

**PFLUGERVILLE INDEPENDENT
SCHOOL DISTRICT**

**Comprehensive Annual Financial Report
For the Fiscal Year Ended August 31, 2017**

Issued By

**Pflugerville Independent School District
Department of Finance**

Pflugerville, Texas



PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit/ Table</u>
Introductory Section		
Principal Officials and Advisors	ii	
Certificate of the Board	iv	
Transmittal Letter	v	
Organizational Chart	xi	
GFOA Certificate of Achievement for Excellence	xii	
ASBO Certificate of Excellence	xiii	
Financial Section		
Independent Auditor's Report	2	
Management's Discussion and Analysis	6	
Basic Financial Statements:		
Government-wide Financial Statements		
Statement of Net Position	19	A-1
Statement of Activities	20	A-2
Governmental Fund Financial Statements		
Balance Sheet	22	B-1
Reconciliation of Balance Sheet for Governmental Funds to the Statement of Net Position	25	B-1R
Statement of Revenues, Expenditures, and Changes in Fund Balances	26	B-2
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	28	B-2R
Proprietary Fund Financial Statements		
Statement of Net Position	29	C-1
Statement of Revenues, Expenses, and Changes in Net Position	30	C-2
Statement of Cash Flows	31	C-3
Fiduciary Fund Financial Statements		
Statement of Net Position	32	D-1
Statement of Changes in Net Position	33	D-2
Notes to the Financial Statements	34	
Required Supplementary Information:		
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	62	E-1
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	63	E-2
Schedule of the District's Contributions to the Teacher Retirement System of Texas Pension Plan	64	E-3
Notes to Required Supplementary Information	65	
Supplementary Information:		
Combining and Individual Fund Financial Statements		
Major Governmental Fund		
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund	69	F-1

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

TABLE OF CONTENTS

Nonmajor Governmental Funds		
Fund Descriptions – Nonmajor Governmental Funds – Special Revenue Funds	70	
Combining Balance Sheet	72	G-1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	80	G-2
Internal Service Funds		
Combining Statement of Net Position	91	H-1
Combining Statement of Revenues, Expenses, and Changes in Net Position	92	H-2
Combining Statement of Cash Flows	93	H-3
Fiduciary Fund		
Statement of Changes in Assets and Liabilities - Fiduciary Fund	97	I-1
Compliance Schedules		
Schedule of Delinquent Taxes Receivable	98	J-1
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual - National School Breakfast and Lunch Program	100	J-2
Statistical Section		
Net Position by Component	104	1
Changes in Net Position	106	2
Fund Balances of Governmental Funds	110	3
Changes in Fund Balances - Governmental Funds	112	4
Assessed Value and Actual Value of Taxable Property	117	5
Property Tax Rates - Direct and Overlapping Governments	118	6
Principal Taxpayers	120	7
Property Tax Levies and Collections	121	8
Ratios of Outstanding Debt by Type	122	9
Ratios of Net General Obligation Bonded Debt Outstanding	123	10
Computation of Estimated Direct and Overlapping Debt	125	11
Demographic and Economic Statistics	126	12
Principal Employers	127	13
Demographic Statistics	128	14
Full-Time Equivalent District Employees by Position	130	15
Operating Statistics	132	16
Teacher Base Salaries	135	17
School Building Information	136	18
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 <i>Government Auditing Standards</i>	144	
Independent Auditor’s Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance	146	
Schedule of Findings and Questioned Costs	149	
Corrective Action Plan	151	
Schedule of Expenditures of Federal Awards	152	K-1
Notes to Schedule of Expenditures of Federal Awards	155	K-2

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

Dr. Kenneth Adix
Chief Financial Officer

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

Dr. Susanna Russell
Assistant Superintendent of Secondary Education

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

Dr. Rhonda McWilliams
Chief Human Resources Officer

Mr. Steve Scheffler, M.P.A.
Communications 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, 2017, at a meeting of the Board of Trustees of such school district on January 18, 2018.

President of Board

Secretary of Board



January 18, 2018

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, 2017.

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 12th by Money magazine in 2017 for Best Places to Live. With a population of 59,201 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 4.1% in October 2017. The Austin area unemployment rate was 2.9% according to the Bureau of Labor and Statistics. The District's taxable property values grew approximately \$1.4 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 \$38.0 million and has tripled over that time period due to strong financial management.

Through the third quarter of 2017, the district started 1,656 and closed 1,348 new homes on an annual basis. The district has 1,765 vacant developed lots and 12,294 future lots. The Pflugerville new housing market is positioned for continued growth with over 1,500 new home starts expected each year. The average district sale price for a new home in 2017 is approximately \$295,000. The average new home price rose more than 53% since 2010, a difference of almost \$102,000.

The district expects to grow by 3,300 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 and planning is now underway for projects to be included in a bond election planned for November 2018.

For 2017, the Chief Appraisers of Travis and Williamson County Appraisal Districts certified all taxable properties in the District subject to appraisals to be valued at \$11,828,313,502. The total tax rate for the 2017-2018 school year is \$1.54 and consists of the maintenance and operations tax rate of \$1.04 and the debt service tax rate of \$0.50.

FOR THE FUTURE - The Board of Trustees adopted its mission, vision and values for the 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) rated Pflugerville ISD as Met Standard for 2017 along with all campuses within the District. Campuses receiving an accountability rating of Met Standard are eligible for six to seven distinction designations depending on campus type. Distinction designations are awarded for recognition of outstanding achievement in specific areas. Campus distinction designations are based on indicators of student performance in comparison to forty similar campuses.

For 2017, distinction designations were awarded in the following areas:

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

Pflugerville High School is one of only seventy-five high school campuses across the state of Texas that earned all seven possible distinctions available to a high school. Also of note are Copperfield Elementary School and Highland Park Elementary School, each earning five out of six possible distinctions; Ruth Barron Elementary School earning four out of six possible distinctions; and Cele Middle School earning five out of seven possible distinctions. Sixteen campuses received one or more distinction designations, with a total of forty-eight awarded district-wide.

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, 2017 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Accounting System and Budgetary Control

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

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

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

GOVERNMENTAL CHANGES

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 eighth 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, 2016. 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 eighth 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, 2016. This award certifies that the report substantially conforms to the principles and standards of financial reporting as recommended and adopted by ASBO. The award is granted only after an intensive review of financial reports by an expert panel of certified public accountants and practicing school business officials.

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

Acknowledgments

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

Special appreciation is also expressed to members of the business office staff for their assistance and effort in maintaining the financial records of the District. Individual recognition is directed to Mary Rabalais, Lisa Campbell, Craig Pruett, Paula Bowden, Janie Ornelas, Nicole Ayer, Jackie Porter, Janet Maluschka, Dorothy Wright, Jennifer Davis, Jill Mason, Jennifer Martin Del Campo, Anna Riggs, Roxanna Jonse, Alisha Gonzales, Kristin Baum, Paulina Torres, Micaela Gallegos, Diana Clark, 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,

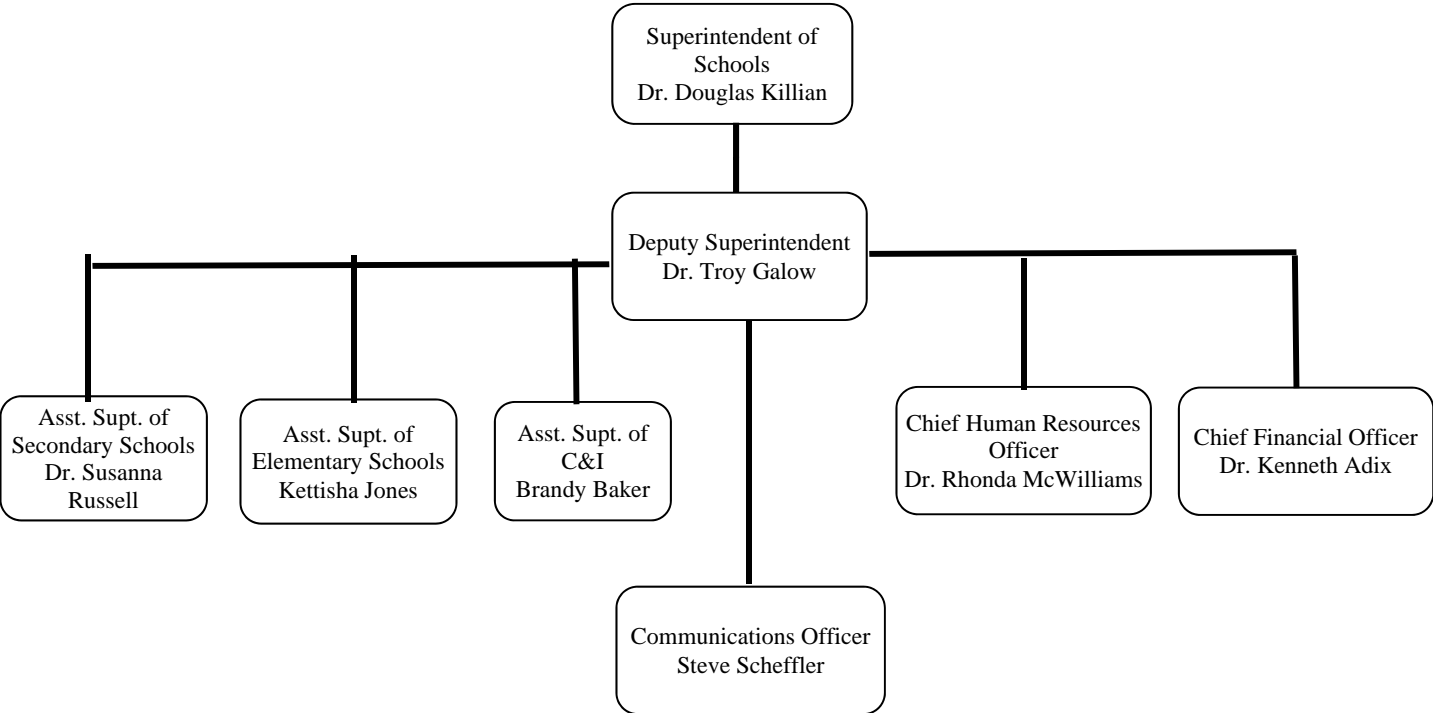


Douglas Killian, Ph.D.
Superintendent of Schools



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

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
ORGANIZATIONAL CHART





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Pflugerville Independent School District
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

August 31, 2016

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, 2016.**

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



A handwritten signature in black ink, appearing to read 'Anthony N. Dragona', written over a horizontal line.

Anthony N. Dragona, Ed.D., RSBA
President

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

John D. Musso, CAE
Executive Director

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Financial Section



Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Pflugerville Independent School District (the District), as of and for the year ended August 31, 2017, 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 Pflugerville Independent School District, as of August 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and 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 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 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.

Pflugerville Independent School District
January 10, 2018

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 2018 on our consideration of 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 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 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 10, 2018

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, 2017. 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

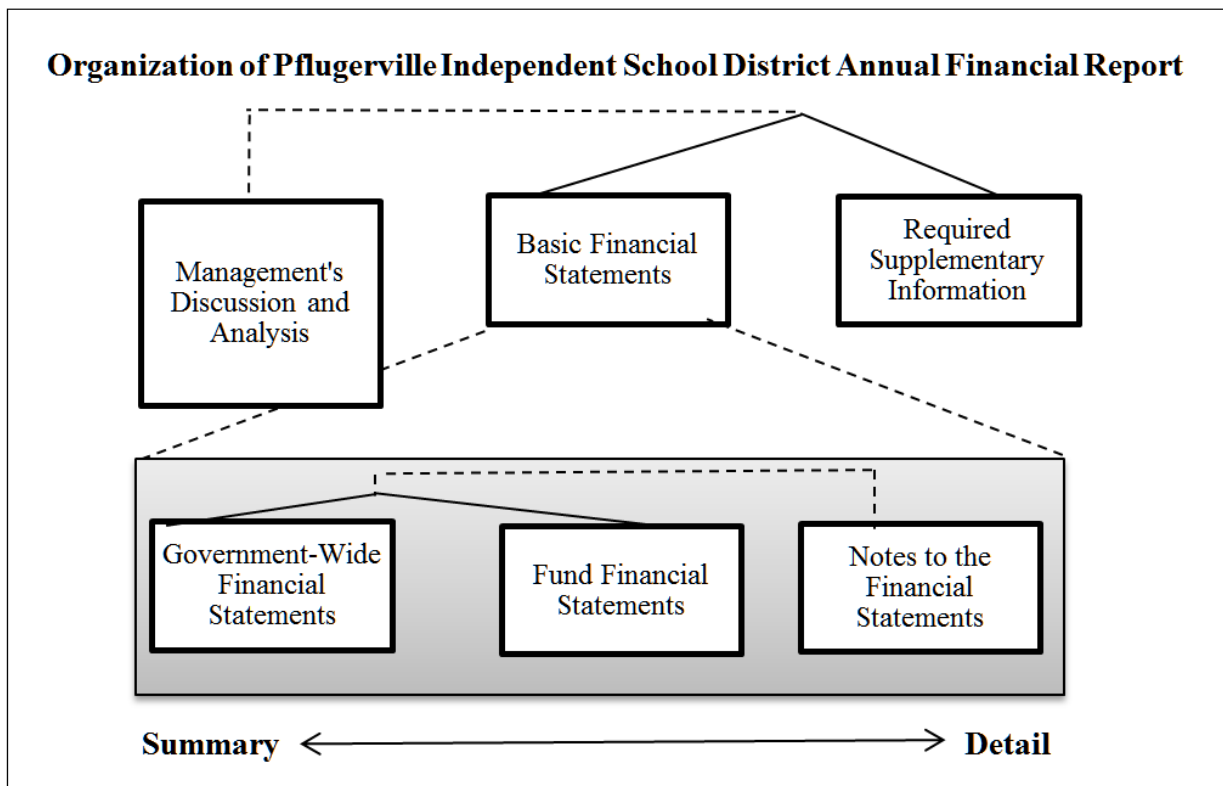
- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$108,776,622 (*net position*). Of this amount, \$33,055,592 (*unrestricted net position*) may be used to meet the District's ongoing obligations to students and creditors.
- Total net position of the District increased by \$6,465,137 from current operations.
- The total fund balance of the general fund was \$50,748,025 and was an increase of \$9,389,128 from the prior year. The unassigned fund balance of the General Fund was \$37,987,851, or 19% of total general fund expenditures.

Overview of the Financial Statements

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

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

Figure A-1



PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Figure A-2

<i>Type of Statements</i>	Government-Wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
<i>Scope</i>	Entire District's government (except fiduciary funds)	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.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

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

The District has the following types of funds:

Governmental funds - Most of the District's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information 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 \$108,776,622 at August 31, 2017. The following table compares balances for the 2016-2017 fiscal year to the 2015-2016 fiscal year.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT'S NET POSITION

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current and Other Assets	\$ 127,572,815	\$ 235,879,235	\$ 273,469	\$ 244,098	\$ 127,846,284	\$ 236,123,333
Capital Assets, net of						
Depreciation	525,970,089	446,773,083	69,888	73,472	526,039,977	446,846,555
Total Assets	653,542,904	682,652,318	343,357	317,570	653,886,261	682,969,888
Total Deferred Outflows of Resources	34,599,482	43,186,352	-	-	34,599,482	43,186,352
Other Liabilities	23,113,240	26,049,978	112,791	80,908	23,226,031	26,130,886
Long-term Liabilities						
Outstanding	553,811,648	589,713,425	-	-	553,811,648	589,713,425
Total Liabilities	576,924,888	615,763,403	112,791	80,908	577,037,679	615,844,311
Total Deferred Inflows of Resources	2,671,442	8,000,444	-	-	2,671,442	8,000,444
Net Position:						
Net Investment in Capital Assets	70,572,742	74,971,698	69,888	73,472	70,642,630	75,045,170
Restricted	5,078,400	3,686,881	-	-	5,078,400	3,686,881
Unrestricted	32,894,914	23,416,244	160,678	163,190	33,055,592	23,579,434
Total Net Position	\$ 108,546,056	\$ 102,074,823	\$ 230,566	\$ 236,662	\$ 108,776,622	\$ 102,311,485

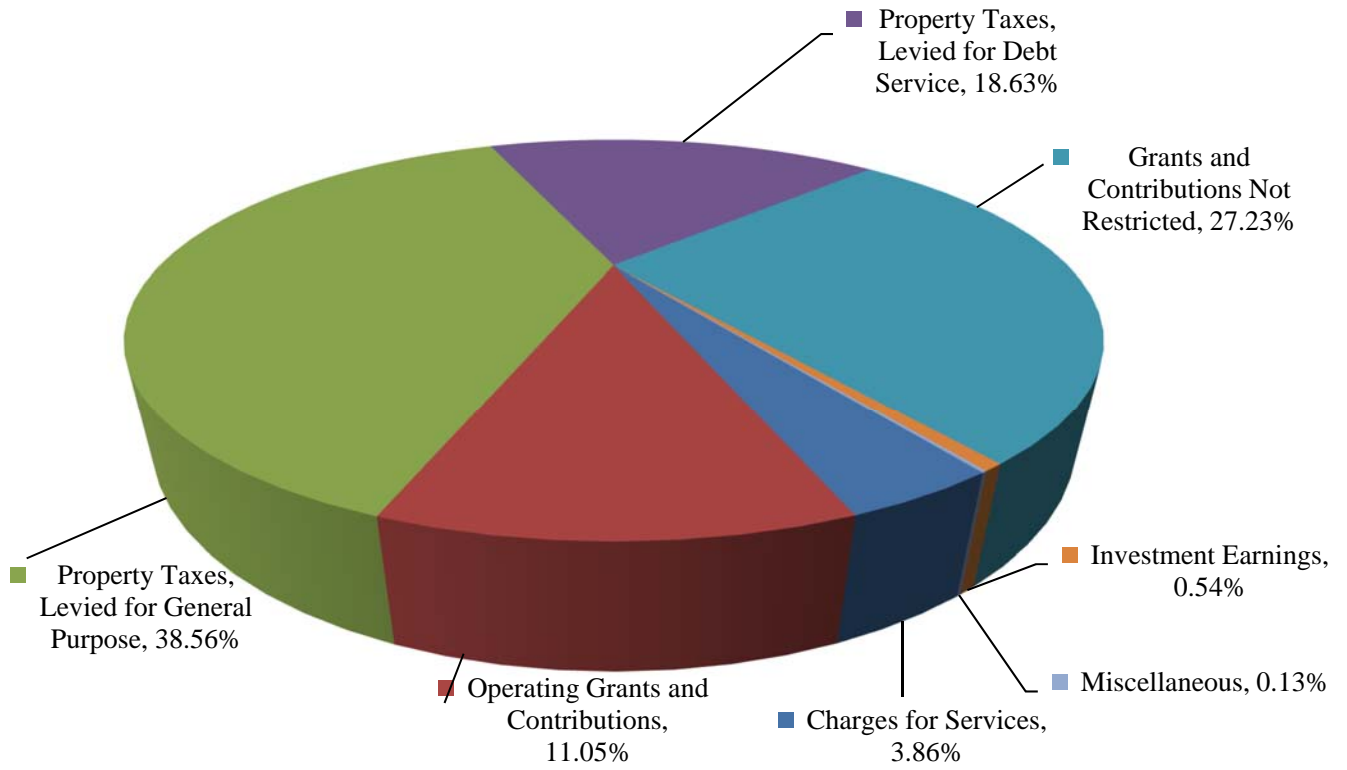
Changes in Net Position

Net position increased overall by \$6.5 million from prior year primarily due to an increase in property tax revenues of approximately 12.2% over the prior year.

The District's total general revenues, charges for services, and operating grants and contributions were \$290.9 million. A significant portion, 57%, of the District's revenue comes from taxes (see Figure A-3), 27% comes from grants and contributions not restricted, 11% from operating grants and contributions and 5% relates to investment earnings, charges for services, and miscellaneous local and intermediate sources. The total cost of all programs and services was \$284.5 million. Of these costs, 51% are related to instruction expenses.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Figure A-3 District Sources of Revenue for Fiscal Year 2017



PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT'S CHANGES IN NET POSITION

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>
Revenues						
Program Revenues:						
Charges for Services	\$ 7,537,694	\$ 7,454,960	\$ 3,681,867	\$ 3,813,860	\$ 11,219,561	\$ 11,268,820
Operating Grants and Contributions	32,160,644	33,706,817	-	-	32,160,644	33,706,817
General Revenues:						
Property Taxes, Levied for General Purposes	112,203,219	100,136,037	-	-	112,203,219	100,136,037
Property Taxes, Levied for Debt Services	54,222,292	48,142,601	-	-	54,222,292	48,142,601
Grants and Contributions Not Restricted	79,229,802	92,312,300	-	-	79,229,802	92,312,300
Investment Earnings	1,575,711	1,420,938	-	-	1,575,711	1,420,938
Miscellaneous	373,695	194,470	-	-	373,695	194,470
Total Revenues	287,303,057	283,368,123	3,681,867	3,813,860	290,984,924	287,181,983
Expenses						
Instruction	146,006,306	140,567,674	-	-	146,006,306	140,567,674
Instructional Resources and Media Services	4,229,686	3,584,223	-	-	4,229,686	3,584,223
Curriculum and Instructional Staff Development	7,347,015	7,723,707	-	-	7,347,015	7,723,707
Instructional Leadership	3,997,004	4,212,433	-	-	3,997,004	4,212,433
School Leadership	13,983,079	13,155,038	-	-	13,983,079	13,155,038
Guidance, Counseling, and Evaluation Services	9,308,458	9,325,728	-	-	9,308,458	9,325,728
Social Work Services	792,648	778,068	-	-	792,648	778,068
Health Services	2,781,144	2,785,555	-	-	2,781,144	2,785,555
Student Transportation	7,735,715	7,543,509	-	-	7,735,715	7,543,509
Food Services	12,507,829	12,447,702	-	-	12,507,829	12,447,702
Extracurricular Activities	9,111,862	8,443,556	-	-	9,111,862	8,443,556
General Administration	5,830,302	5,268,966	-	-	5,830,302	5,268,966
Plant Maintenance and Operations	25,520,649	25,869,002	-	-	25,520,649	25,869,002
Security and Monitoring Services	4,038,212	3,630,611	-	-	4,038,212	3,630,611
Data Processing Services	8,805,884	5,425,964	-	-	8,805,884	5,425,964
Community Services	193,103	173,598	-	-	193,103	173,598
Interest on Long-term Debt	18,890,061	19,862,534	-	-	18,890,061	19,862,534
Issuance Costs and Fees	31,309	34,703	-	-	31,309	34,703
Facilities Repair and Maintenance	415,375	173,414	-	-	415,375	173,414
Payments to Juvenile Justice Alternative						
Education Programs	2,580	18,946	-	-	2,580	18,946
Payments to Appraisal District	803,603	779,770	-	-	803,603	779,770
Extended Day Program	-	-	2,187,963	2,314,571	2,187,963	2,314,571
Total Expenses	282,331,824	271,804,701	2,187,963	2,314,571	284,519,787	274,119,272
Increase in Net Position Before Transfers	4,971,233	11,563,422	1,493,904	1,499,289	6,465,137	13,062,711
Transfers In (Out)	1,500,000	1,500,000	(1,500,000)	(1,500,000)	-	-
Change in Net Position	6,471,233	13,063,422	(6,096)	(711)	6,465,137	13,062,711
Net Position - Beginning	102,074,823	89,011,401	236,662	237,373	102,311,485	89,248,774
Net Position - Ending	\$ 108,546,056	\$ 102,074,823	\$ 230,566	\$ 236,662	\$ 108,776,622	\$ 102,311,485

Governmental Activities

- Property tax rates for the 2016-2017 fiscal year remained the same from the prior year rate of \$1.54 per \$100 of valuation. Taxable values for the 2017 fiscal year increased by 12.9%.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Business-type Activities

- Business-type activities increased net position before transfers by \$1,493,904 due to the operation of the extended day program, and \$1,500,000 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 \$284.5 million.
- The amount that local taxpayers paid for these activities through property taxes was \$166.4 million.
- Those who directly benefited from the programs paid \$11.2 million. Operating grants covered \$32.1 million in cost.
- 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
	2017	2016		2017	2016	
Instruction	\$ 146,006,306	\$ 140,567,674	4%	\$ 127,523,062	\$ 122,193,579	4%
School Leadership	13,983,079	13,155,038	6%	13,166,526	12,171,891	8%
Food Services	12,507,829	12,447,702	0%	790,892	449,478	76%
Plant Maintenance and Operations	25,520,649	25,869,002	-1%	24,137,918	24,206,710	0%
Debt Service - Interest	18,890,061	19,862,534	-5%	17,535,965	18,519,405	-5%

Financial Analysis of the District's Funds

Revenues from governmental fund types totaled \$285.8 million, an increase of \$7.1 million from the preceding year. Property tax revenue increased \$18.3 million due to an approximate 12.9% increase in property tax values.

General Fund Budgetary Highlights

Over the course of the year, the District recommended and the Board approved revisions to budgeted revenue and appropriations. Most of the budget adjustments were done in August to ensure that no function's actual expenditures exceeded their budgeted amount. With these adjustments, actual expenditures were \$6.8 million less than final budgeted amounts. The most significant favorable functional variances were in instruction and student transportation.

Resources available were \$3.3 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 \$9.3 million was \$13.2 million higher than the final budgeted net decrease of \$3.8 million. Of this favorable variance, \$4.0 million was due to transferring funds from the Capital Projects Fund to the General Fund for the remaining loan payments on solar panels.

Differences between the originally-adopted budget and the final amended budget of the general fund were to increase appropriations \$1 million. The most significant changes were to increase appropriations for general administration use. 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>2017</u>	<u>2016</u>	<u>Percent Change</u>
General Fund	\$ 50,748,025	\$ 41,358,897	23%
Debt Service	2,588,975	1,547,882	67%
Capital Projects	38,700,749	154,984,692	-75%

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 \$4.8 million which is down \$7.4 million from last year. This decrease was the result of the District's revenue only increasing by \$0.4 million because the State did not increase the Basic Allotment and payroll costs increasing by \$6.4 million as a result of a 2 percent pay raise, increases in the District's medical insurance contribution for employees and additional staff to handle student growth.

General Fund balance of \$50.7 million includes nonspendable inventories and prepaid items totaling \$3.3 million, assigned fund balance of \$3.4 million for the debt payments related to the District's solar panels and \$6.0 million for budget balancing, and unassigned fund balance of \$37.9 million.

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

<u>Revenue Sources</u>	<u>2017</u>	<u>Percent Realized</u>	<u>2016</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Local	\$ 115,571,440	57%	\$ 104,736,664	\$ 10,834,776	10%
State	84,473,857	41%	94,445,243	(9,971,386)	-11%
Federal	4,402,775	2%	4,820,806	(418,031)	-9%
Totals	\$ 204,448,072	100%	\$ 204,002,713	\$ 445,359	

Local revenues, which are generated primarily from property taxes, increased by 10 percent relative to the 2015-2016 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 \$4,402,775 represents primarily grant revenue and indirect cost earned from federal programs, Medicaid (SHARS) reimbursement for services performed by the Special Education Department and other qualifying employees, and the Reserve Officer Training Corps grant.

Expenditures for the General Fund totaled \$199,609,964, an increase of 4.0% from last year.

<u>Functional Categories</u>	<u>Expenditures 2017</u>	<u>Percent Expended</u>	<u>Expenditures 2016</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Instruction and Related Services	\$ 128,163,302	64%	\$ 123,785,315	\$ 4,377,987	4%
Instructional and School Leadership	16,616,529	8%	15,756,155	860,374	5%
Support (Pupil) Services	25,435,015	13%	24,578,006	857,009	3%
Administrative Support	5,593,702	3%	4,938,347	655,355	13%
Support Services - Nonstudent	22,379,718	11%	21,333,321	1,046,397	5%
Community Services	45,116	0%	45,935	(819)	-2%
Debt Service	570,399	0%	570,399	-	-
Intergovernmental Charges	806,183	0%	798,716	7,467	1%
Totals	\$ 199,609,964	100%	\$ 191,806,194	\$ 7,803,770	

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Instruction and instructional related expenditures increased by \$4.3 million and instructional and school leadership expenditures increased by \$860,374. This increase was largely due to hiring additional staff and standard salary increases. Nonstudent support services expenditures increased by \$1 million, largely due to standard salary increases and electricity payments for new District buildings placed into service during 2016-17.

