
-	-	1,564,349
-	19,859	2,036,860
1,556	788,147	795,758
-	3,022	3,022
294,146	-	299,832
-	181,545	194,400
<u>3,318,119</u>	<u>1,555,658</u>	<u>10,281,676</u>
-	-	5,039,353
-	-	<u>5,039,353</u>
12,882	376	312,687
-	-	102,818
-	2,111,397	2,111,397
19,105,052	-	19,105,052
-	-	5,369,917
-	-	462,000
-	1,714,303	1,714,303
3,400,000	-	3,400,000
-	-	2,851,995
-	-	43,280
-	-	51,239,775
<u>22,517,934</u>	<u>3,826,076</u>	<u>86,713,224</u>
<u>\$ 25,836,053</u>	<u>\$ 5,381,734</u>	<u>\$ 102,034,253</u>

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PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
AUGUST 31, 2018

Exhibit B-1R

Total Fund Balances - Governmental Funds (Exhibit B-1) \$ 86,713,224

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	\$ 686,623,951	
Accumulated Depreciation of Governmental Capital Assets	<u>(165,263,170)</u>	521,360,781

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. 5,039,353

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

Bonds Payable, at Original Par	\$ (417,770,000)	
Premium on Bonds Payable	(40,964,866)	
Accrued Interest on the Bonds	(801,747)	
Notes Payable	(2,620,709)	
Accrued Interest on Notes Payable	(35,032)	
Compensated Absences	(717,041)	
Net Pension Liability	(40,236,542)	
Net OPEB Liability	<u>(74,506,447)</u>	(577,652,384)

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	\$ 4,133,841	
Workers' Compensation	<u>196,564</u>	4,330,405

Deferred charge on refunding is reported as deferred outflow in the statement of net position and is not reported in the funds due to it is not a current financial resource available to pay for current expenditures. 12,908,717

Deferred outflows for pension represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expenses/expenditures) until then. 15,919,860

Deferred inflows for pension represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. (6,154,153)

Deferred outflows for OPEB represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expenses/expenditures) until then. 1,258,683

Deferred inflows for OPEB represents an acquisition of net position that applies to future period(s) and will not be recognized as an inflow of resources (revenue) until that time. (31,166,188)

Total Net Position - Governmental Activities (Exhibit A-1) \$ 32,558,298

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2018

<u>Data Control Codes</u>		<u>General Fund</u>	<u>Debt Service Fund</u>
REVENUES			
5700	<i>Local and Intermediate Sources</i>	\$ 130,384,850	\$ 61,291,203
5800	<i>State Programs</i>	83,988,442	977,928
5900	<i>Federal Programs</i>	4,258,967	-
5020	Total Revenues	<u>218,632,259</u>	<u>62,269,131</u>
EXPENDITURES			
Current:			
0011	<i>Instruction</i>	130,463,375	-
0012	<i>Instructional Resources and Media Services</i>	3,413,499	-
0013	<i>Curriculum and Instructional Staff Development</i>	6,681,616	-
0021	<i>Instructional Leadership</i>	4,088,958	-
0023	<i>School Leadership</i>	13,123,088	-
0031	<i>Guidance, Counseling, and Evaluation Services</i>	9,326,901	-
0032	<i>Social Work Services</i>	759,419	-
0033	<i>Health Services</i>	2,798,414	-
0034	<i>Student Transportation</i>	8,719,028	-
0035	<i>Food Services</i>	174,137	-
0036	<i>Extracurricular Activities</i>	6,390,958	-
0041	<i>General Administration</i>	5,666,991	-
0051	<i>Plant Maintenance and Operations</i>	16,587,299	-
0052	<i>Security and Monitoring Services</i>	3,022,332	-
0053	<i>Data Processing Services</i>	3,269,996	-
0061	<i>Community Services</i>	8,557	-
Debt Service:			
0071	<i>Principal on Long-term Debt</i>	480,857	38,005,000
0072	<i>Interest on Long-term Debt</i>	89,542	21,451,884
0073	<i>Issuance Costs and Fees</i>	-	31,305
Capital Outlay:			
0081	<i>Facilities Acquisition and Construction</i>	-	-
Intergovernmental:			
0095	<i>Payments to Juvenile Justice Alternative Education Programs</i>	13,588	-
0099	<i>Payments to Appraisal District</i>	877,432	-
6030	Total Expenditures	<u>215,955,987</u>	<u>59,488,189</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,676,272</u>	<u>2,780,942</u>
OTHER FINANCING SOURCES			
7915	<i>Transfers In</i>	<u>1,575,000</u>	-
7080	Total Other Financing Sources	<u>1,575,000</u>	-
1200	Net Change in Fund Balances	4,251,272	2,780,942
0100	Fund Balances - Beginning	50,748,025	2,588,975
3000	Fund Balances - Ending	<u><u>\$ 54,999,297</u></u>	<u><u>\$ 5,369,917</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

<u>Capital Projects Fund</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
\$ 596,547	\$ 6,551,080	\$ 198,823,680
-	1,785,101	86,751,471
-	17,724,985	21,983,952
<u>596,547</u>	<u>26,061,166</u>	<u>307,559,103</u>
3,341,292	9,312,526	143,117,193
196,749	96,322	3,706,570
70,413	902,488	7,654,517
-	84,508	4,173,466
15,368	141,822	13,280,278
85	309,314	9,636,300
-	102,246	861,665
77,987	47,747	2,924,148
49,752	1,579	8,770,359
2,769	12,501,074	12,677,980
488,303	1,272,869	8,152,130
290,762	2,562	5,960,315
3,546,226	708,320	20,841,845
257,279	277,970	3,557,581
2,675,207	-	5,945,203
-	182,258	190,815
-	-	38,485,857
-	-	21,541,426
-	-	31,305
5,767,170	-	5,767,170
-	-	13,588
-	-	877,432
<u>16,779,362</u>	<u>25,943,605</u>	<u>318,167,143</u>
<u>(16,182,815)</u>	<u>117,561</u>	<u>(10,608,040)</u>
-	-	1,575,000
-	-	1,575,000
(16,182,815)	117,561	(9,033,040)
38,700,749	3,708,515	95,746,264
<u>\$ 22,517,934</u>	<u>\$ 3,826,076</u>	<u>\$ 86,713,224</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 FISCAL YEAR ENDED AUGUST 31, 2018

Exhibit B-2R

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ (9,033,040)

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

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

Capital Assets <i>increased</i>	\$ 8,300,785	
Depreciation Expense	<u>(12,886,962)</u>	(4,586,177)

The net effect of miscellaneous transactions involving capital assets (transfers, adjustments and dispositions) is an increase (decrease) to net position. (23,131)

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. 606,505

Repayment of note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 480,857

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 38,005,000

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The increase (decrease) in interest reported in the statement of activities consist of the following:

Accrued Interest on Current Interest Bonds Payable <i>decreased</i>	\$ 78,309	
Accrued Interest on Notes Payable <i>decreased</i>	6,427	
Amortization of Bond Premium	4,972,514	
Amortization of Deferred Charge on Refunding Bonds	<u>(1,207,133)</u>	3,850,117

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. 546,993

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	584,955
Workers' Compensation	(58,245)

The net change in net pension liability, deferred outflows, and deferred inflows is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. The net change consists of the following:

Deferred Outflows Increased (Decreased)	\$ (4,563,772)	
Deferred Inflows (Increased) Decreased	(3,482,711)	
Net Pension Liability (Increased) Decreased	6,098,843	(1,947,640)

The net change in net OPEB liability, deferred outflows, and deferred inflows is reported in the statement of activities but does not require the use of current financial measurement and, therefore, is not reported as expenditures in the governmental funds. The net change consists of the following:

Deferred Outflows Increased (Decreased)	\$ 367,919	
Deferred Inflows (Increased) Decreased	(31,166,188)	
Net Pension Liability (Increased) Decreased	<u>57,030,921</u>	<u>26,232,652</u>

Change in Net Position for Governmental Activities (Exhibit A-2) \$ 54,658,846

The accompanying notes to the financial statements are an integral part of this statement.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AUGUST 31, 2018

Exhibit C-1

<u>Data Control Codes</u>	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund - Extended Day Program</u>	<u>Internal Service Funds</u>
ASSETS		
Current Assets:		
1110	\$ 519,886	\$ 675,195
1120	-	4,922,340
1250	-	2,774
1290	-	479,209
1490	-	439,114
	<u>519,886</u>	<u>6,518,632</u>
Noncurrent Assets:		
1520	89,600	-
1570	(23,296)	-
	<u>66,304</u>	<u>-</u>
1000	<u>586,190</u>	<u>6,518,632</u>
LIABILITIES		
Current Liabilities:		
2110	10,125	800,622
2160	58,371	-
2170	1,360	-
2300	57,476	-
	<u>127,332</u>	<u>800,622</u>
Noncurrent Liabilities:		
2123	-	1,387,605
	<u>-</u>	<u>1,387,605</u>
2000	<u>127,332</u>	<u>2,188,227</u>
NET POSITION		
3200	66,304	-
3900	392,554	4,330,405
3000	<u>\$ 458,858</u>	<u>\$ 4,330,405</u>

The accompanying notes to the financial statements are an integral part of this statement.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2018

Exhibit C-2

<u>Data Control Codes</u>	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund - Extended Day Program</u>	<u>Internal Service Funds</u>
OPERATING REVENUES		
5739 <i>Tuition and Fees</i>	\$ 4,031,954	\$ -
5754 <i>Interfund Services Provided</i>	-	19,264,934
5020 Total Operating Revenues	<u>4,031,954</u>	<u>19,264,934</u>
OPERATING EXPENSES		
6100 <i>Payroll Costs</i>	1,978,224	15,910
6200 <i>Purchased and Contracted Services</i>	24,571	2,446,558
6300 <i>Supplies and Materials</i>	56,059	6,016
6400 <i>Claims Expense and Other Operating Expenses</i>	166,224	16,331,319
6449 <i>Depreciation</i>	3,584	-
6030 Total Operating Expenses	<u>2,228,662</u>	<u>18,799,803</u>
Operating Income	<u>1,803,292</u>	<u>465,131</u>
NONOPERATING REVENUES		
7955 <i>Investment Earnings - Deposits and Investments</i>	-	61,579
8030 Total Nonoperating Revenues	<u>-</u>	<u>61,579</u>
Income before Transfers	1,803,292	526,710
8911 <i>Transfers Out</i>	<u>(1,575,000)</u>	<u>-</u>
1300 Change in Net Position	228,292	526,710
0100 Net Position - Beginning	230,566	3,803,695
3300 Net Position - Ending	<u>\$ 458,858</u>	<u>\$ 4,330,405</u>

The accompanying notes to the financial statements are an integral part of this statement.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2018

Exhibit C-3

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund - Extended Day Program</u>	<u>Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Employee and Employer	\$ -	\$ 20,264,934
Cash Received from Registration Fees and Tuition	4,032,843	-
Cash Payments to Suppliers for Goods and Services	(248,195)	-
Cash Payments for Employees	(1,977,757)	-
Cash Payments for Claims	-	(16,091,097)
Cash Payments for Administrative Services	-	(2,468,484)
Net Cash Provided by Operating Activities	<u>1,806,891</u>	<u>1,705,353</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers to Other Funds	<u>(1,575,000)</u>	-
Net Cash Used for Noncapital Financing Activities	<u>(1,575,000)</u>	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and Dividends Received on Investments	-	61,579
Purchase of Investments	-	(1,851,518)
Proceeds on Sale of Investments	-	36,778
Net Cash Used for Investing Activities	<u>-</u>	<u>(1,753,161)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	231,891	(47,808)
Cash and Cash Equivalents at Beginning of Year	287,995	723,003
Cash and Cash Equivalents at End of Year	\$ <u>519,886</u>	\$ <u>675,195</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Income	\$ 1,803,292	\$ 465,131
Depreciation Expense	3,584	-
Change in Assets and Liabilities:		
Increase in Other Receivables	2,984	(71,998)
Decrease in Due from Other Funds	-	1,000,000
Increase in Other Assets	-	(22,500)
Increase (Decrease) in Accounts Payable	(1,341)	345,398
Decrease in Accrued Wages Payable	16,617	-
Increase in Unearned Revenue	(2,095)	-
Increase in Claims Payable	-	(10,678)
Decrease in Due to Other Funds	(16,150)	-
Net Cash Provided by Operating Activities	\$ <u>1,806,891</u>	\$ <u>1,705,353</u>

The accompanying notes to the financial statements are an integral part of this statement.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
AUGUST 31, 2018

Exhibit D-1

<u>Data Control Codes</u>		<u>Private-Purpose Trust Fund</u>	<u>Agency Fund</u>
	ASSETS		
1110	<i>Cash and Cash Equivalents</i>	\$ 1,000	\$ 436,621
1120	<i>Current Investments</i>	262,094	-
1000	Total Assets	<u>263,094</u>	<u>\$ 436,621</u>
	LIABILITIES		
2110	<i>Accounts Payable</i>	-	\$ 2,442
2180	<i>Due to Other Governments</i>	1,000	-
2190	<i>Due to Student Groups</i>	-	434,179
2000	Total Liabilities	<u>1,000</u>	<u>\$ 436,621</u>
	NET POSITION		
3800	<i>Net Position Held in Trust</i>	262,094	
3000	Total Net Position	<u>\$ 262,094</u>	

The accompanying notes to the financial statements are an integral part of this statement.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED AUGUST 31, 2018

Exhibit D-2

<u>Data Control Codes</u>	<u>Private-Purpose Trust Fund</u>
ADDITIONS	
5742 <i>Interest</i>	\$ 4,473
5744 <i>Gifts and Contributions</i>	<u>6,310</u>
Total Additions	<u>10,783</u>
DEDUCTIONS	
6400 <i>Scholarship Funds</i>	<u>7,450</u>
Total Deductions	<u>7,450</u>
Change in Net Position	3,333
Net Position - Beginning of Year	258,761
Net Position - End of Year	\$ <u><u>262,094</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2018

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

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

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

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. Direct expenses are not eliminated from the various functional categories. Interfund services that are provided and used are not eliminated in the process of consolidation. *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.

Change in Accounting Principle

In fiscal year 2018, the District implemented Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (OPEB) – which supersedes GASB Statement No. 45.

The requirements of Statement No. 75 apply to the financial statements of all state and local government employers whose employees are provided postemployment benefits other than pensions that are administered through trusts or equivalent arrangements, and to the financial statements of state and local government in which the non-employer contributing entity (State) and District have a legal obligation to make contributions directly to such OPEB plan. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures related to the OPEB plan. Note disclosure and RSI requirements about the OPEB plan also are addressed. The implementation of Statement No.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2018

75 has no impact on the District's governmental fund financial statements, which continue to report expenditures in the contribution amount determined legislatively. The calculation of OPEB contributions is unaffected by the change. However, the implementation has resulted in the restatement of the District's beginning net position for the fiscal year 2018 government-wide financial statements to reflect the reporting of net OPEB liability and deferred inflows of resources and deferred outflows of resources for its qualified OPEB plan and the recognition of OPEB expense in accordance with the provisions of the Statement. Net position as of September 1, 2017 was decreased by \$130,646,604 to reflect the cumulative effect of implementation. An aggregate net OPEB liability of \$131,537,368 offset by aggregate deferred outflows of resources of \$890,764 at August 31, 2017 were reported as a prior period adjustment to the net position on September 1, 2017. Refer to Note 13 for more information regarding the District's OPEB plan. At transition, a government recognizes a beginning deferred outflows of resources for its OPEB contributions, if any, made subsequent to the measurement date of the beginning net OPEB liability. Since the measurement date of the OPEB plan was different than the District's fiscal year-end, the District reported contributions to the plan subsequent to the respective measurement date of each plan as an increase in deferred outflows of resources and a decrease in net position. The beginning deferred outflows for OPEB includes contributions from September 1, 2016 through August 31, 2017, totaling \$890,764.

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 property tax revenues to be available if they are collected within 60 days and all other revenues within 120 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as required under accrual accounting. However, debt service expenditures, as well as expenditures related to pension liability, OPEB liability, compensated absences and claims and judgments, are recorded only when payment is due.

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, property taxes, 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.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2018

The District reports the following nonmajor governmental funds:

- The *special revenue funds* are used to account for resources restricted to, or committed 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, and special projects fund 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, grants and contributions not restricted to a specific program, 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, other miscellaneous operating costs to run the program, and depreciation. 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, except for certain investment pools, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost or fair value.

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."

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2018

Property tax receivables, including unpaid property taxes, at year-end are shown net of an allowance for uncollectibles. The property tax receivable allowance is based on historical experience in collecting taxes. Revenues from property taxes are recognized when levied to the extent they are available. The District considers property taxes as available when collected. However, not all outstanding property taxes are expected to be collected within one year of the date of the financial statements.

Property values are determined by Williamson Central Appraisal District and Travis Central Appraisal District as of January 1 of each year. Prior to September 1 of each year, the District must adopt its annual budget and as soon thereafter as practicable, shall adopt a tax rate thus creating the tax levy. Property taxes for the current calendar year are levied on approximately October 1 of each year and are payable by January 31 of the following year. Property tax receivables are recorded as of the date levied. Unpaid taxes become delinquent on February 1 and a tax lien on real property is created as of July 1 of each year. Delinquent taxes collected are prorated between the general fund and the debt service fund based on rates adopted for the year of levy. Deferred inflows of resources are recorded in an amount equal to the net taxes receivable less subsequent 60 day collection at the fund level.

Inventories and Prepaid items

Inventories consisting of supplies and materials are valued at weighted average cost and they include maintenance, custodial, 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.

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 acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend 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	7-50
Furniture and Equipment	5-30

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2018

Compensated Absences

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

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

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

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

Long-term Obligations

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

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

The current requirements for general obligation bonds principal and interest expenditures are accounted for in the debt service fund. Notes payable principal and interest expenditures are accounted for in the general fund. The current and past requirements for other long-term liabilities are generally liquidated with resources of the general fund.

Deferred Outflows/Inflows of Resources

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

Deferred outflows/inflows of resources are amortized as follows:

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

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2018

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 of Trustees (Board) delegates to the Superintendent or the Superintendent’s designee the responsibility to assign funds as authorized by board policy approved by the Board. 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 Operating 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.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2018

Pension

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

Other Postemployment Benefits

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

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.

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 TEA in order to ensure accuracy in building a statewide database for policy development and funding plans.

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information

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

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

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2018

The appropriated budget is prepared by fund, function, and campus/department. The District’s campus/department heads may make transfers of appropriations within a department. Transfers of appropriations between campus/department require the approval of the District’s management. Transfers of appropriations between functions require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the function level within a fund. The District made several supplemental budgetary versions throughout the year, primarily in the general fund. These versions are further detailed in the notes to the required supplementary information.

