

**PFLUGERVILLE INDEPENDENT  
SCHOOL DISTRICT**

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended August 31, 2016**

**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>
<b>Introductory Section</b>		
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	
<b>Financial Section</b>		
<b>Independent Auditor's Report</b>	2	
<b>Management's Discussion and Analysis</b>	6	
<b>Basic Financial Statements:</b>		
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 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	26 28	B-2 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	
<b>Required Supplementary Information:</b>		
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	64	E-1
Schedule of the District's Proportionate Share of the Net Pension Liability of a Cost-Sharing Multiple-Employer Pension Plan (TRS)	65	E-2
Schedule of the District's Contributions to the Teacher Retirement System Pension Plan (TRS)	66	E-3
Notes to Required Supplementary Information	67	
<b>Supplementary Information:</b>		
Combining and Individual Fund Financial Statements		
Major Governmental Fund		
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund	71	F-1
Nonmajor Governmental Funds		
Fund Descriptions – Nonmajor Governmental Funds – Special Revenue Funds	72	

# PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

## TABLE OF CONTENTS

Combining Balance Sheet	74	G-1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	82	G-2
Internal Service Funds		
Combining Statement of Net Position	93	H-1
Combining Statement of Revenues, Expenses, and Changes in Net Position	94	H-2
Combining Statement of Cash Flows	95	H-3
Fiduciary Fund		
Statement of Changes in Assets and Liabilities - Fiduciary Fund	99	I-1
Compliance Schedules		
Schedule of Delinquent Taxes Receivable	100	J-1
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual - National School Breakfast and Lunch Program	102	J-2
<b>Statistical Section</b>		
Net Position by Component	106	1
Changes in Net Position	108	2
Fund Balances of Governmental Funds	112	3
Changes in Fund Balances - Governmental Funds	114	4
Assessed Value and Actual Value of Taxable Property	119	5
Property Tax Rates - Direct and Overlapping Governments	120	6
Principal Taxpayers	122	7
Property Tax Levies and Collections	123	8
Ratios of Outstanding Debt by Type	124	9
Ratios of Net General Obligation Bonded Debt Outstanding	125	10
Computation of Estimated Direct and Overlapping Debt	127	11
Demographic and Economic Statistics	128	12
Principal Employers	129	13
Demographic Statistics	130	14
Full-Time Equivalent District Employees by Position	132	15
Operating Statistics	134	16
Teacher Base Salaries	137	17
School Building Information	138	18
<b>Federal Awards Section</b>		
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>	146	
Independent Auditor’s Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance	148	
Schedule of Findings and Questioned Costs	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

Dr. Cynthia Graves  
Member

Mr. Rob Reyes  
Member

**ADMINISTRATION**

Dr. Alex Torrez  
Superintendent of Schools

Dr. Troy Galow  
Deputy Superintendent

Dr. Kenneth Adix  
Chief Financial Officer

Dr. Annette Villerot  
Assistant Superintendent of Curriculum and Instruction

Dr. Susanna Russell  
Assistant Superintendent of Secondary Education

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

Dr. Rhonda McWilliams  
Executive Director of Human Resources

Mr. Steve Scheffler  
Communications Officer

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

**CONSULTANTS AND ADVISORS**

Weaver and Tidwell LLP  
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, 2016, at a meeting of the Board of Trustees of such school district on January 19, 2017.

*Terriagene Mott*  
President of Board

*Mary S. Kimmins*  
Secretary of Board





January 19, 2017

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, 2016.

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

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

### **THE REPORTING ENTITY AND ITS SERVICES**

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

to the Board in matters of policy and professional personnel, prepare the budget and report to the Board on matters related to the progress of the District in attaining the goals set by the Board.

The District provides a comprehensive range of school programs and services, as required by state statute, to approximately 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 12<sup>th</sup> by Money magazine in 2016 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 fell was 4.9% in October 2016. The Austin area unemployment rate was 3.2% according to the Bureau of Labor and Statistics. The District's taxable property values grew approximately \$1.2 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 seventh consecutive year to \$37.5 million and has almost tripled over that time period due to strong financial management.

Through the third quarter of 2016, the district started 1,117 and closed 1,070 new homes on an annual basis. The District has 2,001 vacant developed lots and 12,997 future lots. The Pflugerville new housing market is positioned for continued growth with over 1,000 new home starts expected each year. The average district sale price for a new home in 2016 is approximately \$293,000. District currently has 4,320 apartment complex units under construction.

The District expects to grow by 3,300 students over the next 5 years to over 28,000 students. Including the 3 schools under construction, the district has approximately 4 million square feet of building space with an average school building age of 18 years. Construction is underway to replace the district's oldest campus, Timmerman Elementary, in 2017. The existing Timmerman building will then be remodeled for planned use as an Alternative Education Center, professional development meeting rooms and office space.

In May 2014, the citizens of the District passed a \$287 million, general obligation bond election. All of the bonds were sold in the summer of 2014. The bond package included construction of a new high school, two elementary schools, district stadium, safety and security, additions and renovations to

various campuses, updating technology and land. The high school, district stadium and both elementary schools are currently under construction and many of the other projects are either in progress or completed.

For 2016, the Chief Appraisers of Travis and Williamson County Appraisal Districts certified all taxable properties in the District subject to appraisals to be valued at \$10,442,558,227. The total tax rate for the 2016-2017 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 2016-2017 school year that set high standards for the students and staff of the School District and are reviewed by the Board on an annual basis.

### **Mission Statement:**

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

### **Our Values:**

We believe that:

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

### **Our Vision:**

Our students are:

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

### **ACHIEVEMENTS**

The Texas Education Agency (TEA) rated PISD as Met Standard for 2016 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 2016, distinction designations are awarded in the following areas:

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

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

### **FINANCIAL INFORMATION**

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

Single Audit - As a recipient of state and federal financial assistance, the District is also responsible for ensuring an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management of the District. As a part of the District's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the District complied with applicable laws and regulations. The results of the District's single audit for the fiscal year ended August 31, 2016 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**

For the 2017 legislative session the District developed the Pflugerville Funding Plan. This Plan asks for only 1 thing; to increase the Basic Allotment \$200 in each of the following 2 years. The Basic Allotment is currently at \$5,140 and this Plan would increase it to \$5,340 for 2017-18 and to \$5,540 for 2018-19. This idea benefits all districts equally. The incremental State funding for Pflugerville ISD would be approximately \$6 million for 2017-18. There are currently 20 surrounding districts and several organizations (Equity Center, Texas Rural Education Association and most of the districts in Region 13) that support this Plan.

## **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 seventh 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, 2015. 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 seventh 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, 2015. This award certifies that the report substantially conforms to the principles and standards of financial reporting as recommended and adopted by ASBO. The award is granted only after an intensive review of financial reports by an expert panel of certified public accountants and practicing school business officials.