Debt Service Fund

The Debt Service Fund has a total fund balance of \$2.5 million, all of which is restricted for the payment of debt service. The District makes semi-annual debt service payments in February and August of each year. Debt service payments on bonded indebtedness, including bond fees, for the year ended August 31, 2017 were \$54.5 million, which included \$13.7 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 \$38.7 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 \$116.2 million was primarily due to the District's continuing construction projects. Capital expenditures totaled \$113 million.

Interest earned in the Capital Projects Fund for the 2016-2017 fiscal year was \$871,693, 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 \$8.3 million. Revenues exceeded expenditures and other uses in the school breakfast and lunch program by \$130,017.

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 \$1.5 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 \$400,000. The decrease in net position for the employee group health insurance plan of \$515,770 was the result of a stable health insurance costs exceeded the premiums paid in. The general fund supplemented operations by transferring \$1,000,000 into the health insurance fund. The ending fund balance of approximately \$3.5 million ensures the District's self-funded health insurance program is well-funded. The net position for the workers' compensation program remained almost the same at \$254,809 as a result of break-even operations.

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, 2017, general governmental capital assets of the District amounted to \$525,970,089 and included land and improvements, buildings and improvements, furniture and equipment, and construction in progress. Additional information is available in Note 5 to the financial statements.

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

	Governmental Activities		Business-Type Activities		Totals	
	2017	2016	2017	2016	2017	2016
	Amount	Amount	Amount	Amount	Amount	Amount
Land and Improvements	\$ 38,869,407	\$ 38,767,993	\$ -	\$ -	\$ 38,869,407	\$ 38,767,993
Buildings and Improvements	295,679,850	293,761,263	69,888	73,472	295,749,738	293,834,735
Furniture and Equipment	21,709,071	17,594,496	-	-	21,709,071	17,594,496
Construction in Progress	169,711,761	96,649,331	-	-	169,711,761	96,649,331
Totals	\$ 525,970,089	\$ 446,773,083	\$ 69,888	\$ 73,472	\$ 526,039,977	\$ 446,846,555

Construction Commitments

The District has active construction projects as of August 31, 2017. The projects include the construction and equipment of school facilities. At year end, the District's remaining commitments with contractors totaled \$6.8 million for all ongoing projects.

Long-Term Liabilities

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT'S LONG-TERM LIABILITIES OUTSTANDING

	Governmental Activities					
	2017		2016		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
General Obligation Bonds (Net)	\$ 501,712,380	91	\$ 538,540,130	91	\$ (36,827,750)	(7)
Notes Payable	3,101,566	1	3,568,930	1	(467,364)	(13)
Health Insurance Claims	1,021,113	-	1,006,038	-	15,075	1
Workers' Compensation	377,170	-	446,608	-	(69,438)	(16)
Compensated Absences	1,264,034	-	1,328,652	-	(64,618)	(5)
Net Pension Liability	46,335,385	8	44,823,067	8	1,512,318	3
Totals	\$ 553,811,648	100	\$ 589,713,425	100	\$ (35,901,777)	

At the end of the year, the District had \$501.7 million in bonds, which represents a 7 percent decrease. The District's bonds carry "AAA" rating because the Permanent School Fund (PSF) of Texas guarantees the repayment of the bond issues. More detailed information about the District's debt is presented in Note 7 to the financial statements.

Debt Administration

The Debt Service Fund is used to account for the accumulation of resources to pay principal and interest on general long-term debt. Revenue sources for this fund include receipts from property taxes and state funds. The Debt Service Fund contains fund balance reserves and interest earnings on those reserves. An excess of revenues over expenditures for the year amounted to \$1 million resulting in an ending fund balance of \$2.5 million.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

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. Nine building and refunding bond issues (2008, 2010, 2011, 2011A, 2012, 2012A, 2014, 2014A, and 2014) remain outstanding and mature serially through the year 2039.

The applicable debt service fund tax rate was \$0.50/\$100 for the assessed valuation for the 2016/2017 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.

Economic Factors and Next Year's Budgets and Rates

- The appraised Net Taxable Value used for the 2017-2018 budget preparation is \$11.8 billion or \$1.4 billion more than the 2016-2017 values. The higher values resulted in a budgeted increase of \$14.3 million in current local tax revenue for 2017-2018 compared to actual collections in the prior year in the General Fund. The District is currently taxing at \$1.04 per \$100 in assessed valuation which is the same tax rate used in 2016-2017 for maintenance and operations.
- The District's student attendance was budgeted to increase by 550 students for a 2017-2018 total attendance of 23,700. The student attendance rate was budgeted at 96.2%.
- Compared to the 2016-2017 actual results, State aid decreased by approximately \$5.9 million for the 2017-2018 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 2017-2018 budget increased by \$432 or 4.9% when compared to the 2016-2017 budget.
- General fund budgeted expenditures for 2017-2018 increased by \$15.1 million over the prior year's budget primarily due to a 2.5 percent pay raise and cost associated with opening 3 new campuses.
- If 2017-2018 budget estimates are realized, the District's Unassigned General Fund Balance is expected to increase by \$0.1 million to 38.1 million or 63 days of operating fund balance.

Contacting the District's Financial Management

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

Basic Financial Statements

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PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
AUGUST 31, 2017

Exhibit A-1

Data Control Codes	Primary Government			
	Governmental Activities	Business-type Activities	Total	
ASSETS				
1110	Cash and Cash Equivalents	\$ 12,390,814	\$ 287,995	\$ 12,678,809
1120	Current Investments	99,816,192	-	99,816,192
1220	Property Taxes Receivables	4,477,624	-	4,477,624
1230	Allowance For Uncollectible Taxes (Credit)	(44,776)	-	(44,776)
1240	Due from Other Governments	6,455,198	-	6,455,198
1250	Accrued Interest	59,299	-	59,299
1260	Internal Balances	17,510	(17,510)	-
1290	Other Receivables	565,088	2,984	568,072
1300	Inventories, at Cost	423,394	-	423,394
1410	Prepaid Items	2,995,858	-	2,995,858
1490	Other Current Assets	416,614	-	416,614
	Capital Assets:			
1510	Land and Improvements	38,869,407	-	38,869,407
1520	Buildings and Improvements (Net)	295,679,850	69,888	295,749,738
1530	Furniture and Equipment (Net)	21,709,071	-	21,709,071
1580	Construction in Progress	169,711,761	-	169,711,761
1000	Total Assets	<u>653,542,904</u>	<u>343,357</u>	<u>653,886,261</u>
DEFERRED OUTFLOWS OF RESOURCES				
1705	Deferred Outflows - Pension	20,483,632	-	20,483,632
1710	Deferred Charge on Refunding	14,115,850	-	14,115,850
1700	Total Deferred Outflows of Resources	<u>34,599,482</u>	<u>-</u>	<u>34,599,482</u>
LIABILITIES				
2110	Accounts Payable	17,322,339	11,466	17,333,805
2140	Interest Payable	921,515	-	921,515
2150	Payroll Deductions and Withholdings	1,458,651	-	1,458,651
2160	Accrued Wages Payable	1,149,873	41,754	1,191,627
2180	Due to Other Governments	2,212	-	2,212
2200	Accrued Liabilities	2,043,940	-	2,043,940
2300	Unearned Revenue	214,710	59,571	274,281
	Noncurrent Liabilities:			
2501	Due Within One Year	22,290,543	-	22,290,543
2502	Due in More Than One Year	485,185,720	-	485,185,720
2540	Net Pension Liabilities	46,335,385	-	46,335,385
2000	Total Liabilities	<u>576,924,888</u>	<u>112,791</u>	<u>577,037,679</u>
DEFERRED INFLOWS OF RESOURCES				
2605	Deferred Inflows - Pension	2,671,442	-	2,671,442
2600	Total Deferred Inflows of Resources	<u>2,671,442</u>	<u>-</u>	<u>2,671,442</u>
NET POSITION				
3200	Net Investment in Capital Assets	70,572,742	69,888	70,642,630
3820	Restricted for Grants	2,020,118	-	2,020,118
3850	Restricted for Debt Service	3,058,282	-	3,058,282
3900	Unrestricted	32,894,914	160,678	33,055,592
3000	Total Net Position	<u>\$ 108,546,056</u>	<u>\$ 230,566</u>	<u>\$ 108,776,622</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, 2017

Data Control Codes	Functions/Programs	Expenses	Program Revenues	
			Charges for Services	Operating Grants and Contributions
	Primary Government:			
	Governmental Activities:			
0011	<i>Instruction</i>	\$ 146,006,306	\$ 1,156,829	\$ 17,326,415
0012	<i>Instructional Resources and Media Services</i>	4,229,686	-	166,475
0013	<i>Curriculum and Instructional Staff Development</i>	7,347,015	-	1,257,883
0021	<i>Instructional Leadership</i>	3,997,004	-	364,976
0023	<i>School Leadership</i>	13,983,079	-	816,553
0031	<i>Guidance, Counseling, and Evaluation Services</i>	9,308,458	-	657,397
0032	<i>Social Work Services</i>	792,648	-	100,408
0033	<i>Health Services</i>	2,781,144	-	290,361
0034	<i>Student Transportation</i>	7,735,715	-	1,690
0035	<i>Food Services</i>	12,507,829	3,957,249	7,759,688
0036	<i>Extracurricular Activities</i>	9,111,862	1,790,949	349,345
0041	<i>General Administration</i>	5,830,302	-	430,700
0051	<i>Plant Maintenance and Operations</i>	25,520,649	540,744	841,987
0052	<i>Security and Monitoring Services</i>	4,038,212	91,923	203,383
0053	<i>Data Processing Services</i>	8,805,884	-	90,921
0061	<i>Community Services</i>	193,103	-	148,366
0072	<i>Interest on Long-term Debt</i>	18,890,061	-	1,354,096
0073	<i>Issuance Costs and Fees</i>	31,309	-	-
0081	<i>Facilities Repair and Maintenance</i>	415,375	-	-
0095	<i>Payments to Juvenile Justice Alternative Education Programs</i>	2,580	-	-
0099	<i>Payments to Appraisal District</i>	803,603	-	-
TG	Total Governmental Activities	<u>282,331,824</u>	<u>7,537,694</u>	<u>32,160,644</u>
	Business-type-Activities:			
01	<i>Extended Day Program</i>	<u>2,187,963</u>	<u>3,681,867</u>	<u>-</u>
TB	Total Business-type Activities	<u>2,187,963</u>	<u>3,681,867</u>	<u>-</u>
TP	Total Primary Government	\$ <u>284,519,787</u>	\$ <u>11,219,561</u>	\$ <u>32,160,644</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			
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>
\$ (127,523,062)	\$ -	\$ (127,523,062)
(4,063,211)	-	(4,063,211)
(6,089,132)	-	(6,089,132)
(3,632,028)	-	(3,632,028)
(13,166,526)	-	(13,166,526)
(8,651,061)	-	(8,651,061)
(692,240)	-	(692,240)
(2,490,783)	-	(2,490,783)
(7,734,025)	-	(7,734,025)
(790,892)	-	(790,892)
(6,971,568)	-	(6,971,568)
(5,399,602)	-	(5,399,602)
(24,137,918)	-	(24,137,918)
(3,742,906)	-	(3,742,906)
(8,714,963)	-	(8,714,963)
(44,737)	-	(44,737)
(17,535,965)	-	(17,535,965)
(31,309)	-	(31,309)
(415,375)	-	(415,375)
(2,580)	-	(2,580)
(803,603)	-	(803,603)
<u>(242,633,486)</u>	<u>-</u>	<u>(242,633,486)</u>
-	1,493,904	1,493,904
-	1,493,904	1,493,904
<u>(242,633,486)</u>	<u>1,493,904</u>	<u>(241,139,582)</u>
112,203,219	-	112,203,219
54,222,292	-	54,222,292
79,229,802	-	79,229,802
1,575,711	-	1,575,711
373,695	-	373,695
1,500,000	(1,500,000)	-
<u>249,104,719</u>	<u>(1,500,000)</u>	<u>247,604,719</u>
6,471,233	(6,096)	6,465,137
102,074,823	236,662	102,311,485
<u>\$ 108,546,056</u>	<u>\$ 230,566</u>	<u>\$ 108,776,622</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
AUGUST 31, 2017

Data Control Codes		General Fund	Debt Service Fund
ASSETS			
1110	<i>Cash and Cash Equivalents</i>	\$ 4,703,123	\$ 224,553
1120	<i>Current Investments</i>	41,034,234	2,364,422
1220	<i>Property Taxes Receivable</i>	3,114,631	1,362,993
1230	<i>Allowance For Uncollectible Taxes (Credit)</i>	(31,146)	(13,630)
1240	<i>Due from Other Governments</i>	5,557,896	-
1250	<i>Accrued Interest</i>	53,781	-
1260	<i>Due from Other Funds</i>	1,413,678	-
1290	<i>Other Receivables</i>	145,434	-
1300	<i>Inventories, at Cost</i>	342,042	-
1410	<i>Prepaid Items</i>	2,995,738	-
1000	Total Assets	\$ 59,329,411	\$ 3,938,338
1000a	Total Assets and Deferred Outflows of Resources	\$ 59,329,411	\$ 3,938,338
LIABILITIES			
2110	<i>Accounts Payable</i>	\$ 1,833,507	\$ -
2150	<i>Payroll Deductions and Withholdings</i>	1,458,651	-
2160	<i>Accrued Wages Payable</i>	1,138,667	-
2170	<i>Due to Other Funds</i>	1,023,393	-
2180	<i>Due to Other Governments</i>	-	-
2200	<i>Accrued Liabilities</i>	4,937	-
2300	<i>Unearned Revenues</i>	38,746	-
2000	Total Liabilities	5,497,901	-
DEFERRED INFLOWS OF RESOURCES			
2600	<i>Unavailable Revenue - Property Taxes</i>	3,083,485	1,349,363
	Total Deferred Inflows of Resources	3,083,485	1,349,363
FUND BALANCES			
Nonspendable:			
3410	<i>Inventories</i>	342,042	-
3430	<i>Prepaid Items</i>	2,995,738	-
Restricted:			
3450	<i>Grant Funds</i>	-	-
3470	<i>Capital Acquisitions and Contractual Obligations</i>	-	-
3480	<i>Debt Service</i>	-	2,588,975
Committed:			
3545	<i>Campus Activity</i>	-	-
Assigned:			
3565	<i>Solar Panels</i>	3,422,394	-
3590	<i>Other</i>	6,000,000	-
3550	<i>Construction</i>	-	-
3600	<i>Unassigned</i>	37,987,851	-
3000	Total Fund Balances	50,748,025	2,588,975
4000	Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 59,329,411	\$ 3,938,338

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>
\$ 3,544,798	\$ 3,195,337	\$ 11,667,811
51,845,070	1,467,610	96,711,336
-	-	4,477,624
-	-	(44,776)
-	897,302	6,455,198
-	-	53,781
-	26,971	1,440,649
-	12,443	157,877
-	81,352	423,394
-	120	2,995,858
<u>\$ 55,389,868</u>	<u>\$ 5,681,135</u>	<u>\$ 124,338,752</u>
<u>\$ 55,389,868</u>	<u>\$ 5,681,135</u>	<u>\$ 124,338,752</u>
\$ 14,648,053	\$ 385,555	\$ 16,867,115
-	-	1,458,651
-	11,206	1,149,873
2,063	1,397,683	2,423,139
-	2,212	2,212
2,039,003	-	2,043,940
-	175,964	214,710
<u>16,689,119</u>	<u>1,972,620</u>	<u>24,159,640</u>
-	-	4,432,848
<u>-</u>	<u>-</u>	<u>4,432,848</u>
-	735	342,777
-	120	2,995,858
-	2,020,118	2,020,118
35,300,749	-	35,300,749
-	-	2,588,975
-	1,687,542	1,687,542
-	-	3,422,394
-	-	6,000,000
3,400,000	-	3,400,000
-	-	37,987,851
<u>38,700,749</u>	<u>3,708,515</u>	<u>95,746,264</u>
<u>\$ 55,389,868</u>	<u>\$ 5,681,135</u>	<u>\$ 124,338,752</u>

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PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
AUGUST 31, 2017

Exhibit B-1R

Total Fund Balances - Governmental Funds (Exhibit B-1) \$ 95,746,264

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	\$ 678,519,986	
Accumulated Depreciation of Governmental Capital Assets	<u>(152,549,897)</u>	525,970,089

Property taxes receivable, which will be collected subsequent to year-end, but are not available soon enough to pay expenditures and, therefore, are deferred in the funds. 4,432,848

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

Bonds Payable, at Original Par	\$ (455,775,000)	
Premium on Bonds Payable	(45,937,380)	
Accrued Interest on the Bonds	(880,056)	
Notes Payable	(3,101,566)	
Accrued Interest on Notes Payable	(41,459)	
Compensated Absences	(1,264,034)	
Net Pension Liability	<u>(46,335,385)</u>	(553,334,880)

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	\$ 3,548,886	
Workers' Compensation	<u>254,809</u>	3,803,695

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. 14,115,850

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. 20,483,632

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. (2,671,442)

Total Net Position - Governmental Activities (Exhibit A-1) \$ **108,546,056**

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

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2017

Data Control Codes	General Fund	Debt Service Fund
REVENUES		
5700 <i>Local and Intermediate Sources</i>	\$ 115,571,440	\$ 54,181,800
5800 <i>State Programs</i>	84,473,857	1,354,096
5900 <i>Federal Programs</i>	4,402,775	-
5020 Total Revenues	<u>204,448,072</u>	<u>55,535,896</u>
EXPENDITURES		
Current:		
0011 <i>Instruction</i>	119,038,458	-
0012 <i>Instructional Resources and Media Services</i>	2,992,281	-
0013 <i>Curriculum and Instructional Staff Development</i>	6,132,563	-
0021 <i>Instructional Leadership</i>	3,805,982	-
0023 <i>School Leadership</i>	12,810,547	-
0031 <i>Guidance, Counseling, and Evaluation Services</i>	8,865,410	-
0032 <i>Social Work Services</i>	712,525	-
0033 <i>Health Services</i>	2,524,394	-
0034 <i>Student Transportation</i>	7,700,307	-
0035 <i>Food Services</i>	173,155	-
0036 <i>Extracurricular Activities</i>	5,459,224	-
0041 <i>General Administration</i>	5,593,702	-
0051 <i>Plant Maintenance and Operations</i>	16,753,405	-
0052 <i>Security and Monitoring Services</i>	2,734,712	-
0053 <i>Data Processing Services</i>	2,891,601	-
0061 <i>Community Services</i>	45,116	-
Debt Service:		
0071 <i>Principal on Long-term Debt</i>	467,364	33,705,000
0072 <i>Interest on Long-term Debt</i>	103,035	20,758,494
0073 <i>Issuance Costs and Fees</i>	-	31,309
Capital Outlay:		
0081 <i>Facilities Acquisition and Construction</i>	-	-
Intergovernmental:		
0095 <i>Payments to Juvenile Justice Alternative Education Programs</i>	2,580	-
0099 <i>Payments to Appraisal District</i>	803,603	-
6030 Total Expenditures	<u>199,609,964</u>	<u>54,494,803</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,838,108</u>	<u>1,041,093</u>
OTHER FINANCING SOURCES (USES)		
7912 <i>Sale of Real and Personal Property</i>	574	-
7915 <i>Transfers In</i>	5,550,446	-
8911 <i>Transfers Out</i>	(1,000,000)	-
7080 Total Other Financing Sources (Uses)	<u>4,551,020</u>	<u>-</u>
1200 Net Change in Fund Balances	9,389,128	1,041,093
0100 Fund Balances - Beginning	<u>41,358,897</u>	<u>1,547,882</u>
3000 Fund Balances - Ending	<u>\$ 50,748,025</u>	<u>\$ 2,588,975</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>
\$ 871,693	\$ 6,130,744	\$ 176,755,677
-	2,135,541	87,963,494
-	16,717,559	21,120,334
<u>871,693</u>	<u>24,983,844</u>	<u>285,839,505</u>
7,733,210	9,636,857	136,408,525
661,142	91,165	3,744,588
68,669	924,458	7,125,690
-	81,783	3,887,765
356,628	130,014	13,297,189
2,130	107,518	8,975,058
-	54,202	766,727
31,034	140,156	2,695,584
-	1,690	7,701,997
281,240	11,277,704	11,732,099
823,114	1,322,848	7,605,186
78,950	453	5,673,105
10,826,816	653,439	28,233,660
907,814	293,164	3,935,690
6,035,140	-	8,926,741
-	115,214	160,330
-	-	34,172,364
-	-	20,861,529
-	-	31,309
85,349,749	-	85,349,749
-	-	2,580
-	-	803,603
<u>113,155,636</u>	<u>24,830,665</u>	<u>392,091,068</u>
<u>(112,283,943)</u>	<u>153,179</u>	<u>(106,251,563)</u>
-	-	574
-	-	5,550,446
<u>(4,000,000)</u>	<u>(50,446)</u>	<u>(5,050,446)</u>
<u>(4,000,000)</u>	<u>(50,446)</u>	<u>500,574</u>
(116,283,943)	102,733	(105,750,989)
<u>154,984,692</u>	<u>3,605,782</u>	<u>201,497,253</u>
<u>\$ 38,700,749</u>	<u>\$ 3,708,515</u>	<u>\$ 95,746,264</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

Exhibit B-2R

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED AUGUST 31, 2017**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ (105,750,989)

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>	\$ 91,481,189	
Depreciation Expense	<u>(12,260,972)</u>	79,220,217

The net effect of miscellaneous transactions involving capital assets (transfers, adjustments and dispositions) is an increase (decrease) to net position. (23,211)

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. (80,343)

Repayment of note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 467,364

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 33,705,000

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>	\$ 49,603	
Accrued Interest on Notes Payable <i>decreased</i>	6,248	
Amortization of Bond Premium	3,122,750	
Amortization of Deferred Charge on Refunding Bonds	<u>(1,207,133)</u>	1,971,468

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. 64,618

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	484,230
Workers' Compensation	(24,068)

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)	\$ (7,379,737)	
Deferred Inflows (Increased) Decreased	5,329,002	
Net Pension Liability (Increased) Decreased	<u>(1,512,318)</u>	<u>(3,563,053)</u>

Change in Net Position for Governmental Activities (Exhibit A-2) \$ 6,471,233

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, 2017

Exhibit C-1

<u>Data Control Codes</u>		<u>Business-Type Activities Enterprise Fund - Extended Day Program</u>	<u>Governmental Activities Internal Service Funds</u>
	ASSETS		
	Current Assets:		
1110	<i>Cash and Cash Equivalents</i>	\$ 287,995	\$ 723,003
1120	<i>Current Investments</i>	-	3,104,856
1250	<i>Accrued Interest</i>	-	5,518
1260	<i>Due from Other Funds</i>	-	1,000,000
1290	<i>Other Receivables</i>	2,984	407,211
1490	<i>Other Current Assets</i>	-	416,614
	Total Current Assets	<u>290,979</u>	<u>5,657,202</u>
	Noncurrent Assets:		
1520	<i>Buildings and Improvements</i>	89,600	-
1570	<i>Accumulated Depreciation</i>	<u>(19,712)</u>	-
	Total Noncurrent Assets	<u>69,888</u>	-
1000	Total Assets	<u>360,867</u>	<u>5,657,202</u>
	LIABILITIES		
	Current Liabilities:		
2110	<i>Accounts Payable</i>	11,466	455,224
2160	<i>Accrued Wages Payable</i>	41,754	-
2170	<i>Due to Other Funds</i>	17,510	-
2300	<i>Unearned Revenue</i>	59,571	-
	Total Current Liabilities	<u>130,301</u>	<u>455,224</u>
	Noncurrent Liabilities:		
2123	<i>Claims Payable - Due Within One Year</i>	-	1,398,283
	Total Noncurrent Liabilities	<u>-</u>	<u>1,398,283</u>
2000	Total Liabilities	<u>130,301</u>	<u>1,853,507</u>
	NET POSITION		
3200	<i>Net Investment in Capital Assets</i>	69,888	-
3900	<i>Unrestricted</i>	160,678	3,803,695
3000	Total Net Position	<u>\$ 230,566</u>	<u>\$ 3,803,695</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, 2017

Exhibit C-2

<u>Data Control Codes</u>	<u>Business-Type Activities Enterprise Fund - Extended Day Program</u>	<u>Governmental Activities Internal Service Funds</u>
OPERATING REVENUES		
5739 <i>Tuition and Fees</i>	\$ 3,681,867	\$ -
5754 <i>Interfund Services Provided</i>	-	17,340,104
5020 <i>Total Operating Revenues</i>	<u>3,681,867</u>	<u>17,340,104</u>
OPERATING EXPENSES		
6100 <i>Payroll Costs</i>	1,903,469	17,871
6200 <i>Purchased and Contracted Services</i>	34,360	2,465,124
6300 <i>Supplies and Materials</i>	68,258	2,409
6400 <i>Claims Expense and Other Operating Expenses</i>	178,292	15,418,072
6449 <i>Depreciation</i>	3,584	-
6030 <i>Total Operating Expenses</i>	<u>2,187,963</u>	<u>17,903,476</u>
Operating Income (Loss)	<u>1,493,904</u>	<u>(563,372)</u>
NONOPERATING REVENUES		
7955 <i>Investment Earnings - Deposits and Investments</i>	-	23,534
8030 <i>Total Nonoperating Revenues</i>	<u>-</u>	<u>23,534</u>
Income (Loss) before Transfers	1,493,904	(539,838)
7915 <i>Transfers In</i>	-	1,000,000
8911 <i>Transfers Out</i>	<u>(1,500,000)</u>	<u>-</u>
1300 <i>Change in Net Position</i>	(6,096)	460,162
0100 <i>Net Position - Beginning</i>	236,662	3,343,533
3300 Net Position - Ending	<u>\$ 230,566</u>	<u>\$ 3,803,695</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, 2017

Exhibit C-3

	<u>Business-Type Activities Enterprise Fund - Extended Day Program</u>	<u>Governmental Activities Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Employee and Employer	\$ -	\$ 18,977,804
Cash Received from Registration Fees and Tuition	3,708,150	-
Cash Payments to Suppliers for Goods and Services	(271,356)	-
Cash Payments for Employees	(1,920,355)	-
Cash Payments for Claims	-	(15,922,489)
Cash Payments for Administrative Services	-	(2,485,404)
Net Cash Provided by Operating Activities	<u>1,516,439</u>	<u>569,911</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers from Other Funds	-	1,000,000
Transfers to Other Funds	(1,500,000)	-
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(1,500,000)</u>	<u>1,000,000</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and Dividends Received on Investments	-	20,939
Purchase of Investments	-	(1,675,279)
Net Cash Used for Investing Activities	<u>-</u>	<u>(1,654,340)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	16,439	(84,429)
Cash and Cash Equivalents at Beginning of Year	271,556	807,432
Cash and Cash Equivalents at End of Year	\$ <u>287,995</u>	\$ <u>723,003</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ 1,493,904	\$ (563,372)
Depreciation Expense	3,584	-
Change in Assets and Liabilities:		
Increase in Other Receivables	(2,954)	(400,853)
Decrease in Due from Other Funds	133	2,000,000
Increase in Other Assets	-	(99,114)
Increase in Accounts Payable	9,554	49,913
Decrease in Accrued Wages Payable	(6,908)	-
Increase in Unearned Revenue	29,237	-
Increase in Claims Payable	-	(54,363)
Decrease in Due to Other Funds	(10,111)	(362,300)
Net Cash Provided by Operating Activities	\$ <u>1,516,439</u>	\$ <u>569,911</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, 2017

Exhibit D-1

Data Control Codes		Private- Purpose Trust Fund	Agency Fund
ASSETS			
1110	<i>Cash and Cash Equivalents</i>	\$ 1,000	\$ 378,027
1120	<i>Current Investments</i>	259,261	-
1240	<i>Due from Other Governments</i>	-	934
1000	Total Assets	<u>260,261</u>	<u>\$ 378,961</u>
LIABILITIES			
2110	<i>Accounts Payable</i>	500	\$ 4,750
2180	<i>Due to Other Governments</i>	1,000	625
2190	<i>Due to Student Groups</i>	-	373,586
2000	Total Liabilities	<u>1,500</u>	<u>\$ 378,961</u>
NET POSITION			
3800	<i>Net Position Held in Trust</i>	258,761	
3000	Total Net Position	<u>\$ 258,761</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, 2017

Exhibit D-2

<u>Data Control Codes</u>	<u>Private- Purpose Trust Fund</u>
ADDITIONS	
5742 <i>Interest</i>	\$ 2,370
5744 <i>Gifts and Contributions</i>	<u>4,060</u>
Total Additions	<u>6,430</u>
DEDUCTIONS	
6400 <i>Scholarship Funds</i>	<u>1,000</u>
Total Deductions	<u>1,000</u>
Change in Net Position	5,430
Net Position - Beginning of Year	<u>253,331</u>
Net Position - End of Year	\$ <u><u>258,761</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, 2017

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.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary and fiduciary trust fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

recorded when a liability is incurred, as required under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

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.