Excess of Expenditures Over Appropriations

For the fiscal year ended August 31, 2018, expenditures exceeded appropriations in the functions (the legal level of budgetary control) as follows:

<u>Fund</u>	<u>Function</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Special Revenue Fund - National School Breakfast and Lunch Program	35	\$ 11,996,935	\$ 12,501,074	\$ (504,139)

Encumbrances

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

At August 31, 2018, certain amounts which were previously restricted, committed, or assigned for specific purposes have been encumbered in the governmental funds. These amounts are as follows:

	<u>Encumbrances Included in:</u>		
	<u>Restricted Fund Balance</u>	<u>Committed Fund Balance</u>	<u>Assigned Fund Balance</u>
General Fund	\$ -	\$ 462,000	\$ 43,280
Capital Projects Fund	4,410,235	-	-
National School Breakfast and Lunch	7,919	-	-
Campus Activity Funds		4,358	-
Total Encumbrances	\$ 4,418,154	\$ 466,358	\$ 43,280

Note 3 - Deposits and Investments

Cash Deposits

The District's funds are required to be deposited and invested under the terms of a depository contract pursuant to the Texas School Depository Act. The depository bank pledges securities which comply with state law and these securities are held for safekeeping and trust with the District's and the depository bank’s agent bank. The pledged securities are in compliance with the Texas Government Code, Chapter 2257 “Collateral for Public Funds”, and are 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 2018, the District invested in LOGIC, Lone Star, TexasDAILY, Texas CLASS, TexasTERM, and commercial paper.

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LOGIC is duly chartered by the State of Texas Interlocal Cooperation Act, is administered by First Southwest Asset Management, Inc. and J.P. Morgan Investment Management, Inc. (JPMIM), and managed by JPMIM. J.P. Morgan Chase provides custody, fund accounting and transfer agency services. LOGIC may invest in obligations of the U.S. or its agencies and instrumentalities; repurchase agreements; SEC-registered money market funds rated in the highest rating category by at least one nationally recognized statistical rating organization (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. The District currently invests in Lone Star Corporate Overnight, and Lone Star Corporate Overnight Plus.

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

TexasTERM is a local government investment pool organized in the year 2000 in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. TexasTERM is directed by an Advisory Board of experienced local government officials, finance directors and treasurers and is administered by PFM Asset Management, LLC. US Bank, N.A. is the custodial bank. TexasTERM offers a series of professionally managed portfolios that are available to government entities in the State of Texas. The District currently invests in the following:

- TexasDAILY, a money market portfolio with daily liquidity that is rated AAAM* by Standard & Poor's.
- TexasTERM, a fixed-rate, fixed-term portfolio, rated AAAf* by Standard & Poor's, that enables investors to lock in a fixed rate for a term of 60 days to 365 days.

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

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

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

The District's investments are measured as presented in the table below. The District's investment balances, weighted average maturity, and credit risk of such investments are as follows:

	<u>Current Investments</u>	<u>Other Observable Inputs (Level 2)</u>	<u>Percent of Total Investments</u>	<u>Weighted Average Maturity (Days)</u>	<u>Credit Risk</u>
Investments Measured at Amortized Cost					
Investment Pools:					
Lone Star Corporate Overnight Fund	\$ 5,074,150	\$ -	6.48%	37	AAAm
TexasDAILY	136,151	-	0.17%	29	AAAm
Investments Measured at Fair Value, not Subject to Level Reporting					
Investment Pools:					
Lone Star Corporate Overnight Plus Fund	19,772,865	-	25.26%	48	AAAf
LOGIC	17,026,250	-	21.75%	34	AAAm
TexasCLASS	15,410,655	-	19.69%	47	AAAm
TexasTERM	1,000,000	-	1.28%	48	AAAf
Investments Subject to Fair Value, Subject to Level Reporting					
Commercial Paper	19,843,703	19,843,703	25.35%	82	A-1
Totals	<u>\$ 78,263,774</u>	<u>\$ 19,843,703</u>	<u>100.00%</u>	<u>53</u>	
Portfolio Weighted Average Maturity				<u>53</u>	

Investment Pools are measured at amortized cost or fair value. Such investments are not required to be reported by levels in the table above.

Commercial paper is reported at fair value and is subject to fair value reporting.

The Lone Star Corporate Overnight Fund and TexasDAILY investment pools and are external investment pools measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, investment pools must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity and diversification requirements within the investment pool. The investment pools transact at a net asset value of \$1.00 per share, have weighted average maturity of 60 days or less and weighted average life of 120 days or less, investments held are highly rated by nationally recognized statistical rating organization, have no more than 5% of portfolio with one issuer (excluding US government securities), and can meet reasonably foreseeable redemptions. Such pools have a redemption notice period of one day and no maximum transaction amounts. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pools' liquidity.

The Lonestar Corporate Overnight Plus Fund, LOGIC, Texas CLASS, and TexasTERM investment pools are external investment pools measured at fair value. Such pools strategy is to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. The District has no unfunded commitments related to the investment pool. Each pool has a redemption notice period of one day and may redeem daily. The investment pool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pool's liquidity.

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Credit Risk

For fiscal year 2018, the District invested in investment pools and commercial paper. The credit ratings for investments are noted in the preceding table.

Interest Rate Risk

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

The District recognizes that investment risk can result from market price changes. Investment officers are expected to display prudence, discretion, and intelligence in the selection of securities, as a way to minimize risk. Investments of the District shall be selected in a manner that seeks to ensure the preservation of capital in the overall portfolio. The interest rate risk is managed as noted in the preceding table presentation of weighted average maturity in days for each investment type.

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 six pools for diversification and security reasons.

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of August 31, 2018, District's banks' balances of \$16,809,420 were not exposed to custodial credit risk because such balances were insured and collateralized with securities held by the District's agent in the District's name.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

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Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. District policy requires investments to be in the District’s name or held by the District’s agent in the District’s name. The District is not exposed to custodial risk due to the investments are in the District’s name or held by the District’s agent in the District's name.

Note 4 - Receivables

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

Change in uncollectibles Related to General Fund Property Taxes	\$ (4,197)
Change in uncollectibles Related to Debt Service Property Taxes	(1,929)
<i>Total Change in Uncollectibles of the Current Fiscal Year</i>	<u><u>\$ (6,126)</u></u>

Approximately 95% 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:

	Unearned
Season Ticket Sales (General Fund)	\$ 5,000
Rental Deposits (General Fund)	6,481
Pre-K Tuition (General Fund)	1,289
Kickstart (General Fund)	85
Funds Received Prior to Meeting all Eligibility Requirements, Primarily Grants (Special Revenue Funds)	181,545
<i>Total Unearned Revenue for Governmental Funds</i>	<u><u>194,400</u></u>
Tuition Fees for Next Year (Enterprise Fund)	57,476
<i>Total Unearned Revenue for Proprietary Funds</i>	<u><u>57,476</u></u>
<i>Total Unearned Revenue</i>	<u><u>\$ 251,876</u></u>

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Note 5 - Capital Assets

The District's capital asset activity for the year ended August 31, 2018 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions and Transfers</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 38,869,407	\$ -	\$ -	\$ 38,869,407
Construction in Progress	169,711,761	5,851,011	(50,989,254)	124,573,518
Total Capital Assets, not being Depreciated	<u>208,581,168</u>	<u>5,851,011</u>	<u>(50,989,254)</u>	<u>163,442,925</u>
Capital Assets, being Depreciated:				
Buildings and Improvements	424,956,310	31,741	47,360,403	472,348,454
Furniture and Equipment	44,982,508	2,418,033	3,432,031	50,832,572
Total Capital Assets, being Depreciated	<u>469,938,818</u>	<u>2,449,774</u>	<u>50,792,434</u>	<u>523,181,026</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(129,276,460)	(9,700,885)	30,700	(138,946,645)
Furniture and Equipment	(23,273,437)	(3,186,077)	142,989	(26,316,525)
Total Accumulated Depreciation	<u>(152,549,897)</u>	<u>(12,886,962)</u>	<u>173,689</u>	<u>(165,263,170)</u>
Total Capital Assets, being Depreciated, net	<u>317,388,921</u>	<u>(10,437,188)</u>	<u>50,966,123</u>	<u>357,917,856</u>
Governmental Activities Capital Assets, net	<u>\$ 525,970,089</u>	<u>\$ (4,586,177)</u>	<u>\$ (23,131)</u>	<u>\$ 521,360,781</u>
Business-type Activities:				
Capital Assets, being Depreciated:				
Buildings and Improvements	\$ 89,600	\$ -	\$ -	\$ 89,600
Total Capital Assets, being Depreciated	<u>89,600</u>	<u>-</u>	<u>-</u>	<u>89,600</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(19,712)	(3,584)	-	(23,296)
Total Accumulated Depreciation	<u>(19,712)</u>	<u>(3,584)</u>	<u>-</u>	<u>(23,296)</u>
Business-type Activities Capital Assets, net	<u>\$ 69,888</u>	<u>\$ (3,584)</u>	<u>\$ -</u>	<u>\$ 66,304</u>

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

Governmental Activities	
11 Instruction	\$ 5,842,606
12 Instructional Resources and Media Services	502,948
13 Curriculum Development and Instructional Staff Development	4,468
23 School Leadership	422,137
31 Guidance, Counseling, and Evaluation Services	47,310
32 Social Work Services	2,789
34 Student Transportation	38,382
35 Food Services	857,372
36 Extracurricular Activities	1,955,774
41 General Administration	92,000
51 Plant Maintenance and Operations	1,871,943
52 Security and Monitoring Services	72,173
53 Data Processing Services	1,168,124
61 Community Services	8,936
Total Depreciation Expense-Governmental Activities	<u>\$ 12,886,962</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

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Construction Commitments

The District has active construction projects as of August 31, 2018. The projects include the construction and equipment of school facilities. At year-end, the District's commitments with contractors are as follows:

<u>Project</u>	<u>Approved Construction Budget</u>	<u>Remaining Commitment</u>
ESA Energy Systems Associates	\$ 87,500	\$ 17,375
Joeris General Contractors-ES #21 GMP 2	22,662,750	124,946
ESA Energy Systems Associates	48,000	9,800
NAVCON Group LLC-Repurpose Old TES	4,625,713	2,876,650
PBK-Architect Old TES Renovations	190,260	19,350
PBK-Architect Repurpose Old TES	277,548	47,122
ESA Energy Systems Associates	39,080	36,380
Huckabee-Architect WES/WPS Combined	255,000	220,730
Totals	\$ 28,185,851	\$ 3,352,353

Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of August 31, 2018 is as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental Funds:		
General Fund	\$ 790,607	\$ 6,055
Capital Projects Fund	-	1,556
Nonmajor-Other Governmental Funds	6,511	788,147
Proprietary Funds:		
Enterprise Fund - Extended Day Program	-	1,360
Totals	\$ 797,118	\$ 797,118

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 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, 2018.

<u>Transfer Out</u>	<u>Transfers In</u>	<u>Amount</u>
Enterprise Fund-Extended Day Program	General Fund	\$ 1,575,000
Total		\$ 1,575,000

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

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

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
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Note 7 - Long-term Liabilities

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

Changes in Long-term Liabilities

Long-term liability activity for the year ended August 31, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Bonds Payable:					
General Obligation Bonds	\$ 455,775,000	\$ -	\$ (38,005,000)	\$ 417,770,000	\$ 21,190,000
Issuance Premiums	45,937,380	-	(4,972,514)	40,964,866	-
Total Bonds Payable, gross	<u>501,712,380</u>	<u>-</u>	<u>(42,977,514)</u>	<u>458,734,866</u>	<u>21,190,000</u>
Notes Payable	3,101,566	-	(480,857)	2,620,709	494,739
Health Insurance Claims	1,021,113	15,678,482	(15,780,978)	918,617	918,617
Workers' Compensation	377,170	499,401	(407,583)	468,988	468,988
Compensated Absences	1,264,034	-	(546,993)	717,041	71,704
Net Pension Liability	46,335,385	5,616,899	(11,715,742)	40,236,542	-
Net OPEB Liability*	131,537,368	12,610	(57,043,531)	74,506,447	-
Governmental Activity					
Long-term Liabilities	<u>\$ 685,349,016</u>	<u>\$ 21,807,392</u>	<u>\$ (128,953,198)</u>	<u>\$ 578,203,210</u>	<u>\$ 23,144,048</u>

* Per GASB Statement No. 75, beginning balance for net OPEB liability includes the restatement of the net OPEB liability at September 1, 2017.

General Obligation Bonds

The District issues general obligation bonds to provide funds for the acquisition and construction/renovation of school buildings, equipment and technology (BLDG) and to refund general obligation bonds (REF). General obligation bonds are direct obligations and pledge the full faith and credit of the District. These bonds are issued as current interest bonds with various amounts of principal maturing each year. General obligation bonds currently outstanding as of August 31, 2018 are as follows:

<u>Series</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Maturity Date</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
2008 BLDG	3.50%	\$ 121,715,000	2033	\$ 4,175,000	\$ -	\$ (4,175,000)	\$ -
2010 REF	4.00-5.00%	20,420,000	2019	3,560,000	-	(1,205,000)	2,355,000
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	18,915,000	-	(1,310,000)	17,605,000
2012 REF	2.00-5.00%	40,765,000	2030	37,780,000	-	(2,755,000)	35,025,000
2012A REF	0.50-5.00%	38,645,000	2026	25,375,000	-	(7,565,000)	17,810,000
2014 BLDG	0.50-5.00%	212,795,000	2038	207,860,000	-	(20,995,000)	186,865,000
2014A BLDG	2.00-7.00%	49,670,000	2038	27,260,000	-	-	27,260,000
2014 REF	4.00-5.00%	107,275,000	2033	107,275,000	-	-	107,275,000
Totals				<u>\$ 455,775,000</u>	<u>\$ -</u>	<u>\$ (38,005,000)</u>	<u>\$ 417,770,000</u>

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

Year Ending August 31,	Principal Value	Interest	Total Requirements
2019	\$ 21,190,000	\$ 17,703,451	\$ 38,893,451
2020	19,090,000	18,458,801	37,548,801
2021	19,925,000	17,627,351	37,552,351
2022	20,855,000	16,690,601	37,545,601
2023	21,875,000	15,673,163	37,548,163
2024	22,905,000	14,643,301	37,548,301
2025	23,980,000	13,566,451	37,546,451
2026	25,275,000	12,268,957	37,543,957
2027	22,405,000	11,120,613	33,525,613
2028	23,500,000	10,054,231	33,554,231
2029	23,365,000	9,038,275	32,403,275
2030	22,455,000	8,113,200	30,568,200
2031	21,455,000	7,244,250	28,699,250
2032	22,570,000	6,423,950	28,993,950
2033	20,950,000	5,477,550	26,427,550
2034	18,105,000	4,495,550	22,600,550
2035	19,135,000	3,468,875	22,603,875
2036	20,290,000	2,312,375	22,602,375
2037	15,095,000	1,082,825	16,177,825
2038	13,350,000	333,750	13,683,750
Totals	\$ 417,770,000	\$ 195,797,520	\$ 613,567,520

As of August 31, 2018, the District did not have authorized but unissued bonds remaining.

In June 2014, the District issued \$49,670,000 in variable rate unlimited tax school building bonds (2014A). These bonds are scheduled to mature on August 15, 2038. Following the initial rate period, the bonds will bear interest at a term rate determined by the remarketing agent; however, the interest rate mode on the bonds may, at the District's option, be converted from time to time as provided in the order authorizing the bonds to a different term rate or to a fixed rate until maturity. The bonds are subject to mandatory tender on the initial mandatory tender date, subject to successful remarketing thereof unless otherwise refunded.

Variable Rate Unlimited Tax School Building Bonds, Series 2014A

Principal Amount	Initial Rate Period Commencement	Initial Rate Period Expiration	Initial Mandatory Tender Date	Stated Maturity	Initial Rate	Initial Yield	Stepped Rate
\$27,260,000	July 15, 2014	August 14, 2019	August 15, 2019	August 15, 2038	2.000%	1.700%	7.000%

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

In 2018, the District defeased \$17,720,000 of outstanding bonds by placing funds accumulated by the Debt Service Fund in an irrevocable escrow account to provide for redemption of certain future debt service payments on the Series 2014 building bonds. In prior years, the District defeased \$22,410,000 of the Series 2014A building bonds.

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Prior to August 31, 2018, the District defeased certain outstanding bonds by placing available cash or the proceeds of new bonds, in an irrevocable trust to provide for all future debt service payments on the refunded 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, 2018, the following outstanding bonds are considered defeased:

2011	Unlimited Tax Refunding Bonds (maturing 2018-2026, callable February 15, 2021)	\$ 5,185,000
2014	Unlimited Tax School Building Bonds (maturing 2038-2039, callable February 15, 2024)	17,720,000
2014A	Unlimited Tax School Building Bonds (maturing 2039, callable August 15, 2019)	22,410,000
		<u>\$ 45,315,000</u>

In accordance with the provisions of Section 148(f) of the Internal Revenue Code of 1986, as amended, bonds must satisfy certain arbitrage rebate requirements. Positive arbitrage is the excess of: (1) the amount earned on investments purchased with bond proceeds, or (2) the amount that such investments would have earned had such investments been invested at a rate equal to the yield on the bond issue. In order to comply with the arbitrage rebate requirements, positive arbitrage must be paid to the U.S. Treasury at the end of each five-year anniversary date of the bond issue. The District has estimated that it has no arbitrage liability as of August 31, 2018.

Notes Payable

The District issued a note to provide funds to purchase solar panels. 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	\$ 3,101,566	\$ -	\$ (480,857)	\$ 2,620,709
<i>Totals</i>				<u>\$ 3,101,566</u>	<u>\$ -</u>	<u>\$ (480,857)</u>	<u>\$ 2,620,709</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>
2019	\$ 494,739	\$ 75,660	\$ 570,399
2020	509,022	61,377	570,399
2021	523,718	46,681	570,399
2022	538,837	31,562	570,399
2023	554,393	16,006	570,399
<i>Totals</i>	<u>\$ 2,620,709</u>	<u>\$ 231,286</u>	<u>\$ 2,851,995</u>

Note 8 - Fund Balance

The other committed general fund balance is committed to fund Kickstart activities for the following fiscal year.