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

## Acknowledgments

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

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

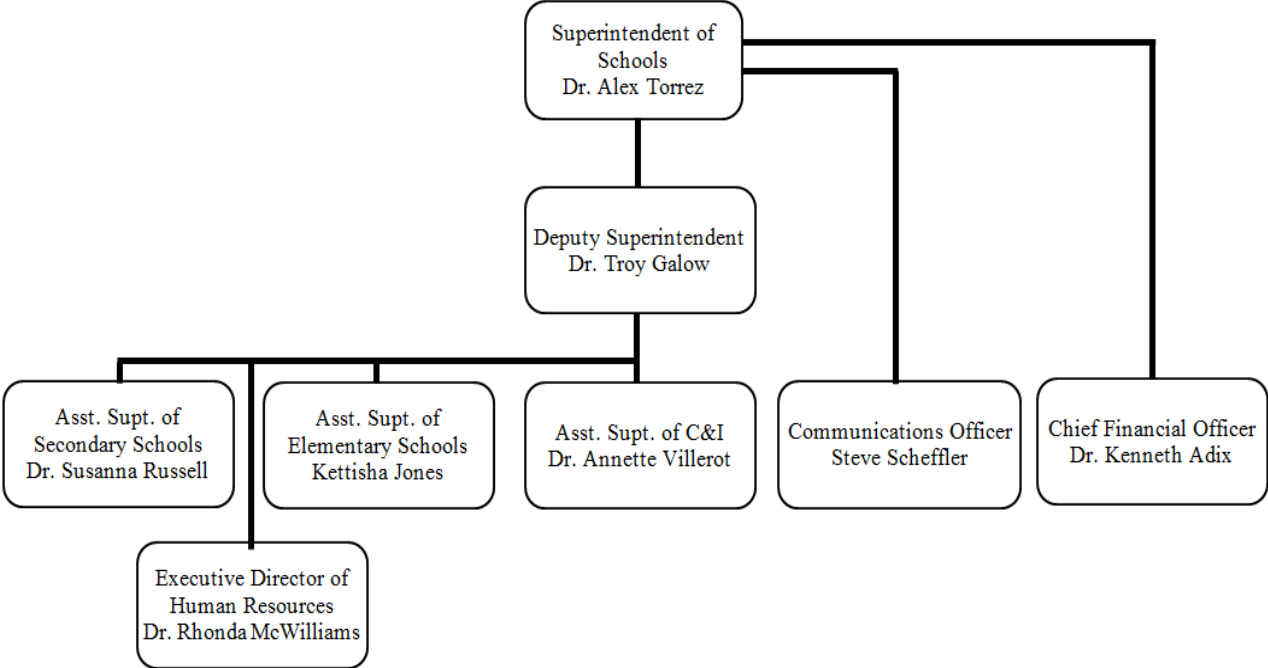


Alex Torrez, Ph.D.  
Superintendent of Schools



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, 2015**

Executive Director/CEO





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**ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**

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

**Pflugerville Independent School District**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended August 31, 2015.**

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



*Brenda Burkett*

Brenda R. Burkett, CPA, CSBA, SFO  
President

*John D. Musso*

John D. Musso, CAE, RSBA  
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 (District), as of and for the year ended August 31, 2016, 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, 2016, 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 6, 2017

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 6, 2017 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Pflugerville Independent School District's internal control over financial reporting and compliance.

Yours truly,

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Conroe, Texas

January 6, 2017

## **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, 2016. 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**

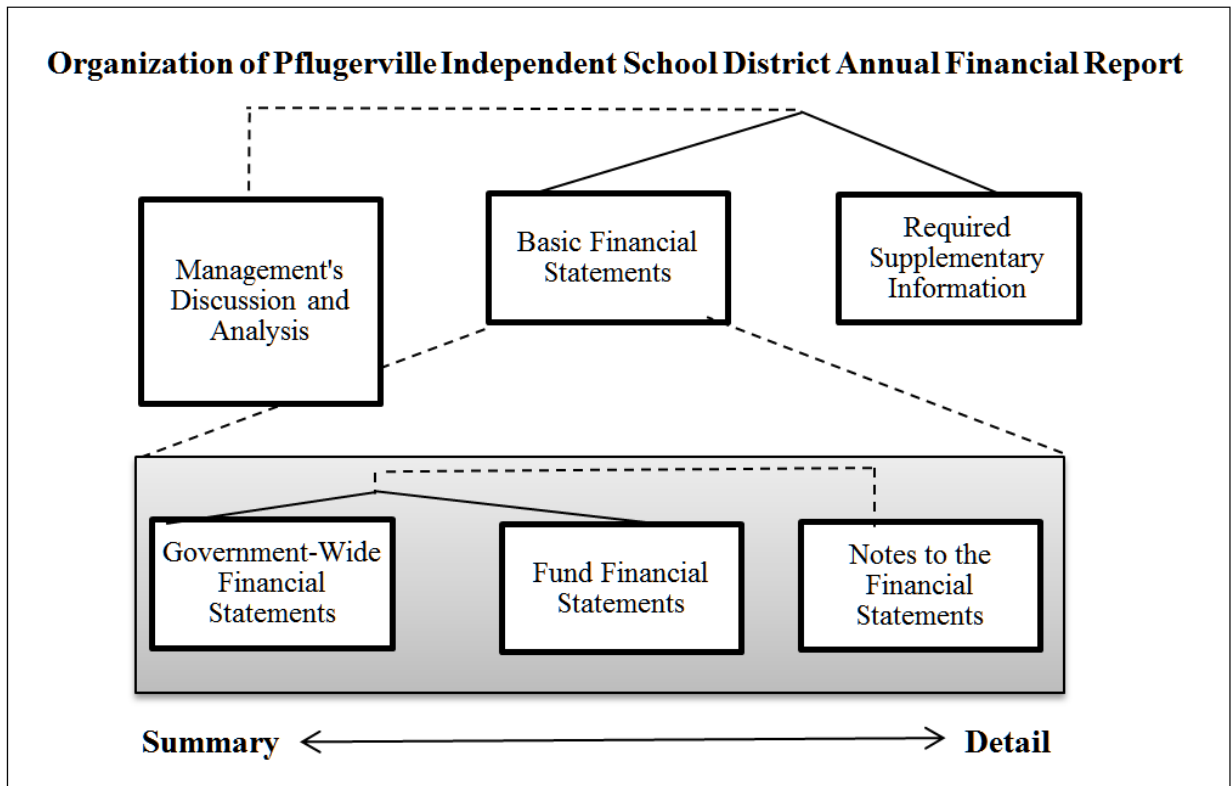
- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$102,311,485 (*net position*). Of this amount, \$23,579,434 (*unrestricted net position*) may be used to meet the District's ongoing obligations to students and creditors.
- Total net position of the District increased by \$13,062,711 from current operations.
- The total fund balance of the general fund was \$41,358,897 and was an increase of \$5,175,392 from the prior year. The unassigned fund balance of the General Fund was \$37,560,955, or 19.6% 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>	<b>Government-Wide</b>	<b>Governmental Funds</b>	<b>Proprietary Funds</b>	<b>Fiduciary Funds</b>
<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"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balance</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of revenues, expenses, and changes in net position</li> <li>• Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net position</li> <li>• Statement of changes in fiduciary net position</li> </ul>
<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 at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.

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

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

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Financial Analysis of the District as a Whole**

**Net Position**

The District's combined net position was \$102,311,485 at August 31, 2016. The following table compares balances for the 2015-2016 fiscal year to the 2014-2015 fiscal year.

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT'S NET POSITION**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current and Other Assets	\$ 235,879,235	\$ 316,590,866	\$ 244,098	\$ 236,092	\$ 236,123,333	\$ 316,826,958
Capital Assets, net of						
Depreciation	446,773,083	366,427,612	73,472	77,056	446,846,555	366,504,668
<b>Total Assets</b>	<b>682,652,318</b>	<b>683,018,478</b>	<b>317,570</b>	<b>313,148</b>	<b>682,969,888</b>	<b>683,331,626</b>
<b>Total Deferred Outflows of Resources</b>	<b>43,186,352</b>	<b>22,105,724</b>	<b>-</b>	<b>-</b>	<b>43,186,352</b>	<b>22,105,724</b>
Other Liabilities	26,049,978	13,096,519	80,908	75,775	26,130,886	13,172,294
Long-term Liabilities						
Outstanding	589,713,425	596,790,678	-	-	589,713,425	596,790,678
<b>Total Liabilities</b>	<b>615,763,403</b>	<b>609,887,197</b>	<b>80,908</b>	<b>75,775</b>	<b>615,844,311</b>	<b>609,962,972</b>
<b>Total Deferred Inflows of Resources</b>	<b>8,000,444</b>	<b>6,225,604</b>	<b>-</b>	<b>-</b>	<b>8,000,444</b>	<b>6,225,604</b>
<b>Net Position:</b>						
Net Investment in Capital Assets	74,971,698	63,674,882	73,472	77,056	75,045,170	63,751,938
Restricted	3,686,881	3,581,479	-	-	3,686,881	3,581,479
Unrestricted	23,416,244	21,755,040	163,190	160,317	23,579,434	21,915,357
<b>Total Net Position</b>	<b>\$ 102,074,823</b>	<b>\$ 89,011,401</b>	<b>\$ 236,662</b>	<b>\$ 237,373</b>	<b>\$ 102,311,485</b>	<b>\$ 89,248,774</b>