The District reports the following nonmajor governmental funds:

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

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

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 and certificates of deposit, 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."

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.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

Capital Assets

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

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.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

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.

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

	<u>Statement of Net Position</u>	<u>Balance Sheet - Governmental Funds</u>	
	<u>Governmental Activities</u>	<u>General Fund</u>	<u>Debt Service Fund</u>
Deferred Outflows of Resources:			
Deferred Outflows from Pension Activities	\$ 16,359,363	\$ -	\$ -
Deferred Contributions after the Measurement Date	4,124,269	-	-
Deferred Charge on Refunding	14,115,850	-	-
Total Deferred Outflows of Resources	\$ 34,599,482	\$ -	\$ -
Deferred Inflows of Resources:			
Deferred Inflows from Pension Activities	\$ 2,671,442	\$ -	\$ -
Unavailable Property Taxes	-	3,083,485	1,349,363
Total Deferred Inflows of Resources	\$ 2,671,442	\$ 3,083,485	\$ 1,349,363

Deferred outflows/inflows of resources are amortized as follows:

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

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

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

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 Financial Officer, is not required to have board approval.

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

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

Pension

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

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

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.

Use of Estimates

The presentation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information

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

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

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

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.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

At August 31, 2017, certain amounts which were previously restricted, committed, or assigned for specific purposes have been encumbered in the governmental funds. These amounts are as follows:

	Encumbrances Included in:		
	Restricted Fund Balance	Committed Fund Balance	Assigned Fund Balance
General Fund	\$ -	\$ -	\$ 230,790
Capital Projects Fund	6,850,515	-	-
National School Breakfast and Lunch	67,104	-	-
Campus Activity Funds		930	-
Total Encumbrances	\$ 6,917,619	\$ 930	\$ 230,790

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 2017, the District invested in the certificates of deposit, LOGIC, Lone Star, TexasDAILY Texas CLASS, and TexasTERM.

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, Lone Star Corporate Overnight Plus, and Lone Star Corporate Overnight Plus.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

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 AAAs* 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.

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.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

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</u> <u>Investments</u>	<u>Percent of</u> <u>Total</u> <u>Investments</u>	<u>Weighted</u> <u>Average</u> <u>Maturity</u> <u>(Days)</u>	<u>Credit</u> <u>Risk</u>
Investments Measured at Cost				
Certificates of Deposit	\$ 10,000,000	10.02%	212	Not Rated*
Investments Measured at Amortized Cost				
Investment Pools				
Lone Star Corporate Overnight Fund	2,340,902	2.35%	40	AAAm
TexasDAILY	93,731	0.09%	41	AAAm
Investments Measured at Fair Value				
Investment Pools				
Lone Star Corporate Overnight Plus Fund	9,814,986	9.83%	43	AAAf
LOGIC	44,022,085	44.10%	32	AAAm
TexasCLASS	32,544,488	32.60%	56	AAAm
TexasTERM	1,000,000	1.00%	31	AAAf
Total	\$ <u>99,816,192</u>	<u>100.00%</u>	<u>59</u>	
Portfolio Weighted Average Maturity			<u>59</u>	

*Certificates of Deposit are insured or collateralized

Certificates of deposit that are non-negotiable are reported at cost and are not subject to fair value reporting.

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

The Lone Star Corporate Overnight 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, 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.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

Credit Risk

For fiscal year 2017, the District invested in certificates of deposit and investment pools. The District's certificates of deposit's were insured and/or collateralized. 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, 2017, District's banks' balances of \$25,106,648 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

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

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	\$	2,486
Change in uncollectibles Related to Debt Service Property Taxes		<u>(1,675)</u>
Total Uncollectibles of the Current Fiscal Year	\$	<u>811</u>

Approximately 82% of the outstanding balance of property taxes receivable is not anticipated to be collected within the next year.

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

	<u>Unearned</u>
Season Ticket Sales (General Fund)	\$ 19,233
Rental Deposits (General Fund)	5,528
Pre-K Tuition (General Fund)	13,900
Kickstart (General Fund)	85
Funds Received Prior to Meeting all Eligibility Requirements, Primarily Grants (Special Revenue Funds)	<u>175,964</u>
Total Unearned Revenue for Governmental Funds	<u>214,710</u>
Tuition Fees for Next Year (Enterprise Fund)	<u>59,571</u>
Total Unearned Revenue for Proprietary Funds	<u>59,571</u>
Total Unearned Revenue	\$ <u>274,281</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2017

Note 5 - Capital Assets

The District's capital asset activity for the year ended August 31, 2017 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 and Improvements	\$ 38,767,993	\$ 101,414	\$ -	\$ 38,869,407
Construction in Progress	96,649,331	88,304,174	(15,241,744)	169,711,761
<i>Total Capital Assets, not being Depreciated</i>	<u>135,417,324</u>	<u>88,405,588</u>	<u>(15,241,744)</u>	<u>208,581,168</u>
Capital Assets, being Depreciated:				
Buildings and Improvements	413,969,428	49,759	10,937,123	424,956,310
Furniture and Equipment	38,313,818	3,025,842	3,642,848	44,982,508
<i>Total Capital Assets, being Depreciated</i>	<u>452,283,246</u>	<u>3,075,601</u>	<u>14,579,971</u>	<u>469,938,818</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(120,208,165)	(9,068,295)	-	(129,276,460)
Furniture and Equipment	(20,719,322)	(3,192,677)	638,562	(23,273,437)
<i>Total Accumulated Depreciation</i>	<u>(140,927,487)</u>	<u>(12,260,972)</u>	<u>638,562</u>	<u>(152,549,897)</u>
<i>Total Capital Assets, being Depreciated, net</i>	<u>311,355,759</u>	<u>(9,185,371)</u>	<u>15,218,533</u>	<u>317,388,921</u>
<i>Governmental Activities Capital Assets, net</i>	<u>\$ 446,773,083</u>	<u>\$ 79,220,217</u>	<u>\$ (23,211)</u>	<u>\$ 525,970,089</u>
Business-type Activities:				
Capital Assets, being Depreciated:				
Buildings and Improvements	\$ 89,600	\$ -	\$ -	\$ 89,600
<i>Total Capital Assets, being Depreciated</i>	<u>89,600</u>	<u>-</u>	<u>-</u>	<u>89,600</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(16,128)	(3,584)	-	(19,712)
<i>Total Accumulated Depreciation</i>	<u>(16,128)</u>	<u>(3,584)</u>	<u>-</u>	<u>(19,712)</u>
<i>Business-type Activities Capital Assets, net</i>	<u>\$ 73,472</u>	<u>\$ (3,584)</u>	<u>\$ -</u>	<u>\$ 69,888</u>

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

Governmental Activities:	
11 Instruction	\$ 5,846,051
12 Instructional Resources and Media Services	438,718
13 Curriculum Development and Instructional Staff Development	4,468
23 School Leadership	342,575
31 Guidance, Counseling, and Evaluation Services	46,750
32 Social Work Services	2,789
34 Student Transportation	33,718
35 Food Services	851,114
36 Extracurricular Activities	1,655,013
41 General Administration	92,000
51 Plant Maintenance and Operations	1,456,595
52 Security and Monitoring Services	105,119
53 Data Processing Services	1,377,126
61 Community Services	8,936
<i>Total Depreciation Expense-Governmental Activities</i>	<u>\$ 12,260,972</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

Construction Commitments

The District has active construction projects as of August 31, 2017. The projects include the construction and equipment of school facilities. At year-end, the District's commitments with contractors are as follows:

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2017

Project	Approved Construction Budget	Remaining Commitment
American Constructors Inc-High School #4	\$ 89,616,095	\$ 2,559,621
PBK-Architect High School #4	4,876,966	48,770
Gil Engineering-High School #4	301,630	17,967
ESA Energy Systems Associates	87,500	21,875
Raba Kistner-Engineers High School #4	323,000	10,349
Bartlett Cocke-PCMS Additions	3,884,351	
Barlett Cocke-PCMS Renovations	1,686,797	
Stantec-Architect Parkcrest Additions	293,963	
Stantec-Architect Parkcrest Renovations	96,063	
Bartlett Cocke-New Timmerman ES	19,429,484	87,809
Barlett Cocke-Turn Lane	333,633	
Huckabee & Assoc-Architect New Timmerman ES	1,264,872	10,000
Gil Engineering-New Timmerman ES	98,250	
ESA Energy Systems Associates	31,900	4,785
Raba Kistner-Engineers-New Timmerman ES	90,000	7,429
Bartlett Cocke-District Stadium	22,752,584	41,713
Huckabee & Assoc-Architect New District Stadium	1,413,532	13,007
Gil Engineering-New District Stadium (100% Complete)	128,449	
ESA Energy Systems Associates	6,750	3,375
Raba Kistner-Engineers-New District Stadium	102,000	14,694
Joeris General Contractors-ES #21 GMP 1	1,837,250	3,238
Joeris General Contractors-ES #21 GMP 2	22,662,750	865,452
Joeris General Contractors-Connector Road to VMES	619,583	346,815
PBK-Architect ES #21	1,102,500	11,025
ESA Energy Systems Associates	48,000	30,500
Pape-Dawson Engineers	31,789	
Raba Kistner-Engineers ES #21	94,000	29,864
Bartlett Cocke-PHS Renovation of Office/Library	4,021,253	
PBK-Architect PHS Renovation of Office/Library	262,708	
Raba Kistner-Engineers PHS Renovation of Office/Library	8,500	2,628
Braun & Butler-Kuempel (PHS) Stadium Renovation	2,117,232	
Huckabee & Assoc-Kuempel (PHS) Stadium Renovations	174,501	
Raba Kistner-Engineers Kuempel (PHS) Stadium Renovations	8,700	3,274
NAVCON Group LLC-Repurpose Old TES		
PBK-Architect Old TES Renovations	190,260	38,528
Braun & Butler-PLES Roof Replacement	1,643,960	99,911
PBK-Architect PLES Roof Replacement/HVAC	196,019	1,960
Braun & Butler-PLES HVAC Renovations	1,623,020	27,601
Bartlett Cocke-2017 Campus Priorities-CHS, CES, NWES SHES, and WPS	5,891,870	1,685,060
PBK-Architect Campus Priorities 2017-CHS	180,000	32,400
PBK-Architect Campus Priorities 2017-CES	90,000	15,300
PBK-Architect Campus Priorities 2017-NWES	60,000	10,800
PBK-Architect Campus Priorities 2017-SHES	102,000	18,360
PBK-Architect Campus Priorities 2017-WPS	60,935	6,093
HVAC Renovations/Controls Upgrades-Phase II		
Bartlett Cocke Contractors-HVAC Replacement-CHS	2,107,737	
Bartlett Cocke Contractors-HVAC Replacement-WMS	453,981	
Bartlett Cocke Contractors-HVAC Replacement-DMS	1,044,947	
Bartlett Cocke Contractors-HVAC Replacement-CES	473,424	
HVAC Renovations/Controls Upgrades-Phase III		
Bartlett Cocke Contractors-HVAC Replacement-NWES	932,596	155,243
Bartlett Cocke Contractors-HVAC Replacement-Admin	827,043	163,537
Bartlett Cocke Contractors-HVAC Replacement-Supp Serv	320,577	185,525
ESA Energy Systems-HVAC Controls Engineering	240,000	90,080
ESA Energy Systems-HVAC Engineering	715,028	185,927
Totals	\$ 196,959,980	\$ 6,850,515

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2017

Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of August 31, 2017 is as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental Funds:		
General Fund	\$ 1,413,678	\$ 1,023,393
Capital Projects Fund	-	2,063
Nonmajor-Other Governmental Funds	26,971	1,397,683
Proprietary Funds:		
Enterprise Fund - Extended Day Program	-	17,510
Internal Service Funds	1,000,000	-
Totals	\$ 2,440,649	\$ 2,440,649

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, 2017.

<u>Transfer Out</u>	<u>Transfers In</u>	<u>Amount</u>
General Fund	Internal Service Fund - Health Insurance	\$ 1,000,000
Capital Projects Fund	General Fund	4,000,000
Nonmajor Fund - Pre-K Tuition	General Fund	50,446
Enterprise Fund-Extended Day Program	General Fund	1,500,000
Total		\$ 6,550,446

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

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

Transfers from the Capital Projects Fund to the General Fund are to reimburse funds to the General Fund that had been previously provided in the prior fiscal year, 2015-2016. These funds will be used for debt service expenditures for the Solar Panels project that is maintained by the General Fund and is not related to bonded debt.

Transfers from the Nonmajor Fund – Pre-K Tuition to the General Fund are to close this individual fund as of August 31, 2017, as the General Fund will be maintaining the Pre-K services provided in the next fiscal year.

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

Note 7 - Long-term Liabilities

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

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2017

Changes in Long-term Liabilities

Long-term liability activity for the year ended August 31, 2017 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<i>Governmental Activities:</i>					
Bonds Payable:					
General Obligation Bonds	\$ 489,480,000	\$ -	\$ (33,705,000)	\$ 455,775,000	\$ 20,285,000
Deferred Amounts:					
For Issuance Premiums	49,060,130	-	(3,122,750)	45,937,380	-
Total Bonds Payable, net	538,540,130	-	(36,827,750)	501,712,380	20,285,000
Notes Payable	3,568,930	-	(467,364)	3,101,566	480,857
Health Insurance Claims	1,006,038	15,064,939	(15,049,864)	1,021,113	1,021,113
Workers' Compensation	446,608	190,144	(259,582)	377,170	377,170
Compensated Absences	1,328,652	68,801	(133,419)	1,264,034	126,403
Net Pension Liability	44,823,067	6,651,201	(5,138,883)	46,335,385	-
Governmental Activity Long-term Liabilities	\$ 589,713,425	\$ 21,975,085	\$ (57,876,862)	\$ 553,811,648	\$ 22,290,543

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, 2017 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	\$ 7,035,000	\$ -	\$ (2,860,000)	\$ 4,175,000
2010 REF	4.00-5.00%	20,420,000	2019	5,650,000	-	(2,090,000)	3,560,000
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	20,850,000	-	(1,935,000)	18,915,000
2012 REF	2.00-5.00%	40,765,000	2030	38,990,000	-	(1,210,000)	37,780,000
2012A REF	0.50-5.00%	38,645,000	2026	35,185,000	-	(9,810,000)	25,375,000
2014 BLDG	0.50-5.00%	212,795,000	2039	209,915,000	-	(2,055,000)	207,860,000
2014A BLDG	2.00-7.00%	49,670,000	2039	41,005,000	-	(13,745,000)	27,260,000
2014 REF	4.00-5.00%	107,275,000	2033	107,275,000	-	-	107,275,000
Totals				\$ 489,480,000	\$ -	\$ (33,705,000)	\$ 455,775,000

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2017

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

<u>Year Ending</u> <u>August 31</u>	<u>Principal</u> <u>Value</u>	<u>Interest</u>	<u>Total</u> <u>Requirements</u>
2018	\$ 20,285,000	\$ 19,498,523	\$ 39,783,523
2019	21,190,000	18,589,451	39,779,451
2020	19,090,000	19,344,801	38,434,801
2021	19,925,000	18,513,351	38,438,351
2022	20,855,000	17,576,601	38,431,601
2023	21,875,000	16,559,163	38,434,163
2024	22,905,000	15,529,301	38,434,301
2025	23,980,000	14,452,451	38,432,451
2026	25,275,000	13,154,957	38,429,957
2027	22,405,000	12,006,613	34,411,613
2028	23,500,000	10,940,231	34,440,231
2029	23,365,000	9,924,275	33,289,275
2030	22,455,000	8,999,200	31,454,200
2031	21,455,000	8,130,250	29,585,250
2032	22,570,000	7,309,950	29,879,950
2033	20,950,000	6,363,550	27,313,550
2034	18,105,000	5,381,550	23,486,550
2035	19,135,000	4,354,875	23,489,875
2036	20,290,000	3,198,375	23,488,375
2037	15,095,000	1,968,825	17,063,825
2038	15,145,000	1,174,875	16,319,875
2039	15,925,000	398,125	16,323,125
Totals	\$ 455,775,000	\$ 233,369,293	\$ 689,144,293

As of August 31, 2017, the District did not have authorized but unissued bonds remaining.

In June 2014, the District issued \$49,670,000 in variable rate unlimited tax school building bonds (2014A). These bonds are scheduled to mature on August 15, 2032-2039. Following the initial rate period, the bonds will bear interest at a term rate determined by the remarketing agent; 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

<u>Principal</u> <u>Amount</u>	<u>Initial Rate Period</u> <u>Commencement</u>	<u>Initial Rate Period</u> <u>Expiration</u>	<u>Initial</u> <u>Mandatory</u> <u>Tender Date</u>	<u>Stated</u> <u>Maturity</u>	<u>Initial</u> <u>Rate</u>	<u>Initial</u> <u>Yield</u>	<u>Stepped</u> <u>Rate</u>
\$27,260,000	July 15, 2014	August 14, 2019	August 15, 2019	August 15, 2039	2.000%	1.700%	7.000%

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

In 2017, the District defeased \$13,745,000 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 2014A building bonds. Previously in 2016, the District defeased \$8,665,000 of the same Series 2014A building bonds.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

Prior to August 31, 2017, 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, 2017, the following outstanding bonds are considered defeased:

2011A	General Obligation Bonds (maturing 2018-2026, callable February 15, 2021)	\$ 5,185,000
2014A	General Obligation Bonds (maturing 2038-2039, callable August 15, 2019)	22,410,000
		<u>\$ 27,595,000</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, 2017.

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	\$ 3,568,930	\$ -	\$ (467,364)	\$ 3,101,566
Totals				<u>\$ 3,568,930</u>	<u>\$ -</u>	<u>\$ (467,364)</u>	<u>\$ 3,101,566</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>
2018	\$ 480,857	\$ 89,542	\$ 570,399
2019	494,739	75,660	570,399
2020	509,022	61,377	570,399
2021	523,718	46,681	570,399
2022	538,837	31,562	570,399
2023	554,393	16,006	570,399
Totals	<u>\$ 3,101,566</u>	<u>\$ 320,828</u>	<u>\$ 3,422,394</u>

Note 8 - Fund Balance

The committed campus activity funds are committed to fund the programs and activities at the respective campuses that have raised those funds.

Other assigned fund balance includes the following fund assignment:

General Fund	\$ 6,000,000
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The general fund assignment of \$6,000,000 was designated to balance the 2017-2018 budget.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

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	\$ 112,449,019	\$ 54,056,519	\$ -	\$ -	\$ 166,505,538
Charges for Services	1,740,950	-	-	5,796,744	7,537,694
Investment Earnings	543,884	125,281	871,693	11,321	1,552,179
Other	837,587	-	-	322,679	1,160,266
Total	\$ 115,571,440	\$ 54,181,800	\$ 871,693	\$ 6,130,744	\$ 176,755,677

Note 10 - Risk Management

Property/Liability

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

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

Health Insurance Coverage

On January 1, 2011, the District implemented a self-funded employee group health insurance plan and such transactions are accounted for in an Internal Service Fund. During the 2016-2017 fiscal year, the District increased its monthly, medical contribution of \$375 to \$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 2016 and 2017 were as follows:

Fiscal Year General	Beginning of Year Accrual	Current Year Estimates	Claims Payments	End of Year Accrual
2016	\$ 800,000	\$ 15,643,043	\$ (15,437,005)	\$ 1,006,038
2017	1,006,038	15,064,939	(15,049,864)	1,021,113

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

Workers' Compensation

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

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

The District contributed estimated premiums to the internal service fund based on standard state rates. The District purchased excess coverage from Midwest Employers Casualty Company, a commercial insurer licensed in the State of Texas. The District's retention under this excess policy is limited to \$400,000 per employee claim, with a cap on the District's liability for all claims at \$1,000,000 in a policy period. There were no significant reductions in insurance coverage from the prior year. Settlements have not exceeded coverages for each of the past three fiscal years. Changes in workers' compensation plan's claims liability in fiscal years 2016 and 2017 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>
2016	\$ 520,982	\$ 142,916	\$ (217,290)	\$ 446,608
2017	446,608	190,144	(259,582)	377,170

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, 2017, 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.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

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.

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.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

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 2015 thru 2017. The 83rd Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for Plan fiscal year 2015. The 84th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for Plan fiscal years 2016 and 2017.

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Member	7.7%	7.2%	6.7%
Non-Employer Contributing Entity (State)	6.8%	6.8%	6.8%
Employers/District	6.8%	6.8%	6.8%

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

District Contributions	\$ 4,124,269
Member Contributions	11,148,035
NECE On-behalf Contributions (State)	7,679,459

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

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

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

In addition to the employer contributions listed above, 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

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

Actuarial Assumptions

The total pension liability in the August 31, 2016 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2016
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	8.00%
Long-term Expected Investment Rate of Return	8.00%
Municipal Bond Rate*	N/A*
Last Year Ending August 31 in the 2016 to 2115 projection period (100 years)	2115
Inflation	2.50%
Salary Increases Including Inflation	3.50% to 9.50%
Benefit Changes During the Year	None
Ad Hoc Post-employment Benefit Changes	None

*If a municipal bond rate was to be used, the rate would be 2.84% as of August 2016 (i.e. the weekly rate closest to but not later than the Measurement Date). The source for the rate is the Federal Reserve Statistical Release H.15, citing the Bond Buyer index of general obligation bonds with 20 years to maturity and an average AA credit rating.

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

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

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 Systems target asset allocation as of August 31, 2016 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>	<u>Expected Contribution to Long-Term Portfolio Returns*</u>
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%
Total	100.0%		8.7%

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

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

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-percentage-point lower (7%) or 1-percentage-point higher (9%) than the current rate:

	1% Decrease	Current	1% Increase
	(7.00%)	Discount Rate	(9.00%)
	<u> </u>	<u> </u>	<u> </u>
TRS	\$ 71,711,567	\$ 46,335,385	\$ 24,811,252

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

At August 31, 2017, the District reported a liability of \$46,335,385 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	\$ 46,335,385
State’s Proportionate Share of the Net Pension Liability Associated with the District	88,868,752
Total	<u>\$ 135,204,137</u>

The net pension liability was measured as of August 31, 2016 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, 2015 through August 31, 2016.

At August 31, 2016, the employer’s proportion of the net pension liability was .1226176%, which was a decrease of .0041851% from its proportion measured as of August 31, 2015.

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, 2017, the District recognized pension expense of \$12,785,510 and revenue of \$9,222,457 for support provided by the State.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2017

At August 31, 2017, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 726,530	\$ 1,383,548
Changes of Assumptions	1,412,219	1,284,355
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	3,923,585	-
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions (Cost-Sharing Plan)	10,297,029	-
District Contribution after Measurement Date	4,124,269	3,539
Totals	\$ 20,483,632	\$ 2,671,442

\$4,124,269 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, 2018. 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:	
2018	\$ 2,441,747
2019	2,441,747
2020	4,944,401
2021	2,249,454
2022	1,464,989
Thereafter	145,583
Total	\$ 13,687,921

Note 13 - Retiree Health Plan

Plan Description

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

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

Funding Policy

Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee and public school contributions, respectively. Funding for free basic coverage is provided by the program based upon public school district payroll. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. Funding for optional coverage is provided by those participants selecting the optional coverage. Contribution rates and amounts are shown in the table below for fiscal years 2017-2015.

Contribution Rates and Contribution Amounts

Year	Active Member		State		District	
	Rate	Amount	Rate	Amount	Rate	Amount
2017	0.65%	\$ 941,068	1.00%	\$ 1,392,365	0.55%	\$ 796,288
2016	0.65%	\$ 901,547	1.00%	\$ 1,329,314	0.55%	\$ 762,847
2015	0.65%	\$ 859,752	1.00%	\$ 1,268,517	0.55%	\$ 727,483

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

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. Under Medicare Part D, TRS-Care receives retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the years ended August 31, 2017, 2016, and 2015, the subsidy payments received by TRS-Care on-behalf of the District were \$666,595, \$532,004, and \$549,095, respectively. These payments are recorded as equal revenues and expenditures in the governmental funds financial statements of the District.

Note 14 - Nonmonetary Transactions

During 2017, the District received textbooks purchased by the State of Texas for the benefit of the District for a purchase price of \$729,987. The District receives the textbooks as part of state funding for textbook allotment. The textbooks have been recorded in the amount of \$729,987 in a special revenue fund as both state revenues and expenditures, which represents the amount of consideration given by the State of Texas.

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, 2017

Exhibit E-1

Data Control Codes	1	2	3	Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
5700	\$ 114,895,000	\$ 114,895,000	\$ 115,571,440	\$ 676,440
5800	82,800,000	82,800,000	84,473,857	1,673,857
5900	3,450,000	3,450,000	4,402,775	952,775
5020	<u>201,145,000</u>	<u>201,145,000</u>	<u>204,448,072</u>	<u>3,303,072</u>
EXPENDITURES				
Current:				
0011	122,317,765	122,317,765	119,038,458	3,279,307
0012	3,154,088	3,154,088	2,992,281	161,807
0013	6,492,596	6,492,596	6,132,563	360,033
0021	4,007,254	4,007,254	3,805,982	201,272
0023	13,086,812	13,086,812	12,810,547	276,265
0031	9,267,686	9,267,686	8,865,410	402,276
0032	731,660	731,660	712,525	19,135
0033	2,573,599	2,573,599	2,524,394	49,205
0034	8,541,031	8,541,031	7,700,307	840,724
0035	150,758	220,758	173,155	47,603
0036	5,310,160	5,510,160	5,459,224	50,936
0041	5,045,691	5,820,691	5,593,702	226,989
0051	17,848,562	17,188,562	16,753,405	435,157
0052	3,117,455	3,117,455	2,734,712	382,743
0053	2,938,421	2,938,421	2,891,601	46,820
0061	37,974	77,974	45,116	32,858
Debt Service:				
0071	-	467,364	467,364	-
0072	-	103,035	103,035	-
Intergovernmental:				
0095	15,000	15,000	2,580	12,420
0099	850,000	850,000	803,603	46,397
6030	<u>205,486,512</u>	<u>206,481,911</u>	<u>199,609,964</u>	<u>6,871,947</u>
1100	<u>(4,341,512)</u>	<u>(5,336,911)</u>	<u>4,838,108</u>	<u>10,175,019</u>
OTHER FINANCING SOURCES (USES)				
7912	-	-	574	574
7915	1,500,000	1,500,000	5,550,446	4,050,446
8911	-	-	(1,000,000)	(1,000,000)
7080	<u>1,500,000</u>	<u>1,500,000</u>	<u>4,551,020</u>	<u>3,051,020</u>
1200	(2,841,512)	(3,836,911)	9,389,128	13,226,039
0100	41,358,897	41,358,897	41,358,897	-
3000	<u>\$ 38,517,385</u>	<u>\$ 37,521,986</u>	<u>\$ 50,748,025</u>	<u>\$ 13,226,039</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 THREE FISCAL YEARS***

	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's Proportion of the Net Pension Liability	0.1226176%	0.1268027%	0.0761906%
District's Proportionate Share of the Net Pension Liability	\$ 46,335,385	\$ 44,823,067	\$ 20,351,563
State's Proportionate Share of the Net Pension Liability			
Associated with the District	88,868,752	83,980,979	71,421,318
Total	\$ <u>135,204,137</u>	\$ <u>128,804,046</u>	\$ <u>91,772,881</u>
District's Covered Payroll	\$ 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	33.41%	33.89%	16.17%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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 THREE FISCAL YEARS*

Exhibit E-3

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

AUGUST 31, 2017

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, 2017.