The general fund other assigned of \$43,280 was assigned for expenditures related to the 2018-2019 budget.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

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Note 9 - Revenues from Local and Intermediate Sources

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

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Property Taxes	\$ 126,851,421	\$ 60,957,094	\$ -	\$ -	\$ 187,808,515
Charges for Services	1,964,646	-	-	6,098,620	8,063,266
Investment Earnings	1,120,690	334,109	543,616	28,064	2,026,479
Other	448,093	-	52,931	424,396	925,420
Totals	\$ 130,384,850	\$ 61,291,203	\$ 596,547	\$ 6,551,080	\$ 198,823,680

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

Health Insurance Coverage

On January 1, 2011, the District implemented a self-funded employee group health insurance plan and such transactions are accounted for in an Internal Service Fund. During the 2017-2018 fiscal year, the District’s monthly medical contributions were \$400 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 but not reported (IBNR). The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. The result of the process to estimate the claims liability is based on the District’s historical experience. An excess coverage insurance policy limits claims paid from the fund to an annual specific deductible of \$300,000. There were no significant reductions in insurance coverage from the prior year. Settlements have not exceeded coverages for each of the past three fiscal years. Changes in health insurance claims liability in fiscal years 2017 and 2018 were as follows:

Fiscal Year General	Beginning of Year Accrual	Current Year Estimates	Claims Payments	End of Year Accrual
2017	\$ 1,006,038	\$ 15,064,939	\$ (15,049,864)	\$ 1,021,113
2018	1,021,113	15,678,482	(15,780,978)	918,617

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Workers' Compensation

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

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

The District contributed estimated premiums to the internal service fund based on standard state rates. The District purchased excess coverage from Midwest Employers Casualty Company, a commercial insurer licensed in the State of Texas. The District's retention under this excess policy is limited to \$450,000 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 2017 and 2018 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>
2017	\$ 446,608	\$ 190,144	\$ (259,582)	\$ 377,170
2018	377,170	499,401	(407,583)	468,988

Note 11 - Litigation and Contingent Liabilities

The District is a defendant in legal claims arising principally in the normal course of operations. In the opinion of the District's management, the claims 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, 2018, these programs are subject to financial and compliance audits by the grantor agencies. The District is also subject to audit by the TEA of the attendance data upon which payments from the agency are based. These audits could result in questioned costs or refunds to be paid back to the granting agencies.

Note 12 - Pension Information

Plan Description

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

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

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

Pension Plan Fiduciary Net Position

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

Benefits Provided

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

Contributions

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

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 through 2017. The 84th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for Plan fiscal years 2016 and 2017 and the 85th Texas Legislature, GAA established the employer contribution rates for Plan fiscal years 2018 and 2019. Rates for such plans fiscal years are as follows:

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Member	7.7%	7.7%	7.2%
Non-Employer Contributing Entity (State)	6.8%	6.8%	6.8%
Employers/District	6.8%	6.8%	6.8%

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

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The contribution amounts for the District's fiscal year 2017 are as follows:

District Contributions	\$	4,335,358
Member Contributions		11,698,462
NECE on-behalf Contributions (State)		7,991,681

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

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

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

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

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

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

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Actuarial Assumptions

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

Valuation Date	August 31, 2017
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	8.00%
Long-term Expected Rate	8.00%
Municipal Bond Rate	N/A *
Last Year Ending August 31 in the 2017 to 2116 projection period (100 years)	2116
Inflation	2.50%
Salary Increases	3.50% to 9.50% Including Inflation
Ad Hoc Post-employment Benefit Changes	None

*If a municipal bond rate was to be used, the rate would be 3.42% as of August 2017 (i.e. the rate closest to but not later than the Measurement Date). The source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."

The actuarial methods and assumptions are based primarily on a study of actual experience for the four year period ending August 31, 2014 and adopted on September 24, 2015.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

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Discount Rate

The discount rate used to measure the total pension liability was 8.0%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 8.0%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2017 are summarized below:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return	Expected Contribution to Long-Term Portfolio Returns*
Global Equity:			
U.S.	18.0%	4.6%	1.0%
Non-U.S. Developed	13.0%	5.1%	0.8%
Emerging Markets	9.0%	5.9%	0.7%
Directional Hedge Funds	4.0%	3.2%	0.1%
Private Equity	13.0%	7.0%	1.1%
Stable Value:			
U.S. Treasuries	11.0%	0.7%	0.1%
Absolute Return	0.0%	1.8%	0.0%
Stable Value Hedge Funds	4.0%	3.0%	0.1%
Cash	1.0%	(0.2%)	0.0%
Real Return:			
Global Inflation Linked Bonds	3.0%	0.9%	0.0%
Real Assets	16.0%	5.1%	1.1%
Energy and Natural Resources	3.0%	6.6%	0.2%
Commodities	0.0%	1.2%	0.0%
Risk Parity:			
Risk Parity	5.0%	6.7%	0.3%
Inflation Expectation			2.2%
Alpha			1.0%
Totals	100.0%		8.7%

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

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2018

Discount Rate Sensitivity Analysis

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

1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
\$ <u>67,830,860</u>	\$ <u>40,236,542</u>	\$ <u>17,259,794</u>

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

At August 31, 2018, the District reported a liability of \$40,236,542 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District are as follows:

District's Proportionate Share of the Net Pension Liability	\$ 40,236,542
State's Proportionate Share of the Net Pension Liability Associated with the District	75,149,622
Total	\$ <u>115,386,164</u>

The net pension liability was measured as of August 31, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2016 through August 31, 2017.

At August 31, 2017, the employer's proportion of the net pension liability was .1258390%, which was an increase of .0032214% from its proportion measured as of August 31, 2016.

Changes Since the Prior Actuarial Valuation

There were no changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period.

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

For the year ended August 31, 2018, the District recognized pension expense of \$12,015,112 and revenue of \$5,732,114 for support provided by the State.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

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At August 31, 2018, the District reported deferred outflows of resources for contributions made after the measurement date and its proportionate share of the TRS’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 588,679	\$ 2,169,904
Changes of Assumptions	1,832,838	1,049,257
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	2,932,351
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions (Cost-Sharing Plan)	9,162,985	2,641
District Contribution after Measurement Date	4,335,358	-
Totals	\$ 15,919,860	\$ 6,154,153

\$4,335,358 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended August 31, 2019. Other amounts reported as deferred outflows of resources (deferred inflows of resources) related to pensions will be recognized in pension expense as follows:

Year Ending August 31,		
2019		\$ 927,509
2020		3,495,912
2021		730,163
2022		(69,938)
2023		261,124
Thereafter		85,579
Total		\$ 5,430,349

Note 13 - Defined Other Postemployment Benefit Plan

Plan Description

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

OPEB Plan Fiduciary Net Position

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

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

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Benefits Provided

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

Eligible retirees and their dependents not enrolled in Medicare may pay premiums to participate in one of two optional insurance plans with more comprehensive benefits (TRS-Care 2 and TRS-Care 3). Eligible retirees and dependents enrolled in Medicare may elect to participate in one of the two Medicare health plans for an additional fee. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. There are no automatic postemployment benefit changes; including automatic COLAs.

The premium rates for the optional health insurance are based on years of service of the member. The schedule below shows the monthly rates for the average retiree with Medicare Parts A&B coverage, with 20 to 29 years of service for the basic plan and the two optional plans.

TRS-Care Plan Premium Rates
Effective September 1, 2016-December 31, 2017

	TRS-Care 1 Basic Plan	TRS-Care 2 Optional Plan	TRS-Care 3 Optional Plan
Retiree*	\$ -	\$ 70	\$ 100
Retiree and spouse	20	175	255
Retiree* and children	41	132	182
Retiree and family	61	237	337
Surviving children only	28	62	82

* or surviving spouse

Contributions

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

Texas Insurance Code, section 1575.202 establishes the state’s contribution rate which is 1.0% of the employee’s salary. Section 1575.203 establishes the active employee’s rate which is .65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

	2018	2017
Active Employee	0.65%	0.65%
Non-employer contribution entity (state)	1.25%	1.00%
Employers/District	0.75%	0.55%
Federal/private funding remitted by Employers	1.25%	1.00%

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

District contributions	\$ 1,247,020
Member contributions	987,532
NECE on-behalf contributions (state)	2,187,602

In addition, the State of Texas contributed \$452,987, \$666,595, and \$532,004 in 2018, 2017 and 2016, respectively, for on-behalf payments for Medicare Part D.

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to (*regardless of whether or not they participate in the TRS Care OPEB program*). When employers hire a TRS retiree, they are required to pay to TRS Care, a monthly surcharge of \$535 per retiree.

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$15.6 million in fiscal year 2017 and \$212 million in fiscal year 2018.

Actuarial Assumptions

The actuarial valuation of TRS-Care is similar to the actuarial valuations performed for the pension plan, except that the OPEB valuation is more complex. All of the demographic assumptions, including mortality, and most of the economic assumptions are identical to those which were adopted by the Plan's Board in 2015 and are based on the 2014 actuarial experience study of TRS.

The active mortality rates were based on 90 percent of the RP-2014 Employee Mortality Tables for males and females. The post-retirement mortality rates were based on the 2015 TRS of Texas Healthy Pensioner Mortality Tables.

The following additional actuarial methods and assumptions were employed in the August 31, 2017 actuarial valuation of the total OPEB liability:

Valuation Date	August 31, 2017
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.50%
Discount Rate*	3.42%*
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age- adjusted claims costs.
Payroll Growth Rate	2.50%
Projected Salary Increases**	3.50% to 9.50%**
Healthcare Trend Rates***	4.50% to 12.00%***
Election Rates	Normal Retirement: 70% participation prior to age 65 and 75% participation after age 65
Ad hoc post-employment benefit changes	None

*Source: Fixed Income municipal bonds with 20 years to maturity that include only federal tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of August 31, 2017.

**Includes Inflation at 2.50%

***Initial trend rates are 7.00% for non-Medicare retiree; 10.00% for Medicare retirees and 12.00% for prescriptions for all retirees. Initial trend rates decrease to an ultimate trend rate of 4.50% over a period of 10 years.

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Discount Rate

A single discount rate of 3.42% was used to measure the total OPEB liability. There was a change of .44 percent in the discount rate since the previous year. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to *not be able to* make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

Discount Rate Sensitivity Analysis The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.42%) in measuring the Net OPEB Liability.

Sensitivity of the Net OPEB Liability
to the Single Discount Rate Assumptions

1% Decrease (2.42%)	Current Single Discount Rate (3.42%)	1% Increase (4.42%)
<u>87,936,103</u>	\$ <u>74,506,447</u>	\$ <u>63,712,030</u>

Healthcare Cost Trend Rates The following presents the net OPEB liability of the plan using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is 1% lower or 1% higher than the assumed health-care cost trend rate:

Sensitivity of the Net OPEB Liability to
the Healthcare Cost Trend Rate Assumptions

1% Decrease	Current Single Healthcare Cost Trend Rate	1% Increase
<u>62,034,060</u>	\$ <u>74,506,447</u>	\$ <u>90,871,789</u>

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

At August 31, 2018, the District reported a liability of \$74,506,447 for its proportionate share of the TRS’s Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the net OPEB liability	\$ 74,506,447
State's proportionate share of the net OPEB liability associated with the District	115,824,645
Total	<u>\$ 190,331,092</u>

The Net OPEB Liability was measured as of August 31, 2017 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The employer’s proportion of the Net OPEB Liability was based on the employer’s contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2016 through August 31, 2017.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

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At August 31, 2017 the employer's proportion of the collective Net OPEB Liability was .1713333% which was the same proportion measured as of August 31, 2016.

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

1. Significant plan changes were adopted during the fiscal year ending August 31, 2017. Effective January 1, 2018, only one health plan option will exist (instead of three), and all retirees will be required to contribute monthly premiums for coverage. The health plan changes triggered changes to several of the assumptions, including participation rates, retirement rates, and spousal participation rates.

2. The August 31, 2016 valuation had assumed that the savings related to the Medicare Part D reimbursements would phase out by 2022. This assumption was removed for the August 31, 2017 valuation. Although there is uncertainty regarding these federal subsidies, the new assumption better reflects the current substantive plan. This change was unrelated to the plan amendment, and its impact was included as an assumption change in the reconciliation of the total OPEB liability. This change significantly lowered the OPEB liability.

3. The discount rate changed from 2.98% as of August 31, 2016 to 3.42% as of August 31, 2017. This change lowered the total OPEB liability.

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

GASB Statement No. 75 requires the District to record OPEB expense for the amount of the State's proportionate share of collective OPEB expense that is associated with the District, and record revenue in the same amount for the support provided by the State. For the measurement period ended August 31, 2017, the State's proportionate share of collective OPEB expense was a negative expense of \$8,504,163,580 and the portion of that amount that is associated with the District is a negative expense of \$38,758,006. This amount is recorded as a negative revenue and negative expense for the year ended August 31, 2018.

For the year ended August 31, 2018, the District recognized total negative OPEB expense of \$63,743,638, which includes both the District's proportionate share of collective OPEB expense and the portion of the State's proportionate share of collective OPEB expense that is associated with the District, as described above.

At August 31, 2018, the District reported its contribution after the measurement date and its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 1,555,379
Changes of assumptions	-	29,610,809
Net difference between projected and actual earnings on pension plan investments	11,318	-
Changes in proportion and differences between District contributions and proportionate share of contributions (cost-sharing plan)	345	-
District contributions after measurement date	1,247,020	-
Totals	\$ 1,258,683	\$ 31,166,188

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2018

\$1,247,020 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the fiscal year ended August 31, 2019. The net amounts of the employer’s balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending August 31,	
2019	\$ (4,110,875)
2020	(4,110,875)
2021	(4,110,875)
2022	(4,110,875)
2023	(4,113,705)
<i>Thereafter</i>	(10,597,320)
Total	\$ <u>(31,154,525)</u>

Note 14 - Nonmonetary Transactions

During 2018, the District received textbooks purchased by the State of Texas for the benefit of the District for a purchase price of \$202,424. The District receives the textbooks as part of state funding for textbook allotment. The textbooks have been recorded in the amount of \$202,424 in a special revenue fund as both state revenues and expenditures, which represents the amount of consideration given by the State of Texas.

Note 15 - Prior Period Adjustment

Net position at September 1, 2017 was restated per the following table for the implementation of GASB Statement No. 75, as previously described in Note 1:

	Governmental Activities
Beginning Net Position, as Originally Reported	\$ 108,546,056
Implementation of GASB 68 and 71 for Pension	(130,646,604)
<i>Beginning Net Position, Restated</i>	\$ <u>(22,100,548)</u>

Note 16 – Subsequent Event

The District issued \$42,870,000 in Certificates of Obligation, Series 2018A, and \$86,845,000 in Certificates of Obligation, Series 2018B, on November 15, 2018 in accordance with approved voter authorization that occurred on November 6, 2018.

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Required Supplementary Information

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED AUGUST 31, 2018

Exhibit E-1

Data Control Codes	1		2		3		Variance with Final Budget Positive Negative
	Budgeted Amounts				Actual		
	Original	Final					
REVENUES							
5700	Local and Intermediate Sources	\$ 129,905,000	\$ 130,150,000	\$ 130,384,850	\$ 234,850		
5800	State Programs	78,600,000	82,249,000	83,988,442	1,739,442		
5900	Federal Programs	4,100,000	4,200,000	4,258,967	58,967		
5020	Total Revenues	<u>212,605,000</u>	<u>216,599,000</u>	<u>218,632,259</u>	<u>2,033,259</u>		
EXPENDITURES							
Current:							
0011	Instruction	131,206,275	131,206,275	130,463,375	742,900		
0012	Instructional Resources and Media Services	3,497,724	3,497,724	3,413,499	84,225		
0013	Curriculum and Instructional Staff Development	6,843,904	6,843,904	6,681,616	162,288		
0021	Instructional Leadership	4,263,022	4,263,022	4,088,958	174,064		
0023	School Leadership	13,304,083	13,304,083	13,123,088	180,995		
0031	Guidance, Counseling, and Evaluation Services	9,488,484	9,488,484	9,326,901	161,583		
0032	Social Work Services	861,078	861,078	759,419	101,659		
0033	Health Services	2,760,159	2,810,159	2,798,414	11,745		
0034	Student Transportation	8,949,021	8,949,021	8,719,028	229,993		
0035	Food Services	181,228	241,228	174,137	67,091		
0036	Extracurricular Activities	6,373,057	6,398,057	6,390,958	7,099		
0041	General Administration	5,697,110	5,747,110	5,666,991	80,119		
0051	Plant Maintenance and Operations	19,155,909	18,890,909	16,587,299	2,303,610		
0052	Security and Monitoring Services	3,202,725	3,252,725	3,022,332	230,393		
0053	Data Processing Services	3,299,776	3,299,776	3,269,996	29,780		
0061	Community Services	20,088	25,088	8,557	16,531		
Debt Service:							
0071	Principal on Long-term Debt	480,857	480,857	480,857	-		
0072	Interest on Long-term Debt	89,542	89,542	89,542	-		
Intergovernmental:							
0095	Payments to Juvenile Justice Alternative Education Programs	15,000	15,000	13,588	1,412		
0099	Payments to Appraisal District	920,000	945,000	877,432	67,568		
6030	Total Expenditures	<u>220,609,042</u>	<u>220,609,042</u>	<u>215,955,987</u>	<u>4,653,055</u>		
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(8,004,042)</u>	<u>(4,010,042)</u>	<u>2,676,272</u>	<u>6,686,314</u>		
OTHER FINANCING SOURCES							
7915	Transfers In	1,575,000	1,575,000	1,575,000	-		
7080	Total Other Financing Sources	<u>1,575,000</u>	<u>1,575,000</u>	<u>1,575,000</u>	<u>-</u>		
1200	Net Change in Fund Balance	(6,429,042)	(2,435,042)	4,251,272	6,686,314		
0100	Fund Balance - Beginning	50,748,025	50,748,025	50,748,025	-		
3000	Fund Balance - Ending	<u>\$ 44,318,983</u>	<u>\$ 48,312,983</u>	<u>\$ 54,999,297</u>	<u>\$ 6,686,314</u>		

The accompanying notes to the required supplementary information are an integral part of this schedule.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

Exhibit E-2

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OF A COST-SHARING MULTIPLE-EMPLOYER PENSION PLAN
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE LAST FOUR FISCAL YEARS***

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's Proportion of the Net Pension Liability	0.1258390%	0.1226176%	0.1268027%	0.0761906%
District's Proportionate Share of the Net Pension Liability	\$ 40,236,542	\$ 46,335,385	\$ 44,823,067	\$ 20,351,563
State's Proportionate Share of the Net Pension Liability Associated with the District	75,149,622	88,868,752	83,980,979	71,421,318
Total	\$ <u>115,386,164</u>	\$ <u>135,204,137</u>	\$ <u>128,804,046</u>	\$ <u>91,772,881</u>
District's Covered Payroll	\$ 144,779,681	\$ 138,699,493	\$ 132,269,564	\$ 125,898,401
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	27.79%	33.41%	33.89%	16.17%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.17%	78.00%	78.43%	83.25%

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

The accompanying notes to the required supplementary information are an integral part of this schedule.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS TO THE TEACHER RETIREMENT
SYSTEM OF TEXAS PENSION PLAN
FOR THE LAST FOUR FISCAL YEARS*

Exhibit E-3

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
TRS				
Contractually Required Contributions	\$ 4,335,358	\$ 4,124,269	\$ 3,895,873	\$ 3,754,408
Contributions in Relation to the Contractually Required Contributions	<u>(4,335,358)</u>	<u>(4,124,269)</u>	<u>(3,895,873)</u>	<u>(3,754,408)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 District's Covered Payroll	 \$ 151,928,074	 \$ 144,779,681	 \$ 138,699,493	 \$ 132,269,564
 Contributions as a Percentage of Covered Payroll	 2.85%	 2.85%	 2.81%	 2.84%

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

The accompanying notes to the required supplementary information are an integral part of this schedule.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
OF A COST-SHARING MULTIPLE-EMPLOYER OPEB PLAN
TEACHER RETIREMENT SYSTEM OF TEXAS
LAST FISCAL YEAR*

Exhibit E-4

	<u>2018</u>
District's proportion of the net OPEB liability	0.1713333%
District's proportionate share of the net OPEB liability	\$ 74,506,447
State's proportionate share of the net pension liability associated with the District	115,824,645
Total	\$ <u>190,331,092</u>
District's Covered Payroll	\$ 144,779,681
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	51.46%
Plan fiduciary net position as a percentage of the total OPEB liability	0.91%

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

The accompanying notes to the required supplementary information are an integral part of this schedule.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS TO THE TEACHER RETIREMENT
SYSTEM OF TEXAS OPEB PLAN
LAST FISCAL YEAR*

Exhibit E-5

	<u>2018</u>
TRS	
Contractually Required Contributions	\$ 1,247,020
Contributions in Relation to the Contractually Required Contributions	<u>(1,247,020)</u>
Contribution Deficiency (Excess)	\$ <u>-</u>
District's Covered Payroll	\$ 151,928,074
Contributions as a Percentage of Covered Payroll	0.82%

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

The accompanying notes to the required supplementary information are an integral part of this schedule.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

AUGUST 31, 2018

Note 1 - Budget

Budgetary Information

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

Expenditures may not legally exceed budgeted appropriations at the function or activity level. Expenditure requests which would require an increase in total budgeted appropriations must be approved by the Trustees through formal budget amendment. State law prohibits trustees from making budget appropriations in excess of funds available and estimated revenues. State law also prohibits amendment of the budget after fiscal year end. Supplemental appropriations were made to the General Fund during the fiscal year ended August 31, 2018.