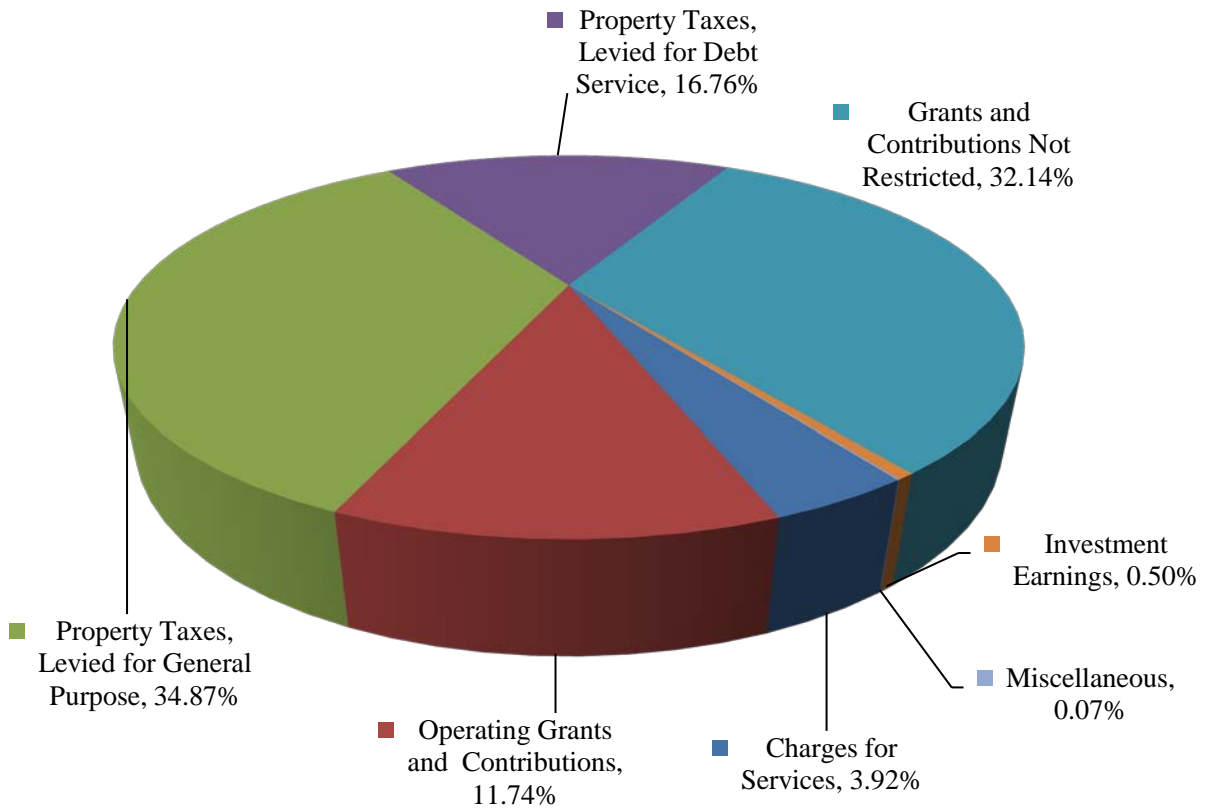
**Changes in Net Position**

Net position increased overall by \$13.0 million from prior year primarily due to an increase in property tax revenues of approximately 11% over the prior year.

The District's total general revenues, charges for services, and operating grants and contributions were \$287.2 million. A significant portion, 52%, of the District's revenue comes from taxes (see Figure A-3), 32% comes from grants and contributions not restricted, 12% from operating grants and contributions and 4% relates to investment earnings, charges for services, and miscellaneous local and intermediate sources. The total cost of all programs and services was \$274.1 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 2016**



**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>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$ 7,454,960	\$ 7,156,479	\$ 3,813,860	\$ 3,787,792	\$ 11,268,820	\$ 10,944,271
Operating Grants and Contributions	33,706,817	27,167,670	-	-	33,706,817	27,167,670
General Revenues:						
Property Taxes, Levied for General Purposes	100,136,037	90,263,484	-	-	100,136,037	90,263,484
Property Taxes, Levied for Debt Services	48,142,601	43,403,630	-	-	48,142,601	43,403,630
Grants and Contributions Not Restricted	92,312,300	91,045,377	-	-	92,312,300	91,045,377
Investment Earnings	1,420,938	1,619,602	-	-	1,420,938	1,619,602
Miscellaneous	194,470	1,777	-	-	194,470	1,777
<b>Total Revenues</b>	<b>283,368,123</b>	<b>260,658,019</b>	<b>3,813,860</b>	<b>3,787,792</b>	<b>287,181,983</b>	<b>264,445,811</b>
<b>Expenses</b>						
Instruction	140,567,674	128,212,451	-	-	140,567,674	128,212,451
Instructional Resources and Media Services	3,584,223	3,277,760	-	-	3,584,223	3,277,760
Curriculum and Instructional Staff Development	7,723,707	7,275,734	-	-	7,723,707	7,275,734
Instructional Leadership	4,212,433	2,536,160	-	-	4,212,433	2,536,160
School Leadership	13,155,038	11,642,765	-	-	13,155,038	11,642,765
Guidance, Counseling, and Evaluation Services	9,325,728	7,818,428	-	-	9,325,728	7,818,428
Social Work Services	778,068	665,804	-	-	778,068	665,804
Health Services	2,785,555	2,428,883	-	-	2,785,555	2,428,883
Student Transportation	7,543,509	8,457,815	-	-	7,543,509	8,457,815
Food Services	12,447,702	12,324,547	-	-	12,447,702	12,324,547
Extracurricular Activities	8,443,556	7,804,164	-	-	8,443,556	7,804,164
General Administration	5,268,966	4,110,257	-	-	5,268,966	4,110,257
Plant Maintenance and Operations	25,869,002	18,611,278	-	-	25,869,002	18,611,278
Security and Monitoring Services	3,630,611	5,262,884	-	-	3,630,611	5,262,884
Data Processing Services	5,425,964	8,227,751	-	-	5,425,964	8,227,751
Community Services	173,598	103,863	-	-	173,598	103,863
Interest on Long-term Debt	19,862,534	20,500,848	-	-	19,862,534	20,500,848
Issuance Costs and Fees	34,703	41,165	-	-	34,703	41,165
Facilities Repair and Maintenance	173,414	-	-	-	173,414	-
Payments Related to Shared Service Arrangements	-	2,314,664	-	-	-	2,314,664
Payments to Juvenile Justice Alternative Education Programs	18,946	1,892	-	-	18,946	1,892
Payments to Appraisal District	779,770	722,627	-	-	779,770	722,627
Extended Day Program	-	-	2,314,571	2,296,403	2,314,571	2,296,403
<b>Total Expenses</b>	<b>271,804,701</b>	<b>252,341,740</b>	<b>2,314,571</b>	<b>2,296,403</b>	<b>274,119,272</b>	<b>254,638,143</b>
Increase in Net Position Before Transfers	11,563,422	8,316,279	1,499,289	1,491,389	13,062,711	9,807,668
Transfers In (Out)	1,500,000	1,400,000	(1,500,000)	(1,400,000)	-	-
Change in Net Position	13,063,422	9,716,279	(711)	91,389	13,062,711	9,807,668
Net Position - Beginning	89,011,401	102,353,529	237,373	145,984	89,248,774	102,499,513
Prior Period Adjustment - Implement GASB 68 and 71 for Pensions (a)	-	(23,058,407)	-	-	-	(23,058,407)
Net Position - Beginning, as restated	89,011,401	79,295,122	237,373	145,984	89,248,774	79,441,106
<b>Net Position - Ending</b>	<b>\$ 102,074,823</b>	<b>\$ 89,011,401</b>	<b>\$ 236,662</b>	<b>\$ 237,373</b>	<b>\$ 102,311,485</b>	<b>\$ 89,248,774</b>

(a) The restatement of the beginning net position in fiscal year 2015 is the result of the District implementing GASB Statement No. 68 and 71 in fiscal year 2015.