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, 2016. The budget was formally adopted by the Board of Trustees at a duly advertised public meeting prior to the expenditure of funds. The final amended budget is filed with the Texas Education Agency (TEA) through inclusion in the annual financial and compliance report.

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

Variances with Final Budget and Actual

Over the course of the year, the District recommended and the Board approved revisions to budgeted revenue and appropriations. Most of the budget adjustments were done in August to ensure that no function's actual expenditures exceeded their budgeted amount. With these adjustments, actual expenditures were \$6.8 million less than final budgeted amounts. The most significant favorable functional variances were in instruction and student transportation.

Resources available were \$3.3 million more than the final budgeted amounts and the largest difference was in the state aid program.

The bottom line increase in fund balance for the year of \$9.3 million was \$13.2 million higher than the final budgeted net decrease of \$3.8 million.

Differences between the originally-adopted budget and the final amended budget of the general fund were to increase total appropriations \$1 million. The most significant changes were to increase appropriations for general administration use. Amendments were approved by the governing body.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

AUGUST 31, 2017

Note 2 - Pension

TRS - Actuarial Assumptions for Contribution Rate

Actuarial Assumptions – The information presented in the following table was used in the actuarial valuation for determining the actuarially determined contribution rate. The assumptions are as follows:

Valuation Date	August 31, 2016
Actuarial Cost Method	Ultimate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Floating
Remaining Amortization Period	33 Years
Asset Valuation Method	5 Year Smoothed Market
Actuarial Assumptions:	
Inflation	2.50%
Salary Increases	3.50% to 9.50% including Inflation
Investment Rate of Return	8.00%
Ad Hoc Post-employment Benefit Changes	None
Benefit Changes During the Year	None

Supplementary Information

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PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

Exhibit F-1

DEBT SERVICE FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED AUGUST 31, 2017**

Data Control Codes	1		2	3	Variance with Final Budget Positive (Negative)	
	Budgeted Amounts			Actual		
	Original	Final				
REVENUES						
5700	<i>Local and Intermediate Sources</i>		\$ 54,280,000	\$ 54,280,000	\$ 54,181,800	\$ (98,200)
5800	<i>State Programs</i>		<u>1,000,000</u>	<u>1,000,000</u>	<u>1,354,096</u>	<u>354,096</u>
5020	Total Revenues		<u>55,280,000</u>	<u>55,280,000</u>	<u>55,535,896</u>	<u>255,896</u>
EXPENDITURES						
Debt Service:						
0071	<i>Principal on Long-term Debt</i>		33,705,000	33,705,000	33,705,000	-
0072	<i>Interest on Long-term Debt</i>		20,758,494	20,758,494	20,758,494	-
0073	<i>Issuance Costs and Fees</i>		<u>171,607</u>	<u>171,607</u>	<u>31,309</u>	<u>140,298</u>
6030	Total Expenditures		<u>54,635,101</u>	<u>54,635,101</u>	<u>54,494,803</u>	<u>140,298</u>
1200	Net Change in Fund Balance		644,899	644,899	1,041,093	396,194
0100	Fund Balance - Beginning		<u>1,547,882</u>	<u>1,547,882</u>	<u>1,547,882</u>	-
3000	Fund Balance - Ending		<u>\$ 2,192,781</u>	<u>\$ 2,192,781</u>	<u>\$ 2,588,975</u>	<u>\$ 396,194</u>

Nonmajor Governmental Funds

Special Revenue Funds

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

Programs accounted for in the Special Revenue Funds include:

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

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

ESEA, Title I, Part A – Improving Basic Programs

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

IDEA – Part B, Formula

Funds granted to operate educational programs for children with disabilities.

IDEA – Part B, Preschool

Funds granted for preschool children with disabilities.

National School Breakfast and Lunch Program (Child Nutrition)

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

Career and Technical – Basic Grant

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

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

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

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

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

Medicaid Administrative Claiming Program – MAC

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

LEP Summer School

Funds to provide summer school instruction for LEP students.

State Supplemental Visually Impaired (SSVI)

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

Noneducational Community-Based Support

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

Advanced Placement Incentives

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

State Textbook Fund

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

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 2016 – 2017.

Miscellaneous Local Grants

Funds received from other local sources with restricted purposes.

Pre-K Tuition

Funds used to operate the paid students' portion of the Pre-K program at the District.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2017

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
	<u> </u>	<u> </u>
ASSETS		
1110 <i>Cash and Cash Equivalents</i>	\$ -	\$ 252,282
1120 <i>Current Investments</i>	-	-
1240 <i>Due from Other Governments</i>	10,787	284,621
1260 <i>Due from Other Funds</i>	-	-
1290 <i>Other Receivables</i>	-	-
1300 <i>Inventories, at Cost</i>	-	-
1410 <i>Prepaid Items</i>	-	-
1000 Total Assets	<u><u>\$ 10,787</u></u>	<u><u>\$ 536,903</u></u>
LIABILITIES		
2110 <i>Accounts Payable</i>	\$ -	\$ 3,037
2160 <i>Accrued Wages Payable</i>	-	3,421
2170 <i>Due to Other Funds</i>	10,787	530,445
2180 <i>Due to Other Governments</i>	-	-
2300 <i>Unearned Revenues</i>	-	-
2000 Total Liabilities	<u><u>10,787</u></u>	<u><u>536,903</u></u>
FUND BALANCES		
Nonspendable:		
3410 <i>Inventories</i>	-	-
3430 <i>Prepaid Items</i>	-	-
Restricted:		
3450 <i>Grant Funds</i>	-	-
Committed:		
3545 <i>Campus Activity</i>	<u>-</u>	<u>-</u>
3000 Total Fund Balances	<u><u>-</u></u>	<u><u>-</u></u>
4000 Total Liabilities and Fund Balances	<u><u>\$ 10,787</u></u>	<u><u>\$ 536,903</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>
\$ 285,161	\$ 2,262	\$ 529,157	\$ -
-	-	1,467,610	-
275,725	2,341	161,197	-
-	-	6,630	-
-	-	2,547	-
-	-	80,617	-
-	-	-	-
<u>\$ 560,886</u>	<u>\$ 4,603</u>	<u>\$ 2,247,758</u>	<u>\$ -</u>
\$ 360	\$ -	\$ 235,062	\$ -
-	-	-	-
560,526	4,603	-	-
-	-	-	-
-	-	-	-
<u>560,886</u>	<u>4,603</u>	<u>235,062</u>	<u>-</u>
-	-	-	-
-	-	-	-
-	-	2,012,696	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>2,012,696</u>	<u>-</u>
<u>\$ 560,886</u>	<u>\$ 4,603</u>	<u>\$ 2,247,758</u>	<u>\$ -</u>

Continued

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2017

<u>Data Control Codes</u>	255	263
	ESEA, Title II, Part A - Teacher and Principal Training and Recruiting	Title III, Part A - English Language Acquisition and Language Enhancement
ASSETS		
1110 <i>Cash and Cash Equivalents</i>	\$ 62,267	\$ 23,277
1120 <i>Current Investments</i>	-	-
1240 <i>Due from Other Governments</i>	58,728	40,313
1260 <i>Due from Other Funds</i>	-	-
1290 <i>Other Receivables</i>	-	-
1300 <i>Inventories, at Cost</i>	-	-
1410 <i>Prepaid Items</i>	-	-
1000 Total Assets	<u>\$ 120,995</u>	<u>\$ 63,590</u>
LIABILITIES		
2110 <i>Accounts Payable</i>	\$ 26,128	\$ 220
2160 <i>Accrued Wages Payable</i>	-	726
2170 <i>Due to Other Funds</i>	94,867	62,644
2180 <i>Due to Other Governments</i>	-	-
2300 <i>Unearned Revenues</i>	-	-
2000 Total Liabilities	<u>120,995</u>	<u>63,590</u>
FUND BALANCES		
Nonspendable:		
3410 <i>Inventories</i>	-	-
3430 <i>Prepaid Items</i>	-	-
Restricted:		
3450 <i>Grant Funds</i>	-	-
Committed:		
3545 <i>Campus Activity</i>	-	-
3000 Total Fund Balances	<u>-</u>	<u>-</u>
4000 Total Liabilities and Fund Balances	<u>\$ 120,995</u>	<u>\$ 63,590</u>

272	286	385	392
Medicaid Administrative Claiming Program - MAC	LEP Summer School	State Supplemental Visually Impaired (SSVI)	Noneducational Community - Based Support
\$ -	\$ -	\$ -	\$ 1,792
-	-	-	-
-	-	10,823	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,823</u>	<u>\$ 1,792</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	10,823	1,792
-	-	-	-
<u>-</u>	<u>-</u>	<u>10,823</u>	<u>1,792</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,823</u>	<u>\$ 1,792</u>

Continued

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2017

<u>Data Control Codes</u>	397	410
	<u>Advanced Placement Incentives</u>	<u>State Textbook Fund</u>
ASSETS		
1110 <i>Cash and Cash Equivalents</i>	\$ 35,596	\$ 10,862
1120 <i>Current Investments</i>	-	-
1240 <i>Due from Other Governments</i>	-	-
1260 <i>Due from Other Funds</i>	-	-
1290 <i>Other Receivables</i>	-	-
1300 <i>Inventories, at Cost</i>	-	-
1410 <i>Prepaid Items</i>	-	-
1000 Total Assets	<u>\$ 35,596</u>	<u>\$ 10,862</u>
LIABILITIES		
2110 <i>Accounts Payable</i>	\$ -	\$ -
2160 <i>Accrued Wages Payable</i>	-	-
2170 <i>Due to Other Funds</i>	-	10,862
2180 <i>Due to Other Governments</i>	-	-
2300 <i>Unearned Revenues</i>	35,596	-
2000 Total Liabilities	<u>35,596</u>	<u>10,862</u>
FUND BALANCES		
Nonspendable:		
3410 <i>Inventories</i>	-	-
3430 <i>Prepaid Items</i>	-	-
Restricted:		
3450 <i>Grant Funds</i>	-	-
Committed:		
3545 <i>Campus Activity</i>	-	-
3000 Total Fund Balances	<u>-</u>	<u>-</u>
4000 Total Liabilities and Fund Balances	<u>\$ 35,596</u>	<u>\$ 10,862</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>
\$ -	\$ 7,790	\$ 113	\$ 1,752,761
-	-	-	-
-	1,400	51,367	-
-	-	-	19,691
-	-	-	9,896
-	-	-	735
-	-	-	120
<u>\$ -</u>	<u>\$ 9,190</u>	<u>\$ 51,480</u>	<u>\$ 1,783,203</u>
\$ -	\$ -	\$ 33,398	\$ 87,350
-	1,815	-	5,244
-	-	18,082	-
-	-	-	2,212
-	7,375	-	-
<u>-</u>	<u>9,190</u>	<u>51,480</u>	<u>94,806</u>
-	-	-	735
-	-	-	120
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,687,542</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,688,397</u>
<u>\$ -</u>	<u>\$ 9,190</u>	<u>\$ 51,480</u>	<u>\$ 1,783,203</u>

Continued

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2017

<u>Data Control Codes</u>	481	483
	<u>Special Projects</u>	<u>STEM Grant and CTE Initiative</u>
ASSETS		
1110 <i>Cash and Cash Equivalents</i>	\$ 74,263	\$ 14,319
1120 <i>Current Investments</i>	-	-
1240 <i>Due from Other Governments</i>	-	-
1260 <i>Due from Other Funds</i>	-	-
1290 <i>Other Receivables</i>	-	-
1300 <i>Inventories, at Cost</i>	-	-
1410 <i>Prepaid Items</i>	-	-
1000 Total Assets	<u>\$ 74,263</u>	<u>\$ 14,319</u>
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>	66,841	14,319
2000 Total Liabilities	<u>66,841</u>	<u>14,319</u>
FUND BALANCES		
Nonspendable:		
3410 <i>Inventories</i>	-	-
3430 <i>Prepaid Items</i>	-	-
Restricted:		
3450 <i>Grant Funds</i>	7,422	-
Committed:		
3545 <i>Campus Activity</i>	-	-
3000 Total Fund Balances	<u>7,422</u>	<u>-</u>
4000 Total Liabilities and Fund Balances	<u>\$ 74,263</u>	<u>\$ 14,319</u>

490	491	495	Total Nonmajor Funds (See Exhibit B-1)
<u>CHS Culinary Arts/Aramark</u>	<u>Miscellaneous Local Grants</u>	<u>Pre-K Tuition</u>	
\$ 50,133	\$ 1,700	\$ 91,602	\$ 3,195,337
-	-	-	1,467,610
-	-	-	897,302
-	-	650	26,971
-	-	-	12,443
-	-	-	81,352
-	-	-	120
<u>\$ 50,133</u>	<u>\$ 1,700</u>	<u>\$ 92,252</u>	<u>\$ 5,681,135</u>
\$ -	\$ -	\$ -	\$ 385,555
-	-	-	11,206
-	-	92,252	1,397,683
-	-	-	2,212
50,133	1,700	-	175,964
<u>50,133</u>	<u>1,700</u>	<u>92,252</u>	<u>1,972,620</u>
-	-	-	735
-	-	-	120
-	-	-	2,020,118
-	-	-	1,687,542
-	-	-	3,708,515
<u>\$ 50,133</u>	<u>\$ 1,700</u>	<u>\$ 92,252</u>	<u>\$ 5,681,135</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, 2017

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>	30,616	3,716,572
5020 Total Revenues	<u>30,616</u>	<u>3,716,572</u>
EXPENDITURES		
Current:		
0011 <i>Instruction</i>	7,499	3,178,619
0012 <i>Instructional Resources and Media Services</i>	-	4,934
0013 <i>Curriculum and Instructional Staff Development</i>	-	337,700
0021 <i>Instructional Leadership</i>	56	-
0023 <i>School Leadership</i>	-	20,642
0031 <i>Guidance, Counseling, and Evaluation Services</i>	-	55,216
0032 <i>Social Work Services</i>	22,874	31,328
0033 <i>Health Services</i>	-	672
0034 <i>Student Transportation</i>	-	1,690
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>	187	85,771
6030 Total Expenditures	<u>30,616</u>	<u>3,716,572</u>
1100 Excess (Deficiency) of Revenues Over (Under)		
1100 Expenditures	<u>-</u>	<u>-</u>
Other Financing Sources and (Uses):		
8911 <i>Transfers Out</i>	-	-
7080 Total Other Financing Sources and (Uses)	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balances	-	-
0100 Fund Balances - Beginning	-	-
3000 Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>

224	225	240	244
<u>IDEA - Part B, Formula</u>	<u>IDEA - Part B, Preschool</u>	<u>National School Breakfast and Lunch Program</u>	<u>Career and Technical - Basic Grant</u>
\$ -	\$ -	\$ 3,928,043	\$ -
-	-	62,229	-
3,609,069	37,335	8,300,022	242,186
<u>3,609,069</u>	<u>37,335</u>	<u>12,290,294</u>	<u>242,186</u>
3,492,004	37,335	-	204,903
-	-	-	-
11,016	-	-	15,000
81,227	-	-	500
-	-	-	1,625
16,666	-	-	20,158
-	-	-	-
8,156	-	-	-
-	-	-	-
-	-	11,276,844	-
-	-	-	-
-	-	-	-
-	-	598,861	-
-	-	284,572	-
-	-	-	-
<u>3,609,069</u>	<u>37,335</u>	<u>12,160,277</u>	<u>242,186</u>
-	-	130,017	-
-	-	-	-
-	-	-	-
-	-	130,017	-
-	-	1,882,679	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,012,696</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, 2017

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>	168,849	460,555
5020 Total Revenues	<u>168,849</u>	<u>460,555</u>
EXPENDITURES		
Current:		
0011 <i>Instruction</i>	57,997	95,024
0012 <i>Instructional Resources and Media Services</i>	-	-
0013 <i>Curriculum and Instructional Staff Development</i>	110,852	352,985
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>	-	12,546
6030 Total Expenditures	<u>168,849</u>	<u>460,555</u>
1100 <i>Excess (Deficiency) of Revenues Over (Under)</i>		
1100 <i>Expenditures</i>	<u>-</u>	<u>-</u>
<i>Other Financing Sources and (Uses):</i>		
8911 <i>Transfers Out</i>	<u>-</u>	<u>-</u>
7080 <i>Total Other Financing Sources and (Uses)</i>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balances	-	-
0100 Fund Balances - Beginning	-	-
3000 Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>

272	286	385	392
<u>Medicaid Administrative Claiming Program - MAC</u>	<u>LEP Summer School</u>	<u>State Supplemental Visually Impaired (SSVI)</u>	<u>Noneducational Community - Based Support</u>
\$ -	\$ -	\$ -	\$ -
-	-	10,823	-
120,903	31,452	-	-
<u>120,903</u>	<u>31,452</u>	<u>10,823</u>	<u>-</u>
-	31,452	10,823	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
120,903	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>120,903</u>	<u>31,452</u>	<u>10,823</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, 2017

Data Control Codes	397	410
REVENUES	Advanced Placement Incentives	State Textbook Fund
5700 <i>Local and Intermediate Sources</i>	\$ -	\$ -
5800 <i>State Programs</i>	7,246	1,606,636
5900 <i>Federal Programs</i>	-	-
5020 Total Revenues	<u>7,246</u>	<u>1,606,636</u>
EXPENDITURES		
Current:		
0011 <i>Instruction</i>	-	1,606,636
0012 <i>Instructional Resources and Media Services</i>	-	-
0013 <i>Curriculum and Instructional Staff Development</i>	7,246	-
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>7,246</u>	<u>1,606,636</u>
1100 Excess (Deficiency) of Revenues Over (Under)		
1100 Expenditures	<u>-</u>	<u>-</u>
Other Financing Sources and (Uses):		
8911 <i>Transfers Out</i>	<u>-</u>	<u>-</u>
7080 Total Other Financing Sources and (Uses)	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balances	-	-
0100 Fund Balances - Beginning	<u>-</u>	<u>-</u>
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>
\$ -	\$ -	\$ -	\$ 1,903,165
344	2,100	446,163	-
-	-	-	-
<u>344</u>	<u>2,100</u>	<u>446,163</u>	<u>1,903,165</u>
-	-	428,684	246,541
344	-	-	85,887
-	2,100	17,479	70,080
-	-	-	-
-	-	-	107,747
-	-	-	15,478
-	-	-	-
-	-	-	5,708
-	-	-	-
-	-	-	860
-	-	-	1,322,848
-	-	-	453
-	-	-	54,578
-	-	-	8,592
-	-	-	16,710
<u>344</u>	<u>2,100</u>	<u>446,163</u>	<u>1,935,482</u>
-	-	-	(32,317)
-	-	-	-
-	-	-	-
-	-	-	(32,317)
-	-	-	1,720,714
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,688,397</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, 2017

Data Control Codes	481	483
REVENUES	Special Projects	STEM Grant and CTE Initiative
5700 <i>Local and Intermediate Sources</i>	\$ 81,632	\$ -
5800 <i>State Programs</i>	-	-
5900 <i>Federal Programs</i>	-	-
5020 Total Revenues	<u>81,632</u>	<u>-</u>
EXPENDITURES		
<i>Current:</i>		
0011 <i>Instruction</i>	71,882	-
0012 <i>Instructional Resources and Media Services</i>	-	-
0013 <i>Curriculum and Instructional Staff Development</i>	-	-
0021 <i>Instructional Leadership</i>	-	-
0023 <i>School Leadership</i>	-	-
0031 <i>Guidance, Counseling, and Evaluation Services</i>	-	-
0032 <i>Social Work Services</i>	-	-
0033 <i>Health Services</i>	4,717	-
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>76,599</u>	<u>-</u>
1100 <i>Excess (Deficiency) of Revenues Over (Under)</i>		
1100 <i>Expenditures</i>	<u>5,033</u>	<u>-</u>
<i>Other Financing Sources and (Uses):</i>		
8911 <i>Transfers Out</i>	-	-
7080 Total Other Financing Sources and (Uses)	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balances	5,033	-
0100 Fund Balances - Beginning	2,389	-
3000 Fund Balances - Ending	<u>\$ 7,422</u>	<u>\$ -</u>

490	491	495	Total Nonmajor Funds (See Exhibit B-2)
<u>CHS Culinary Arts/Aramark</u>	<u>Miscellaneous Local Grants</u>	<u>Pre-K Tuition</u>	
\$ -	\$ -	\$ 217,904	\$ 6,130,744
-	-	-	2,135,541
-	-	-	16,717,559
<u>-</u>	<u>-</u>	<u>217,904</u>	<u>24,983,844</u>
-	-	167,458	9,636,857
-	-	-	91,165
-	-	-	924,458
-	-	-	81,783
-	-	-	130,014
-	-	-	107,518
-	-	-	54,202
-	-	-	140,156
-	-	-	1,690
-	-	-	11,277,704
-	-	-	1,322,848
-	-	-	453
-	-	-	653,439
-	-	-	293,164
-	-	-	115,214
<u>-</u>	<u>-</u>	<u>167,458</u>	<u>24,830,665</u>
-	-	50,446	153,179
-	-	(50,446)	(50,446)
<u>-</u>	<u>-</u>	<u>(50,446)</u>	<u>(50,446)</u>
-	-	-	102,733
-	-	-	3,605,782
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,708,515</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, 2017

Exhibit H-1

<u>Data Control Codes</u>	<u>753 Health Insurance</u>	<u>772 Workers' Compensation</u>	<u>Total Internal Service Funds</u>
ASSETS			
Current Assets:			
1110	\$ 341,954	\$ 381,049	\$ 723,003
1120	2,859,158	245,698	3,104,856
1250	5,518	-	5,518
1260	1,000,000	-	1,000,000
1290	402,907	4,304	407,211
1490	382,400	34,214	416,614
	<u>4,991,937</u>	<u>665,265</u>	<u>5,657,202</u>
1000	Total Assets	<u>4,991,937</u>	<u>5,657,202</u>
LIABILITIES			
Current Liabilities:			
2110	421,938	33,286	455,224
	<u>421,938</u>	<u>33,286</u>	<u>455,224</u>
Noncurrent Liabilities:			
2123	1,021,113	377,170	1,398,283
	<u>1,021,113</u>	<u>377,170</u>	<u>1,398,283</u>
2000	Total Liabilities	<u>1,443,051</u>	<u>1,853,507</u>
NET POSITION			
3900	Unrestricted	3,548,886	254,809
3000	Total Net Position	<u>\$ 3,548,886</u>	<u>\$ 254,809</u>
		<u>\$ 3,803,695</u>	<u>\$ 3,803,695</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, 2017

Exhibit H-2

<u>Data Control Codes</u>	<u>753 Health Insurance</u>	<u>772 Workers' Compensation</u>	<u>Total Internal Service Funds</u>
OPERATING REVENUES			
5754 <i>Interfund Services Provided</i>	\$ 17,065,530	\$ 274,574	\$ 17,340,104
5020 Total Operating Revenues	<u>17,065,530</u>	<u>274,574</u>	<u>17,340,104</u>
OPERATING EXPENSES			
6100 <i>Payroll Costs</i>	17,871	-	17,871
6200 <i>Purchased and Contracted Services</i>	2,421,145	43,979	2,465,124
6300 <i>Supplies and Materials</i>	2,409	-	2,409
6400 <i>Claims Expense and Other Operating Expenses</i>	15,158,490	259,582	15,418,072
6030 Total Operating Expenses	<u>17,599,915</u>	<u>303,561</u>	<u>17,903,476</u>
Operating Income (Loss)	<u>(534,385)</u>	<u>(28,987)</u>	<u>(563,372)</u>
NONOPERATING REVENUES			
7955 <i>Investment Earnings - Deposits and Investments</i>	18,615	4,919	23,534
8030 Total Nonoperating Revenues	<u>18,615</u>	<u>4,919</u>	<u>23,534</u>
Income (Loss) before Transfers	(515,770)	(24,068)	(539,838)
7915 <i>Transfers In</i>	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>
1300 Change in Net Position	484,230	(24,068)	460,162
0100 Net Position - Beginning	3,064,656	278,877	3,343,533
3300 Net Position - Ending	<u>\$ 3,548,886</u>	<u>\$ 254,809</u>	<u>\$ 3,803,695</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2017

Exhibit H-3

	753	772	Total
	Health Insurance	Workers' Compensation	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Employee and Employer	\$ 19,065,491	\$ (87,687)	\$ 18,977,804
Cash Payments for Claims	(15,632,029)	(290,460)	(15,922,489)
Cash Payments for Administrative Services	(2,441,425)	(43,979)	(2,485,404)
Net Cash Provided by (Used for) Operating Activities	<u>992,037</u>	<u>(422,126)</u>	<u>569,911</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from Other Funds	1,000,000	-	1,000,000
Net Cash Provided by Noncapital Financing Activities	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and Dividends Received on Investments	16,020	4,919	20,939
Purchase of Investments	(1,859,158)	183,879	(1,675,279)
Net Cash Provided by (Used for) Investing Activities	<u>(1,843,138)</u>	<u>188,798</u>	<u>(1,654,340)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	148,899	(233,328)	(84,429)
Cash and Cash Equivalents at Beginning of Year	193,055	614,377	807,432
Cash and Cash Equivalents at End of Year	<u>\$ 341,954</u>	<u>\$ 381,049</u>	<u>\$ 723,003</u>
RECONCILIATION OF OPERATING LOSS TO NET			
CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:			
Operating Loss	\$ (534,385)	\$ (28,987)	\$ (563,372)
Change in Assets and Liabilities:			
Increase in Other Receivables	(396,549)	(4,304)	(400,853)
Decrease in Due from Other Funds	2,000,000	-	2,000,000
(Increase) Decrease in Other Assets	(122,400)	23,286	(99,114)
Increase in Accounts Payable	30,335	19,578	49,913
Increase (Decrease) in Claims Payable	15,075	(69,438)	(54,363)
Decrease in Due to Other Funds	(39)	(362,261)	(362,300)
Net Cash Provided by (Used for) Operating Activities	<u>\$ 992,037</u>	<u>\$ (422,126)</u>	<u>\$ 569,911</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, 2017

Exhibit I-1

Data Control Codes		Beginning Balance 9/1/16	Additions	Deductions	Ending Balance 8/31/17
ASSETS					
1110	<i>Cash and Cash Equivalents</i>	\$ 420,970	\$ 1,961,919	\$ 2,004,862	\$ 378,027
1240	<i>Due from Other Governments</i>	-	1,461	527	934
1000	Total Assets	<u>\$ 420,970</u>	<u>\$ 1,963,380</u>	<u>\$ 2,005,389</u>	<u>\$ 378,961</u>
LIABILITIES					
2110	<i>Accounts Payable</i>	\$ 8,576	\$ 683,833	\$ 687,659	\$ 4,750
2180	<i>Due to Other Governments</i>	42,083	23,038	64,496	625
2190	<i>Due to Student Groups</i>	370,311	2,200,933	2,197,658	373,586
2000	Total Liabilities	<u>\$ 420,970</u>	<u>\$ 2,907,804</u>	<u>\$ 2,949,813</u>	<u>\$ 378,961</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE FISCAL YEAR ENDED AUGUST 31, 2017