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, 2017. 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.

Excess of Expenditures Over Appropriations

For the fiscal year ended August 31, 2018, expenditures exceeded appropriations in the functions (the legal level of budgetary control) as follows:

<u>Fund</u>	<u>Function</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Special Revenue Fund - National School Breakfast and Lunch Program	35	\$ 11,987,295	\$ 12,501,074	\$ (513,779)

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Supplementary Information

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PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED AUGUST 31, 2018

Exhibit F-1

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
REVENUES					
5700	Local and Intermediate Sources	\$ 60,780,000	\$ 60,780,000	\$ 61,291,203	\$ 511,203
5800	State Programs	900,000	900,000	977,928	77,928
5020	Total Revenues	<u>61,680,000</u>	<u>61,680,000</u>	<u>62,269,131</u>	<u>589,131</u>
EXPENDITURES					
Debt Service:					
0071	Principal on Long-term Debt	39,000,000	39,000,000	38,005,000	995,000
0072	Interest on Long-term Debt	21,500,000	21,500,000	21,451,884	48,116
0073	Issuance Costs and Fees	796,526	796,526	31,305	765,221
6030	Total Expenditures	<u>61,296,526</u>	<u>61,296,526</u>	<u>59,488,189</u>	<u>1,808,337</u>
1200	Net Change in Fund Balance	383,474	383,474	2,780,942	2,397,468
0100	Fund Balance - Beginning	<u>2,588,975</u>	<u>2,588,975</u>	<u>2,588,975</u>	<u>-</u>
3000	Fund Balance - Ending	<u>\$ 2,972,449</u>	<u>\$ 2,972,449</u>	<u>\$ 5,369,917</u>	<u>\$ 2,397,468</u>

Nonmajor Governmental Funds

Special Revenue Funds

The Special Revenue Funds are used to account for financial resources restricted to or committed for specific purposes by a grantor or the District's board of trustees. These funds may be locally, state, or federally funded.

Programs accounted for in the Special Revenue Funds include:

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

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

ESEA, Title I, Part A – Improving Basic Programs

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

IDEA – Part B, Formula

Funds granted to operate educational programs for children with disabilities.

IDEA – Part B, Preschool

Funds granted for preschool children with disabilities.

National School Breakfast and Lunch Program (Child Nutrition)

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

Career and Technical – Basic Grant

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

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

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

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

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

Medicaid Administrative Claiming Program – MAC

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

LEP Summer School

Funds to provide summer school instruction for LEP students.

Title IV, Part A, Subpart 1

Funds to provide all students access to a well-rounded education, improve academic outcomes by maintaining safe and healthy students and the use of technology to advance student academic achievement.

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.

Miscellaneous State Grants

Funds to provide stipends for teachers who attended an Academy to improve their teaching skills during the summer, and to assist with paying testing fees for students to obtain licenses in their career area.

Pre-K Grant

Funds from the State used to improve and operate the Pre-K program.

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.

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).

CHS Culinary Arts/Aramark

Funds to be used for the Culinary Arts Program and Connally High School for 2012 – 2013 through 2017 - 2018.

Miscellaneous Local Grants

Funds received from other local sources with restricted purposes.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2018

Data Control Codes	206	211
	ESEA, Title X, Part C - Education for the Homeless Children and Youth	ESEA Title I, Part A - Improving Basic Programs
ASSETS		
1110 <i>Cash and Cash Equivalents</i>	\$ -	\$ -
1120 <i>Current Investments</i>	-	-
1240 <i>Due from Other Governments</i>	6,450	271,016
1250 <i>Accrued Interest</i>	-	-
1260 <i>Due from Other Funds</i>	-	456
1290 <i>Other Receivables</i>	-	-
1300 <i>Inventories, at Cost</i>	-	-
1000 Total Assets	\$ 6,450	\$ 271,472
LIABILITIES		
2110 <i>Accounts Payable</i>	\$ 121	\$ 3,473
2160 <i>Accrued Wages Payable</i>	-	2,954
2170 <i>Due to Other Funds</i>	6,329	265,045
2180 <i>Due to Other Governments</i>	-	-
2300 <i>Unearned Revenues</i>	-	-
2000 Total Liabilities	6,450	271,472
FUND BALANCES		
Nonspendable:		
3410 <i>Inventories</i>	-	-
Restricted:		
3450 <i>Grant Funds</i>	-	-
Committed:		
3545 <i>Campus Activity</i>	-	-
3000 Total Fund Balances	-	-
4000 Total Liabilities and Fund Balances	\$ 6,450	\$ 271,472

224	225	240	244
<u>IDEA - Part B, Formula</u>	<u>IDEA - Part B, Preschool</u>	<u>National School Breakfast and Lunch Program</u>	<u>Career and Technical - Basic Grant</u>
\$ -	\$ -	\$ 669,447	\$ -
-	-	1,407,621	-
276,687	7,011	501,479	-
-	-	-	-
-	-	-	-
-	-	2,547	-
-	-	-	-
<u>\$ 276,687</u>	<u>\$ 7,011</u>	<u>\$ 2,581,094</u>	<u>\$ -</u>
\$ 3,573	\$ -	\$ 466,780	\$ -
-	-	-	-
273,114	7,011	10,339	-
-	-	-	-
-	-	-	-
<u>276,687</u>	<u>7,011</u>	<u>477,119</u>	<u>-</u>
-	-	-	-
-	-	2,103,975	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>2,103,975</u>	<u>-</u>
<u>\$ 276,687</u>	<u>\$ 7,011</u>	<u>\$ 2,581,094</u>	<u>\$ -</u>

Continued

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2018

Data Control Codes	255	263
	ESEA, Title II, Part A - Teacher and Principal Training and Recruiting	Title III, Part A - English Language Acquisition and Language Enhancement
ASSETS		
1110 <i>Cash and Cash Equivalents</i>	\$ -	\$ -
1120 <i>Current Investments</i>	-	-
1240 <i>Due from Other Governments</i>	53,986	63,494
1250 <i>Accrued Interest</i>	-	-
1260 <i>Due from Other Funds</i>	-	-
1290 <i>Other Receivables</i>	-	-
1300 <i>Inventories, at Cost</i>	-	-
1000 Total Assets	\$ 53,986	\$ 63,494
LIABILITIES		
2110 <i>Accounts Payable</i>	\$ 14,994	\$ 307
2160 <i>Accrued Wages Payable</i>	-	647
2170 <i>Due to Other Funds</i>	38,992	62,540
2180 <i>Due to Other Governments</i>	-	-
2300 <i>Unearned Revenues</i>	-	-
2000 Total Liabilities	53,986	63,494
FUND BALANCES		
Nonspendable:		
3410 <i>Inventories</i>	-	-
Restricted:		
3450 <i>Grant Funds</i>	-	-
Committed:		
3545 <i>Campus Activity</i>	-	-
3000 Total Fund Balances	-	-
4000 Total Liabilities and Fund Balances	\$ 53,986	\$ 63,494

272	286	289	385	392
<u>Medicaid Administrative Claiming Program - MAC</u>	<u>LEP Summer School</u>	<u>Title IV, Part A, Subpart 1</u>	<u>State Supplemental Visually Impaired (SSVI)</u>	<u>Noneducational Community - Based Support</u>
\$ 265	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	16,761	-	12,186
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 265</u>	<u>\$ -</u>	<u>\$ 16,761</u>	<u>\$ -</u>	<u>\$ 12,186</u>
\$ -	\$ -	\$ 2,500	\$ -	\$ -
-	-	-	-	-
-	-	14,261	-	12,186
-	-	-	-	-
265	-	-	-	-
<u>265</u>	<u>-</u>	<u>16,761</u>	<u>-</u>	<u>12,186</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 265</u>	<u>\$ -</u>	<u>\$ 16,761</u>	<u>\$ -</u>	<u>\$ 12,186</u>

Continued

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2018

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Data Control Codes	Advanced Placement Incentives	State Textbook Fund
ASSETS		
1110 <i>Cash and Cash Equivalents</i>	\$ 36,929	\$ -
1120 <i>Current Investments</i>	-	-
1240 <i>Due from Other Governments</i>	-	103,024
1250 <i>Accrued Interest</i>	-	-
1260 <i>Due from Other Funds</i>	-	-
1290 <i>Other Receivables</i>	-	-
1300 <i>Inventories, at Cost</i>	-	-
1000 Total Assets	\$ 36,929	\$ 103,024
LIABILITIES		
2110 <i>Accounts Payable</i>	\$ -	\$ 5,150
2160 <i>Accrued Wages Payable</i>	-	-
2170 <i>Due to Other Funds</i>	-	97,874
2180 <i>Due to Other Governments</i>	-	-
2300 <i>Unearned Revenues</i>	36,929	-
2000 Total Liabilities	36,929	103,024
FUND BALANCES		
Nonspendable:		
3410 <i>Inventories</i>	-	-
Restricted:		
3450 <i>Grant Funds</i>	-	-
Committed:		
3545 <i>Campus Activity</i>	-	-
3000 Total Fund Balances	-	-
4000 Total Liabilities and Fund Balances	\$ 36,929	\$ 103,024

422	427	429	461
<u>Read to Succeed</u>	<u>Miscellaneous State Grants</u>	<u>Pre-K Grant</u>	<u>Campus Activity Funds</u>
\$ -	\$ 4,264	\$ -	\$ 777,940
-	-	-	993,104
-	5,250	-	-
-	-	-	2,062
-	-	-	5,959
-	-	-	11,441
-	-	-	376
<u>\$ -</u>	<u>\$ 9,514</u>	<u>\$ -</u>	<u>\$ 1,790,882</u>
\$ -	\$ -	\$ -	\$ 66,187
-	9,514	-	6,538
-	-	-	456
-	-	-	3,022
-	-	-	-
<u>-</u>	<u>9,514</u>	<u>-</u>	<u>76,203</u>
-	-	-	376
-	-	-	-
-	-	-	1,714,303
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,714,679</u>
<u>\$ -</u>	<u>\$ 9,514</u>	<u>\$ -</u>	<u>\$ 1,790,882</u>

Continued

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2018

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Data Control Codes		Special Projects	STEM Grant and CTE Initiative
	ASSETS		
1110	<i>Cash and Cash Equivalents</i>	\$ 94,703	\$ 14,319
1120	<i>Current Investments</i>	-	-
1240	<i>Due from Other Governments</i>	-	-
1250	<i>Accrued Interest</i>	-	-
1260	<i>Due from Other Funds</i>	-	-
1290	<i>Other Receivables</i>	-	-
1300	<i>Inventories, at Cost</i>	-	-
1000	Total Assets	\$ 94,703	\$ 14,319
	LIABILITIES		
2110	<i>Accounts Payable</i>	\$ -	\$ -
2160	<i>Accrued Wages Payable</i>	-	-
2170	<i>Due to Other Funds</i>	-	-
2180	<i>Due to Other Governments</i>	-	-
2300	<i>Unearned Revenues</i>	87,281	14,319
2000	Total Liabilities	87,281	14,319
	FUND BALANCES		
	Nonspendable:		
3410	<i>Inventories</i>	-	-
	Restricted:		
3450	<i>Grant Funds</i>	7,422	-
	Committed:		
3545	<i>Campus Activity</i>	-	-
3000	Total Fund Balances	7,422	-
4000	Total Liabilities and Fund Balances	\$ 94,703	\$ 14,319

490

491

<u>CHS Culinary Arts/Aramark</u>	<u>Miscellaneous Local Grants</u>	<u>Total Nonmajor Funds (See Exhibit B-1)</u>
\$ 41,051	\$ 1,810	\$ 1,640,728
-	-	2,400,725
-	-	1,317,344
-	-	2,062
-	96	6,511
-	-	13,988
-	-	376
<u>\$ 41,051</u>	<u>\$ 1,906</u>	<u>\$ 5,381,734</u>
\$ -	\$ -	\$ 563,085
-	206	19,859
-	-	788,147
-	-	3,022
41,051	1,700	181,545
<u>41,051</u>	<u>1,906</u>	<u>1,555,658</u>
-	-	376
-	-	2,111,397
-	-	1,714,303
<u>-</u>	<u>-</u>	<u>3,826,076</u>
<u>\$ 41,051</u>	<u>\$ 1,906</u>	<u>\$ 5,381,734</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2018

Data Control Codes	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 and Intermediate Sources</i>	\$ -	\$ -
5800 <i>State Programs</i>	-	-
5900 <i>Federal Programs</i>	30,807	3,591,366
5020 Total Revenues	<u>30,807</u>	<u>3,591,366</u>
EXPENDITURES		
Current:		
0011 <i>Instruction</i>	5,744	3,206,607
0012 <i>Instructional Resources and Media Services</i>	-	-
0013 <i>Curriculum and Instructional Staff Development</i>	-	177,522
0021 <i>Instructional Leadership</i>	404	-
0023 <i>School Leadership</i>	-	14,742
0031 <i>Guidance, Counseling, and Evaluation Services</i>	-	5,406
0032 <i>Social Work Services</i>	24,501	45,334
0033 <i>Health Services</i>	-	-
0034 <i>Student Transportation</i>	-	1,579
0035 <i>Food Services</i>	-	-
0036 <i>Extracurricular Activities</i>	-	-
0041 <i>General Administration</i>	-	-
0051 <i>Plant Maintenance and Operations</i>	-	68
0052 <i>Security and Monitoring Services</i>	-	-
0061 <i>Community Services</i>	158	140,108
6030 Total Expenditures	<u>30,807</u>	<u>3,591,366</u>
1200 Net Change in Fund Balances	-	-
0100 Fund Balances - Beginning	-	-
3000 Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>

224	225	240	244
<u>IDEA - Part B, Formula</u>	<u>IDEA - Part B, Preschool</u>	<u>National School Breakfast and Lunch Program</u>	<u>Career and Technical - Basic Grant</u>
\$ -	\$ -	\$ 4,317,782	\$ -
-	-	62,704	-
3,623,144	37,257	9,152,432	194,358
<u>3,623,144</u>	<u>37,257</u>	<u>13,532,918</u>	<u>194,358</u>
3,512,358	37,257	-	165,309
-	-	-	-
-	-	-	20,446
83,601	-	-	503
-	-	-	-
20,740	-	-	8,100
-	-	-	-
6,445	-	-	-
-	-	-	-
-	-	12,501,074	-
-	-	-	-
-	-	-	-
-	-	669,526	-
-	-	271,039	-
-	-	-	-
<u>3,623,144</u>	<u>37,257</u>	<u>13,441,639</u>	<u>194,358</u>
-	-	91,279	-
-	-	2,012,696	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,103,975</u>	<u>\$ -</u>

Continued

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2018

Data Control Codes	255	263
	ESEA, Title II, Part A - Teacher and Principal Training and Recruiting	Title III, Part A - English Language Acquisition and Language Enhancement
REVENUES		
5700 <i>Local and Intermediate Sources</i>	\$ -	\$ -
5800 <i>State Programs</i>	-	-
5900 <i>Federal Programs</i>	496,277	452,059
5020 Total Revenues	<u>496,277</u>	<u>452,059</u>
EXPENDITURES		
Current:		
0011 <i>Instruction</i>	280,446	43,605
0012 <i>Instructional Resources and Media Services</i>	-	-
0013 <i>Curriculum and Instructional Staff Development</i>	215,831	393,348
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>	-	15,106
6030 Total Expenditures	<u>496,277</u>	<u>452,059</u>
1200 Net Change in Fund Balances	-	-
0100 Fund Balances - Beginning	-	-
3000 Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>

272	286	289	385	392
<u>Medicaid Administrative Claiming Program - MAC</u>	<u>LEP Summer School</u>	<u>Title IV, Part A, Subpart 1</u>	<u>State Supplemental Visually Impaired (SSVI)</u>	<u>Noneducational Community - Based Support</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	11,467	12,608
40,154	28,493	78,638	-	-
<u>40,154</u>	<u>28,493</u>	<u>78,638</u>	<u>11,467</u>	<u>12,608</u>
-	28,493	9,261	11,467	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	36,966	-	-
-	-	32,411	-	-
40,154	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	12,608
<u>40,154</u>	<u>28,493</u>	<u>78,638</u>	<u>11,467</u>	<u>12,608</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 FISCAL YEAR ENDED AUGUST 31, 2018