**Governmental Activities**

- Property tax rates for the 2015-2016 fiscal year remained the same from the prior year rate of \$1.54 per \$100 of valuation. Taxable values for the 2016 fiscal year increased by 11%.

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Business-type Activities**

- Business-type activities increased net position before transfers by \$1,499,289 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 \$274.1 million.
- The amount that local taxpayers paid for these activities through property taxes was \$148.3 million.
- Those who directly benefited from the programs paid \$11.3 million. Operating grants covered \$33.7 million in cost.
- Increased revenues in the Food Services function yielded a lower Net Cost of Services.
- Net cost of Instruction and School Leadership increased due to additional staff to educate more students and an overall pay raise.
- Plant Maintenance and Operations cost increased mainly due to capital projects (roofs, HVAC, etc.) associated with the 2014 bond.

**NET COST OF SELECTED DISTRICT FUNCTIONS**

	<b>Total Cost of Services</b>		<b>Percent Change</b>	<b>Net Cost of Services</b>		<b>Percent Change</b>
	<b>2016</b>	<b>2015</b>		<b>2016</b>	<b>2015</b>	
Instruction	\$ 140,567,674	\$ 128,212,451	10%	\$ 122,193,579	\$ 112,880,581	8%
School Leadership	13,155,038	11,642,765	13%	12,171,891	10,993,497	11%
Food Services	12,447,702	12,324,547	1%	449,478	814,166	-45%
Plant Maintenance and Operations	25,869,002	18,611,278	39%	24,206,710	17,526,404	38%
Debt Service - Interest	19,862,534	20,500,848	-3%	18,519,405	19,913,886	-7%

**Financial Analysis of the District's Funds**

Revenues from governmental fund types totaled \$278.7 million, an increase of \$16.8 million from the preceding year. Property tax revenue increased \$14.6 million due to an approximate 10.7% increase in property tax values.

**General Fund Budgetary Highlights**

Over the course of the year, the District recommended and the Board approved revisions to budgeted revenue and appropriations. Most of the budget adjustments were done in August to ensure that no function's actual expenditures exceeded their budgeted amount. With these adjustments, actual expenditures were \$7.6 million less than final budgeted amounts. The most significant favorable functional variances were in instruction and plant maintenance and operations.

Resources available were \$4.1 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 \$5.2 million was \$3.4 million higher than the final budgeted net increase of \$1.8 million.

Differences between the originally-adopted budget and the final amended budget of the general fund were to increase appropriations \$2.3 million. The most significant changes were to increase appropriations for plant maintenance and operations and data processing services and to decrease appropriations for payments to shared service arrangements. 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>2016</u>	<u>2015</u>	<u>Percent Change</u>
General Fund	\$ 41,358,897	\$ 36,183,505	14%
Debt Service	1,547,882	1,734,910	-11%
Capital Projects	154,984,692	254,353,875	-39%

**General Fund**

The General Fund encompasses the general governmental functions of the District and all other functions not accounted for in other funds. The General Fund balance increased by \$5.2 million due primarily to increases in local property tax revenue. General Fund balance of \$41.4 million includes nonspendable inventories and prepaid items totaling \$0.8 million, assigned fund balance of \$3.0 million for budget balancing, and unassigned fund balance of \$37.6 million.

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

<u>Revenue Sources</u>	<u>2016</u>	<u>Percent Realized</u>	<u>2015</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Local	\$ 104,736,664	52%	\$ 92,533,875	\$ 12,202,789	13%
State	94,445,243	46%	95,971,990	(1,526,747)	-2%
Federal	4,820,806	2%	3,948,528	872,278	22%
<b>Totals</b>	<b>\$ 204,002,713</b>	<b>100%</b>	<b>\$ 192,454,393</b>	<b>\$ 11,548,320</b>	

Local revenues, which are generated primarily from property taxes, increased by 11 percent relative to the 2014-2015 school year, due to the incline in property values. The increase in State revenue resulted from additional students. Federal revenues make up only 2 percent of total realized revenues. The amount of \$4,820,806 represents primarily indirect cost earned from federal programs, Medicaid (SHARS) reimbursement for services performed by the Special Education Department and other qualifying employees, and the Reserve Officer Training Corps grant.

Expenditures for the General Fund totaled \$191,806,194, an increase of 2.4% from last year.

<u>Functional Categories</u>	<u>Expenditures 2016</u>	<u>Percent Expended</u>	<u>Expenditures 2015</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Instruction and Related Services	\$ 123,785,315	65%	\$ 121,402,234	\$ 2,383,081	2%
Instructional and School Leadership	15,756,155	8%	13,732,488	2,023,667	15%
Support (Pupil) Services	24,578,006	13%	24,081,388	496,618	2%
Administrative Support	4,938,347	3%	4,033,041	905,306	22%
Support Services - Nonstudent	21,333,321	11%	19,214,226	2,119,095	11%
Community Services	45,935	0%	5,856	40,079	684%
Debt Service	570,399	0%	570,398	1	-
Facilities Acquisition and Construction	-	0%	1,498,280	(1,498,280)	-100%
Intergovernmental Charges	798,716	0%	2,783,711	(1,984,995)	-71%
<b>Totals</b>	<b>\$ 191,806,194</b>	<b>100%</b>	<b>\$ 187,321,622</b>	<b>\$ 4,484,572</b>	2.39%

## **PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**

### ***MANAGEMENT'S DISCUSSION AND ANALYSIS***

Instruction and instructional related expenditures increased by \$2.4 million and instructional and school leadership expenditures increased by \$2.0 million. This increase was largely due to hiring additional staff and standard salary increases. Nonstudent support services expenditures increased by \$2.1 million, largely due to electricity payments to Energy For Schools being paid through this line, instead of Intergovernmental Charges, as Deerpark ISD stopped serving as the Shared Services Arrangement fiscal agent on August 31, 2015. The increase change in Community Services was due to refining the coding of expenditures to this function. Facilities Acquisition and Construction were paid from the Capital Projects fund instead of the General Fund in 2015-16. The Intergovernmental Charges dropped due to the energy costs being moved from the Shared Services Arrangement to the Plant Maintenance and Operations function.

#### **Debt Service Fund**

The Debt Service Fund has a total fund balance of \$1.5 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, 2016 were \$49.7 million, which included \$8.7 million used to defease outstanding bonds. The Debt Service Fund balance decreased due to the increase in debt service expenditures brought upon by the defeasance.

#### **Capital Projects Fund**

The Capital Projects Fund has a total fund balance of \$155 million, all but \$9 million of which is restricted for bond authorized construction projects. Of the \$9 million, \$4 million will be used to make the remaining loan payments for solar panels and \$5 million is for future capital projects. The net decrease in fund balance during the current year of \$99.4 million was primarily due to the District's continuing construction projects. Capital expenditures totaled \$106 million.

Interest earned in the Capital Projects Fund for the 2015-2016 fiscal year was \$1.1 million, 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 \$8.4 million. Revenues exceeded expenditures and other uses in the school breakfast and lunch program by \$199,450.

#### **Enterprise Fund – Extended Day Program**

The District operates an after school day care program for children in grades pre-k to 5. This program is located at all elementary campuses and its employees work for Pflugerville ISD. Net position for this program increased by \$1,499,289 before transfers to the general fund and is attributed to the growth in the student population and an increase in tuition rates.

#### **Internal Service Funds**

These funds are used to account for the financing of goods or services provided by one department to other departments on a cost-reimbursement basis. The operations of the employee group health insurance plan and workers' compensation program are accounted for in these funds. The District retains a partial risk on its workers' compensation program. Reinsurance is retained for workers' compensation individual claims of \$400,000. The decrease in net position for the employee group health insurance plan of \$2,926,367 was the result of a significant rise in health insurance costs, which exceeded premiums paid in. The general fund supplemented operations by



**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

transferring \$3,000,000 into the health insurance fund. The ending fund balance of approximately \$3.1 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 \$278,877 as a result of break-even operations.