<u>Year Ended August 31</u>	1		2		3
	<u>Tax Rates</u>				<u>Net Assessed/Appraised Value For School Tax Purposes</u>
	<u>Maintenance</u>		<u>Debt Service</u>		
2008 and Prior Years	\$	Various	\$	Various	\$ Various
2009		1.04		0.42	7,230,322,945
2010		1.04		0.42	7,460,985,822
2011		1.04		0.42	7,200,603,973
2012		1.04		0.44	7,151,132,095
2013		1.04		0.50	7,294,605,195
2014		1.04		0.50	7,744,462,403
2015		1.04		0.50	8,712,782,857
2016		1.04		0.50	9,672,047,532
2017		1.04		0.50	10,913,640,260
1000 Totals					

10 Beginning Balance 9/1/16	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/17
\$ 2,007,205	\$ -	\$ 5,593	\$ 2,313	\$ (9,427)	\$ 1,989,872
203,910	-	2,398	968	(446)	200,098
173,288	-	2,563	1,035	288	169,978
183,924	-	6,329	2,556	2,615	177,654
268,432	-	74,516	31,527	76,063	238,452
267,267	-	50,752	24,403	33,632	225,744
304,397	-	68,947	33,152	34,776	237,074
341,025	-	(84,756)	(40,753)	(257,663)	208,871
809,330	-	(164,090)	(78,899)	(762,667)	289,652
-	168,070,060	112,120,488	53,904,081	(1,305,262)	740,229
\$ 4,558,778	\$ 168,070,060	\$ 112,082,740	\$ 53,880,383	\$ (2,188,091)	\$ 4,477,624

Reconciliation of Ending Balance to Exhibit B-1:

Ending Balance at 8/31/17	\$ 4,477,624
Less: Uncollectible Taxes	(44,776)
Property Taxes Receivable (Net) per Exhibit B-1	\$ 4,432,848

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

Exhibit J-2

NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM

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

FOR THE FISCAL YEAR ENDED AUGUST 31, 2017

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
REVENUES					
5700	<i>Local and Intermediate Sources</i>	\$ 3,898,598	\$ 3,898,598	\$ 3,928,043	\$ 29,445
5800	<i>State Programs</i>	65,000	118,500	62,229	(56,271)
5900	<i>Federal Programs</i>	8,533,315	8,533,315	8,300,022	(233,293)
5020	Total Revenues	<u>12,496,913</u>	<u>12,550,413</u>	<u>12,290,294</u>	<u>(260,119)</u>
EXPENDITURES					
Current:					
0035	<i>Food Services</i>	11,588,888	11,908,888	11,276,844	632,044
0051	<i>Plant Maintenance and Operations</i>	610,746	610,746	598,861	11,885
0052	<i>Security and Monitoring Services</i>	284,572	284,572	284,572	-
6030	Total Expenditures	<u>12,484,206</u>	<u>12,804,206</u>	<u>12,160,277</u>	<u>643,929</u>
1200	Net Change in Fund Balance	12,707	(253,793)	130,017	383,810
0100	Fund Balance - Beginning	<u>1,882,679</u>	<u>1,882,679</u>	<u>1,882,679</u>	-
3000	Fund Balance - Ending	<u>\$ 1,895,386</u>	<u>\$ 1,628,886</u>	<u>\$ 2,012,696</u>	<u>\$ 383,810</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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Governmental Activities:				
Net Investment in Capital Assets	\$ 70,572,742	\$ 74,971,698	\$ 63,674,882	\$ 57,716,900
Restricted	5,078,400	3,686,881	3,581,479	4,493,919
Unrestricted	32,894,914	23,416,244	21,755,040	40,142,710
Total Governmental Activities Net Position	<u>\$ 108,546,056</u>	<u>\$ 102,074,823</u>	<u>\$ 89,011,401</u>	<u>\$ 102,353,529</u>
Business-type Activities:				
Net Investment in Capital Assets	\$ 69,888	\$ 73,472	\$ 77,056	\$ 80,640
Unrestricted	160,678	163,190	160,317	65,344
Total Business-type Activities Net Position	<u>\$ 230,566</u>	<u>\$ 236,662</u>	<u>\$ 237,373</u>	<u>\$ 145,984</u>
Primary Government:				
Net Investment in Capital Assets	\$ 70,642,630	\$ 75,045,170	\$ 63,751,938	\$ 57,797,540
Restricted	5,078,400	3,686,881	3,581,479	4,493,919
Unrestricted	33,055,592	23,579,434	21,915,357	40,208,054
Total Primary Government Net Position	<u>\$ 108,776,622</u>	<u>\$ 102,311,485</u>	<u>\$ 89,248,774</u>	<u>\$ 102,499,513</u>

Table 1

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 39,651,143	\$ 31,823,815	\$ 31,462,570	\$ 30,170,927	\$ 32,247,876	\$ 31,191,545
2,833,628	2,553,638	3,014,281	3,955,354	4,766,734	3,662,850
43,425,207	39,734,667	28,326,217	20,008,756	13,836,085	18,891,768
\$ <u>85,909,978</u>	\$ <u>74,112,120</u>	\$ <u>62,803,068</u>	\$ <u>54,135,037</u>	\$ <u>50,850,695</u>	\$ <u>53,746,163</u>
\$ -	\$ 87,808	\$ -	\$ -	\$ -	\$ -
189,862	(14,204)	(32,578)	-	-	-
\$ <u>189,862</u>	\$ <u>73,604</u>	\$ <u>(32,578)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
\$ 39,651,143	\$ 31,911,623	\$ 31,462,570	\$ 30,170,927	\$ 32,247,876	\$ 31,191,545
2,833,628	2,553,638	3,014,281	3,955,354	4,766,734	3,662,850
43,615,069	39,720,463	28,293,639	20,008,756	13,836,085	18,891,768
\$ <u>86,099,840</u>	\$ <u>74,185,724</u>	\$ <u>62,770,490</u>	\$ <u>54,135,037</u>	\$ <u>50,850,695</u>	\$ <u>53,746,163</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Expenses				
Governmental Activities:				
Instruction	\$ 146,006,306	\$ 140,567,674	\$ 128,212,451	\$ 122,256,562
Instructional Resources and Media Services	4,229,686	3,584,223	3,277,760	3,389,564
Curriculum and Instructional Staff Development	7,347,015	7,723,707	7,275,734	6,899,437
Instructional Leadership	3,997,004	4,212,433	2,536,160	2,591,939
School Leadership	13,983,079	13,155,038	11,642,765	11,399,172
Guidance, Counseling, and Evaluation Services	9,308,458	9,325,728	7,818,428	7,478,095
Social Work Services	792,648	778,068	665,804	642,344
Health Services	2,781,144	2,785,555	2,428,883	2,175,192
Student Transportation	7,735,715	7,543,509	8,457,815	8,253,644
Food Services	12,507,829	12,447,702	12,324,547	12,125,168
Extracurricular Activities	9,111,862	8,443,556	7,804,164	7,283,955
General Administration	5,830,302	5,268,966	4,110,257	4,185,979
Plant Maintenance and Operations	25,520,649	25,869,002	18,611,278	14,801,261
Security and Monitoring Services	4,038,212	3,630,611	5,262,884	3,165,308
Data Processing Services	8,805,884	5,425,964	8,227,751	4,341,709
Community Services	193,103	173,598	103,863	87,933
Interest on Long-term Debt	18,890,061	19,862,534	20,542,013	18,298,857
Issuance Costs and Fees	31,309	34,703		
Facilities Repair and Maintenance	415,375	173,414	-	-
Payments Related to Shared Service Arrangements	-	-	2,314,664	2,204,665
Payments to Juvenile Justice Alternative Ed. Program	2,580	18,946	1,892	1,978
Payments to Appraisal District	803,603	779,770	722,627	599,885
Total Governmental Activities Expenses	<u>282,331,824</u>	<u>271,804,701</u>	<u>252,341,740</u>	<u>232,182,647</u>
Business-type Activities:				
Extended Day Program	2,187,963	2,314,571	2,296,403	2,165,603
Total Primary Government Expenses	<u>284,519,787</u>	<u>274,119,272</u>	<u>254,638,143</u>	<u>234,348,250</u>
Program Revenues				
Governmental Activities:				
Charges for Services:				
Instruction	1,156,829	1,079,399	1,028,362	1,080,924
Food Services	3,957,249	3,975,638	3,937,867	3,910,949
Extracurricular Activities	1,790,949	1,895,244	1,696,779	2,030,827
Other Activities	632,667	504,679	493,471	555,887
Operating Grants and Contributions	32,160,644	33,706,817	27,167,670	30,227,697
Total Primary Government Governmental Activities Program Revenues	<u>39,698,338</u>	<u>41,161,777</u>	<u>34,324,149</u>	<u>37,806,284</u>
Business-type Activities:				
Charges for Services	3,681,867	3,813,860	3,787,792	3,321,725
Total Primary Government Program Revenues	<u>43,380,205</u>	<u>44,975,637</u>	<u>38,111,941</u>	<u>41,128,009</u>
Net (Expense)/Revenue				
Total Primary Government Net Expense	<u>\$ (241,139,582)</u>	<u>\$ (229,143,635)</u>	<u>\$ (216,526,202)</u>	<u>\$ (193,220,241)</u>

Table 2
Page 1 of 2

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$	114,690,363	\$ 109,251,840	\$ 108,337,542	\$ 108,060,717	\$ 103,394,889	\$ 94,650,337
	3,220,656	3,279,662	3,196,747	3,188,391	3,705,657	3,471,299
	5,832,985	6,335,867	6,099,548	6,051,164	5,482,628	4,088,992
	2,351,868	2,219,164	2,456,580	2,557,375	2,027,673	1,672,599
	10,831,744	10,173,649	10,159,941	10,098,502	10,818,210	10,110,269
	6,965,991	6,576,716	6,588,865	6,792,197	6,033,629	5,948,106
	539,198	501,903	475,137	441,736	441,932	423,094
	1,939,741	1,899,532	1,828,229	1,594,137	1,597,561	1,479,424
	7,688,544	7,104,168	7,466,658	7,139,172	7,008,750	6,875,115
	12,009,734	11,264,856	11,457,443	10,620,252	9,830,910	9,108,389
	7,194,257	6,838,249	6,651,685	6,067,801	6,013,120	5,559,634
	3,705,361	3,643,282	3,840,998	3,709,032	3,764,274	3,769,737
	12,624,898	12,636,964	13,208,973	15,502,842	15,368,510	16,034,590
	2,758,741	2,708,046	2,383,226	2,137,943	2,325,743	1,202,334
	3,878,344	3,394,096	3,767,644	3,851,350	3,246,828	3,051,548
	124,220	134,188	251,683	136,274	125,400	113,423
	14,493,953	14,439,419	17,453,765	17,507,086	18,422,579	14,791,698
	-	2,277,256	13,136	-	29,257	4,181,777
	2,092,300	1,810,439	2,505,714	2,379,337	2,881,565	-
	-	15,319	15,642	-	19,987	14,141
	577,357	466,306	564,007	555,974	568,410	513,372
	<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>	<u>187,059,878</u>
	1,959,222	1,648,334	211,715	-	-	-
	<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>	<u>187,059,878</u>
	1,104,995	908,105	1,080,738	886,652	1,056,284	892,791
	4,238,437	3,890,454	3,814,485	3,791,705	3,904,617	3,568,350
	1,456,031	1,537,818	1,441,675	1,319,423	992,532	980,685
	800,795	928,113	877,405	798,091	843,827	950,666
	<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>20,132,811</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>	<u>26,525,303</u>
	2,775,480	2,154,516	179,137	-	-	-
	<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>26,525,303</u>
\$	<u>(177,423,224)</u>	<u>(165,720,977)</u>	<u>(166,754,981)</u>	<u>(167,444,810)</u>	<u>(173,795,007)</u>	<u>(160,534,575)</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes, Levied for General Purposes	\$ 112,203,219	\$ 100,136,037	\$ 90,263,484	\$ 80,406,030
Property Taxes, Levied for Debt Service	54,222,292	48,142,601	43,403,630	38,628,467
Grants and Contributions Not Restricted to Specific Prog.	79,229,802	92,312,300	91,045,377	89,749,248
Investment Earnings	1,575,711	1,420,938	1,619,602	287,320
Miscellaneous	373,695	194,470	1,777	548,849
Transfers	1,500,000	1,500,000	1,400,000	1,200,000
Total Governmental Activities General Revenues	<u>249,104,719</u>	<u>243,706,346</u>	<u>227,733,870</u>	<u>210,819,914</u>
Business-type Activities:				
Transfers	(1,500,000)	(1,500,000)	(1,400,000)	(1,200,000)
Total Business-type Activities General Revenues	<u>(1,500,000)</u>	<u>(1,500,000)</u>	<u>(1,400,000)</u>	<u>(1,200,000)</u>
Total Primary Government General Revenues	<u>\$ 247,604,719</u>	<u>\$ 242,206,346</u>	<u>\$ 226,333,870</u>	<u>\$ 209,619,914</u>
Change in Net Position				
Governmental Activities	6,471,233	13,063,422	9,716,279	16,443,551
Business-type Activities	(6,096)	(711)	91,389	(43,878)
Total Change in Net Position	<u>\$ 6,465,137</u>	<u>\$ 13,062,711</u>	<u>\$ 9,807,668</u>	<u>\$ 16,399,673</u>

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$	75,700,506	\$ 74,620,548	\$ 74,151,360	\$ 77,282,606	\$ 74,503,421	\$ 67,412,374
	36,425,476	31,339,637	29,893,334	31,230,001	30,245,042	27,692,617
	76,832,576	74,534,585	70,295,035	61,748,632	63,570,162	64,369,942
	236,966	475,331	493,138	417,602	2,409,191	3,154,609
	295,589	272,522	557,567	50,311	171,723	159,794
	700,000	400,000	-	-	-	-
	<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>	<u>162,789,336</u>
	(700,000)	(400,000)	-	-	-	-
	<u>(700,000)</u>	<u>(400,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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>	\$ <u>162,789,336</u>
	11,951,631	15,415,464	8,668,031	3,284,342	(2,895,468)	2,254,761
	116,258	106,182	(32,578)	-	-	-
\$	<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>	\$ <u>2,254,761</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Fund				
Nonspendable:				
Investment in Inventories	\$ 342,042	\$ 335,941	\$ 268,390	\$ 257,734
Prepaid Items	2,995,738	462,001	159,852	605,467
Assigned:				
Solar Panels	3,422,394	-	-	-
Other Purposes	6,000,000	3,000,000	1,753,000	-
Unassigned	37,987,851	37,560,955	34,002,263	33,284,754
Total General Fund	<u>\$ 50,748,025</u>	<u>\$ 41,358,897</u>	<u>\$ 36,183,505</u>	<u>\$ 34,147,955</u>
All Other Governmental Funds				
Nonspendable:				
Investment in Inventories	\$ 735	\$ 846	\$ 525	\$ 235
Prepaid Items	120	-	8,487	21,802
Restricted:				
Grant Funds	2,020,118	1,885,068	1,690,568	1,853,342
Land Acquisitions and Construction Projects	35,300,749	154,984,692	254,347,893	285,595,606
Debt Service	2,588,975	1,547,882	1,734,910	4,466,719
Committed:				
Other	1,687,542	1,719,868	1,598,142	1,489,908
Assigned:				
Construction	3,400,000	-	-	2,000,000
Unassigned	-	-	-	-
Total All Other Governmental Funds	<u>\$ 44,998,239</u>	<u>\$ 160,138,356</u>	<u>\$ 259,380,525</u>	<u>\$ 295,427,612</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>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 328,717	\$ 379,652	\$ 268,198	\$ 279,763	\$ 118,398	\$ 162,937
215,032	145,746	788,398	777,320	618,129	161,630
-	-	-	-	-	-
7,411,000	3,500,000	10,548	-	-	-
27,960,681	26,586,007	24,206,347	16,625,462	12,685,986	16,177,531
<u>\$ 35,915,430</u>	<u>\$ 30,611,405</u>	<u>\$ 25,273,491</u>	<u>\$ 17,682,545</u>	<u>\$ 13,422,513</u>	<u>\$ 16,502,098</u>
\$ -	\$ -	\$ 108,093	\$ -	\$ -	\$ -
42,885	125,537	167,593	13,398	-	-
-	-	808,623	1,899,183	1,677,007	2,455,148
24,883,326	44,268,455	77,757,689	86,530,605	106,398,420	135,301,946
2,487,587	2,291,476	1,643,443	3,096,937	4,116,832	3,696,794
2,838,321	2,638,972	1,210,069	985,576	878,098	783,375
-	-	-	-	-	-
-	-	-	-	(56)	(183,955)
<u>\$ 30,252,119</u>	<u>\$ 49,324,440</u>	<u>\$ 81,695,510</u>	<u>\$ 92,525,699</u>	<u>\$ 113,070,301</u>	<u>\$ 142,053,308</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
REVENUES				
Local and Intermediate Sources	\$ 176,755,677	\$ 160,450,599	\$ 143,676,672	\$ 127,821,531
State Programs	87,963,494	96,584,769	98,021,636	99,036,883
Federal Programs	21,120,334	21,671,426	20,160,051	20,107,976
Total Revenues	<u>285,839,505</u>	<u>278,706,794</u>	<u>261,858,359</u>	<u>246,966,390</u>
EXPENDITURES				
Current:				
Instruction	136,408,525	127,255,699	123,740,099	116,478,605
Instructional Resources and Media Services	3,744,588	2,988,148	2,875,971	2,975,983
Curriculum and Instructional Staff Development	7,125,690	7,333,543	7,345,669	6,877,859
Instructional Leadership	3,887,765	3,886,265	2,509,428	2,581,667
School Leadership	13,297,189	12,083,090	11,446,734	11,068,572
Guidance, Counseling, and Evaluation Services	8,975,058	8,770,627	7,842,773	7,379,415
Social Work Services	766,727	725,334	667,386	637,085
Health Services	2,695,584	2,639,639	2,450,887	2,169,405
Student Transportation	7,701,997	7,503,987	8,424,783	8,216,930
Food Services	11,732,099	11,767,094	11,533,728	11,344,939
Extracurricular Activities	7,605,186	6,749,065	6,330,540	6,013,686
General Administration	5,673,105	4,938,497	4,034,743	4,078,109
Plant Maintenance and Operations	28,233,660	29,458,394	23,532,248	14,588,098
Security and Monitoring Services	3,935,690	3,522,895	4,803,572	2,632,346
Data Processing Services	8,926,741	4,470,662	9,236,604	4,412,056
Community Services	160,330	121,553	63,951	80,221
Debt Service:				
Principal on Long-term Debt	34,172,364	28,094,250	22,751,503	26,527,140
Interest on Long-term Debt	20,861,529	22,137,065	24,561,224	14,015,393
Issuance Costs and Fees	31,309	34,703	41,165	2,798,677
Capital Outlay:				
Facilities Acquisition and Construction	85,349,749	85,996,530	18,540,484	26,809,125
Intergovernmental:				
Payments Related to Shared Services Arrange.	-	-	2,314,664	2,204,665
Payments to Juvenile Justice Alt. Ed. Prgm.	2,580	18,946	1,892	1,978
Payments to Appraisal District	803,603	779,770	722,627	599,885
Total Expenditures	<u>392,091,068</u>	<u>371,275,756</u>	<u>295,772,675</u>	<u>274,491,839</u>
Excess (Deficiency) of Revenues Over				
Expenditures	<u>(106,251,563)</u>	<u>(92,568,962)</u>	<u>(33,914,316)</u>	<u>(27,525,449)</u>

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$	120,887,281	\$ 112,740,450	\$ 112,980,468	\$ 116,404,455	\$ 113,426,921	\$ 107,933,585
	85,211,438	85,904,547	80,241,196	70,435,028	73,381,316	73,095,749
	18,651,369	21,840,457	24,618,084	25,303,610	12,669,277	11,233,950
	<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>	<u>192,263,284</u>
	110,756,591	105,862,543	104,586,009	104,374,052	99,246,993	91,042,438
	2,860,617	2,938,099	2,888,856	2,877,675	3,390,660	3,161,886
	5,847,046	6,347,636	6,118,963	6,056,306	5,472,684	4,085,028
	2,365,694	2,227,204	2,455,813	2,563,892	2,016,242	1,671,651
	10,600,647	9,931,249	9,941,114	9,863,547	10,576,334	9,894,351
	6,893,336	6,361,976	6,373,232	6,633,242	5,969,339	5,918,195
	557,922	502,321	473,573	441,668	441,284	422,553
	1,945,694	1,903,195	1,832,548	1,596,312	1,585,411	1,478,116
	7,654,405	7,059,718	7,421,508	7,094,022	6,963,600	6,862,075
	11,299,912	10,564,654	10,533,520	9,723,969	9,222,653	8,603,027
	5,948,147	5,559,113	5,712,394	5,661,053	4,852,312	4,413,903
	3,623,407	3,548,814	3,780,020	3,631,310	3,692,732	3,686,453
	13,052,981	12,498,011	12,974,345	15,314,846	14,900,930	15,590,266
	2,406,386	2,300,852	3,818,430	2,752,632	2,260,900	1,125,442
	3,622,916	5,342,106	3,557,499	4,069,284	2,268,351	1,768,997
	118,474	136,429	251,683	136,274	125,400	113,423
	18,160,000	15,960,000	11,784,934	14,870,000	12,140,000	17,565,319
	14,181,497	15,572,477	19,789,263	17,624,815	19,528,347	13,436,105
	345,281	681,314	276,591	210,049	4,450	6,900
	14,069,207	28,613,772	3,679,392	10,102,907	23,460,093	11,881,210
	2,092,300	1,810,439	2,505,714	2,379,337	-	-
	-	15,319	15,642	-	19,987	14,141
	577,357	466,306	564,007	555,974	3,449,975	513,372
	<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>203,254,851</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>	<u>(10,991,567)</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2017 (1)</u>	<u>2016 (1)</u>	<u>2015 (1)</u>	<u>2014 (1)</u>
OTHER FINANCING SOURCES (USES)				
Refunding Bonds Issued	\$ -	\$ -	\$ -	\$ 107,275,000
Issuance of Capital Related Debt (Regular Bonds)	-	-	-	262,465,000
Premium/Discount from Issuance of Bonds	-	-	-	41,102,494
Non-current Loan Proceeds	-	-	-	-
Sale of Real and Personal Property	574	2,185	2,779	11,596
Other Sources (Uses)	-	-	-	(45,175)
Transfers In	5,550,446	7,023,312	4,400,000	3,695,493
Transfers Out	(5,050,446)	(8,523,312)	(4,500,000)	(2,495,493)
Payment to Refunded Bond Escrow Agent	-	-	-	(121,075,448)
Total Other Financing Sources (Uses)	<u>500,574</u>	<u>(1,497,815)</u>	<u>(97,221)</u>	<u>290,933,467</u>
Special Items (Uses)	-	-	-	-
Net Change in Fund Balances	<u>\$ (105,750,989)</u>	<u>\$ (94,066,777)</u>	<u>\$ (34,011,537)</u>	<u>\$ 263,408,018</u>
Debt Service (Principal and Interest) Expenditures as a Percentage of Noncapital Expenditures	18.31%	18.00%	17.57%	16.49%

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

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 38,645,000	\$ 68,935,000	\$ 23,655,000	\$ 20,420,000	\$ -	\$ -
-	-	-	-	-	121,715,000
5,994,931	8,209,802	1,467,626	2,413,495	-	4,220,319
4,926,823	-	-	-	-	-
-	-	5,478	-	43,440	55,912
(2,600)	(3,000)	-	(63,245)	5,138	8,774
811,499	400,000	1,073,910	-	56,650	-
(111,499)	(2,000,000)	(1,073,910)	-	(56,650)	-
<u>(49,802,721)</u>	<u>(76,856,865)</u>	<u>(24,859,196)</u>	<u>(22,625,843)</u>	<u>-</u>	<u>-</u>
<u>461,433</u>	<u>(1,315,063)</u>	<u>268,908</u>	<u>144,407</u>	<u>48,578</u>	<u>126,000,005</u>
<u>-</u>	<u>-</u>	<u>(12,850)</u>	<u>(38,904)</u>	<u>-</u>	<u>-</u>
<u>\$ (13,768,296)</u>	<u>\$ (27,033,156)</u>	<u>\$ (3,239,244)</u>	<u>\$ (16,284,570)</u>	<u>\$ (32,062,585)</u>	<u>\$ 115,008,438</u>
14.54%	14.80%	14.69%	15.06%	15.24%	15.89%

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

Table 5

Fiscal Year Ended August 31,	Appraised Value			Taxable Assessed Value	Total Direct Rate (2)
	Real Property Value Travis & Williamson (1)	Personal Property Value Travis	Less Exemptions Travis		
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
2008	6,060,160,682	1,640,470,968	1,548,427,041	6,152,204,609	1.4700

Sources: Travis Central Appraisal District and Williamson Central Appraisal District

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

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

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

Taxing Authority	2017	2016 (2)	2015 (3)	2014
Overlapping Rates:				
Austin, City of	\$ 0.4448	\$ 0.4418	\$ 0.4589	\$ 0.4809
Austin Community College District	0.1008	0.1020	0.1005	0.0942
Kelly Lane WCID #1	0.9500	0.9500	0.9500	0.9500
Kelly Lane WCID #2	0.9500	0.9500	-	-
Lakeside MUD #3	0.8400	0.8400	0.8470	0.8775
Lakeside WCID #2D	0.9700	0.9700	0.9700	0.9700
Lakeside WCID #1	0.7500	0.7500	0.8000	0.8000
Lakeside WCID #2B	0.9700	0.9700	0.9700	0.9700
Lakeside WCID #2C	0.9700	0.9700	0.9700	0.9700
Northeast Travis County UD	0.6800	0.7800	0.8610	0.8760
Northtown MUD	0.7075	0.7075	0.7220	0.7360
Pflugerville, City of	0.5399	0.5399	0.5405	0.5336
Travis County	0.3690	0.3838	0.4169	0.4563
Travis Co. Healthcare District	0.1074	0.1105	0.1178	0.1264
Travis County Emergency Service #2	0.1000	0.1000	0.1000	0.0982
Travis County MUD #15	0.4075	0.6700	0.3325	0.3325
Travis County MUD #17	0.9500	0.9500	0.9500	-
Wells Branch MUD	0.3795	0.3873	0.3900	0.4300
Williamson County	0.4265	0.4365	0.4415	0.4465
Williamson Co. Water, Sewer, Irrigation and DD #3	0.7230	0.7230	0.7306	0.8082
Total Overlapping Rates	\$ <u>12.3359</u>	\$ <u>12.7323</u>	\$ <u>11.6692</u>	\$ <u>10.9563</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

Table 6

	<u>2013(1)</u>	<u>2012</u>	<u>2011 (4)</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$	0.5027	\$ 0.4811	\$ 0.4571	\$ 0.4209	\$ 0.4012	\$ 0.4034
	0.0949	-	-	-	-	-
	0.9500	0.9500	0.9500	0.9500	0.9500	0.9500
	-	-	-	-	-	-
	0.9000	0.9000	0.9000	0.9000	0.9000	0.9000
	0.9700	0.9700	0.9700	0.9700	0.9700	0.9700
	0.8500	0.9000	0.9000	0.8500	0.8500	0.8500
	0.9700	0.9700	0.9700	0.9700	0.9700	0.9700
	0.9700	0.9700	0.9700	0.9400	0.9000	0.9000
	0.8993	0.8993	0.8993	0.8993	0.8993	0.8993
	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500
	0.5736	0.5990	0.6040	0.6090	0.6140	0.6190
	0.4946	0.4855	0.4215	0.4215	0.4122	0.4216
	0.1290	-	-	-	-	-
	0.1000	0.1000	0.1000	0.0997	0.1000	0.1000
	0.3325	0.3325	0.3325	0.3325	0.2925	0.2500
	-	-	-	-	-	-
	0.4600	0.4700	0.4700	0.4700	0.4700	0.4800
	0.4490	0.4600	0.4600	-	-	-
	0.8150	0.8150	0.8150	0.7999	0.7730	0.7730
\$	<u>11.2106</u>	<u>11.0524</u>	<u>10.9694</u>	<u>10.3828</u>	<u>10.2522</u>	<u>10.2363</u>
\$	1.0400	\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.0400
	0.5000	0.4400	0.4200	0.4200	0.4200	0.4300
\$	<u>1.5400</u>	<u>1.4800</u>	<u>1.4600</u>	<u>1.4600</u>	<u>1.4600</u>	<u>1.4700</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

Table 7

PRINCIPAL TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2017			2008		
	Assessed Value	Rank	Percentage of Total Assessed Value	Assessed Value	Rank	Percentage of Total Assessed Value
Dell Inc	\$ 149,856,130	1	1.40%	\$ 376,190,720	1	6.11%
A-S 93 SH 130-SH 45 LP	139,694,214	2	1.31%			
Logistics II Tech Ridge Portfolio LLC	75,503,980	3	0.71%			
Oracle Corporation	67,285,911	4	0.63%	78,163,867	4	1.27%
Parmer Tech Ridge LLC	64,904,107	5	0.61%			
TX13 Austin LLC	60,730,770	6	0.57%			
Karlin Parmer 3.1 LLC	57,971,389	7	0.54%			
San Paloma Apartments 100 LP	56,090,300	8	0.52%			
Centennial Stone Hill LP	52,250,000	9	0.49%			
WC Braker Portfolio LLC	51,709,584	10	0.48%			
Dell USA LP				170,782,833	2	2.78%
Applied Materials				141,606,845	3	2.30%
DDR DB Tech Ventures, LP				58,888,367	5	0.96%
Oncor Electric Delivery Co				38,621,740	6	0.63%
Zavala Properties II, Inc.				36,874,002	7	0.60%
MSB - Sage Creek Ltd.				33,760,776	8	0.55%
Simpson Parmer Ridge LP				26,095,041	9	0.42%
Braker Industrial Portfolio Ltd.				26,062,230	10	0.42%
TOTALS	\$ <u>775,996,385</u>		<u>7.26%</u>	\$ <u>987,046,421</u>		<u>16.04%</u>
TOTAL ASSESSED VALUE	\$ <u>10,684,430,022</u>			\$ <u>6,152,204,609</u>		

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
2017	\$ 166,764,798	\$ 166,024,569	99.56%	\$ -	\$ 166,024,569	99.56%
2016	146,924,749	146,878,086	99.97%	(242,989)	146,635,097	99.80%
2015	133,343,254	132,956,934	99.71%	177,449	133,134,383	99.84%
2014	118,608,899	117,925,201	99.42%	446,624	118,371,825	99.80%
2013	111,455,750	111,106,176	99.69%	123,830	111,230,006	99.80%
2012	105,507,334	104,531,967	99.08%	736,915	105,268,882	99.77%
2011	104,351,187	103,466,286	99.15%	707,247	104,173,533	99.83%
2010	108,151,211	107,041,100	98.97%	940,133	107,981,233	99.84%
2009	104,259,692	103,367,737	99.14%	691,857	104,059,594	99.81%
2008	95,712,386	95,563,864	99.84%	24,533	95,588,397	99.87%

(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		
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
2008	401,664,307	-	401,664,307	6.53%	20,619

(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>
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
2008	401,664,307	3,696,794	397,967,513	6.47%	20,430

(1) See Table 5 for assessed value data.