Data Control Codes	397	410
	Advanced Placement Incentives	State Textbook Fund
REVENUES		
5700 <i>Local and Intermediate Sources</i>	\$ -	\$ -
5800 <i>State Programs</i>	9,497	1,629,781
5900 <i>Federal Programs</i>	-	-
5020 Total Revenues	<u>9,497</u>	<u>1,629,781</u>
EXPENDITURES		
Current:		
0011 <i>Instruction</i>	-	1,629,781
0012 <i>Instructional Resources and Media Services</i>	-	-
0013 <i>Curriculum and Instructional Staff Development</i>	9,497	-
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>	-	-
6030 Total Expenditures	<u>9,497</u>	<u>1,629,781</u>
1200 Net Change in Fund Balances	-	-
0100 Fund Balances - Beginning	-	-
3000 Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>

422	427	429	461
<u>Read to Succeed</u>	<u>Miscellaneous State Grants</u>	<u>Pre-K Grant</u>	<u>Campus Activity Funds</u>
\$ -	\$ -	\$ -	\$ 2,135,030
89	32,425	26,530	-
-	-	-	-
<u>89</u>	<u>32,425</u>	<u>26,530</u>	<u>2,135,030</u>
-	7,375	26,003	255,324
89	-	-	96,133
-	25,050	527	57,117
-	-	-	-
-	-	-	127,080
-	-	-	238,102
-	-	-	-
-	-	-	1,148
-	-	-	-
-	-	-	1,272,869
-	-	-	2,562
-	-	-	37,369
-	-	-	6,931
-	-	-	14,113
<u>89</u>	<u>32,425</u>	<u>26,530</u>	<u>2,108,748</u>
-	-	-	26,282
-	-	-	1,688,397
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,714,679</u>

Continued

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2018

Data Control Codes	481	483
	<u>Special Projects</u>	<u>STEM Grant and CTE Initiative</u>
REVENUES		
5700 <i>Local and Intermediate Sources</i>	\$ 86,036	\$ -
5800 <i>State Programs</i>	-	-
5900 <i>Federal Programs</i>	-	-
5020 Total Revenues	<u>86,036</u>	<u>-</u>
EXPENDITURES		
Current:		
0011 <i>Instruction</i>	84,414	-
0012 <i>Instructional Resources and Media Services</i>	100	-
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>	1,357	-
0052 <i>Security and Monitoring Services</i>	-	-
0061 <i>Community Services</i>	165	-
6030 Total Expenditures	<u>86,036</u>	<u>-</u>
1200 Net Change in Fund Balances	-	-
0100 Fund Balances - Beginning	<u>7,422</u>	<u>-</u>
3000 Fund Balances - Ending	<u>\$ 7,422</u>	<u>\$ -</u>

490	491	Total Nonmajor Funds (See Exhibit B-2)
<u>CHS Culinary Arts/Aramark</u>	<u>Miscellaneous Local Grants</u>	
\$ 9,082	\$ 3,150	\$ 6,551,080
-	-	1,785,101
-	-	17,724,985
<u>9,082</u>	<u>3,150</u>	<u>26,061,166</u>
9,082	-	9,312,526
-	-	96,322
-	3,150	902,488
-	-	84,508
-	-	141,822
-	-	309,314
-	-	102,246
-	-	47,747
-	-	1,579
-	-	12,501,074
-	-	1,272,869
-	-	2,562
-	-	708,320
-	-	277,970
-	-	182,258
<u>9,082</u>	<u>3,150</u>	<u>25,943,605</u>
-	-	117,561
-	-	3,708,515
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,826,076</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, 2018

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	\$ 250,370	\$ 424,825	\$ 675,195
1120	4,710,676	211,664	4,922,340
1250	2,774	-	2,774
1290	479,209	-	479,209
1490	382,400	56,714	439,114
	<u>5,825,429</u>	<u>693,203</u>	<u>6,518,632</u>
1000	<u>5,825,429</u>	<u>693,203</u>	<u>6,518,632</u>
LIABILITIES			
Current Liabilities:			
2110	772,971	27,651	800,622
	<u>772,971</u>	<u>27,651</u>	<u>800,622</u>
Noncurrent Liabilities:			
2123	918,617	468,988	1,387,605
	<u>918,617</u>	<u>468,988</u>	<u>1,387,605</u>
2000	<u>1,691,588</u>	<u>496,639</u>	<u>2,188,227</u>
NET POSITION			
3900	4,133,841	196,564	4,330,405
3000	<u>\$ 4,133,841</u>	<u>\$ 196,564</u>	<u>\$ 4,330,405</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2018

Exhibit H-2

<u>Data Control Codes</u>	753	772	Total
	<u>Health Insurance</u>	<u>Workers' Compensation</u>	<u>Internal Service Funds</u>
OPERATING REVENUES			
5754 <i>Interfund Services Provided</i>	\$ 18,706,659	\$ 558,275	\$ 19,264,934
5020 Total Operating Revenues	<u>18,706,659</u>	<u>558,275</u>	<u>19,264,934</u>
OPERATING EXPENSES			
6100 <i>Payroll Costs</i>	15,910	-	15,910
6200 <i>Purchased and Contracted Services</i>	2,326,934	119,624	2,446,558
6300 <i>Supplies and Materials</i>	6,016	-	6,016
6400 <i>Claims Expense and Other Operating Expenses</i>	15,831,918	499,401	16,331,319
6030 Total Operating Expenses	<u>18,180,778</u>	<u>619,025</u>	<u>18,799,803</u>
Operating Income (Loss)	<u>525,881</u>	<u>(60,750)</u>	<u>465,131</u>
NONOPERATING REVENUES			
7955 <i>Investment Earnings - Deposits and Investments</i>	59,074	2,505	61,579
8030 Total Nonoperating Revenues	<u>59,074</u>	<u>2,505</u>	<u>61,579</u>
1300 Change in Net Position	584,955	(58,245)	526,710
0100 Net Position - Beginning	3,548,886	254,809	3,803,695
3300 Net Position - Ending	<u>\$ 4,133,841</u>	<u>\$ 196,564</u>	<u>\$ 4,330,405</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2018

Exhibit H-3

	753	772	Total
	<u>Health</u>	<u>Workers'</u>	<u>Internal</u>
	<u>Insurance</u>	<u>Compensation</u>	<u>Service</u>
			<u>Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Employee and Employer	\$ 19,706,659	\$ 558,275	\$ 20,264,934
Cash Payments for Claims	(15,659,683)	(431,414)	(16,091,097)
Cash Payments for Administrative Services	(2,348,860)	(119,624)	(2,468,484)
Net Cash Provided by (Used for) Operating Activities	<u>1,698,116</u>	<u>7,237</u>	<u>1,705,353</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and Dividends Received on Investments	59,074	2,505	61,579
Purchase of Investments	(1,851,518)	-	(1,851,518)
Proceeds on Sale of Investments	<u>2,744</u>	<u>34,034</u>	<u>36,778</u>
Net Cash Provided by (Used for) Investing Activities	<u>(1,789,700)</u>	<u>36,539</u>	<u>(1,753,161)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(91,584)	43,776	(47,808)
Cash and Cash Equivalents at Beginning of Year	<u>341,954</u>	<u>381,049</u>	<u>723,003</u>
Cash and Cash Equivalents at End of Year	<u>\$ 250,370</u>	<u>\$ 424,825</u>	<u>\$ 675,195</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET			
CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:			
Operating Income (Loss)	\$ 525,881	\$ (60,750)	\$ 465,131
Change in Assets and Liabilities:			
(Increase) Decrease in Other Receivables	(76,302)	4,304	(71,998)
Decrease in Due from Other Funds	1,000,000	-	1,000,000
(Increase) in Other Assets	-	(22,500)	(22,500)
Increase (Decrease) in Accounts Payable	351,033	(5,635)	345,398
Increase (Decrease) in Claims Payable	(102,496)	91,818	(10,678)
Net Cash Provided by Operating Activities	<u>\$ 1,698,116</u>	<u>\$ 7,237</u>	<u>\$ 1,705,353</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 FISCAL YEAR ENDED AUGUST 31, 2018

Exhibit I-1

Data Control Codes		Beginning Balance 9/1/17	Additions	Deductions	Ending Balance 8/31/18
ASSETS					
1110	<i>Cash and Cash Equivalents</i>	\$ 378,027	\$ 1,707,099	\$ 1,648,505	\$ 436,621
1240	<i>Due from Other Governments</i>	934	-	934	-
1000	Total Assets	<u>\$ 378,961</u>	<u>\$ 1,707,099</u>	<u>\$ 1,649,439</u>	<u>\$ 436,621</u>
LIABILITIES					
2110	<i>Accounts Payable</i>	\$ 4,750	\$ 571,250	\$ 573,558	\$ 2,442
2180	<i>Due to Other Governments</i>	625	471	1,096	-
2190	<i>Due to Student Groups</i>	373,586	1,368,981	1,308,388	434,179
2000	Total Liabilities	<u>\$ 378,961</u>	<u>\$ 1,940,702</u>	<u>\$ 1,883,042</u>	<u>\$ 436,621</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE FISCAL YEAR ENDED AUGUST 31, 2018

<u>Year Ended</u> <u>August 31,</u>	<u>1</u>		<u>2</u>		<u>3</u>	
	<u>Tax Rates</u>				<u>Net Assessed/Appraised</u> <u>Value For School</u> <u>Tax Purposes</u>	
	<u>Maintenance</u>		<u>Debt Service</u>			
2009 and Prior Years	\$	Various	\$	Various	\$	Various
2010		1.04		0.42		7,460,985,822
2011		1.04		0.42		7,200,603,973
2012		1.04		0.44		7,151,132,095
2013		1.04		0.50		7,294,605,195
2014		1.04		0.50		7,744,462,403
2015		1.04		0.50		8,712,782,857
2016		1.04		0.50		9,672,047,532
2017		1.04		0.50		10,913,640,260
2018		1.04		0.50		12,314,585,844
1000 Totals						

Exhibit J-1

10	20	31	32	40	50
Beginning	Current	Maintenance	Debt Service	Entire	Ending
Balance	Year's	Collections	Collections	Year's	Balance
9/1/17	Total Levy			Adjustments	8/31/18
\$ 2,189,970	\$ -	\$ 9,240	\$ 3,820	\$ (40,322)	\$ 2,136,588
169,978	-	3,799	1,535	(199)	164,445
177,654	-	10,806	4,365	4,079	166,562
238,452	-	19,158	7,738	8,535	220,091
225,744	-	(1,946)	(824)	51,128	279,642
237,074	-	8,346	4,013	48,265	272,980
208,871	-	(12,681)	(6,097)	4,047	231,696
289,652	-	(127,037)	(61,083)	(177,363)	300,409
740,229	-	(94,464)	(45,421)	(418,425)	461,689
-	189,644,622	126,604,162	60,867,386	(1,316,921)	856,153
<u>\$ 4,477,624</u>	<u>\$ 189,644,622</u>	<u>\$ 126,419,383</u>	<u>\$ 60,775,432</u>	<u>\$ (1,837,176)</u>	<u>\$ 5,090,255</u>

Reconciliation of Ending Balance to Exhibit B-1:

Ending Balance at 8/31/18	\$ 5,090,255
Less: Uncollectible Taxes	(50,902)
Property Taxes Receivable (Net) per Exhibit B-1	<u>\$ 5,039,353</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM
FOR THE FISCAL YEAR ENDED AUGUST 31, 2018

Exhibit J-2

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
REVENUES					
5700	Local and Intermediate Sources	\$ 4,447,132	\$ 4,203,135	\$ 4,317,782	\$ 114,647
5800	State Programs	65,000	118,500	62,704	(55,796)
5900	Federal Programs	8,252,795	8,655,000	9,152,432	497,432
5020	Total Revenues	<u>12,764,927</u>	<u>12,976,635</u>	<u>13,532,918</u>	<u>556,283</u>
EXPENDITURES					
Current:					
0035	Food Services	11,786,041	11,987,295	12,501,074	(513,779)
0051	Plant Maintenance and Operations	679,900	689,540	669,526	20,014
0052	Security and Monitoring Services	294,701	294,700	271,039	23,661
6030	Total Expenditures	<u>12,760,642</u>	<u>12,971,535</u>	<u>13,441,639</u>	<u>(470,104)</u>
1200	Net Change in Fund Balance	4,285	5,100	91,279	86,179
0100	Fund Balance - Beginning	<u>2,012,696</u>	<u>2,012,696</u>	<u>2,012,696</u>	<u>-</u>
3000	Fund Balance - Ending	<u>\$ 2,016,981</u>	<u>\$ 2,017,796</u>	<u>\$ 2,103,975</u>	<u>\$ 86,179</u>

Statistical Section
(Unaudited)

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PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

STATISTICAL SECTION

The statistical section of the Pflugerville Independent School District's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's economic condition and overall financial health. To assist financial statement users, the information contained within this section is categorized as follows:

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Governmental Activities:				
Net Investment in Capital Assets	\$ 72,913,923	\$ 70,572,742	\$ 74,971,698	\$ 63,674,882
Restricted	8,219,942	5,078,400	3,686,881	3,581,479
Unrestricted	(48,575,567)	32,894,914	23,416,244	21,755,040
Total Governmental Activities Net Position	\$ <u>32,558,298</u>	\$ <u>108,546,056</u>	\$ <u>102,074,823</u>	\$ <u>89,011,401</u>
Business-type Activities:				
Net Investment in Capital Assets	\$ 66,304	\$ 69,888	\$ 73,472	\$ 77,056
Unrestricted	392,554	160,678	163,190	160,317
Total Business-type Activities Net Position	\$ <u>458,858</u>	\$ <u>230,566</u>	\$ <u>236,662</u>	\$ <u>237,373</u>
Primary Government:				
Net Investment in Capital Assets	\$ 72,980,227	\$ 70,642,630	\$ 75,045,170	\$ 63,751,938
Restricted	8,219,942	5,078,400	3,686,881	3,581,479
Unrestricted	(48,183,013)	33,055,592	23,579,434	21,915,357
Total Primary Government Net Position	\$ <u>33,017,156</u>	\$ <u>108,776,622</u>	\$ <u>102,311,485</u>	\$ <u>89,248,774</u>

Table 1

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$	57,716,900	\$ 39,651,143	\$ 31,823,815	\$ 31,462,570	\$ 30,170,927	\$ 32,247,876
	4,493,919	2,833,628	2,553,638	3,014,281	3,955,354	4,766,734
	40,142,710	43,425,207	39,734,667	28,326,217	20,008,756	13,836,085
\$	<u><u>102,353,529</u></u>	<u><u>85,909,978</u></u>	<u><u>74,112,120</u></u>	<u><u>62,803,068</u></u>	<u><u>54,135,037</u></u>	<u><u>50,850,695</u></u>
\$	80,640	\$ -	\$ 87,808	\$ -	\$ -	\$ -
	65,344	189,862	(14,204)	(32,578)	-	-
\$	<u><u>145,984</u></u>	<u><u>189,862</u></u>	<u><u>73,604</u></u>	<u><u>(32,578)</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
\$	57,797,540	\$ 39,651,143	\$ 31,911,623	\$ 31,462,570	\$ 30,170,927	\$ 32,247,876
	4,493,919	2,833,628	2,553,638	3,014,281	3,955,354	4,766,734
	40,208,054	43,615,069	39,720,463	28,293,639	20,008,756	13,836,085
\$	<u><u>102,499,513</u></u>	<u><u>86,099,840</u></u>	<u><u>74,185,724</u></u>	<u><u>62,770,490</u></u>	<u><u>54,135,037</u></u>	<u><u>50,850,695</u></u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Expenses				
Governmental Activities:				
Instruction	\$ 99,151,716	\$ 146,006,306	\$ 140,567,674	\$ 128,212,451
Instructional Resources and Media Services	3,221,620	4,229,686	3,584,223	3,277,760
Curriculum and Instructional Staff Development	5,205,104	7,347,015	7,723,707	7,275,734
Instructional Leadership	2,939,047	3,997,004	4,212,433	2,536,160
School Leadership	9,305,411	13,983,079	13,155,038	11,642,765
Guidance, Counseling, and Evaluation Services	6,425,061	9,308,458	9,325,728	7,818,428
Social Work Services	582,370	792,648	778,068	665,804
Health Services	1,997,439	2,781,144	2,785,555	2,428,883
Student Transportation	8,758,989	7,735,715	7,543,509	8,457,815
Food Services	13,429,761	12,507,829	12,447,702	12,324,547
Extracurricular Activities	8,784,211	9,111,862	8,443,556	7,804,164
General Administration	4,920,448	5,830,302	5,268,966	4,110,257
Plant Maintenance and Operations	19,346,545	25,520,649	25,869,002	18,611,278
Security and Monitoring Services	3,527,878	4,038,212	3,630,611	5,262,884
Data Processing Services	5,391,129	8,805,884	5,425,964	8,227,751
Community Services	93,124	193,103	173,598	103,863
Interest on Long-term Debt	17,691,309	18,890,061	19,862,534	20,542,013
Issuance Costs and Fees	31,305	31,309	34,703	
Facilities Repair and Maintenance	221,547	415,375	173,414	-
Payments Related to Shared Service Arrangements	-	-	-	2,314,664
Payments to Juvenile Justice Alternative Ed. Program	13,588	2,580	18,946	1,892
Payments to Appraisal District	877,432	803,603	779,770	722,627
Total Governmental Activities Expenses	<u>211,915,034</u>	<u>282,331,824</u>	<u>271,804,701</u>	<u>252,341,740</u>
Business-type Activities:				
Extended Day Program	2,228,662	2,187,963	2,314,571	2,296,403
Total Primary Government Expenses	<u>214,143,696</u>	<u>284,519,787</u>	<u>274,119,272</u>	<u>254,638,143</u>
Program Revenues				
Governmental Activities:				
Charges for Services:				
Instruction	1,415,477	1,156,829	1,079,399	1,028,362
Food Services	4,253,912	3,957,249	3,975,638	3,937,867
Extracurricular Activities	1,753,955	1,790,949	1,895,244	1,696,779
Other Activities	639,922	632,667	504,679	493,471
Operating Grants and Contributions	(11,395,882)	32,160,644	33,706,817	27,167,670
Total Primary Government Governmental Activities Program Revenues	<u>(3,332,616)</u>	<u>39,698,338</u>	<u>41,161,777</u>	<u>34,324,149</u>
Business-type Activities:				
Charges for Services	4,031,954	3,681,867	3,813,860	3,787,792
Total Business-Type Activities Program Revenues	<u>4,031,954</u>	<u>3,681,867</u>	<u>3,813,860</u>	<u>3,787,792</u>
Total Primary Government Program Revenues	<u>699,338</u>	<u>43,380,205</u>	<u>44,975,637</u>	<u>38,111,941</u>
Net (Expense)/Revenue				
Total Primary Government Net Expense	<u>\$ (213,444,358)</u>	<u>\$ (241,139,582)</u>	<u>\$ (229,143,635)</u>	<u>\$ (216,526,202)</u>