**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, 2016, general governmental capital assets of the District amounted to \$446,773,083 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)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Land and Improvements	\$ 38,767,993	\$ 36,606,871	\$ -	\$ -	\$ 38,767,993	\$ 36,606,871
Buildings and Improvements	293,761,263	300,038,176	73,472	77,056	293,834,735	300,115,232
Furniture and Equipment	17,594,496	13,125,094	-	-	17,594,496	13,125,094
Construction in Progress	96,649,331	16,657,471	-	-	96,649,331	16,657,471
<b>Totals</b>	<b>\$ 446,773,083</b>	<b>\$ 366,427,612</b>	<b>\$ 73,472</b>	<b>\$ 77,056</b>	<b>\$ 446,846,555</b>	<b>\$ 366,504,668</b>

**Construction Commitments**

The District has active construction projects as of August 31, 2016. The projects include the construction and equipment of school facilities. At year end, the District's remaining commitments with contractors totaled \$88.1 million for all ongoing projects.

**Long-Term Liabilities**

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT'S LONG-TERM LIABILITIES OUTSTANDING**

	<u>Governmental Activities</u>					
	<u>2016</u>		<u>2015</u>		<u>Increase (Decrease)</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
General Obligation Bonds (Net)	\$ 538,540,130	91	\$ 569,797,123	95	\$ (31,256,993)	(5)
Notes Payable	3,568,930	1	4,023,180	1	(454,250)	(11)
Health Insurance Claims	1,006,038	-	800,000	-	206,038	26
Workers' Compensation	446,608	-	520,982	-	(74,374)	(14)
Compensated Absences	1,328,652	-	1,297,830	-	30,822	2
Net Pension Liability	44,823,067	8	20,351,563	4	24,471,504	120
<b>Totals</b>	<b>\$ 589,713,425</b>	<b>100</b>	<b>\$ 596,790,678</b>	<b>100</b>	<b>\$ (7,077,253)</b>	

At the end of the year, the District had \$538.5 million in bonds, which represents a 5 percent decrease. The District's bonds carry "AAA" rating because the Permanent School Fund (PSF) of Texas guarantees the repayment of the bond issues. More detailed information about the District's debt is presented in Note 7 to the Financial Statements.

# **PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **Debt Administration**

The Debt Service Fund is used to account for the accumulation of resources to pay principal and interest on general long-term debt. Revenue sources for this fund include receipts from property taxes and state funds. The Debt Service Fund contains fund balance reserves and interest earnings on those reserves. An excess of expenditures over revenues for the year amounted to \$187,028 resulting in a fund balance of \$1.5 million.

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

The applicable debt service fund tax rate was \$0.50/\$100 for the assessed valuation for the 2015/2016 school year.

Net pension liability increased primarily due to 1) the actual earnings were less than projected, 2) changes in proportion and differences between District contribution and proportionate share of contributions, and 3) pension costs.

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 2016-2017 budget preparation is \$10.4 billion or \$1.2 billion more than the 2015-2016 values. The higher values resulted in a budgeted increase of \$13.1 million in current local tax revenue for 2016-2017 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 2015-2016 for Maintenance and Operations.
- The District's student attendance was budgeted to increase by 417 students for a 2016-2017 total attendance of 23,150. The student attendance rate was budgeted at 96.2%.
- Compared to the 2015-2016 actual results, State aid decreased by approximately \$11.6 million for the 2016-2017 General Fund budget. This decrease in State funding was the result of the increase in local tax revenue from the prior year, which lowers the state's funding level.
- General Fund spending per attending student for the 2016-2017 budget increased by \$302 or 3.5% when compared to the 2015-2016 budget.
- General fund budgeted expenditures for 2016-2017 increased by \$8.3 million primarily due to a 2 percent pay raise, adding new positions for growth and raising the District's contribution toward employee medical insurance.
- If 2016-2017 budget estimates are realized, the District's Unassigned General Fund Balance is expected to increase by \$0.2 million, or 67 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, 2016**

Exhibit A-1

Data Control Codes	Primary Government			
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
1110	Cash and Cash Equivalents	\$ 17,592,554	\$ 271,556	\$ 17,864,110
1120	Current Investments	126,117,525	-	126,117,525
1220	Property Taxes Receivables	4,558,778	-	4,558,778
1230	Allowance For Uncollectible Taxes (Credit)	(45,587)	-	(45,587)
1240	Due from Other Governments	8,445,109	-	8,445,109
1250	Accrued Interest	1,043,087	-	1,043,087
1260	Internal Balances	27,488	(27,488)	-
1290	Other Receivables	20,251	30	20,281
1300	Inventories, at Cost	381,663	-	381,663
1410	Prepaid Items	465,166	-	465,166
1490	Other Current Assets	317,500	-	317,500
1910	Long-term Investments	76,955,701	-	76,955,701
Capital Assets:				
1510	Land and Improvements	38,767,993	-	38,767,993
1520	Buildings and Improvements (Net)	293,761,263	73,472	293,834,735
1530	Furniture and Equipment (Net)	17,594,496	-	17,594,496
1580	Construction in Progress	96,649,331	-	96,649,331
1000	Total Assets	<u>682,652,318</u>	<u>317,570</u>	<u>682,969,888</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
1705	Deferred Outflows - Pension	27,863,369	-	27,863,369
1710	Deferred Charge on Refunding	15,322,983	-	15,322,983
1700	Total Deferred Outflows of Resources	<u>43,186,352</u>	<u>-</u>	<u>43,186,352</u>
<b>LIABILITIES</b>				
2110	Accounts Payable	17,537,659	1,912	17,539,571
2140	Interest Payable	977,366	-	977,366
2150	Payroll Deductions and Withholdings	1,354,800	-	1,354,800
2160	Accrued Wages Payable	688,256	48,662	736,918
2180	Due to Other Governments	711,313	-	711,313
2200	Accrued Liabilities	4,555,708	-	4,555,708
2300	Unearned Revenue	224,876	30,334	255,210
Noncurrent Liabilities:				
2501	Due Within One Year	22,012,875	-	22,012,875
2502	Due in More Than One Year	522,877,483	-	522,877,483
2540	Net Pension Liabilities	44,823,067	-	44,823,067
2000	Total Liabilities	<u>615,763,403</u>	<u>80,908</u>	<u>615,844,311</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
2605	Deferred Inflows - Pension	8,000,444	-	8,000,444
2600	Total Deferred Inflows of Resources	<u>8,000,444</u>	<u>-</u>	<u>8,000,444</u>
<b>NET POSITION</b>				
3200	Net Investment in Capital Assets	74,971,698	73,472	75,045,170
3820	Restricted for Grants	1,885,068	-	1,885,068
3850	Restricted for Debt Service	1,801,813	-	1,801,813
3900	Unrestricted	23,416,244	163,190	23,579,434
3000	Total Net Position	<u>\$ 102,074,823</u>	<u>\$ 236,662</u>	<u>\$ 102,311,485</u>