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

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PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMPUTATION OF ESTIMATED DIRECT AND OVERLAPPING DEBT
AUGUST 31, 2017

Table 11

Taxing Body	Gross Debt Amount	Outstanding As of	Percent Overlapping	Share of Debt
<i>Overlapping:</i>				
City of Austin	\$ 1,465,564,994	08/31/17	3.13%	\$ 45,872,184
Austin Community College District	297,583,965	08/31/17	2.17%	6,457,572
Kelly Lane WCID #1	19,535,000	08/31/17	100.00%	19,535,000
Kelly Lane WCID #2	6,000,000	08/31/17	100.00%	6,000,000
Lakeside MUD #3	12,335,000	08/31/17	100.00%	12,335,000
Lakeside WCID #1	4,370,000	08/31/17	100.00%	4,370,000
Lakeside WCID #2-B	9,700,000	08/31/17	100.00%	9,700,000
Lakeside WCID #2-C	16,155,000	08/31/17	100.00%	16,155,000
Lakeside WCID #2D	9,100,000	08/31/17	100.00%	9,100,000
Northeast Travis County UD	18,355,000	08/31/17	100.00%	18,355,000
Northtown MUD	21,895,000	08/31/17	100.00%	21,895,000
City of Pflugerville	216,495,000	08/31/17	100.00%	216,495,000
Travis County	684,531,179	08/31/17	7.58%	51,887,463
Travis Co Healthcare District	10,380,000	08/31/17	6.84%	709,992
Travis County MUD #15	17,580,000	08/31/17	100.00%	17,580,000
Travis County MUD #17	5,100,000	08/31/17	100.00%	5,100,000
Wells Branch MUD	195,000	08/31/17	38.65%	75,368
Williamson County	872,279,942	08/31/17	2.00%	17,445,599
Williamson Co. Water, Sewer, Irrigation and DD #3	31,965,000	08/31/17	15.28%	4,884,252
Total Net Overlapping Debt				483,952,430
<u>Direct</u>				
Pflugerville ISD	504,813,946	08/31/17	100.0%	504,813,946
TOTAL NET OVERLAPPING AND DIRECT DEBT				\$ 988,766,376

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)
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%
2008	30,925	4,670,793,854	151,036	19,480	4.4%

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

(2) Source: Travis Central Appraisal District

(3) Source: Texas Education Agency

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

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

Table 13

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

<u>Employer</u>	<u>2017</u>			<u>2008</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	3,103	1	0.28%	1,905	3	0.23%
FedEx	500	2	0.05%			-
City of Pflugerville	350	3	0.03%	200	9	0.02%
Wal-Mart (1)	265	4	0.02%	325	7	0.04%
Mtech (2)	265	5	0.02%			-
HEB Grocery	200	6	0.02%	400	6	0.05%
Target (2)	192	7	0.02%			-
Austin Foam Plastics	170	8	0.02%	250	8	0.03%
Home Depot (2)	145	9	0.01%			-
Avant Technologies	61	10	0.01%			-
Dell Computer Corp.	-	-	-	17,000	1	2.08%
Samsung	-	-	-	4,000	2	0.49%
Sears TeleServ	-	-	-	650	4	0.08%
Hewlett Packard	-	-	-	500	5	0.06%
Durham School Services	-	-	-	200	10	0.02%
Total Employed per Top Ten Employers	<u>5,251</u>		<u>0.48%</u>	<u>25,430</u>		<u>3.10%</u>
Total Employed (3)	<u>1,109,800</u>			<u>818,843</u>		

Sources: Pflugerville Community Development Corp and PISD Business Office

- 1) Updated data for 2017 unavailable for this employer. Number of employees from 2016 used.
- 2) Updated data for 2017 unavailable for this employer. Number of employees from 2015 used.
- 3) See Table 14 for total employed.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

DEMOGRAPHIC STATISTICS

LAST TEN YEARS

Fiscal Year	(A) Estimated School District Population	(B) Area Population	(C) Personal Income	(D) Per Capita Personal Income	(E) Labor Force	(E) Employment
2017	-	-	\$ -	\$ -	1,143,100	1,109,800
2016	140,970	2,056,405	-	-	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
2008	84,434	1,633,870	64,411,889,000	39,423	853,810	818,843

(A) Neustar ElementOne. 2017 data unavailable.

(B) American Community Survey. Data for 2017 unavailable.

(C) Personal Income provided by TRACER, MSA 2000. Data for 2016 and 2017 unavailable.

(D) 2008 - 2010 data from Bureau of Economic Analysis. 2011 - 2015 data from TRACER. Data for 2016 and 2017 unavailable.

(E) Bureau of Labor Statistics

Table 14

(E) Unemployment	(E) Percent Unemployment	(E) Construction	(E) Manufacturing	(E) Trades	(E) Government
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
34,967	4.1%	48,000	58,800	138,400	160,000

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY POSITION LAST TEN FISCAL YEARS

POSITION	2017	2016	2015	2014
Teachers:				
Teacher/Special Duty Teacher	1,742.0	1,675.0	1,649.6	1,623.0
Substitute Teacher	2.4	0.9	1.2	0.4
Teacher Totals	1,744.4	1,675.9	1,650.8	1,623.4
Professional Support:				
Counselor	58.0	58.0	57.0	53.8
Educational Diagnostician	13.0	12.9	13.8	12.9
Librarian	23.5	25.0	24.8	24.9
Occupational Therapist	6.1	6.1	7.1	5.0
Orientation and Mobility Specialist	2.0	2.0	2.0	2.0
Physical Therapist	3.0	3.7	4.0	2.8
Nurse	34.6	31.8	33.0	31.0
LSSP/Psychologist	21.2	22.0	19.4	20.0
Social Worker	8.3	8.5	8.5	7.5
Speech Language Pathologist	26.8	26.3	24.7	24.8
Truant Officer	4.0	4.0	4.0	3.0
Teacher Facilitator	82.3	68.3	64.9	67.9
Athletic Trainer	1.5	2.7	4.0	2.6
Campus Professional Personnel	1.1	12.1	27.8	33.9
Non-Campus Professional Personnel	103.6	97.5	70.9	62.9
Professional Support Totals	389.0	380.9	365.9	355.0
Campus Administration:				
Assistant Principal	71.9	58.3	58.0	57.1
Executive Director/Program Director	2.2	3.5	4.0	5.0
Principal	28.5	28.0	29.0	28.0
Teacher Supervisor	7.9	8.2	7.8	2.0
Athletic Director	1.5	3.2	3.7	4.9
Campus Administration Totals	112.0	101.2	102.5	97.0
Central Administration:				
Assistant/Deputy Supt	4.0	4.0	2.0	3.0
Instructional Officer	11.0	11.0	13.5	14.0
Superintendent	1.0	1.0	1.0	0.9
Teacher Supervisor	28.6	35.5	22.0	22.9
Business Manager	1.0	1.0	1.0	1.0
Director of HR	2.0	2.0	-	1.0
Central Administration Totals	47.6	54.5	39.5	42.8
Educational Aides:				
Aides	388.7	386.9	360.4	353.4
Educational Aides Totals	388.7	386.9	360.4	353.4
Auxiliary Support:				
Includes: Clerical, Secretarial, Grounds, Custodial, Maintenance	422.0	400.9	381.8	367.7
Auxiliary Support Totals	422.0	400.9	381.8	367.7
Total Employees	3,103.7	3,000.3	2,900.9	2,839.3

Source: PEIMS

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

Table 15

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
1,563.1	1,511.6	1,508.2	1,450.2	1,458.0	1,379.3
0.2	0.2	0.1	-	-	-
<u>1,563.3</u>	<u>1,511.8</u>	<u>1,508.3</u>	<u>1,450.2</u>	<u>1,458.0</u>	<u>1,379.3</u>
53.4	49.4	49.5	40.4	45.1	49.6
9.8	9.0	8.0	8.9	8.0	7.0
20.6	21.0	25.0	24.4	25.7	24.0
5.6	4.6	5.2	4.6	4.4	3.7
2.0	1.0	1.0	1.0	1.0	1.0
2.0	2.0	2.0	4.0	4.0	3.5
28.9	26.9	27.0	25.4	24.9	24.7
19.8	18.0	19.0	18.1	20.0	20.0
7.0	7.0	7.0	5.5	6.5	6.5
23.3	24.0	24.6	20.8	22.4	20.2
4.0	3.6	1.0	-	-	-
39.3	42.0	51.7	28.0	41.1	24.1
4.1	2.5	4.9	4.8	3.9	1.0
37.1	10.5	10.6	11.0	12.0	8.0
63.3	56.3	56.6	37.0	34.0	26.0
<u>320.2</u>	<u>277.8</u>	<u>293.1</u>	<u>233.9</u>	<u>253.0</u>	<u>219.3</u>
53.1	49.1	47.0	47.0	53.0	45.0
4.3	8.0	6.0	-	-	-
27.0	25.9	25.9	24.4	27.0	27.0
3.5	25.0	20.6	-	-	-
4.2	5.5	5.8	-	-	-
<u>92.1</u>	<u>113.5</u>	<u>105.3</u>	<u>71.4</u>	<u>80.0</u>	<u>72.0</u>
3.0	3.0	4.0	1.0	4.0	1.0
15.0	22.6	27.0	23.0	26.9	14.4
1.0	1.0	1.0	1.0	1.0	1.0
22.0	5.0	3.0	4.5	5.0	5.0
1.0	1.0	1.0	-	-	-
1.0	1.0	-	1.0	1.0	2.0
<u>43.0</u>	<u>33.6</u>	<u>36.0</u>	<u>30.5</u>	<u>37.9</u>	<u>23.4</u>
294.4	299.7	318.7	275.6	269.6	207.1
<u>294.4</u>	<u>299.7</u>	<u>318.7</u>	<u>275.6</u>	<u>269.6</u>	<u>207.1</u>
380.9	337.9	369.6	456.4	376.2	435.2
<u>380.9</u>	<u>337.9</u>	<u>369.6</u>	<u>456.4</u>	<u>376.2</u>	<u>435.2</u>
<u>2,693.9</u>	<u>2,574.3</u>	<u>2,631.0</u>	<u>2,518.0</u>	<u>2,474.7</u>	<u>2,336.3</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

OPERATING STATISTICS

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Average Daily Attendance (3)</u>	<u>Operating Expenditures (1)</u>	<u>Cost Per Student</u>	<u>Percentage Change</u>
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%
2008	19,480	160,365,317	8,232	7.27%

(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

Government Wide Expenses	Cost Per Student	Percentage Change	Teaching Staff	Student to Teacher Ratio	Percentage of Students in Free/Reduced Lunch Program (2)
\$ 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%
187,059,878	9,603	8.28%	1382	14.10	44.30%

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

Fiscal Year	Minimum Salary (1)	Maximum Salary (1)	Region Average Salary (2)	State wide Average Salary (2)
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
2008	40,000	56,400	44,752	46,179

(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:	2017	2016	2015	2014
HIGH SCHOOLS				
Pflugerville High School				
Square Footage	388,246	388,246	388,246	335,550
Capacity	2,475	2,475	2,475	2,475
Enrollment	2,036	2,104	2,191	2,185
Hendrickson High School				
Square Footage	380,130	380,130	380,130	380,130
Capacity	2,500	2,500	2,500	2,500
Enrollment	3,208	2,957	2,729	2,606
Connally High School				
Square Footage	314,876	314,876	314,876	314,876
Capacity	2,325	2,325	2,325	2,325
Enrollment	1,862	1,851	1,856	1,876
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	961	982	1,029	1,046
Westview Middle School				
Square Footage	112,245	112,245	112,245	112,245
Capacity	1,100	1,100	1,100	1,100
Enrollment	779	828	877	853
Park Crest Middle School				
Square Footage	133,300	133,300	116,800	116,800
Capacity	1,500	1,500	1,300	1,300
Enrollment	886	915	949	934
Dessau Middle School				
Square Footage	121,200	121,200	121,200	121,200
Capacity	1,300	1,300	1,300	1,300
Enrollment	811	756	820	848
Kelly Lane Middle School				
Square Footage	139,000	139,000	139,000	139,000
Capacity	1,250	1,250	1,250	1,250
Enrollment	1,215	1,149	1,088	1,019
Cele Middle School				
Square Footage	163,473	163,473	163,473	163,473
Capacity	1,200	1,200	1,200	1,200
Enrollment	884	823	783	687
Opportunity Center				
Square Footage	-	-	-	-
Capacity	-	-	-	-
Enrollment	-	-	-	-

Source: District Records

Table 18
Page 1 of 3

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
335,550	335,550	335,550	310,448	285,346	285,346
2,475	2,475	2,475	2,475	2,400	2,400
2,212	2,221	2,237	2,244	2,290	2,219
380,130	380,130	380,130	380,130	380,130	380,130
2,500	2,500	2,500	2,500	2,500	2,500
2,370	2,213	2,108	1,911	1,947	1,810
314,876	314,876	314,876	298,333	281,790	281,790
2,325	2,325	2,325	2,325	2,400	2,400
1,939	1,935	1,946	2,044	2,084	2,006
19,691	19,691	19,691	19,691	19,691	19,691
256	256	256	256	256	256
-	-	-	-	-	183
111,036	111,036	111,036	111,036	111,036	111,036
1,375	1,375	1,375	1,375	1,375	1,375
1,114	1,039	1,028	1,069	1,074	1,153
112,245	112,245	112,245	112,245	112,245	112,245
1,100	1,100	1,100	1,100	1,100	1,100
907	851	955	896	858	821
116,800	116,800	116,800	116,800	116,800	116,800
1,300	1,300	1,300	1,300	1,300	1,300
993	1,017	942	874	862	921
121,200	121,200	121,200	121,200	121,200	121,200
1,300	1,300	1,300	1,300	1,300	1,300
1,080	1,016	995	1,007	1,029	1,033
139,000	139,000	139,000	139,000	139,000	139,000
1,250	1,250	1,250	1,250	1,250	1,250
1,249	1,176	1,106	1,029	1,022	861
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	21

Continued

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

Building:	2017	2016	2015	2014
ELEMENTARY SCHOOLS				
Pflugerville Elementary School				
Square Footage	77,922	77,922	77,922	77,922
Capacity	600	600	600	600
Enrollment	469	438	470	477
Parmer Lane Elementary School				
Square Footage	63,634	63,634	63,634	63,634
Capacity	650	650	650	650
Enrollment	498	479	457	435
Timmerman Elementary School				
Square Footage	58,792	58,792	58,792	58,792
Capacity	550	550	550	550
Enrollment	437	420	442	502
Northwest Elementary School				
Square Footage	62,000	62,000	62,000	62,000
Capacity	600	600	600	600
Enrollment	560	529	561	563
Dessau Elementary School				
Square Footage	64,150	64,150	64,150	64,150
Capacity	650	650	650	650
Enrollment	577	503	509	430
Windermere Elementary School				
Square Footage	66,272	66,272	66,272	66,272
Capacity	750	750	750	750
Enrollment	425	433	438	494
River Oaks Elementary School				
Square Footage	66,512	66,512	66,512	66,512
Capacity	750	750	750	750
Enrollment	536	555	525	509
Brookhollow Elementary School				
Square Footage	66,512	66,512	66,512	66,512
Capacity	750	750	750	750
Enrollment	420	454	511	548
Spring Hill Elementary School				
Square Footage	68,600	68,600	68,600	68,600
Capacity	750	750	750	750
Enrollment	603	627	674	710
Windermere Primary School				
Square Footage	68,752	68,752	68,752	68,752
Capacity	750	750	750	750
Enrollment	419	448	465	471

Source: District Records

Table 18
Page 2 of 3

2013	2012	2011	2010	2009	2008
77,922	77,922	77,922	77,922	77,922	77,922
600	600	600	600	600	600
496	531	520	519	530	538
63,634	63,634	63,634	63,634	63,634	63,634
650	650	650	650	650	650
480	519	543	613	619	615
58,792	58,792	58,792	58,792	58,792	58,792
550	550	550	550	550	550
523	550	574	530	524	516
62,000	62,000	62,000	62,000	62,000	62,000
600	600	600	600	600	600
514	614	623	599	584	528
64,150	64,150	64,150	64,150	64,150	64,150
650	650	650	650	650	650
404	602	623	588	586	525
66,272	66,272	66,272	66,272	66,272	66,272
750	750	750	750	750	750
503	525	488	477	481	492
66,512	66,512	66,512	66,512	66,512	66,512
750	750	750	750	750	750
572	536	526	475	476	473
66,512	66,512	66,512	66,512	66,512	66,512
750	750	750	750	750	750
517	501	549	577	572	611
68,600	68,600	68,600	68,600	68,600	68,600
750	750	750	750	750	750
705	719	741	746	743	706
68,752	68,752	68,752	68,752	68,752	68,752
750	750	750	750	750	750
490	558	612	642	650	565

Continued

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

Building:	2017	2016	2015	2014
Copperfield Elementary School				
Square Footage	77,922	77,922	77,922	77,922
Capacity	850	850	850	850
Enrollment	459	464	484	519
Murchison Elementary School				
Square Footage	77,922	77,922	77,922	77,922
Capacity	850	850	850	850
Enrollment	806	797	732	897
Delco Primary School				
Square Footage	68,752	68,752	68,752	68,752
Capacity	750	750	750	750
Enrollment	679	633	564	534
Caldwell Elementary School				
Square Footage	73,007	73,007	73,007	73,007
Capacity	800	800	800	800
Enrollment	720	713	669	659
Rowe Lane Elementary School				
Square Footage	75,007	75,007	75,007	75,007
Capacity	750	750	750	750
Enrollment	919	852	816	922
Highland Park Elementary School				
Square Footage	75,007	75,007	75,007	75,007
Capacity	750	750	750	750
Enrollment	865	771	743	829
Wieland Elementary School				
Square Footage	75,490	75,490	75,490	75,490
Capacity	750	750	750	750
Enrollment	414	445	471	544
Riojas Elementary School				
Square Footage	79,064	79,064	71,624	71,624
Capacity	832	832	700	700
Enrollment	967	844	732	652
Ruth Barron Elementary School				
Square Footage	86,899	86,899	86,899	86,899
Capacity	900	900	900	900
Enrollment	741	774	695	713
Dearing Elementary School				
Square Footage	93,376	93,376	93,376	-
Capacity	850	850	850	-
Enrollment	589	608	573	-

Source: District Records

2013	2012	2011	2010	2009	2008
77,922	77,922	77,922	77,922	77,922	77,922
850	850	850	850	850	850
504	586	600	621	613	630
77,922	77,922	77,922	77,922	77,922	77,922
850	850	850	850	850	850
843	852	834	861	860	798
68,752	68,752	68,752	68,752	68,752	68,752
750	750	750	750	750	750
527	748	701	649	630	625
73,007	73,007	73,007	73,007	73,007	73,007
800	800	800	800	800	800
731	739	760	729	750	734
75,007	75,007	75,007	75,007	75,007	75,007
750	750	750	750	750	750
867	793	728	726	698	681
75,007	75,007	75,007	75,007	75,007	75,007
750	750	750	750	750	750
762	732	692	849	845	858
75,490	75,490	75,490	75,490	75,490	75,490
750	750	750	750	750	750
544	741	766	676	680	648
71,624	71,624	71,624	71,624	-	-
700	700	700	700	-	-
624	540	453	-	-	-
86,899	-	-	-	-	-
900	-	-	-	-	-
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***

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

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 year ended August 31, 2017, 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 10, 2018.

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 District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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.

We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency as Finding 2017-001.

The Board of Trustees of
Pflugerville Independent School District

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*.

Pflugerville Independent School District's Response to Findings

Pflugerville Independent School District's response to the finding identified in our audit is described in the corrective action plan following the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Conroe, Texas
January 10, 2018



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

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

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 U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2017. 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, 2017.

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 were not 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 10, 2018

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PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

*SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2017*

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? Yes, 2017-001

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:
---------------------	--

84.027A and 84.173A	Special Education Cluster (IDEA)
---------------------	----------------------------------

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

Auditee qualified as a low-risk auditee? Yes

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

*SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2017*

II. Financial Statement Findings

2017-001

Significant Deficiency in Internal Controls over Financial Reporting

Criteria:

The District’s accounting software should require balanced entries at the time of posting to ensure that an adequate internal control system is maintained for financial reporting.

Condition:

The District’s internal control system over financial reporting was compromised as the new software failed to ensure that journal entries were appropriately balanced prior to posting to the general ledger.

Context:

Upon receipt of the year end trial balance, we noted the District’s general fund and capital projects fund were out of balance \$340,722 and \$465,410, respectively due to posting of unbalanced journal entries.

Effect:

The District’s internal control system over financial reporting was not maintained. Failure to ensure that journal entries were balanced before the transaction was posted and software failure to prevent unbalanced entries from being posted resulted in the risk of relying on financial reports with errors.

Cause:

District failed to create balanced journal entries and the financial software system allowed these types of entries to be posted into the financial accounting and reporting system.

Recommendation:

We recommend the District and financial software company develop processes to ensure the posting of balanced journal entries to promote an adequate internal control system for the proper production of financial reports.

III. Federal Awards Findings and Questioned Costs

None reported.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

CORRECTIVE ACTION PLAN

FOR THE YEAR ENDED AUGUST 31, 2017

Current Year Finding

2017-001

Significant Deficiency in Internal Controls over Financial Reporting

Contact Person:

Kenneth Adix

Chief Financial Officer

Response:

The District will implement procedures to post only balanced journal entries to the general ledger by creating a parameter in the financial software that will only allow balanced entries to post.

Estimated Date of Completion:

August 31, 2018

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2017

Exhibit K-1
Page 1 of 2

(1) Federal Grantor/ Pass-Through Grantor/ Program Title	(2) Federal CFDA Number	(2A) Pass-Through Entity Identifying Number	(3) Total Federal Expenditures
<u>U.S. DEPARTMENT OF EDUCATION:</u>			
Passed Through State Department of Education:			
<i>ESEA Title I, Part A - Improving Basic Programs</i>	84.010A	17610101227904	\$ 3,554,933
<i>ESEA Title I, Part A - Improving Basic Programs</i>	84.010A	18610101227904	258,971
Total Program 84.010A			<u>3,813,904</u>
Special Education Cluster (IDEA):			
<i>IDEA - Part B, Formula</i>	84.027A	176600012279046000	3,420,171
<i>IDEA - Part B, Formula</i>	84.027A	186600012279046000	279,899
<i>IDEA - Part B, Preschool</i>	84.173A	176610012279046000	35,937
<i>IDEA - Part B, Preschool</i>	84.173A	186610012279046000	2,404
Total Special Education Cluster (IDEA)			<u>3,738,411</u>
<i>Career and Technical - Basic Grant</i>	84.048A	17420006227904	248,713
<i>Title III, Part A - English Language Acquisition and Language Enhancement</i>	84.365A	17671001227904	424,756
<i>Title III, Part A - English Language Acquisition and Language Enhancement</i>	84.365A	18671001227904	25,870
<i>Title III, Part A - Immigrant</i>	84.365A	17671003227904	19,140
Total Program 84.365A			<u>469,766</u>
<i>ESEA Title II, Part A - Teacher and Principal Training and Recruiting</i>	84.367A	17694501227904	121,807
<i>ESEA Title II, Part A - Teacher and Principal Training and Recruiting</i>	84.367A	18694501227904	50,110
Total Program 84.367A			<u>171,917</u>
<i>LEP Summer School Program</i>	84.369A	69551602	31,452
Passed Through Education Service Center Region X:			
<i>ESEA Title X, Part C - Education for the Homeless Children and Youth</i>	84.196A	17-026	27,360
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	3,974
Total Program 84.196A			<u>31,334</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>8,505,497</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u>			
Passed Through State Department of Health and Human Services:			
<i>Medicaid Administrative Claiming Program (MAC)</i>	93.778	529-07-0157-00121	120,903
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>120,903</u>
<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	839,320
Passed Through State Department of Education - Cash Assistance:			
<i>National School Breakfast Program</i>	10.553	71401701	1,864,082
<i>National School Lunch Program</i>	10.555	71301701	5,465,356
Total Child Nutrition Cluster			<u>8,168,758</u>

Continued

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

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2017

Exhibit K-1
Page 2 of 2

(1) Federal Grantor/ Pass-Through Grantor/ Program Title	(2) Federal CFDA Number	(2A) Pass-Through Entity Identifying Number	(3) Total Federal Expenditures
Passed Through State Department of Agriculture:			
<i>Child and Adult Care Food Program</i>	10.558	01069	131,264
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>8,300,022</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 16,926,422</u>

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

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PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

Exhibit K-2

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1 - Basis of Accounting

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

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

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and accordingly, when such funds are received, they are recorded as unearned revenues until earned. Generally, unused balances are returned to the grantor at the close of specified project periods.