Table 2
Page 1 of 2

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$	122,256,562	\$ 114,690,363	\$ 109,251,840	\$ 108,337,542	\$ 108,060,717	\$ 103,394,889
	3,389,564	3,220,656	3,279,662	3,196,747	3,188,391	3,705,657
	6,899,437	5,832,985	6,335,867	6,099,548	6,051,164	5,482,628
	2,591,939	2,351,868	2,219,164	2,456,580	2,557,375	2,027,673
	11,399,172	10,831,744	10,173,649	10,159,941	10,098,502	10,818,210
	7,478,095	6,965,991	6,576,716	6,588,865	6,792,197	6,033,629
	642,344	539,198	501,903	475,137	441,736	441,932
	2,175,192	1,939,741	1,899,532	1,828,229	1,594,137	1,597,561
	8,253,644	7,688,544	7,104,168	7,466,658	7,139,172	7,008,750
	12,125,168	12,009,734	11,264,856	11,457,443	10,620,252	9,830,910
	7,283,955	7,194,257	6,838,249	6,651,685	6,067,801	6,013,120
	4,185,979	3,705,361	3,643,282	3,840,998	3,709,032	3,764,274
	14,801,261	12,624,898	12,636,964	13,208,973	15,502,842	15,368,510
	3,165,308	2,758,741	2,708,046	2,383,226	2,137,943	2,325,743
	4,341,709	3,878,344	3,394,096	3,767,644	3,851,350	3,246,828
	87,933	124,220	134,188	251,683	136,274	125,400
	18,298,857	14,493,953	14,439,419	17,453,765	17,507,086	18,422,579
	-	-	2,277,256	13,136	-	29,257
	2,204,665	2,092,300	1,810,439	2,505,714	2,379,337	2,881,565
	1,978	-	15,319	15,642	-	19,987
	599,885	577,357	466,306	564,007	555,974	568,410
	<u>232,182,647</u>	<u>213,520,255</u>	<u>206,970,921</u>	<u>208,723,163</u>	<u>208,391,282</u>	<u>203,107,512</u>
	2,165,603	1,959,222	1,648,334	211,715	-	-
	<u>234,348,250</u>	<u>215,479,477</u>	<u>208,619,255</u>	<u>208,934,878</u>	<u>208,391,282</u>	<u>203,107,512</u>
	1,080,924	1,104,995	908,105	1,080,738	886,652	1,056,284
	3,910,949	4,238,437	3,890,454	3,814,485	3,791,705	3,904,617
	2,030,827	1,456,031	1,537,818	1,441,675	1,319,423	992,532
	555,887	800,795	928,113	877,405	798,091	843,827
	<u>30,227,697</u>	<u>27,680,515</u>	<u>33,479,272</u>	<u>34,786,457</u>	<u>34,150,601</u>	<u>22,515,245</u>
	<u>37,806,284</u>	<u>35,280,773</u>	<u>40,743,762</u>	<u>42,000,760</u>	<u>40,946,472</u>	<u>29,312,505</u>
	3,321,725	2,775,480	2,154,516	179,137	-	-
	<u>3,321,725</u>	<u>2,775,480</u>	<u>2,154,516</u>	<u>179,137</u>	<u>-</u>	<u>-</u>
	<u>41,128,009</u>	<u>38,056,253</u>	<u>42,898,278</u>	<u>42,179,897</u>	<u>40,946,472</u>	<u>29,312,505</u>
\$	<u><u>(193,220,241)</u></u>	<u><u>(177,423,224)</u></u>	<u><u>(165,720,977)</u></u>	<u><u>(166,754,981)</u></u>	<u><u>(167,444,810)</u></u>	<u><u>(173,795,007)</u></u>

Continued

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes, Levied for General Purposes	\$ 127,266,914	\$ 112,203,219	\$ 100,136,037	\$ 90,263,484
Property Taxes, Levied for Debt Service	61,148,106	54,222,292	48,142,601	43,403,630
Grants and Contributions Not Restricted to Specific Prog.	77,541,625	79,229,802	92,312,300	91,045,377
Investment Earnings	2,088,058	1,575,711	1,420,938	1,619,602
Miscellaneous	286,793	373,695	194,470	1,777
Transfers	1,575,000	1,500,000	1,500,000	1,400,000
Total Governmental Activities General Revenues	<u>269,906,496</u>	<u>249,104,719</u>	<u>243,706,346</u>	<u>227,733,870</u>
Business-type Activities:				
Transfers	(1,575,000)	(1,500,000)	(1,500,000)	(1,400,000)
Total Business-type Activities General Revenues	<u>(1,575,000)</u>	<u>(1,500,000)</u>	<u>(1,500,000)</u>	<u>(1,400,000)</u>
Total Primary Government General Revenues	<u>\$ 268,331,496</u>	<u>\$ 247,604,719</u>	<u>\$ 242,206,346</u>	<u>\$ 226,333,870</u>
Change in Net Position				
Governmental Activities	54,658,846	6,471,233	13,063,422	9,716,279
Business-type Activities	228,292	(6,096)	(711)	91,389
Total Change in Net Position	<u>\$ 54,887,138</u>	<u>\$ 6,465,137</u>	<u>\$ 13,062,711</u>	<u>\$ 9,807,668</u>

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 80,406,030	\$ 75,700,506	\$ 74,620,548	\$ 74,151,360	\$ 77,282,606	\$ 74,503,421
38,628,467	36,425,476	31,339,637	29,893,334	31,230,001	30,245,042
89,749,248	76,832,576	74,534,585	70,295,035	61,748,632	63,570,162
287,320	236,966	475,331	493,138	417,602	2,409,191
548,849	295,589	272,522	557,567	50,311	171,723
1,200,000	700,000	400,000	-	-	-
<u>210,819,914</u>	<u>190,191,113</u>	<u>181,642,623</u>	<u>175,390,434</u>	<u>170,729,152</u>	<u>170,899,539</u>
(1,200,000)	(700,000)	(400,000)	-	-	-
<u>(1,200,000)</u>	<u>(700,000)</u>	<u>(400,000)</u>	<u style="text-align: center;">-</u>	<u style="text-align: center;">-</u>	<u style="text-align: center;">-</u>
\$ <u>209,619,914</u>	\$ <u>189,491,113</u>	\$ <u>181,242,623</u>	\$ <u>175,390,434</u>	\$ <u>170,729,152</u>	\$ <u>170,899,539</u>
16,443,551	11,951,631	15,415,464	8,668,031	3,284,342	(2,895,468)
(43,878)	116,258	106,182	(32,578)	-	-
<u>\$ 16,399,673</u>	<u>\$ 12,067,889</u>	<u>\$ 15,521,646</u>	<u>\$ 8,635,453</u>	<u>\$ 3,284,342</u>	<u>\$ (2,895,468)</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Fund				
Nonspendable:				
Investment in Inventories	\$ 299,429	\$ 342,042	\$ 335,941	\$ 268,390
Prepaid Items	102,818	2,995,738	462,001	159,852
Committed:				
Other Purposes	462,000	-	-	-
Assigned:				
Solar Panels	2,851,995	3,422,394	-	-
Other Purposes	43,280	6,000,000	3,000,000	1,753,000
Unassigned	51,239,775	37,987,851	37,560,955	34,002,263
Total General Fund	\$ <u>54,999,297</u>	\$ <u>50,748,025</u>	\$ <u>41,358,897</u>	\$ <u>36,183,505</u>

All Other Governmental Funds

Nonspendable:				
Investment in Inventories	\$ 13,258	\$ 735	\$ 846	\$ 525
Prepaid Items	-	120	-	8,487
Restricted:				
Grant Funds	2,111,397	2,020,118	1,885,068	1,690,568
Land Acquisitions and Construction Projects	19,105,052	35,300,749	154,984,692	254,347,893
Debt Service	5,369,917	2,588,975	1,547,882	1,734,910
Committed:				
Other	1,714,303	1,687,542	1,719,868	1,598,142
Assigned:				
Construction	3,400,000	3,400,000	-	-
Unassigned	-	-	-	-
Total All Other Governmental Funds	\$ <u>31,713,927</u>	\$ <u>44,998,239</u>	\$ <u>160,138,356</u>	\$ <u>259,380,525</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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$	257,734	\$ 328,717	\$ 379,652	\$ 268,198	\$ 279,763	\$ 118,398
	605,467	215,032	145,746	788,398	777,320	618,129
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	7,411,000	3,500,000	10,548	-	-
	33,284,754	27,960,681	26,586,007	24,206,347	16,625,462	12,685,986
\$	<u><u>34,147,955</u></u>	<u><u>35,915,430</u></u>	<u><u>30,611,405</u></u>	<u><u>25,273,491</u></u>	<u><u>17,682,545</u></u>	<u><u>13,422,513</u></u>
\$	235	\$ -	\$ -	\$ 108,093	\$ -	\$ -
	21,802	42,885	125,537	167,593	13,398	-
	1,853,342	-	-	808,623	1,899,183	1,677,007
	285,595,606	24,883,326	44,268,455	77,757,689	86,530,605	106,398,420
	4,466,719	2,487,587	2,291,476	1,643,443	3,096,937	4,116,832
	1,489,908	2,838,321	2,638,972	1,210,069	985,576	878,098
	2,000,000	-	-	-	-	-
	-	-	-	-	-	(56)
\$	<u><u>295,427,612</u></u>	<u><u>30,252,119</u></u>	<u><u>49,324,440</u></u>	<u><u>81,695,510</u></u>	<u><u>92,525,699</u></u>	<u><u>113,070,301</u></u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
REVENUES				
Local and Intermediate Sources	\$ 198,823,680	\$ 176,755,677	\$ 160,450,599	\$ 143,676,672
State Programs	86,751,471	87,963,494	96,584,769	98,021,636
Federal Programs	21,983,952	21,120,334	21,671,426	20,160,051
Total Revenues	<u>307,559,103</u>	<u>285,839,505</u>	<u>278,706,794</u>	<u>261,858,359</u>
EXPENDITURES				
Current:				
Instruction	143,117,193	136,408,525	127,255,699	123,740,099
Instructional Resources and Media Services	3,706,570	3,744,588	2,988,148	2,875,971
Curriculum and Instructional Staff Development	7,654,517	7,125,690	7,333,543	7,345,669
Instructional Leadership	4,173,466	3,887,765	3,886,265	2,509,428
School Leadership	13,280,278	13,297,189	12,083,090	11,446,734
Guidance, Counseling, and Evaluation Services	9,636,300	8,975,058	8,770,627	7,842,773
Social Work Services	861,665	766,727	725,334	667,386
Health Services	2,924,148	2,695,584	2,639,639	2,450,887
Student Transportation	8,770,359	7,701,997	7,503,987	8,424,783
Food Services	12,677,980	11,732,099	11,767,094	11,533,728
Extracurricular Activities	8,152,130	7,605,186	6,749,065	6,330,540
General Administration	5,960,315	5,673,105	4,938,497	4,034,743
Plant Maintenance and Operations	20,841,845	28,233,660	29,458,394	23,532,248
Security and Monitoring Services	3,557,581	3,935,690	3,522,895	4,803,572
Data Processing Services	5,945,203	8,926,741	4,470,662	9,236,604
Community Services	190,815	160,330	121,553	63,951
Debt Service:				
Principal on Long-term Debt	38,485,857	34,172,364	28,094,250	22,751,503
Interest on Long-term Debt	21,541,426	20,861,529	22,137,065	24,561,224
Issuance Costs and Fees	31,305	31,309	34,703	41,165
Capital Outlay:				
Facilities Acquisition and Construction	5,767,170	85,349,749	85,996,530	18,540,484
Intergovernmental:				
Payments Related to Shared Services Arrange.	-	-	-	2,314,664
Payments to Juvenile Justice Alt. Ed. Prgm.	13,588	2,580	18,946	1,892
Payments to Appraisal District	877,432	803,603	779,770	722,627
Total Expenditures	<u>318,167,143</u>	<u>392,091,068</u>	<u>371,275,756</u>	<u>295,772,675</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(10,608,040)</u>	<u>(106,251,563)</u>	<u>(92,568,962)</u>	<u>(33,914,316)</u>

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$	127,821,531	\$ 120,887,281	\$ 112,740,450	\$ 112,980,468	\$ 116,404,455	\$ 113,426,921
	99,036,883	85,211,438	85,904,547	80,241,196	70,435,028	73,381,316
	20,107,976	18,651,369	21,840,457	24,618,084	25,303,610	12,669,277
	<u>246,966,390</u>	<u>224,750,088</u>	<u>220,485,454</u>	<u>217,839,748</u>	<u>212,143,093</u>	<u>199,477,514</u>
	116,478,605	110,756,591	105,862,543	104,586,009	104,374,052	99,246,993
	2,975,983	2,860,617	2,938,099	2,888,856	2,877,675	3,390,660
	6,877,859	5,847,046	6,347,636	6,118,963	6,056,306	5,472,684
	2,581,667	2,365,694	2,227,204	2,455,813	2,563,892	2,016,242
	11,068,572	10,600,647	9,931,249	9,941,114	9,863,547	10,576,334
	7,379,415	6,893,336	6,361,976	6,373,232	6,633,242	5,969,339
	637,085	557,922	502,321	473,573	441,668	441,284
	2,169,405	1,945,694	1,903,195	1,832,548	1,596,312	1,585,411
	8,216,930	7,654,405	7,059,718	7,421,508	7,094,022	6,963,600
	11,344,939	11,299,912	10,564,654	10,533,520	9,723,969	9,222,653
	6,013,686	5,948,147	5,559,113	5,712,394	5,661,053	4,852,312
	4,078,109	3,623,407	3,548,814	3,780,020	3,631,310	3,692,732
	14,588,098	13,052,981	12,498,011	12,974,345	15,314,846	14,900,930
	2,632,346	2,406,386	2,300,852	3,818,430	2,752,632	2,260,900
	4,412,056	3,622,916	5,342,106	3,557,499	4,069,284	2,268,351
	80,221	118,474	136,429	251,683	136,274	125,400
	26,527,140	18,160,000	15,960,000	11,784,934	14,870,000	12,140,000
	14,015,393	14,181,497	15,572,477	19,789,263	17,624,815	19,528,347
	2,798,677	345,281	681,314	276,591	210,049	4,450
	26,809,125	14,069,207	28,613,772	3,679,392	10,102,907	23,460,093
	2,204,665	2,092,300	1,810,439	2,505,714	2,379,337	-
	1,978	-	15,319	15,642	-	19,987
	599,885	577,357	466,306	564,007	555,974	3,449,975
	<u>274,491,839</u>	<u>238,979,817</u>	<u>246,203,547</u>	<u>221,335,050</u>	<u>228,533,166</u>	<u>231,588,677</u>
	<u>(27,525,449)</u>	<u>(14,229,729)</u>	<u>(25,718,093)</u>	<u>(3,495,302)</u>	<u>(16,390,073)</u>	<u>(32,111,163)</u>

Continued

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2018 (1)</u>	<u>2017 (1)</u>	<u>2016 (1)</u>	<u>2015 (1)</u>
OTHER FINANCING SOURCES (USES)				
Refunding Bonds Issued	\$ -	\$ -	\$ -	\$ -
Issuance of Capital Related Debt (Regular Bonds)	-	-	-	-
Premium/Discount from Issuance of Bonds	-	-	-	-
Non-current Loan Proceeds	-	-	-	-
Sale of Real and Personal Property	-	574	2,185	2,779
Other Sources (Uses)	-	-	-	-
Transfers In	1,575,000	5,550,446	7,023,312	4,400,000
Transfers Out	-	(5,050,446)	(8,523,312)	(4,500,000)
Payment to Refunded Bond Escrow Agent	-	-	-	-
Total Other Financing Sources (Uses)	<u>1,575,000</u>	<u>500,574</u>	<u>(1,497,815)</u>	<u>(97,221)</u>
Special Items (Uses)	-	-	-	-
Net Change in Fund Balances	<u>\$ (9,033,040)</u>	<u>\$ (105,750,989)</u>	<u>\$ (94,066,777)</u>	<u>\$ (34,011,537)</u>
Debt Service (Principal and Interest) Expenditures as a Percentage of Noncapital Expenditures	19.37%	18.31%	18.00%	17.57%

(1) The District has paid additional principal to reduce future debt requirements, which has increased the debt service percentage.