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

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED AUGUST 31, 2016**

Data Control Codes	Functions/Programs	Expenses	Program Revenues	
			Charges for Services	Operating Grants and Contributions
	<b>Primary Government:</b>			
	Governmental Activities:			
0011	<i>Instruction</i>	\$ 140,567,674	\$ 1,079,399	\$ 17,294,696
0012	<i>Instructional Resources and Media Services</i>	3,584,223	-	232,704
0013	<i>Curriculum and Instructional Staff Development</i>	7,723,707	-	1,567,636
0021	<i>Instructional Leadership</i>	4,212,433	-	399,950
0023	<i>School Leadership</i>	13,155,038	-	983,147
0031	<i>Guidance, Counseling, and Evaluation Services</i>	9,325,728	-	866,565
0032	<i>Social Work Services</i>	778,068	-	121,286
0033	<i>Health Services</i>	2,785,555	-	293,366
0034	<i>Student Transportation</i>	7,543,509	-	11,631
0035	<i>Food Services</i>	12,447,702	3,975,638	8,022,586
0036	<i>Extracurricular Activities</i>	8,443,556	1,895,244	417,102
0041	<i>General Administration</i>	5,268,966	-	510,729
0051	<i>Plant Maintenance and Operations</i>	25,869,002	504,679	1,157,613
0052	<i>Security and Monitoring Services</i>	3,630,611	-	20,301
0053	<i>Data Processing Services</i>	5,425,964	-	136,518
0061	<i>Community Services</i>	173,598	-	126,201
0072	<i>Interest on Long-term Debt</i>	19,862,534	-	1,343,129
0073	<i>Issuance Costs and Fees</i>	34,703	-	-
0081	<i>Facilities Repair and Maintenance</i>	173,414	-	201,657
0095	<i>Payments to Juvenile Justice Alternative Education Programs</i>	18,946	-	-
0099	<i>Payments to Appraisal District</i>	779,770	-	-
TG	Total Governmental Activities	<u>271,804,701</u>	<u>7,454,960</u>	<u>33,706,817</u>
	Business-type-Activities:			
01	<i>Extended Day Program</i>	2,314,571	3,813,860	-
TB	Total Business-type Activities	<u>2,314,571</u>	<u>3,813,860</u>	<u>-</u>
TP	<b>Total Primary Government</b>	<b>\$ <u>274,119,272</u></b>	<b>\$ <u>11,268,820</u></b>	<b>\$ <u>33,706,817</u></b>
	General Revenues:			
MT	<i>Property Taxes, Levied for General Purposes</i>			
DT	<i>Property Taxes, Levied for Debt Services</i>			
GC	<i>Grants and Contributions Not Restricted to Specific Programs</i>			
IE	<i>Investment Earnings</i>			
MI	<i>Miscellaneous</i>			
FR	<i>Transfers</i>			
TR	Total General Revenues and Transfers			
CN	Change in Net Position			
NB	Net Position - Beginning			
NE	<b>Net Position - Ending</b>			

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>
\$ (122,193,579)	\$ -	\$ (122,193,579)
(3,351,519)	-	(3,351,519)
(6,156,071)	-	(6,156,071)
(3,812,483)	-	(3,812,483)
(12,171,891)	-	(12,171,891)
(8,459,163)	-	(8,459,163)
(656,782)	-	(656,782)
(2,492,189)	-	(2,492,189)
(7,531,878)	-	(7,531,878)
(449,478)	-	(449,478)
(6,131,210)	-	(6,131,210)
(4,758,237)	-	(4,758,237)
(24,206,710)	-	(24,206,710)
(3,610,310)	-	(3,610,310)
(5,289,446)	-	(5,289,446)
(47,397)	-	(47,397)
(18,519,405)	-	(18,519,405)
(34,703)	-	(34,703)
28,243	-	28,243
(18,946)	-	(18,946)
<u>(779,770)</u>	<u>-</u>	<u>(779,770)</u>
<u>(230,642,924)</u>	<u>-</u>	<u>(230,642,924)</u>
<u>-</u>	<u>1,499,289</u>	<u>1,499,289</u>
<u>-</u>	<u>1,499,289</u>	<u>1,499,289</u>
<u>(230,642,924)</u>	<u>1,499,289</u>	<u>(229,143,635)</u>
100,136,037	-	100,136,037
48,142,601	-	48,142,601
92,312,300	-	92,312,300
1,420,938	-	1,420,938
194,470	-	194,470
<u>1,500,000</u>	<u>(1,500,000)</u>	<u>-</u>
<u>243,706,346</u>	<u>(1,500,000)</u>	<u>242,206,346</u>
13,063,422	(711)	13,062,711
<u>89,011,401</u>	<u>237,373</u>	<u>89,248,774</u>
<u>\$ 102,074,823</u>	<u>\$ 236,662</u>	<u>\$ 102,311,485</u>

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**AUGUST 31, 2016**

<b>Data Control Codes</b>		<b>General Fund</b>	<b>Debt Service Fund</b>
	<b>ASSETS</b>		
1110	<i>Cash and Cash Equivalents</i>	\$ 8,974,208	\$ 239,455
1120	<i>Current Investments</i>	35,939,398	1,354,621
1220	<i>Property Taxes Receivable</i>	3,363,233	1,195,545
1230	<i>Allowance For Uncollectible Taxes (Credit)</i>	(33,632)	(11,955)
1240	<i>Due from Other Governments</i>	7,451,204	-
1250	<i>Accrued Interest</i>	103,062	-
1260	<i>Due from Other Funds</i>	1,130,821	-
1290	<i>Other Receivables</i>	9,099	-
1300	<i>Inventories, at Cost</i>	335,941	-
1410	<i>Prepaid Items</i>	462,001	-
1910	<i>Long-term Investments</i>	-	-
1000	<b>Total Assets</b>	<b>\$ 57,735,335</b>	<b>\$ 2,777,666</b>
	<b>LIABILITIES</b>		
2110	<i>Accounts Payable</i>	\$ 1,787,419	\$ -
2150	<i>Payroll Deductions and Withholdings</i>	1,354,800	-
2160	<i>Accrued Wages Payable</i>	676,894	-
2170	<i>Due to Other Funds</i>	8,539,623	-
2180	<i>Due to Other Governments</i>	661,063	46,194
2200	<i>Accrued Liabilities</i>	6,823	-
2300	<i>Unearned Revenues</i>	20,215	-
2000	<b>Total Liabilities</b>	<b>13,046,837</b>	<b>46,194</b>
	<b>DEFERRED INFLOWS OF RESOURCES</b>		
2600	<i>Unavailable Revenue - Property Taxes</i>	3,329,601	1,183,590
	<b>Total Deferred Inflows of Resources</b>	<b>3,329,601</b>	<b>1,183,590</b>
	<b>FUND BALANCES</b>		
	Nonspendable:		
3410	<i>Inventories</i>	335,941	-
3430	<i>Prepaid Items</i>	462,001	-
	Restricted:		
3450	<i>Grant Funds</i>	-	-
3470	<i>Capital Acquisitions and Contractual Obligations</i>	-	-
3480	<i>Debt Service</i>	-	1,547,882
	Committed:		
3545	<i>Other</i>	-	-
	Assigned:		
3590	<i>Other</i>	3,000,000	-
3600	<i>Unassigned</i>	37,560,955	-
3000	<b>Total Fund Balances</b>	<b>41,358,897</b>	<b>1,547,882</b>
4000	<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 57,735,335</b>	<b>\$ 2,777,666</b>

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>
\$ 4,586,692	\$ 2,984,767	\$ 16,785,122
86,267,213	1,126,716	124,687,948
-	-	4,558,778
-	-	(45,587)
-	993,905	8,445,109
937,102	-	1,040,164
5,523,312	30,424	6,684,557
-	4,800	13,899
-	45,722	381,663
-	3,165	465,166
76,955,701	-	76,955,701
<b><u>\$ 174,270,020</u></b>	<b><u>\$ 5,189,499</u></b>	<b><u>\$ 239,972,520</u></b>
\$ 14,733,370	\$ 611,559	\$ 17,132,348
-	-	1,354,800
3,073	8,289	688,256
-	755,152	9,294,775
-	4,056	711,313
4,548,885	-	4,555,708
-	204,661	224,876
<u>19,285,328</u>	<u>1,583,717</u>	<u>33,962,076</u>
-	-	4,513,191
<u>-</u>	<u>-</u>	<u>4,513,191</u>
-	846	336,787
-	-	462,001
-	1,885,068	1,885,068
154,984,692	-	154,984,692
-	-	1,547,882
-	1,719,868	1,719,868
-	-	3,000,000
-	-	37,560,955
<u>154,984,692</u>	<u>3,605,782</u>	<u>201,497,253</u>
<b><u>\$ 174,270,020</u></b>	<b><u>\$ 5,189,499</u></b>	<b><u>\$ 239,972,520</u></b>

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**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**  
**RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**AUGUST 31, 2016**

**Exhibit B-1R**

**Total Fund Balances - Governmental Funds (Exhibit B-1)** \$ 201,497,253

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	\$ 587,700,570	
Accumulated Depreciation of Governmental Capital Assets	<u>(140,927,487)</u>	446,773,083

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.	4,513,191
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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	\$ (489,480,000)	
Premium on Bonds Payable	(49,060,130)	
Accrued Interest on the Bonds	(929,659)	
Notes Payable	(3,568,930)	
Accrued Interest on Notes Payable	(47,707)	
Compensated Absences	(1,328,652)	
Net Pension Liability	<u>(44,823,067)</u>	(589,238,145)