Note 2 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of the District under programs of the federal government for the year ended August 31, 2017. 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	\$ 16,926,422
General Fund - Federal Revenue Excluded:	
SHARS Revenue	4,121,336
Reserve Officers Training Corps	72,576
Total Federal Revenues per Exhibit B-2	<u>\$ 21,120,334</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, 2017, are as follows:

<u>Program Source</u>	<u>CFDA Number</u>	<u>Amount</u>
SHARS	N/A	\$ 4,121,336
ROTC	N/A	72,576
Indirect Costs:		
ESEA Title I - Improving Basic Programs	84.010A	97,332
IDEA Part B - Formula	84.027A	91,001
IDEA Part B - Preschool	84.173A	1,006
Career and Technical - Basic Grant	84.048A	6,527
ESEA Title II, Part A - Teacher and Principal Training and Recruiting	84.367A	3,068
ESEA Title III, Part A - English Language Acquisition and Language Enhancement	84.365A	9,211
ESEA Title X, Part C - Education for the Homeless	84.196	718
Total		<u>\$ 4,402,775</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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Governmental Activities:				
Net Investment in Capital Assets	\$ 70,572,742	\$ 74,971,698	\$ 63,674,882	\$ 57,716,900
Restricted	5,078,400	3,686,881	3,581,479	4,493,919
Unrestricted	32,894,914	23,416,244	21,755,040	40,142,710
Total Governmental Activities Net Position	<u>\$ 108,546,056</u>	<u>\$ 102,074,823</u>	<u>\$ 89,011,401</u>	<u>\$ 102,353,529</u>
Business-type Activities:				
Net Investment in Capital Assets	\$ 69,888	\$ 73,472	\$ 77,056	\$ 80,640
Unrestricted	160,678	163,190	160,317	65,344
Total Business-type Activities Net Position	<u>\$ 230,566</u>	<u>\$ 236,662</u>	<u>\$ 237,373</u>	<u>\$ 145,984</u>
Primary Government:				
Net Investment in Capital Assets	\$ 70,642,630	\$ 75,045,170	\$ 63,751,938	\$ 57,797,540
Restricted	5,078,400	3,686,881	3,581,479	4,493,919
Unrestricted	33,055,592	23,579,434	21,915,357	40,208,054
Total Primary Government Net Position	<u>\$ 108,776,622</u>	<u>\$ 102,311,485</u>	<u>\$ 89,248,774</u>	<u>\$ 102,499,513</u>

Table 1

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 39,651,143	\$ 31,823,815	\$ 31,462,570	\$ 30,170,927	\$ 32,247,876	\$ 31,191,545
2,833,628	2,553,638	3,014,281	3,955,354	4,766,734	3,662,850
43,425,207	39,734,667	28,326,217	20,008,756	13,836,085	18,891,768
\$ <u>85,909,978</u>	\$ <u>74,112,120</u>	\$ <u>62,803,068</u>	\$ <u>54,135,037</u>	\$ <u>50,850,695</u>	\$ <u>53,746,163</u>
\$ -	\$ 87,808	\$ -	\$ -	\$ -	\$ -
189,862	(14,204)	(32,578)	-	-	-
\$ <u>189,862</u>	\$ <u>73,604</u>	\$ <u>(32,578)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
\$ 39,651,143	\$ 31,911,623	\$ 31,462,570	\$ 30,170,927	\$ 32,247,876	\$ 31,191,545
2,833,628	2,553,638	3,014,281	3,955,354	4,766,734	3,662,850
43,615,069	39,720,463	28,293,639	20,008,756	13,836,085	18,891,768
\$ <u>86,099,840</u>	\$ <u>74,185,724</u>	\$ <u>62,770,490</u>	\$ <u>54,135,037</u>	\$ <u>50,850,695</u>	\$ <u>53,746,163</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Expenses				
Governmental Activities:				
Instruction	\$ 146,006,306	\$ 140,567,674	\$ 128,212,451	\$ 122,256,562
Instructional Resources and Media Services	4,229,686	3,584,223	3,277,760	3,389,564
Curriculum and Instructional Staff Development	7,347,015	7,723,707	7,275,734	6,899,437
Instructional Leadership	3,997,004	4,212,433	2,536,160	2,591,939
School Leadership	13,983,079	13,155,038	11,642,765	11,399,172
Guidance, Counseling, and Evaluation Services	9,308,458	9,325,728	7,818,428	7,478,095
Social Work Services	792,648	778,068	665,804	642,344
Health Services	2,781,144	2,785,555	2,428,883	2,175,192
Student Transportation	7,735,715	7,543,509	8,457,815	8,253,644
Food Services	12,507,829	12,447,702	12,324,547	12,125,168
Extracurricular Activities	9,111,862	8,443,556	7,804,164	7,283,955
General Administration	5,830,302	5,268,966	4,110,257	4,185,979
Plant Maintenance and Operations	25,520,649	25,869,002	18,611,278	14,801,261
Security and Monitoring Services	4,038,212	3,630,611	5,262,884	3,165,308
Data Processing Services	8,805,884	5,425,964	8,227,751	4,341,709
Community Services	193,103	173,598	103,863	87,933
Interest on Long-term Debt	18,890,061	19,862,534	20,542,013	18,298,857
Issuance Costs and Fees	31,309	34,703		
Facilities Repair and Maintenance	415,375	173,414	-	-
Payments Related to Shared Service Arrangements	-	-	2,314,664	2,204,665
Payments to Juvenile Justice Alternative Ed. Program	2,580	18,946	1,892	1,978
Payments to Appraisal District	803,603	779,770	722,627	599,885
Total Governmental Activities Expenses	<u>282,331,824</u>	<u>271,804,701</u>	<u>252,341,740</u>	<u>232,182,647</u>
Business-type Activities:				
Extended Day Program	2,187,963	2,314,571	2,296,403	2,165,603
Total Primary Government Expenses	<u>284,519,787</u>	<u>274,119,272</u>	<u>254,638,143</u>	<u>234,348,250</u>
Program Revenues				
Governmental Activities:				
Charges for Services:				
Instruction	1,156,829	1,079,399	1,028,362	1,080,924
Food Services	3,957,249	3,975,638	3,937,867	3,910,949
Extracurricular Activities	1,790,949	1,895,244	1,696,779	2,030,827
Other Activities	632,667	504,679	493,471	555,887
Operating Grants and Contributions	32,160,644	33,706,817	27,167,670	30,227,697
Total Primary Government Governmental Activities Program Revenues	<u>39,698,338</u>	<u>41,161,777</u>	<u>34,324,149</u>	<u>37,806,284</u>
Business-type Activities:				
Charges for Services	3,681,867	3,813,860	3,787,792	3,321,725
Total Primary Government Program Revenues	<u>43,380,205</u>	<u>44,975,637</u>	<u>38,111,941</u>	<u>41,128,009</u>
Net (Expense)/Revenue				
Total Primary Government Net Expense	<u>\$ (241,139,582)</u>	<u>\$ (229,143,635)</u>	<u>\$ (216,526,202)</u>	<u>\$ (193,220,241)</u>

Table 2
Page 1 of 2

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$	114,690,363	\$ 109,251,840	\$ 108,337,542	\$ 108,060,717	\$ 103,394,889	\$ 94,650,337
	3,220,656	3,279,662	3,196,747	3,188,391	3,705,657	3,471,299
	5,832,985	6,335,867	6,099,548	6,051,164	5,482,628	4,088,992
	2,351,868	2,219,164	2,456,580	2,557,375	2,027,673	1,672,599
	10,831,744	10,173,649	10,159,941	10,098,502	10,818,210	10,110,269
	6,965,991	6,576,716	6,588,865	6,792,197	6,033,629	5,948,106
	539,198	501,903	475,137	441,736	441,932	423,094
	1,939,741	1,899,532	1,828,229	1,594,137	1,597,561	1,479,424
	7,688,544	7,104,168	7,466,658	7,139,172	7,008,750	6,875,115
	12,009,734	11,264,856	11,457,443	10,620,252	9,830,910	9,108,389
	7,194,257	6,838,249	6,651,685	6,067,801	6,013,120	5,559,634
	3,705,361	3,643,282	3,840,998	3,709,032	3,764,274	3,769,737
	12,624,898	12,636,964	13,208,973	15,502,842	15,368,510	16,034,590
	2,758,741	2,708,046	2,383,226	2,137,943	2,325,743	1,202,334
	3,878,344	3,394,096	3,767,644	3,851,350	3,246,828	3,051,548
	124,220	134,188	251,683	136,274	125,400	113,423
	14,493,953	14,439,419	17,453,765	17,507,086	18,422,579	14,791,698
	-	2,277,256	13,136	-	29,257	4,181,777
	2,092,300	1,810,439	2,505,714	2,379,337	2,881,565	-
	-	15,319	15,642	-	19,987	14,141
	577,357	466,306	564,007	555,974	568,410	513,372
	<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>	<u>187,059,878</u>
	1,959,222	1,648,334	211,715	-	-	-
	<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>	<u>187,059,878</u>
	1,104,995	908,105	1,080,738	886,652	1,056,284	892,791
	4,238,437	3,890,454	3,814,485	3,791,705	3,904,617	3,568,350
	1,456,031	1,537,818	1,441,675	1,319,423	992,532	980,685
	800,795	928,113	877,405	798,091	843,827	950,666
	<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>20,132,811</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>	<u>26,525,303</u>
	2,775,480	2,154,516	179,137	-	-	-
	<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>26,525,303</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>	<u><u>(160,534,575)</u></u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes, Levied for General Purposes	\$ 112,203,219	\$ 100,136,037	\$ 90,263,484	\$ 80,406,030
Property Taxes, Levied for Debt Service	54,222,292	48,142,601	43,403,630	38,628,467
Grants and Contributions Not Restricted to Specific Prog.	79,229,802	92,312,300	91,045,377	89,749,248
Investment Earnings	1,575,711	1,420,938	1,619,602	287,320
Miscellaneous	373,695	194,470	1,777	548,849
Transfers	1,500,000	1,500,000	1,400,000	1,200,000
Total Governmental Activities General Revenues	<u>249,104,719</u>	<u>243,706,346</u>	<u>227,733,870</u>	<u>210,819,914</u>
Business-type Activities:				
Transfers	(1,500,000)	(1,500,000)	(1,400,000)	(1,200,000)
Total Business-type Activities General Revenues	<u>(1,500,000)</u>	<u>(1,500,000)</u>	<u>(1,400,000)</u>	<u>(1,200,000)</u>
Total Primary Government General Revenues	<u>\$ 247,604,719</u>	<u>\$ 242,206,346</u>	<u>\$ 226,333,870</u>	<u>\$ 209,619,914</u>
Change in Net Position				
Governmental Activities	6,471,233	13,063,422	9,716,279	16,443,551
Business-type Activities	(6,096)	(711)	91,389	(43,878)
Total Change in Net Position	<u>\$ 6,465,137</u>	<u>\$ 13,062,711</u>	<u>\$ 9,807,668</u>	<u>\$ 16,399,673</u>

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 75,700,506	\$ 74,620,548	\$ 74,151,360	\$ 77,282,606	\$ 74,503,421	\$ 67,412,374
36,425,476	31,339,637	29,893,334	31,230,001	30,245,042	27,692,617
76,832,576	74,534,585	70,295,035	61,748,632	63,570,162	64,369,942
236,966	475,331	493,138	417,602	2,409,191	3,154,609
295,589	272,522	557,567	50,311	171,723	159,794
700,000	400,000	-	-	-	-
<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>	<u>162,789,336</u>
(700,000)	(400,000)	-	-	-	-
<u>(700,000)</u>	<u>(400,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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>	\$ <u>162,789,336</u>
11,951,631	15,415,464	8,668,031	3,284,342	(2,895,468)	2,254,761
116,258	106,182	(32,578)	-	-	-
<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>	<u>\$ 2,254,761</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Fund				
Nonspendable:				
Investment in Inventories	\$ 342,042	\$ 335,941	\$ 268,390	\$ 257,734
Prepaid Items	2,995,738	462,001	159,852	605,467
Assigned:				
Solar Panels	3,422,394	-	-	-
Other Purposes	6,000,000	3,000,000	1,753,000	-
Unassigned	37,987,851	37,560,955	34,002,263	33,284,754
Total General Fund	<u>\$ 50,748,025</u>	<u>\$ 41,358,897</u>	<u>\$ 36,183,505</u>	<u>\$ 34,147,955</u>
All Other Governmental Funds				
Nonspendable:				
Investment in Inventories	\$ 735	\$ 846	\$ 525	\$ 235
Prepaid Items	120	-	8,487	21,802
Restricted:				
Grant Funds	2,020,118	1,885,068	1,690,568	1,853,342
Land Acquisitions and Construction Projects	35,300,749	154,984,692	254,347,893	285,595,606
Debt Service	2,588,975	1,547,882	1,734,910	4,466,719
Committed:				
Other	1,687,542	1,719,868	1,598,142	1,489,908
Assigned:				
Construction	3,400,000	-	-	2,000,000
Unassigned	-	-	-	-
Total All Other Governmental Funds	<u>\$ 44,998,239</u>	<u>\$ 160,138,356</u>	<u>\$ 259,380,525</u>	<u>\$ 295,427,612</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>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 328,717	\$ 379,652	\$ 268,198	\$ 279,763	\$ 118,398	\$ 162,937
215,032	145,746	788,398	777,320	618,129	161,630
-	-	-	-	-	-
7,411,000	3,500,000	10,548	-	-	-
27,960,681	26,586,007	24,206,347	16,625,462	12,685,986	16,177,531
<u>\$ 35,915,430</u>	<u>\$ 30,611,405</u>	<u>\$ 25,273,491</u>	<u>\$ 17,682,545</u>	<u>\$ 13,422,513</u>	<u>\$ 16,502,098</u>
\$ -	\$ -	\$ 108,093	\$ -	\$ -	\$ -
42,885	125,537	167,593	13,398	-	-
-	-	808,623	1,899,183	1,677,007	2,455,148
24,883,326	44,268,455	77,757,689	86,530,605	106,398,420	135,301,946
2,487,587	2,291,476	1,643,443	3,096,937	4,116,832	3,696,794
2,838,321	2,638,972	1,210,069	985,576	878,098	783,375
-	-	-	-	-	-
-	-	-	-	(56)	(183,955)
<u>\$ 30,252,119</u>	<u>\$ 49,324,440</u>	<u>\$ 81,695,510</u>	<u>\$ 92,525,699</u>	<u>\$ 113,070,301</u>	<u>\$ 142,053,308</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
REVENUES				
Local and Intermediate Sources	\$ 176,755,677	\$ 160,450,599	\$ 143,676,672	\$ 127,821,531
State Programs	87,963,494	96,584,769	98,021,636	99,036,883
Federal Programs	21,120,334	21,671,426	20,160,051	20,107,976
Total Revenues	<u>285,839,505</u>	<u>278,706,794</u>	<u>261,858,359</u>	<u>246,966,390</u>
EXPENDITURES				
Current:				
Instruction	136,408,525	127,255,699	123,740,099	116,478,605
Instructional Resources and Media Services	3,744,588	2,988,148	2,875,971	2,975,983
Curriculum and Instructional Staff Development	7,125,690	7,333,543	7,345,669	6,877,859
Instructional Leadership	3,887,765	3,886,265	2,509,428	2,581,667
School Leadership	13,297,189	12,083,090	11,446,734	11,068,572
Guidance, Counseling, and Evaluation Services	8,975,058	8,770,627	7,842,773	7,379,415
Social Work Services	766,727	725,334	667,386	637,085
Health Services	2,695,584	2,639,639	2,450,887	2,169,405
Student Transportation	7,701,997	7,503,987	8,424,783	8,216,930
Food Services	11,732,099	11,767,094	11,533,728	11,344,939
Extracurricular Activities	7,605,186	6,749,065	6,330,540	6,013,686
General Administration	5,673,105	4,938,497	4,034,743	4,078,109
Plant Maintenance and Operations	28,233,660	29,458,394	23,532,248	14,588,098
Security and Monitoring Services	3,935,690	3,522,895	4,803,572	2,632,346
Data Processing Services	8,926,741	4,470,662	9,236,604	4,412,056
Community Services	160,330	121,553	63,951	80,221
Debt Service:				
Principal on Long-term Debt	34,172,364	28,094,250	22,751,503	26,527,140
Interest on Long-term Debt	20,861,529	22,137,065	24,561,224	14,015,393
Issuance Costs and Fees	31,309	34,703	41,165	2,798,677
Capital Outlay:				
Facilities Acquisition and Construction	85,349,749	85,996,530	18,540,484	26,809,125
Intergovernmental:				
Payments Related to Shared Services Arrange.	-	-	2,314,664	2,204,665
Payments to Juvenile Justice Alt. Ed. Prgm.	2,580	18,946	1,892	1,978
Payments to Appraisal District	803,603	779,770	722,627	599,885
Total Expenditures	<u>392,091,068</u>	<u>371,275,756</u>	<u>295,772,675</u>	<u>274,491,839</u>
Excess (Deficiency) of Revenues Over				
Expenditures	<u>(106,251,563)</u>	<u>(92,568,962)</u>	<u>(33,914,316)</u>	<u>(27,525,449)</u>

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$	120,887,281	\$ 112,740,450	\$ 112,980,468	\$ 116,404,455	\$ 113,426,921	\$ 107,933,585
	85,211,438	85,904,547	80,241,196	70,435,028	73,381,316	73,095,749
	18,651,369	21,840,457	24,618,084	25,303,610	12,669,277	11,233,950
	<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>	<u>192,263,284</u>
	110,756,591	105,862,543	104,586,009	104,374,052	99,246,993	91,042,438
	2,860,617	2,938,099	2,888,856	2,877,675	3,390,660	3,161,886
	5,847,046	6,347,636	6,118,963	6,056,306	5,472,684	4,085,028
	2,365,694	2,227,204	2,455,813	2,563,892	2,016,242	1,671,651
	10,600,647	9,931,249	9,941,114	9,863,547	10,576,334	9,894,351
	6,893,336	6,361,976	6,373,232	6,633,242	5,969,339	5,918,195
	557,922	502,321	473,573	441,668	441,284	422,553
	1,945,694	1,903,195	1,832,548	1,596,312	1,585,411	1,478,116
	7,654,405	7,059,718	7,421,508	7,094,022	6,963,600	6,862,075
	11,299,912	10,564,654	10,533,520	9,723,969	9,222,653	8,603,027
	5,948,147	5,559,113	5,712,394	5,661,053	4,852,312	4,413,903
	3,623,407	3,548,814	3,780,020	3,631,310	3,692,732	3,686,453
	13,052,981	12,498,011	12,974,345	15,314,846	14,900,930	15,590,266
	2,406,386	2,300,852	3,818,430	2,752,632	2,260,900	1,125,442
	3,622,916	5,342,106	3,557,499	4,069,284	2,268,351	1,768,997
	118,474	136,429	251,683	136,274	125,400	113,423
	18,160,000	15,960,000	11,784,934	14,870,000	12,140,000	17,565,319
	14,181,497	15,572,477	19,789,263	17,624,815	19,528,347	13,436,105
	345,281	681,314	276,591	210,049	4,450	6,900
	14,069,207	28,613,772	3,679,392	10,102,907	23,460,093	11,881,210
	2,092,300	1,810,439	2,505,714	2,379,337	-	-
	-	15,319	15,642	-	19,987	14,141
	577,357	466,306	564,007	555,974	3,449,975	513,372
	<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>203,254,851</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>	<u>(10,991,567)</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2017 (1)</u>	<u>2016 (1)</u>	<u>2015 (1)</u>	<u>2014 (1)</u>
OTHER FINANCING SOURCES (USES)				
Refunding Bonds Issued	\$ -	\$ -	\$ -	\$ 107,275,000
Issuance of Capital Related Debt (Regular Bonds)	-	-	-	262,465,000
Premium/Discount from Issuance of Bonds	-	-	-	41,102,494
Non-current Loan Proceeds	-	-	-	-
Sale of Real and Personal Property	574	2,185	2,779	11,596
Other Sources (Uses)	-	-	-	(45,175)
Transfers In	5,550,446	7,023,312	4,400,000	3,695,493
Transfers Out	(5,050,446)	(8,523,312)	(4,500,000)	(2,495,493)
Payment to Refunded Bond Escrow Agent	-	-	-	(121,075,448)
Total Other Financing Sources (Uses)	<u>500,574</u>	<u>(1,497,815)</u>	<u>(97,221)</u>	<u>290,933,467</u>
Special Items (Uses)	-	-	-	-
Net Change in Fund Balances	<u>\$ (105,750,989)</u>	<u>\$ (94,066,777)</u>	<u>\$ (34,011,537)</u>	<u>\$ 263,408,018</u>
Debt Service (Principal and Interest) Expenditures as a Percentage of Noncapital Expenditures	18.31%	18.00%	17.57%	16.49%

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

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 38,645,000	\$ 68,935,000	\$ 23,655,000	\$ 20,420,000	\$ -	\$ -
-	-	-	-	-	121,715,000
5,994,931	8,209,802	1,467,626	2,413,495	-	4,220,319
4,926,823	-	-	-	-	-
-	-	5,478	-	43,440	55,912
(2,600)	(3,000)	-	(63,245)	5,138	8,774
811,499	400,000	1,073,910	-	56,650	-
(111,499)	(2,000,000)	(1,073,910)	-	(56,650)	-
<u>(49,802,721)</u>	<u>(76,856,865)</u>	<u>(24,859,196)</u>	<u>(22,625,843)</u>	<u>-</u>	<u>-</u>
<u>461,433</u>	<u>(1,315,063)</u>	<u>268,908</u>	<u>144,407</u>	<u>48,578</u>	<u>126,000,005</u>
<u>-</u>	<u>-</u>	<u>(12,850)</u>	<u>(38,904)</u>	<u>-</u>	<u>-</u>
<u>\$ (13,768,296)</u>	<u>\$ (27,033,156)</u>	<u>\$ (3,239,244)</u>	<u>\$ (16,284,570)</u>	<u>\$ (32,062,585)</u>	<u>\$ 115,008,438</u>
14.54%	14.80%	14.69%	15.06%	15.24%	15.89%

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

Table 5

Fiscal Year Ended August 31,	Appraised Value			Taxable Assessed Value	Total Direct Rate (2)
	Real Property Value Travis & Williamson (1)	Personal Property Value Travis	Less Exemptions Travis		
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
2008	6,060,160,682	1,640,470,968	1,548,427,041	6,152,204,609	1.4700

Sources: Travis Central Appraisal District and Williamson Central Appraisal District

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

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

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

Taxing Authority	2017	2016 (2)	2015 (3)	2014
Overlapping Rates:				
Austin, City of	\$ 0.4448	\$ 0.4418	\$ 0.4589	\$ 0.4809
Austin Community College District	0.1008	0.1020	0.1005	0.0942
Kelly Lane WCID #1	0.9500	0.9500	0.9500	0.9500
Kelly Lane WCID #2	0.9500	0.9500	-	-
Lakeside MUD #3	0.8400	0.8400	0.8470	0.8775
Lakeside WCID #2D	0.9700	0.9700	0.9700	0.9700
Lakeside WCID #1	0.7500	0.7500	0.8000	0.8000
Lakeside WCID #2B	0.9700	0.9700	0.9700	0.9700
Lakeside WCID #2C	0.9700	0.9700	0.9700	0.9700
Northeast Travis County UD	0.6800	0.7800	0.8610	0.8760
Northtown MUD	0.7075	0.7075	0.7220	0.7360
Pflugerville, City of	0.5399	0.5399	0.5405	0.5336
Travis County	0.3690	0.3838	0.4169	0.4563
Travis Co. Healthcare District	0.1074	0.1105	0.1178	0.1264
Travis County Emergency Service #2	0.1000	0.1000	0.1000	0.0982
Travis County MUD #15	0.4075	0.6700	0.3325	0.3325
Travis County MUD #17	0.9500	0.9500	0.9500	-
Wells Branch MUD	0.3795	0.3873	0.3900	0.4300
Williamson County	0.4265	0.4365	0.4415	0.4465
Williamson Co. Water, Sewer, Irrigation and DD #3	0.7230	0.7230	0.7306	0.8082
Total Overlapping Rates	\$ <u>12.3359</u>	\$ <u>12.7323</u>	\$ <u>11.6692</u>	\$ <u>10.9563</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

Table 6

	<u>2013(1)</u>	<u>2012</u>	<u>2011 (4)</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$	0.5027	\$ 0.4811	\$ 0.4571	\$ 0.4209	\$ 0.4012	\$ 0.4034
	0.0949	-	-	-	-	-
	0.9500	0.9500	0.9500	0.9500	0.9500	0.9500
	-	-	-	-	-	-
	0.9000	0.9000	0.9000	0.9000	0.9000	0.9000
	0.9700	0.9700	0.9700	0.9700	0.9700	0.9700
	0.8500	0.9000	0.9000	0.8500	0.8500	0.8500
	0.9700	0.9700	0.9700	0.9700	0.9700	0.9700
	0.9700	0.9700	0.9700	0.9400	0.9000	0.9000
	0.8993	0.8993	0.8993	0.8993	0.8993	0.8993
	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500
	0.5736	0.5990	0.6040	0.6090	0.6140	0.6190
	0.4946	0.4855	0.4215	0.4215	0.4122	0.4216
	0.1290	-	-	-	-	-
	0.1000	0.1000	0.1000	0.0997	0.1000	0.1000
	0.3325	0.3325	0.3325	0.3325	0.2925	0.2500
	-	-	-	-	-	-
	0.4600	0.4700	0.4700	0.4700	0.4700	0.4800
	0.4490	0.4600	0.4600	-	-	-
	0.8150	0.8150	0.8150	0.7999	0.7730	0.7730
\$	<u>11.2106</u>	<u>11.0524</u>	<u>10.9694</u>	<u>10.3828</u>	<u>10.2522</u>	<u>10.2363</u>
\$	1.0400	\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.0400
	0.5000	0.4400	0.4200	0.4200	0.4200	0.4300
\$	<u>1.5400</u>	<u>1.4800</u>	<u>1.4600</u>	<u>1.4600</u>	<u>1.4600</u>	<u>1.4700</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

Table 7

PRINCIPAL TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2017			2008		
	Assessed Value	Rank	Percentage of Total Assessed Value	Assessed Value	Rank	Percentage of Total Assessed Value
Dell Inc	\$ 149,856,130	1	1.40%	\$ 376,190,720	1	6.11%
A-S 93 SH 130-SH 45 LP	139,694,214	2	1.31%			
Logistics II Tech Ridge Portfolio LLC	75,503,980	3	0.71%			
Oracle Corporation	67,285,911	4	0.63%	78,163,867	4	1.27%
Parmer Tech Ridge LLC	64,904,107	5	0.61%			
TX13 Austin LLC	60,730,770	6	0.57%			
Karlin Parmer 3.1 LLC	57,971,389	7	0.54%			
San Paloma Apartments 100 LP	56,090,300	8	0.52%			
Centennial Stone Hill LP	52,250,000	9	0.49%			
WC Braker Portfolio LLC	51,709,584	10	0.48%			
Dell USA LP				170,782,833	2	2.78%
Applied Materials				141,606,845	3	2.30%
DDR DB Tech Ventures, LP				58,888,367	5	0.96%
Oncor Electric Delivery Co				38,621,740	6	0.63%
Zavala Properties II, Inc.				36,874,002	7	0.60%
MSB - Sage Creek Ltd.				33,760,776	8	0.55%
Simpson Parmer Ridge LP				26,095,041	9	0.42%
Braker Industrial Portfolio Ltd.				26,062,230	10	0.42%
TOTALS	\$ <u>775,996,385</u>		<u>7.26%</u>	\$ <u>987,046,421</u>		<u>16.04%</u>
TOTAL ASSESSED VALUE	\$ <u>10,684,430,022</u>			\$ <u>6,152,204,609</u>		

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
2017	\$ 166,764,798	\$ 166,024,569	99.56%	\$ -	\$ 166,024,569	99.56%
2016	146,924,749	146,878,086	99.97%	(242,989)	146,635,097	99.80%
2015	133,343,254	132,956,934	99.71%	177,449	133,134,383	99.84%
2014	118,608,899	117,925,201	99.42%	446,624	118,371,825	99.80%
2013	111,455,750	111,106,176	99.69%	123,830	111,230,006	99.80%
2012	105,507,334	104,531,967	99.08%	736,915	105,268,882	99.77%
2011	104,351,187	103,466,286	99.15%	707,247	104,173,533	99.83%
2010	108,151,211	107,041,100	98.97%	940,133	107,981,233	99.84%
2009	104,259,692	103,367,737	99.14%	691,857	104,059,594	99.81%
2008	95,712,386	95,563,864	99.84%	24,533	95,588,397	99.87%

(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		
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
2008	401,664,307	-	401,664,307	6.53%	20,619

(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>
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
2008	401,664,307	3,696,794	397,967,513	6.47%	20,430

(1) See Table 5 for assessed value data.