	<u>2014 (1)</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$	107,275,000	\$ 38,645,000	\$ 68,935,000	\$ 23,655,000	\$ 20,420,000	\$ -
	262,465,000	-	-	-	-	-
	41,102,494	5,994,931	8,209,802	1,467,626	2,413,495	-
	-	4,926,823	-	-	-	-
	11,596	-	-	5,478	-	43,440
	(45,175)	(2,600)	(3,000)	-	(63,245)	5,138
	3,695,493	811,499	400,000	1,073,910	-	56,650
	(2,495,493)	(111,499)	(2,000,000)	(1,073,910)	-	(56,650)
	(121,075,448)	(49,802,721)	(76,856,865)	(24,859,196)	(22,625,843)	-
	<u>290,933,467</u>	<u>461,433</u>	<u>(1,315,063)</u>	<u>268,908</u>	<u>144,407</u>	<u>48,578</u>
	-	-	-	(12,850)	(38,904)	-
\$	<u><u>263,408,018</u></u>	<u><u>(13,768,296)</u></u>	<u><u>(27,033,156)</u></u>	<u><u>(3,239,244)</u></u>	<u><u>(16,284,570)</u></u>	<u><u>(32,062,585)</u></u>
	16.49%	14.54%	14.80%	14.69%	15.06%	15.24%

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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 (1)
	Real Property Value Travis & Williamson	Personal Property Value Travis	Less Exemptions Travis		
2018	\$ 13,959,529,712	\$ 1,204,335,453	\$ 3,001,017,686	\$ 12,162,847,479	\$ 1.5400
2017	12,170,425,199	1,337,883,223	2,823,878,400	10,684,430,022	1.5400
2016	10,758,979,904	1,249,391,108	2,548,750,813	9,459,620,199	1.5400
2015	8,919,029,573	1,215,447,201	1,780,018,574	8,354,458,200	1.5400
2014	7,726,915,912	1,206,193,486	1,588,427,053	7,344,682,345	1.5400
2013	7,101,732,589	1,043,205,885	1,250,911,712	6,894,026,762	1.5400
2012	6,927,223,361	927,076,504	1,227,911,047	6,626,388,818	1.4800
2011	6,990,955,971	928,000,481	1,128,460,284	6,790,496,168	1.4600
2010	7,001,868,479	1,168,252,825	1,236,404,902	6,933,716,402	1.4600
2009	6,975,643,971	1,498,765,369	1,439,680,945	7,034,728,395	1.4600

Sources: Travis Central Appraisal District and Williamson Central Appraisal District

(1) 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

Taxing Authority	2018 (5)	2017	2016 (2)	2015 (3)
Overlapping Rates:				
Austin, City of	\$ 0.4403	\$ 0.4448	\$ 0.4418	\$ 0.4589
Austin Community College District	0.1048	0.1008	0.1020	0.1005
Kelly Lane WCID #1	0.8418	0.9500	0.9500	0.9500
Kelly Lane WCID #2	0.9500	0.9500	0.9500	-
Lakeside MUD #3	0.8400	0.8400	0.8400	0.8470
Lakeside WCID #2D	0.9700	0.9700	0.9700	0.9700
Lakeside WCID #2C	0.9700	0.9700	0.9700	0.9700
Lakeside WCID #1	0.7500	0.7500	0.7500	0.8000
Lakeside WCID #2B	0.9700	0.9700	0.9700	0.9700
Lakeside WCID #2A	0.9700	-	-	-
Northeast Travis County UD	0.6000	0.6800	0.7800	0.8610
Northtown MUD	0.6300	0.7075	0.7075	0.7220
Pflugerville, City of	0.4976	0.5399	0.5399	0.5405
Travis County	0.3542	0.3690	0.3838	0.4169
Travis County Emergency Service #2	0.1000	0.1000	0.1000	0.1000
Travis Co. Healthcare District	0.1052	0.1074	0.1105	0.1178
Travis County MUD #15	0.4075	0.4075	0.6700	0.3325
Travis County MUD #17	0.9500	0.9500	0.9500	0.9500
Wells Branch MUD	0.3730	0.3795	0.3873	0.3900
Williamson County	0.4190	0.4265	0.4365	0.4415
Williamson Co. Water, Sewer, Irrigation and DD #3	0.7230	0.7230	0.7230	0.7306
Total Overlapping Rates	\$ <u>12.9664</u>	\$ <u>12.3359</u>	\$ <u>12.7323</u>	\$ <u>11.6692</u>
District Direct Rates:				
Pflugerville ISD				
Maintenance and Operations	\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.0400
Debt Service	0.5000	0.5000	0.5000	0.5000
Total District Direct Rates	\$ <u>1.5400</u>	\$ <u>1.5400</u>	\$ <u>1.5400</u>	\$ <u>1.5400</u>

Source: The Municipal Advisory Council of Texas

- 1) Data for Austin Community College District and Travis Co Healthcare District not available prior to 2013
- 2) Data for Kelly Lane WCID #2 not available prior to 2016
- 3) Data for Travis County MUD #17 not available prior to 2015
- 4) Data for Williamson County not available prior to 2011
- 5) Data for Lakeside WCID #2A not available prior to 2018

Table 6

	<u>2014</u>	<u>2013 (1)</u>	<u>2012</u>	<u>2011 (4)</u>	<u>2010</u>	<u>2009</u>
\$	0.4809	\$ 0.5027	\$ 0.4811	\$ 0.4571	\$ 0.4209	\$ 0.4012
	0.0942	0.0949	-	-	-	-
	0.9500	0.9500	0.9500	0.9500	0.9500	0.9500
	-	-	-	-	-	-
	0.8775	0.9000	0.9000	0.9000	0.9000	0.9000
	0.9700	0.9700	0.9700	0.9700	0.9700	0.9700
	0.9700	0.9700	0.9700	0.9700	0.9400	0.9000
	0.8000	0.8500	0.9000	0.9000	0.8500	0.8500
	0.9700	0.9700	0.9700	0.9700	0.9700	0.9700
	-	-	-	-	-	-
	0.8760	0.8993	0.8993	0.8993	0.8993	0.8993
	0.7360	0.7500	0.7500	0.7500	0.7500	0.7500
	0.5336	0.5736	0.5990	0.6040	0.6090	0.6140
	0.4563	0.4946	0.4855	0.4215	0.4215	0.4122
	0.0982	0.1000	0.1000	0.1000	0.0997	0.1000
	0.1264	0.1290	-	-	-	-
	0.3325	0.3325	0.3325	0.3325	0.3325	0.2925
	-	-	-	-	-	-
	0.4300	0.4600	0.4700	0.4700	0.4700	0.4700
	0.4465	0.4490	0.4600	0.4600	-	-
	0.8082	0.8150	0.8150	0.8150	0.7999	0.7730
\$	<u>10.9563</u>	<u>\$ 11.2106</u>	<u>\$ 11.0524</u>	<u>\$ 10.9694</u>	<u>\$ 10.3828</u>	<u>\$ 10.2522</u>
\$	1.0400	\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.0400
	0.5000	0.5000	0.4400	0.4200	0.4200	0.4200
\$	<u>1.5400</u>	<u>\$ 1.5400</u>	<u>\$ 1.4800</u>	<u>\$ 1.4600</u>	<u>\$ 1.4600</u>	<u>\$ 1.4600</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

Table 7

PRINCIPAL TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2018			2009		
	Assessed Value	Rank	Percentage of Total Assessed Value	Assessed Value	Rank	Percentage of Total Assessed Value
Dell Inc	\$ 162,588,783	1	1.34%	\$ 107,391,340	2	1.53%
A-S 93 SH 130-SH 45 LP	160,417,292	2	1.32%			
Logistics II Tech Ridge Portfolio LLC	86,232,142	3	0.71%			
Centennial Stone Hill LP	65,791,817	4	0.54%			
Scofield Park Austin LLC	65,050,000	5	0.53%			
TX13 Austin LLC	62,444,506	6	0.51%			
Parmer Tech Ridge LLC	60,815,300	7	0.50%			
San Paloma Apartments 100 LP	60,370,000	8	0.50%			
Oracle Corporation	60,136,069	9	0.49%	91,478,170	3	1.30%
WC Braker Portfolio LLC	57,119,350	10	0.47%			
Dell USA LP				160,855,231	1	2.29%
AMB/TR Four 2001 Ltd				57,606,372	4	0.82%
DDR DB Tech Ventures, LP				46,765,441	5	0.66%
Oncor Electric Delivery Co				37,121,420	6	0.53%
Target Corporation				33,008,903	7	0.47%
Zavala Properties II, Inc.				31,911,499	8	0.45%
MSB - Sage Creek Ltd.				27,932,576	9	0.40%
Tech Ridge Phase I, LP				27,312,738	10	0.39%
TOTALS	\$ 840,965,259		6.91%	\$ 621,383,690		8.83%
TOTAL ASSESSED VALUE	\$ 12,162,847,479			\$ 7,034,728,395		

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	
		Amount	Percentage of Net Tax Levy		Amount	Percent of Total Tax Collections To Net Tax Levy
2018	\$ 188,327,701	\$ 187,471,548	99.55%	\$ -	\$ 187,471,548	99.55%
2017	167,651,635	166,024,569	99.03%	1,165,377	167,189,946	99.72%
2016	147,510,053	146,878,086	99.57%	331,558	147,209,644	99.80%
2015	133,604,964	132,956,934	99.51%	416,334	133,373,268	99.83%
2014	118,622,388	117,925,201	99.41%	424,207	118,349,408	99.77%
2013	111,473,246	111,106,176	99.67%	87,428	111,193,604	99.75%
2012	105,439,806	104,531,967	99.14%	687,748	105,219,715	99.79%
2011	104,352,651	103,466,286	99.15%	719,803	104,186,089	99.84%
2010	108,150,724	107,041,100	98.97%	945,179	107,986,279	99.85%
2009	104,260,006	103,367,737	99.14%	696,005	104,063,742	99.81%

(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 tax levy for the respective fiscal year. 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

Fiscal Year	Governmental Activities			Ratio of Debt to Assessed Value (1)	Debt Per Student (2)
	General Obligation Bonds	Capital Leases/Notes Payable	Total Primary Government		
2018	\$ 458,734,866	\$ 2,620,709	\$ 461,355,575	3.79%	\$ 19,501
2017	501,712,380	3,101,566	504,813,946	4.72%	21,778
2016	538,540,130	3,568,930	542,109,060	5.73%	23,847
2015	569,797,123	4,023,180	573,820,303	6.87%	25,367
2014	596,248,290	4,464,683	600,712,973	8.18%	27,013
2013	327,249,556	4,926,823	332,176,379	4.82%	15,077
2012	349,287,496	-	349,287,496	5.27%	16,044
2011	359,814,211	-	359,814,211	5.30%	16,814
2010	374,299,609	-	374,299,609	5.40%	18,067
2009	389,105,174	-	389,105,174	5.53%	19,134

(1) See Table 5 for assessed value data.

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

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

Table 10

<u>Fiscal Year</u>	<u>Gross Bonded Debt</u>	<u>Less Amount Available in Debt Service Fund</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt To Assessed Value (1)</u>	<u>Net Bonded Debt Per Student (2)</u>
2018	\$ 458,734,866	\$ 5,369,917	\$ 453,364,949	3.73%	\$ 19,163
2017	501,712,380	2,588,975	499,123,405	4.67%	21,533
2016	538,540,130	1,547,882	536,992,248	5.68%	23,622
2015	569,797,123	1,734,910	568,062,213	6.80%	25,112
2014	596,248,290	4,466,719	591,781,571	8.06%	26,611
2013	327,249,556	2,487,587	324,761,969	4.71%	14,740
2012	349,287,496	2,291,826	346,995,670	5.24%	15,938
2011	359,814,211	1,643,443	358,170,768	5.27%	16,737
2010	374,299,609	3,096,937	371,202,672	5.35%	17,918
2009	389,105,174	4,116,832	384,988,342	5.47%	18,931

(1) See Table 5 for assessed value data.

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PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMPUTATION OF ESTIMATED DIRECT AND OVERLAPPING DEBT
AUGUST 31, 2018

Table 11

Taxing Body	Gross Debt Amount	Outstanding As of	Percent Overlapping	Share of Debt
Overlapping:				
City of Austin	\$ 1,394,225,062	08/31/18	3.13%	\$ 43,639,244
Austin Community College District	418,335,000	08/31/18	2.24%	9,370,704
Kelly Lane WCID #1	18,860,000	08/31/18	100.00%	18,860,000
Kelly Lane WCID #2	15,925,000	08/31/18	100.00%	15,925,000
Lakeside MUD #3	15,335,000	08/31/18	100.00%	15,335,000
Lakeside WCID #1	3,760,000	08/31/18	100.00%	3,760,000
Lakeside WCID #2-B	8,760,000	08/31/18	100.00%	8,760,000
Lakeside WCID #2-C	14,900,000	08/31/18	100.00%	14,900,000
Lakeside WCID #2-D	15,190,000	08/31/18	100.00%	15,190,000
Lakeside WCID #2-A	3,000,000	08/31/18	100.00%	3,000,000
Northeast Travis County UD	21,405,000	08/31/18	100.00%	21,405,000
Northtown MUD	19,350,000	08/31/18	100.00%	19,350,000
City of Pflugerville	243,015,000	08/31/18	100.00%	243,015,000
Travis County	705,136,179	08/31/18	6.77%	47,737,719
Travis Co Healthcare District	9,380,000	08/31/18	6.77%	635,026
Travis County MUD #15	31,075,000	08/31/18	100.00%	31,075,000
Travis County MUD #17	7,975,000	08/31/18	100.00%	7,975,000
Wells Branch MUD	100,000	08/31/18	38.65%	38,650
Williamson County	878,234,942	08/31/18	2.00%	17,564,699
Williamson Co. Water, Sewer, Irrigation and DD #3	36,150,000	08/31/18	15.28%	5,523,720
Total Net Overlapping Debt	3,860,111,183			543,059,762
Direct				
Pflugerville ISD	461,353,575	08/31/18	100.0%	461,353,575
TOTAL NET OVERLAPPING AND DIRECT DEBT				\$ 1,004,413,337

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)
2018	40,049	\$ 9,782,990,803	\$ 244,276	23,658	3.1%
2017	38,614	8,616,879,411	223,154	23,180	3.2%
2016	37,571	7,511,905,364	199,939	22,733	3.6%
2015	36,395	6,552,264,664	180,032	22,621	3.5%
2014	35,500	5,745,745,609	161,852	22,238	4.6%
2013	34,745	5,375,057,344	154,700	22,032	5.6%
2012	34,069	5,419,191,612	159,065	21,771	6.4%
2011	33,455	5,416,319,648	161,899	21,400	7.6%
2010	32,846	5,528,542,649	168,317	20,717	7.3%
2009	32,166	5,193,604,881	161,463	20,336	7.3%

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

(2) Source: Travis Central Appraisal District

(3) Source: Texas Education Agency

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

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

Table 13

<u>Employer</u>	<u>2018</u>			<u>2009</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	3,414	1	0.30%	1,905	1	0.23%
FedEx	500	2	0.04%			-
City of Pflugerville	371	3	0.03%	200	6	0.02%
Wal-Mart	325	4	0.03%	325	3	0.04%
Mtech	268	5	0.02%			-
HEB Grocery	220	6	0.02%	400	2	0.05%
Costco	200	7	0.02%			-
Target	177	8	0.02%	200	5	0.02%
Austin Foam Plastics	170	9	0.01%	250	4	0.03%
Home Depot	165	10	0.01%	125	7	0.02%
CoCom	-	-	-	125	8	0.02%
Integrated Flow Systems	-	-	-	85	9	0.01%
Pflugerville Care Center	-	-	-	75	10	0.01%
Total Employed per Top Ten Employers	<u>5,810</u>		<u>0.50%</u>	<u>3,690</u>		<u>0.45%</u>
Total Employed (1)	<u>1,155,000</u>			<u>813,212</u>		

Sources: Pflugerville Community Development Corp and PISD Business Office

1) 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
2018	-	-	\$ -	\$ -	1,189,600	1,155,000
2017	148,577	2,115,827	115,982,300,000	54,817	1,143,100	1,109,800
2016	140,970	2,056,405	109,057,100,000	52,926	1,108,900	1,069,800
2015	136,289	2,000,860	102,072,200,000	51,014	1,053,100	1,018,600
2014	130,368	1,943,299	91,385,667,000	47,026	1,032,500	989,000
2013	126,949	1,883,051	84,285,529,000	44,760	989,700	938,800
2012	124,202	1,834,303	78,695,523,000	42,902	943,997	882,739
2011	120,523	1,783,519	74,168,909,000	41,651	904,067	838,282
2010	116,859	1,728,307	66,936,889,000	38,730	902,915	834,432
2009	86,896	1,682,338	64,014,645,000	38,051	869,525	813,212

(A) Neustar ElementOne. 2018 data unavailable.

(B) American Community Survey. Data for 2018 unavailable.

(C) Personal Income provided by TRACER, MSA 2000. Data for 2018 unavailable.

(D) 2008 - 2010 data from Bureau of Economic Analysis. 2011 - 2015 data from TRACER. Data for 2018 unavailable.

(E) Bureau of Labor Statistics

Table 14

(E) Unemployment	(E) Percent Unemployment	(E) Construction	(E) Manufacturing	(E) Trades	(E) Government
34,600	2.9%	68,500	57,000	186,800	178,600
33,300	2.9%	64,300	58,100	174,900	181,700
39,100	3.5%	60,800	53,700	172,500	172,600
34,400	3.3%	52,200	57,000	161,800	169,400
43,500	4.2%	48,700	53,300	161,600	168,400
50,900	5.1%	46,100	51,400	154,100	166,200
61,258	6.4%	40,700	50,800	139,800	166,700
65,785	7.3%	40,200	49,100	138,300	163,800
68,483	7.6%	39,500	46,500	129,800	166,300
56,313	6.5%	42,400	50,700	136,900	164,600

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY POSITION

LAST TEN FISCAL YEARS

POSITION	2018	2017	2016	2015
Teachers:				
Teacher/Special Duty Teacher	1,781.3	1,742.0	1,675.0	1,649.6
Substitute Teacher	5.2	2.4	0.9	1.2
Teacher Totals	1,786.5	1,744.4	1,675.9	1,650.8
Professional Support:				
Counselor	59.0	58.0	58.0	57.0
Educational Diagnostician	13.5	13.0	12.9	13.8
Librarian	29.8	23.5	25.0	24.8
Occupational Therapist	6.4	6.1	6.1	7.1
Orientation and Mobility Specialist	2.0	2.0	2.0	2.0
Physical Therapist	3.0	3.0	3.7	4.0
Nurse	34.0	34.6	31.8	33.0
LSSP/Psychologist	23.9	21.2	22.0	19.4
Social Worker	9.8	8.3	8.5	8.5
Speech Language Pathologist	28.7	26.8	26.3	24.7
Truant Officer	2.0	4.0	4.0	4.0
Teacher Facilitator	82.1	82.3	68.3	64.9
Athletic Trainer	4.2	1.5	2.7	4.0
Campus Professional Personnel	1.0	1.1	12.1	27.8
Non-Campus Professional Personnel	72.9	103.6	97.5	70.9
Professional Support Totals	372.3	389.0	380.9	365.9
Campus Administration:				
Assistant Principal	69.3	71.9	58.3	58.0
Executive Director/Program Director	2.2	2.2	3.5	4.0
Principal	27.1	28.5	28.0	29.0
Teacher Supervisor	13.4	7.9	8.2	7.8
Athletic Director	3.4	1.5	3.2	3.7
Campus Administration Totals	115.4	112.0	101.2	102.5
Central Administration:				
Assistant/Deputy Supt	4.0	4.0	4.0	2.0
Instructional Officer	11.0	11.0	11.0	13.5
Superintendent	1.0	1.0	1.0	1.0
Teacher Supervisor	21.0	28.6	35.5	22.0
Business Manager	1.0	1.0	1.0	1.0
Director of HR	1.0	2.0	2.0	-
Central Administration Totals	39.0	47.6	54.5	39.5
Educational Aides:				
Aides	399.6	388.7	386.9	360.4
Educational Aides Totals	399.6	388.7	386.9	360.4
Auxiliary Support:				
Includes: Clerical, Secretarial, Grounds, Custodial, Maintenance	556.0	422.0	400.9	381.8
Auxiliary Support Totals	556.0	422.0	400.9	381.8
Total Employees	3,268.8	3,103.7	3,000.3	2,900.9

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

2014	2013	2012	2011	2010	2009
1,623.0	1,563.1	1,511.6	1,508.2	1,450.2	1,458.0
0.4	0.2	0.2	0.1	-	-
1,623.4	1,563.3	1,511.8	1,508.3	1,450.2	1,458.0
53.8	53.4	49.4	49.5	40.4	45.1
12.9	9.8	9.0	8.0	8.9	8.0
24.9	20.6	21.0	25.0	24.4	25.7
5.0	5.6	4.6	5.2	4.6	4.4
2.0	2.0	1.0	1.0	1.0	1.0
2.8	2.0	2.0	2.0	4.0	4.0
31.0	28.9	26.9	27.0	25.4	24.9
20.0	19.8	18.0	19.0	18.1	20.0
7.5	7.0	7.0	7.0	5.5	6.5
24.8	23.3	24.0	24.6	20.8	22.4
3.0	4.0	3.6	1.0	-	-
67.9	39.3	42.0	51.7	28.0	41.1
2.6	4.1	2.5	4.9	4.8	3.9
33.9	37.1	10.5	10.6	11.0	12.0
62.9	63.3	56.3	56.6	37.0	34.0
355.0	320.2	277.8	293.1	233.9	253.0
57.1	53.1	49.1	47.0	47.0	53.0
5.0	4.3	8.0	6.0	-	-
28.0	27.0	25.9	25.9	24.4	27.0
2.0	3.5	25.0	20.6	-	-
4.9	4.2	5.5	5.8	-	-
97.0	92.1	113.5	105.3	71.4	80.0
3.0	3.0	3.0	4.0	1.0	4.0
14.0	15.0	22.6	27.0	23.0	26.9
0.9	1.0	1.0	1.0	1.0	1.0
22.9	22.0	5.0	3.0	4.5	5.0
1.0	1.0	1.0	1.0	-	-
1.0	1.0	1.0	-	1.0	1.0
42.8	43.0	33.6	36.0	30.5	37.9
353.4	294.4	299.7	318.7	275.6	269.6
353.4	294.4	299.7	318.7	275.6	269.6
367.7	380.9	337.9	369.6	456.4	376.2
367.7	380.9	337.9	369.6	456.4	376.2
2,839.3	2,693.9	2,574.3	2,631.0	2,518.0	2,474.7

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

OPERATING STATISTICS

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Average Daily Attendance (3)</u>	<u>Operating Expenditures (1)</u>	<u>Cost Per Student</u>	<u>Percentage Change</u>
2018	23,658	\$ 249,807,770	\$ 10,559	-0.32%
2017	23,180	245,544,677	10,593	5.22%
2016	22,733	228,860,576	10,067	2.60%
2015	22,621	221,948,977	9,812	7.75%
2014	22,238	202,503,449	9,106	5.75%
2013	22,032	189,708,360	8,611	3.62%
2012	21,771	180,912,541	8,310	-2.87%
2011	21,400	183,079,098	8,555	-4.57%
2010	20,717	185,725,395	8,965	3.32%
2009	20,336	176,455,787	8,677	5.40%

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

(2) Source: District documents.