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	\$ 3,064,656	
Workers' Compensation	<u>278,877</u>	3,343,533

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.	15,322,983
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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.	27,863,369
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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.	<u>(8,000,444)</u>
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**Total Net Position - Governmental Activities (Exhibit A-1)** \$ **102,074,823**

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 YEAR ENDED AUGUST 31, 2016**

<u>Data Control Codes</u>	<u>General Fund</u>	<u>Debt Service Fund</u>
<b>REVENUES</b>		
5700 <i>Local and Intermediate Sources</i>	\$ 104,736,664	\$ 48,165,462
5800 <i>State Programs</i>	94,445,243	1,343,129
5900 <i>Federal Programs</i>	4,820,806	-
5020 <b>Total Revenues</b>	<u>204,002,713</u>	<u>49,508,591</u>
<b>EXPENDITURES</b>		
Current:		
0011 <i>Instruction</i>	114,905,232	-
0012 <i>Instructional Resources and Media Services</i>	2,843,762	-
0013 <i>Curriculum and Instructional Staff Development</i>	6,036,321	-
0021 <i>Instructional Leadership</i>	3,881,461	-
0023 <i>School Leadership</i>	11,874,694	-
0031 <i>Guidance, Counseling, and Evaluation Services</i>	8,384,760	-
0032 <i>Social Work Services</i>	661,420	-
0033 <i>Health Services</i>	2,527,293	-
0034 <i>Student Transportation</i>	7,498,976	-
0035 <i>Food Services</i>	171,198	-
0036 <i>Extracurricular Activities</i>	5,334,359	-
0041 <i>General Administration</i>	4,938,347	-
0051 <i>Plant Maintenance and Operations</i>	15,576,792	-
0052 <i>Security and Monitoring Services</i>	2,894,216	-
0053 <i>Data Processing Services</i>	2,862,313	-
0061 <i>Community Services</i>	45,935	-
Debt Service:		
0071 <i>Principal on Long-term Debt</i>	454,250	27,640,000
0072 <i>Interest on Long-term Debt</i>	116,149	22,020,916
0073 <i>Issuance Costs and Fees</i>	-	34,703
Capital Outlay:		
0081 <i>Facilities Acquisition and Construction</i>	-	-
Intergovernmental:		
0095 <i>Payments to Juvenile Justice Alternative Education Programs</i>	18,946	-
0099 <i>Payments to Appraisal District</i>	779,770	-
6030 <b>Total Expenditures</b>	<u>191,806,194</u>	<u>49,695,619</u>
1100 <b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>12,196,519</u>	<u>(187,028)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
7912 <i>Sale of Real and Personal Property</i>	2,185	-
7915 <i>Transfers In</i>	1,500,000	-
8911 <i>Transfers Out</i>	<u>(8,523,312)</u>	-
7080 <b>Total Other Financing Sources (Uses)</b>	<u>(7,021,127)</u>	-
1200 <b>Net Change in Fund Balances</b>	5,175,392	(187,028)
0100 <b>Fund Balances - Beginning</b>	<u>36,183,505</u>	<u>1,734,910</u>
3000 <b>Fund Balances - Ending</b>	<u>\$ 41,358,897</u>	<u>\$ 1,547,882</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>
\$ 1,103,644	\$ 6,444,829	\$ 160,450,599
-	796,397	96,584,769
-	16,850,620	21,671,426
<u>1,103,644</u>	<u>24,091,846</u>	<u>278,706,794</u>
4,315,856	8,034,611	127,255,699
43,131	101,255	2,988,148
183,361	1,113,861	7,333,543
-	4,804	3,886,265
98,216	110,180	12,083,090
-	385,867	8,770,627
-	63,914	725,334
-	112,346	2,639,639
-	5,011	7,503,987
84,895	11,511,001	11,767,094
59,097	1,355,609	6,749,065
-	150	4,938,497
13,147,502	734,100	29,458,394
620,189	8,490	3,522,895
1,608,349	-	4,470,662
-	75,618	121,553
-	-	28,094,250
-	-	22,137,065
-	-	34,703
85,835,543	160,987	85,996,530
-	-	18,946
-	-	779,770
<u>105,996,139</u>	<u>23,777,804</u>	<u>371,275,756</u>
<u>(104,892,495)</u>	<u>314,042</u>	<u>(92,568,962)</u>
-	-	2,185
5,523,312	-	7,023,312
-	-	(8,523,312)
<u>5,523,312</u>	<u>-</u>	<u>(1,497,815)</u>
(99,369,183)	314,042	(94,066,777)
<u>254,353,875</u>	<u>3,291,740</u>	<u>295,564,030</u>
<b><u>\$ 154,984,692</u></b>	<b><u>\$ 3,605,782</u></b>	<b><u>\$ 201,497,253</u></b>

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**

Exhibit B-2R

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED AUGUST 31, 2016**

**Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)** \$ (94,066,777)

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>	\$ 92,149,162	
Depreciation Expense	<u>(11,709,280)</u>	80,439,882

The net effect of miscellaneous transactions involving capital assets (transfers, adjustments and dispositions) is an increase (decrease) to net position. (94,411)

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. 148,140

Repayment of note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 454,250

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 27,640,000

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>	\$ 42,181	
Accrued Interest on Notes Payable <i>decreased</i>	6,072	
Amortization of Bond Premium	3,616,993	
Amortization of Deferred Charge on Refunding Bonds	<u>(1,390,715)</u>	2,274,531

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. (30,822)

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

Health Insurance	73,633
Workers' Compensation	(3)

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)	\$ 22,471,343	
Deferred Inflows (Increased) Decreased	(1,774,840)	
Net Pension Liability (Increased) Decreased	<u>(24,471,504)</u>	<u>(3,775,001)</u>

**Change in Net Position for Governmental Activities (Exhibit A-2)** \$ 13,063,422

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, 2016**

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>
	<b>ASSETS</b>		
	Current Assets:		
1110	<i>Cash and Cash Equivalents</i>	\$ 271,556	\$ 807,432
1120	<i>Current Investments</i>	-	1,429,577
1250	<i>Accrued Interest</i>	-	2,923
1260	<i>Due from Other Funds</i>	133	3,000,006
1290	<i>Other Receivables</i>	30	6,352
1490	<i>Other Current Assets</i>	-	317,500
	Total Current Assets	<u>271,719</u>	<u>5,563,790</u>
	Noncurrent Assets:		
1520	<i>Buildings and Improvements</i>	89,600	-
1570	<i>Accumulated Depreciation</i>	<u>(16,128)</u>	<u>-</u>
	Total Noncurrent Assets	<u>73,472</u>	<u>-</u>
1000	Total Assets	<u>345,191</u>	<u>5,563,790</u>
	<b>LIABILITIES</b>		
	Current Liabilities:		
2110	<i>Accounts Payable</i>	1,912	405,311
2160	<i>Accrued Wages Payable</i>	48,662	-
2170	<i>Due to Other Funds</i>	27,621	362,300
2300	<i>Unearned Revenue</i>	<u>30,334</u>	<u>-</u>
	Total Current Liabilities	<u>108,529</u>	<u>767,611</u>
	Noncurrent Liabilities:		
2123	<i>Claims Payable - Due Within One Year</i>	<u>-</u>	<u>1,452,646</u>
	Total Noncurrent Liabilities	<u>-</u>	<u>1,452,646</u>
2000	Total Liabilities	<u>108,529</u>	<u>2,220,257</u>
	<b>NET POSITION</b>		
3200	<i>Net Investment in Capital Assets</i>	73,472	-
3900	<i>Unrestricted</i>	<u>163,190</u>	<u>3,343,533</u>
3000	<b>Total Net Position</b>	<u>\$ 236,662</u>	<u>\$ 3,343,533</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 YEAR ENDED AUGUST 31, 2016**