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

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PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMPUTATION OF ESTIMATED DIRECT AND OVERLAPPING DEBT
AUGUST 31, 2017

Table 11

<u>Taxing Body</u>	<u>Gross Debt Amount</u>	<u>Outstanding As of</u>	<u>Percent Overlapping</u>	<u>Share of Debt</u>
Overlapping:				
City of Austin	\$ 1,465,564,994	08/31/17	3.13%	\$ 45,872,184
Austin Community College District	297,583,965	08/31/17	2.17%	6,457,572
Kelly Lane WCID #1	19,535,000	08/31/17	100.00%	19,535,000
Kelly Lane WCID #2	6,000,000	08/31/17	100.00%	6,000,000
Lakeside MUD #3	12,335,000	08/31/17	100.00%	12,335,000
Lakeside WCID #1	4,370,000	08/31/17	100.00%	4,370,000
Lakeside WCID #2-B	9,700,000	08/31/17	100.00%	9,700,000
Lakeside WCID #2-C	16,155,000	08/31/17	100.00%	16,155,000
Lakeside WCID #2D	9,100,000	08/31/17	100.00%	9,100,000
Northeast Travis County UD	18,355,000	08/31/17	100.00%	18,355,000
Northtown MUD	21,895,000	08/31/17	100.00%	21,895,000
City of Pflugerville	216,495,000	08/31/17	100.00%	216,495,000
Travis County	684,531,179	08/31/17	7.58%	51,887,463
Travis Co Healthcare District	10,380,000	08/31/17	6.84%	709,992
Travis County MUD #15	17,580,000	08/31/17	100.00%	17,580,000
Travis County MUD #17	5,100,000	08/31/17	100.00%	5,100,000
Wells Branch MUD	195,000	08/31/17	38.65%	75,368
Williamson County	872,279,942	08/31/17	2.00%	17,445,599
Williamson Co. Water, Sewer, Irrigation and DD #3	31,965,000	08/31/17	15.28%	4,884,252
Total Net Overlapping Debt				<u>483,952,430</u>
Direct				
Pflugerville ISD	504,813,946	08/31/17	100.0%	<u>504,813,946</u>
TOTAL NET OVERLAPPING AND DIRECT DEBT				<u>\$ 988,766,376</u>

Source: Specialized Public Finance

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

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

Table 12

Fiscal Year	Residential Units (1)	Total Assessed Value of Residential Units (2)	Average Assessed Value Per Residential Unit	Average Daily Attendance (3)	Unemployment Rate (4)
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%
2008	30,925	4,670,793,854	151,036	19,480	4.4%

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

(2) Source: Travis Central Appraisal District

(3) Source: Texas Education Agency

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

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

Table 13

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

<u>Employer</u>	<u>2017</u>			<u>2008</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	3,103	1	0.28%	1,905	3	0.23%
FedEx	500	2	0.05%			-
City of Pflugerville	350	3	0.03%	200	9	0.02%
Wal-Mart (1)	265	4	0.02%	325	7	0.04%
Mtech (2)	265	5	0.02%			-
HEB Grocery	200	6	0.02%	400	6	0.05%
Target (2)	192	7	0.02%			-
Austin Foam Plastics	170	8	0.02%	250	8	0.03%
Home Depot (2)	145	9	0.01%			-
Avant Technologies	61	10	0.01%			-
Dell Computer Corp.	-	-	-	17,000	1	2.08%
Samsung	-	-	-	4,000	2	0.49%
Sears TeleServ	-	-	-	650	4	0.08%
Hewlett Packard	-	-	-	500	5	0.06%
Durham School Services	-	-	-	200	10	0.02%
Total Employed per Top Ten Employers	<u>5,251</u>		<u>0.48%</u>	<u>25,430</u>		<u>3.10%</u>
Total Employed (3)	<u>1,109,800</u>			<u>818,843</u>		

Sources: Pflugerville Community Development Corp and PISD Business Office

- 1) Updated data for 2017 unavailable for this employer. Number of employees from 2016 used.
- 2) Updated data for 2017 unavailable for this employer. Number of employees from 2015 used.
- 3) See Table 14 for total employed.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

DEMOGRAPHIC STATISTICS

LAST TEN YEARS

Fiscal Year	(A) Estimated School District Population	(B) Area Population	(C) Personal Income	(D) Per Capita Personal Income	(E) Labor Force	(E) Employment
2017	-	-	\$ -	\$ -	1,143,100	1,109,800
2016	140,970	2,056,405	-	-	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
2008	84,434	1,633,870	64,411,889,000	39,423	853,810	818,843

(A) Neustar ElementOne. 2017 data unavailable.

(B) American Community Survey. Data for 2017 unavailable.

(C) Personal Income provided by TRACER, MSA 2000. Data for 2016 and 2017 unavailable.

(D) 2008 - 2010 data from Bureau of Economic Analysis. 2011 - 2015 data from TRACER. Data for 2016 and 2017 unavailable.

(E) Bureau of Labor Statistics

Table 14

(E) Unemployment	(E) Percent Unemployment	(E) Construction	(E) Manufacturing	(E) Trades	(E) Government
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
34,967	4.1%	48,000	58,800	138,400	160,000

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY POSITION LAST TEN FISCAL YEARS

POSITION	2017	2016	2015	2014
Teachers:				
Teacher/Special Duty Teacher	1,742.0	1,675.0	1,649.6	1,623.0
Substitute Teacher	2.4	0.9	1.2	0.4
Teacher Totals	1,744.4	1,675.9	1,650.8	1,623.4
Professional Support:				
Counselor	58.0	58.0	57.0	53.8
Educational Diagnostician	13.0	12.9	13.8	12.9
Librarian	23.5	25.0	24.8	24.9
Occupational Therapist	6.1	6.1	7.1	5.0
Orientation and Mobility Specialist	2.0	2.0	2.0	2.0
Physical Therapist	3.0	3.7	4.0	2.8
Nurse	34.6	31.8	33.0	31.0
LSSP/Psychologist	21.2	22.0	19.4	20.0
Social Worker	8.3	8.5	8.5	7.5
Speech Language Pathologist	26.8	26.3	24.7	24.8
Truant Officer	4.0	4.0	4.0	3.0
Teacher Facilitator	82.3	68.3	64.9	67.9
Athletic Trainer	1.5	2.7	4.0	2.6
Campus Professional Personnel	1.1	12.1	27.8	33.9
Non-Campus Professional Personnel	103.6	97.5	70.9	62.9
Professional Support Totals	389.0	380.9	365.9	355.0
Campus Administration:				
Assistant Principal	71.9	58.3	58.0	57.1
Executive Director/Program Director	2.2	3.5	4.0	5.0
Principal	28.5	28.0	29.0	28.0
Teacher Supervisor	7.9	8.2	7.8	2.0
Athletic Director	1.5	3.2	3.7	4.9
Campus Administration Totals	112.0	101.2	102.5	97.0
Central Administration:				
Assistant/Deputy Supt	4.0	4.0	2.0	3.0
Instructional Officer	11.0	11.0	13.5	14.0
Superintendent	1.0	1.0	1.0	0.9
Teacher Supervisor	28.6	35.5	22.0	22.9
Business Manager	1.0	1.0	1.0	1.0
Director of HR	2.0	2.0	-	1.0
Central Administration Totals	47.6	54.5	39.5	42.8
Educational Aides:				
Aides	388.7	386.9	360.4	353.4
Educational Aides Totals	388.7	386.9	360.4	353.4
Auxiliary Support:				
Includes: Clerical, Secretarial, Grounds, Custodial, Maintenance	422.0	400.9	381.8	367.7
Auxiliary Support Totals	422.0	400.9	381.8	367.7
Total Employees	3,103.7	3,000.3	2,900.9	2,839.3

Source: PEIMS

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

Table 15

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
1,563.1	1,511.6	1,508.2	1,450.2	1,458.0	1,379.3
0.2	0.2	0.1	-	-	-
<u>1,563.3</u>	<u>1,511.8</u>	<u>1,508.3</u>	<u>1,450.2</u>	<u>1,458.0</u>	<u>1,379.3</u>
53.4	49.4	49.5	40.4	45.1	49.6
9.8	9.0	8.0	8.9	8.0	7.0
20.6	21.0	25.0	24.4	25.7	24.0
5.6	4.6	5.2	4.6	4.4	3.7
2.0	1.0	1.0	1.0	1.0	1.0
2.0	2.0	2.0	4.0	4.0	3.5
28.9	26.9	27.0	25.4	24.9	24.7
19.8	18.0	19.0	18.1	20.0	20.0
7.0	7.0	7.0	5.5	6.5	6.5
23.3	24.0	24.6	20.8	22.4	20.2
4.0	3.6	1.0	-	-	-
39.3	42.0	51.7	28.0	41.1	24.1
4.1	2.5	4.9	4.8	3.9	1.0
37.1	10.5	10.6	11.0	12.0	8.0
63.3	56.3	56.6	37.0	34.0	26.0
<u>320.2</u>	<u>277.8</u>	<u>293.1</u>	<u>233.9</u>	<u>253.0</u>	<u>219.3</u>
53.1	49.1	47.0	47.0	53.0	45.0
4.3	8.0	6.0	-	-	-
27.0	25.9	25.9	24.4	27.0	27.0
3.5	25.0	20.6	-	-	-
4.2	5.5	5.8	-	-	-
<u>92.1</u>	<u>113.5</u>	<u>105.3</u>	<u>71.4</u>	<u>80.0</u>	<u>72.0</u>
3.0	3.0	4.0	1.0	4.0	1.0
15.0	22.6	27.0	23.0	26.9	14.4
1.0	1.0	1.0	1.0	1.0	1.0
22.0	5.0	3.0	4.5	5.0	5.0
1.0	1.0	1.0	-	-	-
1.0	1.0	-	1.0	1.0	2.0
<u>43.0</u>	<u>33.6</u>	<u>36.0</u>	<u>30.5</u>	<u>37.9</u>	<u>23.4</u>
294.4	299.7	318.7	275.6	269.6	207.1
<u>294.4</u>	<u>299.7</u>	<u>318.7</u>	<u>275.6</u>	<u>269.6</u>	<u>207.1</u>
380.9	337.9	369.6	456.4	376.2	435.2
<u>380.9</u>	<u>337.9</u>	<u>369.6</u>	<u>456.4</u>	<u>376.2</u>	<u>435.2</u>
<u>2,693.9</u>	<u>2,574.3</u>	<u>2,631.0</u>	<u>2,518.0</u>	<u>2,474.7</u>	<u>2,336.3</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

OPERATING STATISTICS

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Average Daily Attendance (3)</u>	<u>Operating Expenditures (1)</u>	<u>Cost Per Student</u>	<u>Percentage Change</u>
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%
2008	19,480	160,365,317	8,232	7.27%

(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

Government Wide Expenses	Cost Per Student	Percentage Change	Teaching Staff	Student to Teacher Ratio	Percentage of Students in Free/Reduced Lunch Program (2)
\$ 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%
187,059,878	9,603	8.28%	1382	14.10	44.30%

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

Fiscal Year	Minimum Salary (1)	Maximum Salary (1)	Region Average Salary (2)	State wide Average Salary (2)
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
2008	40,000	56,400	44,752	46,179

(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:	2017	2016	2015	2014
HIGH SCHOOLS				
Pflugerville High School				
Square Footage	388,246	388,246	388,246	335,550
Capacity	2,475	2,475	2,475	2,475
Enrollment	2,036	2,104	2,191	2,185
Hendrickson High School				
Square Footage	380,130	380,130	380,130	380,130
Capacity	2,500	2,500	2,500	2,500
Enrollment	3,208	2,957	2,729	2,606
Connally High School				
Square Footage	314,876	314,876	314,876	314,876
Capacity	2,325	2,325	2,325	2,325
Enrollment	1,862	1,851	1,856	1,876
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	961	982	1,029	1,046
Westview Middle School				
Square Footage	112,245	112,245	112,245	112,245
Capacity	1,100	1,100	1,100	1,100
Enrollment	779	828	877	853
Park Crest Middle School				
Square Footage	133,300	133,300	116,800	116,800
Capacity	1,500	1,500	1,300	1,300
Enrollment	886	915	949	934
Dessau Middle School				
Square Footage	121,200	121,200	121,200	121,200
Capacity	1,300	1,300	1,300	1,300
Enrollment	811	756	820	848
Kelly Lane Middle School				
Square Footage	139,000	139,000	139,000	139,000
Capacity	1,250	1,250	1,250	1,250
Enrollment	1,215	1,149	1,088	1,019
Cele Middle School				
Square Footage	163,473	163,473	163,473	163,473
Capacity	1,200	1,200	1,200	1,200
Enrollment	884	823	783	687
Opportunity Center				
Square Footage	-	-	-	-
Capacity	-	-	-	-
Enrollment	-	-	-	-

Source: District Records

Table 18
Page 1 of 3

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
335,550	335,550	335,550	310,448	285,346	285,346
2,475	2,475	2,475	2,475	2,400	2,400
2,212	2,221	2,237	2,244	2,290	2,219
380,130	380,130	380,130	380,130	380,130	380,130
2,500	2,500	2,500	2,500	2,500	2,500
2,370	2,213	2,108	1,911	1,947	1,810
314,876	314,876	314,876	298,333	281,790	281,790
2,325	2,325	2,325	2,325	2,400	2,400
1,939	1,935	1,946	2,044	2,084	2,006
19,691	19,691	19,691	19,691	19,691	19,691
256	256	256	256	256	256
-	-	-	-	-	183
111,036	111,036	111,036	111,036	111,036	111,036
1,375	1,375	1,375	1,375	1,375	1,375
1,114	1,039	1,028	1,069	1,074	1,153
112,245	112,245	112,245	112,245	112,245	112,245
1,100	1,100	1,100	1,100	1,100	1,100
907	851	955	896	858	821
116,800	116,800	116,800	116,800	116,800	116,800
1,300	1,300	1,300	1,300	1,300	1,300
993	1,017	942	874	862	921
121,200	121,200	121,200	121,200	121,200	121,200
1,300	1,300	1,300	1,300	1,300	1,300
1,080	1,016	995	1,007	1,029	1,033
139,000	139,000	139,000	139,000	139,000	139,000
1,250	1,250	1,250	1,250	1,250	1,250
1,249	1,176	1,106	1,029	1,022	861
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	21

Continued

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

Building:	2017	2016	2015	2014
ELEMENTARY SCHOOLS				
Pflugerville Elementary School				
Square Footage	77,922	77,922	77,922	77,922
Capacity	600	600	600	600
Enrollment	469	438	470	477
Parmer Lane Elementary School				
Square Footage	63,634	63,634	63,634	63,634
Capacity	650	650	650	650
Enrollment	498	479	457	435
Timmerman Elementary School				
Square Footage	58,792	58,792	58,792	58,792
Capacity	550	550	550	550
Enrollment	437	420	442	502
Northwest Elementary School				
Square Footage	62,000	62,000	62,000	62,000
Capacity	600	600	600	600
Enrollment	560	529	561	563
Dessau Elementary School				
Square Footage	64,150	64,150	64,150	64,150
Capacity	650	650	650	650
Enrollment	577	503	509	430
Windermere Elementary School				
Square Footage	66,272	66,272	66,272	66,272
Capacity	750	750	750	750
Enrollment	425	433	438	494
River Oaks Elementary School				
Square Footage	66,512	66,512	66,512	66,512
Capacity	750	750	750	750
Enrollment	536	555	525	509
Brookhollow Elementary School				
Square Footage	66,512	66,512	66,512	66,512
Capacity	750	750	750	750
Enrollment	420	454	511	548
Spring Hill Elementary School				
Square Footage	68,600	68,600	68,600	68,600
Capacity	750	750	750	750
Enrollment	603	627	674	710
Windermere Primary School				
Square Footage	68,752	68,752	68,752	68,752
Capacity	750	750	750	750
Enrollment	419	448	465	471

Source: District Records

Table 18
Page 2 of 3

2013	2012	2011	2010	2009	2008
77,922	77,922	77,922	77,922	77,922	77,922
600	600	600	600	600	600
496	531	520	519	530	538
63,634	63,634	63,634	63,634	63,634	63,634
650	650	650	650	650	650
480	519	543	613	619	615
58,792	58,792	58,792	58,792	58,792	58,792
550	550	550	550	550	550
523	550	574	530	524	516
62,000	62,000	62,000	62,000	62,000	62,000
600	600	600	600	600	600
514	614	623	599	584	528
64,150	64,150	64,150	64,150	64,150	64,150
650	650	650	650	650	650
404	602	623	588	586	525
66,272	66,272	66,272	66,272	66,272	66,272
750	750	750	750	750	750
503	525	488	477	481	492
66,512	66,512	66,512	66,512	66,512	66,512
750	750	750	750	750	750
572	536	526	475	476	473
66,512	66,512	66,512	66,512	66,512	66,512
750	750	750	750	750	750
517	501	549	577	572	611
68,600	68,600	68,600	68,600	68,600	68,600
750	750	750	750	750	750
705	719	741	746	743	706
68,752	68,752	68,752	68,752	68,752	68,752
750	750	750	750	750	750
490	558	612	642	650	565

Continued

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

Building:	2017	2016	2015	2014
Copperfield Elementary School				
Square Footage	77,922	77,922	77,922	77,922
Capacity	850	850	850	850
Enrollment	459	464	484	519
Murchison Elementary School				
Square Footage	77,922	77,922	77,922	77,922
Capacity	850	850	850	850
Enrollment	806	797	732	897
Delco Primary School				
Square Footage	68,752	68,752	68,752	68,752
Capacity	750	750	750	750
Enrollment	679	633	564	534
Caldwell Elementary School				
Square Footage	73,007	73,007	73,007	73,007
Capacity	800	800	800	800
Enrollment	720	713	669	659
Rowe Lane Elementary School				
Square Footage	75,007	75,007	75,007	75,007
Capacity	750	750	750	750
Enrollment	919	852	816	922
Highland Park Elementary School				
Square Footage	75,007	75,007	75,007	75,007
Capacity	750	750	750	750
Enrollment	865	771	743	829
Wieland Elementary School				
Square Footage	75,490	75,490	75,490	75,490
Capacity	750	750	750	750
Enrollment	414	445	471	544
Riojas Elementary School				
Square Footage	79,064	79,064	71,624	71,624
Capacity	832	832	700	700
Enrollment	967	844	732	652
Ruth Barron Elementary School				
Square Footage	86,899	86,899	86,899	86,899
Capacity	900	900	900	900
Enrollment	741	774	695	713
Dearing Elementary School				
Square Footage	93,376	93,376	93,376	-
Capacity	850	850	850	-
Enrollment	589	608	573	-

Source: District Records

2013	2012	2011	2010	2009	2008
77,922	77,922	77,922	77,922	77,922	77,922
850	850	850	850	850	850
504	586	600	621	613	630
77,922	77,922	77,922	77,922	77,922	77,922
850	850	850	850	850	850
843	852	834	861	860	798
68,752	68,752	68,752	68,752	68,752	68,752
750	750	750	750	750	750
527	748	701	649	630	625
73,007	73,007	73,007	73,007	73,007	73,007
800	800	800	800	800	800
731	739	760	729	750	734
75,007	75,007	75,007	75,007	75,007	75,007
750	750	750	750	750	750
867	793	728	726	698	681
75,007	75,007	75,007	75,007	75,007	75,007
750	750	750	750	750	750
762	732	692	849	845	858
75,490	75,490	75,490	75,490	75,490	75,490
750	750	750	750	750	750
544	741	766	676	680	648
71,624	71,624	71,624	71,624	-	-
700	700	700	700	-	-
624	540	453	-	-	-
86,899	-	-	-	-	-
900	-	-	-	-	-
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***

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

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 year ended August 31, 2017, 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 10, 2018.

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 District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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.

We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency as Finding 2017-001.

The Board of Trustees of
Pflugerville Independent School District

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*.

Pflugerville Independent School District's Response to Findings

Pflugerville Independent School District's response to the finding identified in our audit is described in the corrective action plan following the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Conroe, Texas
January 10, 2018



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

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

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 U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2017. 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, 2017.

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 were not 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 10, 2018

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PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

*SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2017*

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? Yes, 2017-001

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:
---------------------	--

84.027A and 84.173A	Special Education Cluster (IDEA)
---------------------	----------------------------------

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

Auditee qualified as a low-risk auditee? Yes

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

*SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2017*

II. Financial Statement Findings

2017-001

Significant Deficiency in Internal Controls over Financial Reporting

Criteria:

The District’s accounting software should require balanced entries at the time of posting to ensure that an adequate internal control system is maintained for financial reporting.

Condition:

The District’s internal control system over financial reporting was compromised as the new software failed to ensure that journal entries were appropriately balanced prior to posting to the general ledger.

Context:

Upon receipt of the year end trial balance, we noted the District’s general fund and capital projects fund were out of balance \$340,722 and \$465,410, respectively due to posting of unbalanced journal entries.

Effect:

The District’s internal control system over financial reporting was not maintained. Failure to ensure that journal entries were balanced before the transaction was posted and software failure to prevent unbalanced entries from being posted resulted in the risk of relying on financial reports with errors.

Cause:

District failed to create balanced journal entries and the financial software system allowed these types of entries to be posted into the financial accounting and reporting system.

Recommendation:

We recommend the District and financial software company develop processes to ensure the posting of balanced journal entries to promote an adequate internal control system for the proper production of financial reports.

III. Federal Awards Findings and Questioned Costs

None reported.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

CORRECTIVE ACTION PLAN

FOR THE YEAR ENDED AUGUST 31, 2017

Current Year Finding

2017-001

Significant Deficiency in Internal Controls over Financial Reporting

Contact Person:

Kenneth Adix

Chief Financial Officer

Response:

The District will implement procedures to post only balanced journal entries to the general ledger by creating a parameter in the financial software that will only allow balanced entries to post.

Estimated Date of Completion:

August 31, 2018

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2017

Exhibit K-1
Page 1 of 2

(1) Federal Grantor/ Pass-Through Grantor/ Program Title	(2) Federal CFDA Number	(2A) Pass-Through Entity Identifying Number	(3) Total Federal Expenditures
<u>U.S. DEPARTMENT OF EDUCATION:</u>			
Passed Through State Department of Education:			
<i>ESEA Title I, Part A - Improving Basic Programs</i>	84.010A	17610101227904	\$ 3,554,933
<i>ESEA Title I, Part A - Improving Basic Programs</i>	84.010A	18610101227904	258,971
Total Program 84.010A			<u>3,813,904</u>
Special Education Cluster (IDEA):			
<i>IDEA - Part B, Formula</i>	84.027A	176600012279046000	3,420,171
<i>IDEA - Part B, Formula</i>	84.027A	186600012279046000	279,899
<i>IDEA - Part B, Preschool</i>	84.173A	176610012279046000	35,937
<i>IDEA - Part B, Preschool</i>	84.173A	186610012279046000	2,404
Total Special Education Cluster (IDEA)			<u>3,738,411</u>
<i>Career and Technical - Basic Grant</i>	84.048A	17420006227904	248,713
<i>Title III, Part A - English Language Acquisition and Language Enhancement</i>	84.365A	17671001227904	424,756
<i>Title III, Part A - English Language Acquisition and Language Enhancement</i>	84.365A	18671001227904	25,870
<i>Title III, Part A - Immigrant</i>	84.365A	17671003227904	19,140
Total Program 84.365A			<u>469,766</u>
<i>ESEA Title II, Part A - Teacher and Principal Training and Recruiting</i>	84.367A	17694501227904	121,807
<i>ESEA Title II, Part A - Teacher and Principal Training and Recruiting</i>	84.367A	18694501227904	50,110
Total Program 84.367A			<u>171,917</u>
<i>LEP Summer School Program</i>	84.369A	69551602	31,452
Passed Through Education Service Center Region X:			
<i>ESEA Title X, Part C - Education for the Homeless Children and Youth</i>	84.196A	17-026	27,360
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	3,974
Total Program 84.196A			<u>31,334</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>8,505,497</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u>			
Passed Through State Department of Health and Human Services:			
<i>Medicaid Administrative Claiming Program (MAC)</i>	93.778	529-07-0157-00121	120,903
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>120,903</u>
<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	839,320
Passed Through State Department of Education - Cash Assistance:			
<i>National School Breakfast Program</i>	10.553	71401701	1,864,082
<i>National School Lunch Program</i>	10.555	71301701	5,465,356
Total Child Nutrition Cluster			<u>8,168,758</u>

Continued

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

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2017

Exhibit K-1
Page 2 of 2

(1) Federal Grantor/ Pass-Through Grantor/ Program Title	(2) Federal CFDA Number	(2A) Pass-Through Entity Identifying Number	(3) Total Federal Expenditures
Passed Through State Department of Agriculture:			
<i>Child and Adult Care Food Program</i>	10.558	01069	131,264
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>8,300,022</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 16,926,422</u>

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

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PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

Exhibit K-2

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1 - Basis of Accounting

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

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

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and accordingly, when such funds are received, they are recorded as unearned revenues until earned. Generally, unused balances are returned to the grantor at the close of specified project periods.

Note 2 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of the District under programs of the federal government for the year ended August 31, 2017. 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	\$ 16,926,422
General Fund - Federal Revenue Excluded:	
SHARS Revenue	4,121,336
Reserve Officers Training Corps	72,576
Total Federal Revenues per Exhibit B-2	<u><u>\$ 21,120,334</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, 2017, are as follows:

<u>Program Source</u>	<u>CFDA Number</u>	<u>Amount</u>
SHARS	N/A	\$ 4,121,336
ROTC	N/A	72,576
Indirect Costs:		
ESEA Title I - Improving Basic Programs	84.010A	97,332
IDEA Part B - Formula	84.027A	91,001
IDEA Part B - Preschool	84.173A	1,006
Career and Technical - Basic Grant	84.048A	6,527
ESEA Title II, Part A - Teacher and Principal Training and Recruiting	84.367A	3,068
ESEA Title III, Part A - English Language Acquisition and Language Enhancement	84.365A	9,211
ESEA Title X, Part C - Education for the Homeless	84.196	718
Total		<u><u>\$ 4,402,775</u></u>