(3) See Table 12 for student average daily attendance

Table 16

<u>Government Wide Expenses</u>	<u>Cost Per Student</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Student to Teacher Ratio</u>	<u>Percentage of Students in Free/Reduced Lunch Program (2)</u>
\$ 214,143,696	\$ 9,052	-26.26%	1787	13.24	52.29%
284,519,787	12,274	1.79%	1744	13.29	51.29%
274,119,272	12,058	7.12%	1676	13.56	52.10%
254,638,143	11,257	6.82%	1651	13.70	53.37%
234,348,250	10,538	7.75%	1623	13.70	55.13%
215,479,477	9,780	2.06%	1563	14.10	53.63%
208,619,255	9,582	-1.85%	1512	14.40	53.92%
208,934,878	9,763	-2.94%	1502	14.25	52.59%
208,391,282	10,059	0.71%	1475	14.05	50.40%
203,107,512	9,988	4.01%	1458	13.95	42.31%

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PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT*Table 17***TEACHER BASE SALARIES****LAST TEN FISCAL YEARS**

Fiscal Year	Minimum Salary (1)	Maximum Salary (1)	Region Average Salary (2)	Statewide Average Salary (2)
2018	\$ 46,750	\$ 60,007	\$ 50,888	\$ 53,334
2017	46,000	59,772	50,027	52,525
2016	45,000	59,916	49,318	51,891
2015	43,675	59,891	48,341	50,715
2014	43,000	59,431	47,624	49,692
2013	41,000	57,850	47,596	48,821
2012	41,000	57,350	46,930	48,375
2011	41,000	57,350	47,158	48,638
2010	41,000	57,350	46,979	48,263
2009	40,950	57,350	45,604	47,159

(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:	2018	2017	2016	2015
HIGH SCHOOLS				
Pflugerville High School				
Square Footage	388,246	388,246	388,246	388,246
Capacity	2,475	2,475	2,475	2,475
Enrollment	1,993	2,036	2,104	2,191
Hendrickson High School				
Square Footage	380,130	380,130	380,130	380,130
Capacity	2,500	2,500	2,500	2,500
Enrollment	2,562	3,208	2,957	2,729
Connally High School				
Square Footage	314,876	314,876	314,876	314,876
Capacity	2,325	2,325	2,325	2,325
Enrollment	1,749	1,862	1,851	1,856
Weiss High School				
Square Footage	397,000	-	-	-
Capacity	2,500	-	-	-
Enrollment	876	-	-	-
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	1,019	961	982	1,029
Westview Middle School				
Square Footage	112,245	112,245	112,245	112,245
Capacity	1,100	1,100	1,100	1,100
Enrollment	778	779	828	877
Park Crest Middle School				
Square Footage	133,300	133,300	133,300	116,800
Capacity	1,500	1,500	1,500	1,300
Enrollment	922	886	915	949
Dessau Middle School				
Square Footage	121,200	121,200	121,200	121,200
Capacity	1,300	1,300	1,300	1,300
Enrollment	838	811	756	820
Kelly Lane Middle School				
Square Footage	139,000	139,000	139,000	139,000
Capacity	1,250	1,250	1,250	1,250
Enrollment	1,096	1,215	1,149	1,088
Cele Middle School				
Square Footage	163,473	163,473	163,473	163,473
Capacity	1,200	1,200	1,200	1,200
Enrollment	1,063	884	823	783

Source: District Records

Table 18
Page 1 of 3

2014	2013	2012	2011	2010	2009
335,550	335,550	335,550	335,550	310,448	285,346
2,475	2,475	2,475	2,475	2,475	2,400
2,185	2,212	2,221	2,237	2,244	2,290
380,130	380,130	380,130	380,130	380,130	380,130
2,500	2,500	2,500	2,500	2,500	2,500
2,606	2,370	2,213	2,108	1,911	1,947
314,876	314,876	314,876	314,876	298,333	281,790
2,325	2,325	2,325	2,325	2,325	2,400
1,876	1,939	1,935	1,946	2,044	2,084
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
19,691	19,691	19,691	19,691	19,691	19,691
256	256	256	256	256	256
-	-	-	-	-	-
111,036	111,036	111,036	111,036	111,036	111,036
1,375	1,375	1,375	1,375	1,375	1,375
1,046	1,114	1,039	1,028	1,069	1,074
112,245	112,245	112,245	112,245	112,245	112,245
1,100	1,100	1,100	1,100	1,100	1,100
853	907	851	955	896	858
116,800	116,800	116,800	116,800	116,800	116,800
1,300	1,300	1,300	1,300	1,300	1,300
934	993	1,017	942	874	862
121,200	121,200	121,200	121,200	121,200	121,200
1,300	1,300	1,300	1,300	1,300	1,300
848	1,080	1,016	995	1,007	1,029
139,000	139,000	139,000	139,000	139,000	139,000
1,250	1,250	1,250	1,250	1,250	1,250
1,019	1,249	1,176	1,106	1,029	1,022
163,473	-	-	-	-	-
1,200	-	-	-	-	-
687	-	-	-	-	-

Continued

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

Building:	2018	2017	2016	2015
ELEMENTARY SCHOOLS				
Pflugerville Elementary School				
Square Footage	77,922	77,922	77,922	77,922
Capacity	600	600	600	600
Enrollment	444	469	438	470
Parmer Lane Elementary School				
Square Footage	63,634	63,634	63,634	63,634
Capacity	650	650	650	650
Enrollment	497	498	479	457
Timmerman Elementary School				
Square Footage	96,000	58,792	58,792	58,792
Capacity	800	550	550	550
Enrollment	552	437	420	442
Northwest Elementary School				
Square Footage	62,000	62,000	62,000	62,000
Capacity	600	600	600	600
Enrollment	528	560	529	561
Dessau Elementary School				
Square Footage	64,150	64,150	64,150	64,150
Capacity	650	650	650	650
Enrollment	633	577	503	509
Windermere Elementary School				
Square Footage	66,272	66,272	66,272	66,272
Capacity	750	750	750	750
Enrollment	413	425	433	438
River Oaks Elementary School				
Square Footage	66,512	66,512	66,512	66,512
Capacity	750	750	750	750
Enrollment	524	536	555	525
Brookhollow Elementary School				
Square Footage	66,512	66,512	66,512	66,512
Capacity	750	750	750	750
Enrollment	490	420	454	511
Spring Hill Elementary School				
Square Footage	68,600	68,600	68,600	68,600
Capacity	750	750	750	750
Enrollment	622	603	627	674
Windermere Primary School				
Square Footage	68,752	68,752	68,752	68,752
Capacity	750	750	750	750
Enrollment	416	419	448	465

Source: District Records

2014	2013	2012	2011	2010	2009
77,922	77,922	77,922	77,922	77,922	77,922
600	600	600	600	600	600
477	496	531	520	519	530
63,634	63,634	63,634	63,634	63,634	63,634
650	650	650	650	650	650
435	480	519	543	613	619
58,792	58,792	58,792	58,792	58,792	58,792
550	550	550	550	550	550
502	523	550	574	530	524
62,000	62,000	62,000	62,000	62,000	62,000
600	600	600	600	600	600
563	514	614	623	599	584
64,150	64,150	64,150	64,150	64,150	64,150
650	650	650	650	650	650
430	404	602	623	588	586
66,272	66,272	66,272	66,272	66,272	66,272
750	750	750	750	750	750
494	503	525	488	477	481
66,512	66,512	66,512	66,512	66,512	66,512
750	750	750	750	750	750
509	572	536	526	475	476
66,512	66,512	66,512	66,512	66,512	66,512
750	750	750	750	750	750
548	517	501	549	577	572
68,600	68,600	68,600	68,600	68,600	68,600
750	750	750	750	750	750
710	705	719	741	746	743
68,752	68,752	68,752	68,752	68,752	68,752
750	750	750	750	750	750
471	490	558	612	642	650

Continued

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

Building:	2018	2017	2016	2015
Copperfield Elementary School				
Square Footage	77,922	77,922	77,922	77,922
Capacity	850	850	850	850
Enrollment	420	459	464	484
Murchison Elementary School				
Square Footage	77,922	77,922	77,922	77,922
Capacity	850	850	850	850
Enrollment	846	806	797	732
Delco Primary School				
Square Footage	68,752	68,752	68,752	68,752
Capacity	750	750	750	750
Enrollment	720	679	633	564
Caldwell Elementary School				
Square Footage	73,007	73,007	73,007	73,007
Capacity	800	800	800	800
Enrollment	654	720	713	669
Rowe Lane Elementary School				
Square Footage	75,007	75,007	75,007	75,007
Capacity	750	750	750	750
Enrollment	825	919	852	816
Highland Park Elementary School				
Square Footage	75,007	75,007	75,007	75,007
Capacity	750	750	750	750
Enrollment	653	865	771	743
Wieland Elementary School				
Square Footage	75,490	75,490	75,490	75,490
Capacity	750	750	750	750
Enrollment	445	414	445	471
Riojas Elementary School				
Square Footage	79,064	79,064	79,064	71,624
Capacity	832	832	832	700
Enrollment	669	967	844	732
Ruth Barron Elementary School				
Square Footage	86,899	86,899	86,899	86,899
Capacity	900	900	900	900
Enrollment	697	741	774	695
Dearing Elementary School				
Square Footage	93,376	93,376	93,376	93,376
Capacity	850	850	850	850
Enrollment	593	589	608	573
Mott Elementary School				
Square Footage	109,000	-	-	-
Capacity	800	-	-	-
Enrollment	745	-	-	-

Source: District Records

2014	2013	2012	2011	2010	2009
77,922	77,922	77,922	77,922	77,922	77,922
850	850	850	850	850	850
519	504	586	600	621	613
77,922	77,922	77,922	77,922	77,922	77,922
850	850	850	850	850	850
897	843	852	834	861	860
68,752	68,752	68,752	68,752	68,752	68,752
750	750	750	750	750	750
534	527	748	701	649	630
73,007	73,007	73,007	73,007	73,007	73,007
800	800	800	800	800	800
659	731	739	760	729	750
75,007	75,007	75,007	75,007	75,007	75,007
750	750	750	750	750	750
922	867	793	728	726	698
75,007	75,007	75,007	75,007	75,007	75,007
750	750	750	750	750	750
829	762	732	692	849	845
75,490	75,490	75,490	75,490	75,490	75,490
750	750	750	750	750	750
544	544	741	766	676	680
71,624	71,624	71,624	71,624	71,624	-
700	700	700	700	700	-
652	624	540	453	-	-
86,899	86,899	-	-	-	-
900	900	-	-	-	-
713	754	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

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Federal Awards Section

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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 (the District) as of and for the fiscal year ended August 31, 2018, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated January 11, 2019.

Internal Control over Financial Reporting

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

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

Our consideration of internal control over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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*.

To the Board of Trustees of
Pflugerville Independent School District

Purpose of this Report

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

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Conroe, Texas
January 11, 2019

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

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

Report on Compliance for Each Major Federal Program

We have audited Pflugerville Independent School District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the fiscal year ended August 31, 2018. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the 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, 2018.

To the Board of Trustees of
Pflugerville Independent School District

Report on Internal Control over Compliance

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

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

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

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

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Conroe, Texas
January 11, 2019

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

*SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2018*

I. Summary of Auditor’s Results

Financial Statements

Type of auditor’s 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 Uniform Guidance? No

Identification of Major Programs:

CFDA Numbers **Name of Federal Program or Cluster:**

10.553 and 10.555 Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B federal programs \$750,000

Auditee qualified as a low-risk auditee? Yes

II. Financial Statement Findings

None reported.

III. Federal Awards Findings and Questioned Costs

None reported.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

*SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2018*

Prior Year Findings

2017-001 Significant Deficiency in Internal Controls over Financial Reporting

Responsible Party:

Mary Rabalais
Director of Business Services

Corrective Action:

The District implemented procedures to post only balanced journal entries to the general ledger by creating a review process prior to posting entries and a routine monitoring process throughout the month.

Status:

The planned corrective action was completed in January 2018.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2018

Exhibit K-1

(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 AGRICULTURE:</u>			
Child Nutrition Cluster:			
Passed Through State Department of Agriculture - Noncash Assistance:			
<i>National School Lunch Program</i>	10.555	01069	\$ 911,640
Passed Through State Department of Education - Cash Assistance:			
<i>National School Breakfast Program</i>	10.553	71401801	2,061,522
<i>National School Lunch Program</i>	10.555	71301801	6,000,673
Total Child Nutrition Cluster			<u>8,973,835</u>
Passed Through State Department of Agriculture:			
<i>Child and Adult Care Food Program</i>	10.558	01069	137,342
<i>National School Lunch Program Equipment Assistance Grant</i>	10.579	01069	41,255
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u><u>9,152,432</u></u>
<u>U.S. DEPARTMENT OF EDUCATION:</u>			
Passed Through State Department of Education:			
<i>ESEA Title I, Part A - Improving Basic Programs</i>	84.010A	18610101227904	3,344,880
<i>ESEA Title I, Part A - Improving Basic Programs</i>	84.010A	19610101227904	260,759
<i>TTL I 1003 - School Improvement</i>	84.010A	18610123227904	83,949
Total Program 84.010A			<u>3,689,588</u>
Special Education Cluster (IDEA):			
<i>IDEA - Part B, Formula</i>	84.027A	186600012279046600	3,432,413
<i>IDEA - Part B, Formula</i>	84.027A	196600012279046600	281,716
<i>IDEA - Part B, Preschool</i>	84.173A	186610012279046610	35,605
<i>IDEA - Part B, Preschool</i>	84.173A	196610012279046610	2,670
Total Special Education Cluster (IDEA)			<u>3,752,404</u>
<i>Career and Technical - Basic Grant</i>	84.048A	18420006227904	199,596
<i>Title III, Part A - English Language Acquisition and Language Enhancement</i>	84.365A	18671001227904	428,813
<i>Title III, Part A - English Language Acquisition and Language Enhancement</i>	84.365A	19671001227904	31,476
<i>Title III, Part A - Immigrant</i>	84.365A	18671003227904	4,100
Total Program 84.365A			<u>464,389</u>
<i>ESEA Title II, Part A - Teacher and Principal Training and Recruiting</i>	84.367A	18694501227904	481,200
<i>ESEA Title II, Part A - Teacher and Principal Training and Recruiting</i>	84.367A	19694501227904	28,232
Total Program 84.367A			<u>509,432</u>
<i>LEP Summer School Program</i>	84.369A	69551702	28,493
<i>Title IV, Part A, Subpart 1</i>	84.424A	18680101227904	80,623
Passed Through Education Service Center Region X:			
<i>ESEA Title X, Part C - Education for the Homeless Children and Youth</i>	84.196A	18-031	28,591
Passed Through Education Service Center Region XIII:			
<i>ESEA Title X, Part C - Education for the Homeless Children and Youth</i>	84.196A	18-042	2,966
Total Program 84.196A			<u>31,557</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u><u>8,756,082</u></u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u>			
Passed Through State Department of Health and Human Services:			
Medicaid Cluster:			
<i>Medicaid Administrative Claiming Program (MAC)</i>	93.778	529-07-0157-00121	40,154
Total Medicaid Cluster			<u>40,154</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>40,154</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 17,948,668</u></u>

The accompanying notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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, 2018. The information in this schedule is presented in accordance with the requirements of the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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. National School Lunch Program non-cash commodities are recorded at their estimated market value at the time of donation. The District has elected not to use the 10% de minimis indirect cost rate as allowed under Uniform Guidance.

Note 3 - Reconciliation of Basic Financial Statements

Total Expenditures of Federal Awards per Exhibit K-1	\$ 17,948,668
General Fund - Federal Revenue Excluded:	
SHARS Revenue	3,960,653
Reserve Officers Training Corps	74,631
Total Federal Revenues per Exhibit B-2	<u><u>\$ 21,983,952</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, 2018, are as follows:

<u>Program Source</u>	<u>CFDA Number</u>	<u>Amount</u>
SHARS	N/A	\$ 3,960,653
ROTC	N/A	74,631
Indirect Costs:		
ESEA Title I - Improving Basic Programs	84.010A	98,222
IDEA Part B - Formula	84.027A	90,985
IDEA Part B - Preschool	84.173A	1,018
Career and Technical - Basic Grant	84.048A	5,238
ESEA Title II, Part A - Teacher and Principal Training and Recruiting	84.367A	13,155
ESEA Title III, Part A - English Language Acquisition and Language Enhancement	84.365A	12,330
ESEA Title IV, Part A - Subpart 1	84.424A	1,985
ESEA Title X, Part C - Education for the Homeless	84.196	750
Total		<u><u>\$ 4,258,967</u></u>