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>
<b>OPERATING REVENUES</b>		
5739 <i>Tuition and Fees</i>	\$ 3,813,860	\$ -
5754 <i>Interfund Services Provided</i>	-	15,717,420
5020 <b>Total Operating Revenues</b>	<u>3,813,860</u>	<u>15,717,420</u>
<b>OPERATING EXPENSES</b>		
6100 <i>Payroll Costs</i>	2,020,148	17,830
6200 <i>Purchased and Contracted Services</i>	28,848	2,209,065
6300 <i>Supplies and Materials</i>	102,635	2,162
6400 <i>Claims Expense and Other Operating Expenses</i>	159,356	16,421,071
6449 <i>Depreciation</i>	3,584	-
6030 <b>Total Operating Expenses</b>	<u>2,314,571</u>	<u>18,650,128</u>
<b>Operating Income (Loss)</b>	<u>1,499,289</u>	<u>(2,932,708)</u>
<b>NONOPERATING REVENUES</b>		
7955 <i>Investment Earnings - Deposits and Investments</i>	-	6,338
8030 <b>Total Nonoperating Revenues</b>	<u>-</u>	<u>6,338</u>
<b>Income (Loss) before Transfers</b>	1,499,289	(2,926,370)
7915 <i>Transfers In</i>	-	3,000,000
8911 <i>Transfers Out</i>	<u>(1,500,000)</u>	<u>-</u>
1300 <b>Change in Net Position</b>	(711)	73,630
0100 <b>Net Position - Beginning</b>	<u>237,373</u>	<u>3,269,903</u>
3300 <b>Net Position - Ending</b>	<u>\$ <b>236,662</b></u>	<u>\$ <b>3,343,533</b></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 YEAR ENDED AUGUST 31, 2016**

Exhibit C-3

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise</u>	
	<u>Fund - Extended Day Program</u>	<u>Internal Service Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Employee and Employer	\$ -	\$ 14,256,787
Cash Received from Registration Fees and Tuition	3,807,588	-
Cash Payments to Suppliers for Goods and Services	(289,617)	-
Cash Payments for Employees	(1,987,343)	-
Cash Payments for Claims	-	(16,144,342)
Cash Payments for Administrative Services	-	(2,229,057)
Net Cash Provided by (Used for) Operating Activities	<u>1,530,628</u>	<u>(4,116,612)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers from Other Funds	-	3,000,000
Transfers to Other Funds	(1,500,000)	-
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(1,500,000)</u>	<u>3,000,000</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest and Dividends Received on Investments	-	3,497
Purchase of Investments	-	(12,029)
Net Cash Used for Investing Activities	<u>-</u>	<u>(8,532)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	30,628	(1,125,144)
Cash and Cash Equivalents at Beginning of Year	240,928	1,932,576
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ <u>271,556</u></b>	<b>\$ <u>807,432</u></b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</b>		
Operating Income (Loss)	\$ 1,499,289	\$ (2,932,708)
Depreciation Expense	3,584	-
Change in Assets and Liabilities:		
Increase in Other Receivables	-	(1,854)
Increase in Due from Other Funds	(133)	(1,500,000)
Decrease in Prepaid Items	-	114,990
Increase in Accounts Payable	1,222	31,929
Increase in Accrued Wages Payable	10,050	-
Decrease in Unearned Revenue	(6,139)	-
Increase in Claims Payable	-	131,664
Increase in Due to Other Funds	22,755	39,367
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>\$ <u>1,530,628</u></b>	<b>\$ <u>(4,116,612)</u></b>

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

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**FIDUCIARY FUND**  
**AUGUST 31, 2016**

Exhibit D-1

<u>Data Control Codes</u>	<u>Private- Purpose Trust Fund</u>	<u>Agency Fund</u>
<b>ASSETS</b>		
1110 <i>Cash and Cash Equivalents</i>	\$ 1,000	\$ 420,970
1120 <i>Current Investments</i>	253,331	-
1000 Total Assets	<u>254,331</u>	<u>\$ 420,970</u>
<b>LIABILITIES</b>		
2110 <i>Accounts Payable</i>	1,000	\$ 8,576
2180 <i>Due to Other Governments</i>	-	42,083
2190 <i>Due to Student Groups</i>	-	370,311
2000 Total Liabilities	<u>1,000</u>	<u>\$ 420,970</u>
<b>NET POSITION</b>		
3800 <i>Net Position Held in Trust</i>	253,331	
3000 <b>Total Net Position</b>	<u>\$ 253,331</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 YEAR ENDED AUGUST 31, 2016**

Exhibit D-2

<u>Data Control Codes</u>	<u>Private- Purpose Trust Fund</u>
<b>ADDITIONS</b>	
5742 <i>Interest</i>	\$ 1,055
5744 <i>Gifts and Contributions</i>	<u>5,055</u>
Total Additions	<u>6,110</u>
<b>DEDUCTIONS</b>	
6400 <i>Scholarship Funds</i>	<u>1,250</u>
Total Deductions	<u>1,250</u>
Change in Net Position	4,860
Net Position - Beginning of Year	248,471
<b>Net Position - End of Year</b>	<b>\$ <u><u>253,331</u></u></b>

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, 2016**

### **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. *Governmental activities*, which are supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely on fees and charges for support. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Depreciation expense, self-insurance plans' net profit or loss, and compensated absences costs have been allocated to all applicable functions in order to present the expenditures of the District more accurately in the Statement of Activities. *Program revenues* include 1) charges to students or users who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

#### **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, 2016

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 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

# **PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**

## **NOTES TO THE FINANCIAL STATEMENTS**

**AUGUST 31, 2016**

principal operating revenues of the District's enterprise fund are fees charged for extended day program for students. Operating expenses of the enterprise fund include the cost of payroll, contracted services, supplies, and other miscellaneous operating costs to run the program. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses for the internal service funds and the enterprise fund.

### **Deposits and Investments**

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

Investments for the District, 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 net asset value; i.e. 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. The commodity inventory is not classified as nonspendable due to such amount is reported as an unearned revenue until consumed.

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

# **PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**

## **NOTES TO THE FINANCIAL STATEMENTS**

**AUGUST 31, 2016**

### **Capital Assets**

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

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

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

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

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

### **Compensated Absences**

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

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

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

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

### **Long-term Obligations**

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2016**

issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Deferred Outflows/Inflows of Resources**

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

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	\$ 23,967,496	\$ -	\$ -
Deferred Contributions after the Measurement Date	3,895,873	-	-
Deferred Charge on Refunding	15,322,983	-	-
<b>Total Deferred Outflows of Resources</b>	<b>\$ 43,186,352</b>	<b>\$ -</b>	<b>\$ -</b>
Deferred Inflows of Resources:			
Deferred Inflows from Pension Activities	\$ 8,000,444	\$ -	\$ -
Unavailable Property Taxes	-	3,329,601	1,183,590
<b>Total Deferred Inflows of Resources</b>	<b>\$ 8,000,444</b>	<b>\$ 3,329,601</b>	<b>\$ 1,183,590</b>

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 District’s policy to consider restricted fund balance to have been depleted before using any of the components of



# **PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**

## **NOTES TO THE FINANCIAL STATEMENTS**

**AUGUST 31, 2016**

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, 2016**

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

### **Use of Estimates**

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

## **Note 2 – Stewardship, Compliance, and Accountability**

### **Budgetary Information**

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

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

The appropriated budget is prepared by fund, function, and campus/department. The District's campus/department heads may make transfers of appropriations within a department. Transfers of appropriations between campus/department require the approval of the District's management. Transfers of appropriations between functions require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the function level 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, 2016**

At August 31, 2016, certain amounts which were previously restricted, committed, or assigned for specific purposes have been encumbered in the governmental funds. These amounts are as follows:

	<b>Encumbrances Included in:</b>		
	<b>Restricted Fund Balance</b>	<b>Committed Fund Balance</b>	<b>Assigned Fund Balance</b>
General Fund	\$ -	\$ -	\$ 42,806
Capital Projects Fund	88,097,403	-	-
National School Breakfast and Lunch	59,933	-	-
Campus Activity Funds		1,267	-
<b>Total Encumbrances</b>	<b>\$ 88,157,336</b>	<b>\$ 1,267</b>	<b>\$ 42,806</b>

**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 2016, the District invested in the money market, certificates of deposit, commercial paper, U.S. Government Agency Securities, 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 Government Overnight, and Lone Star Corporate Overnight Plus.

# **PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**

## ***NOTES TO THE FINANCIAL STATEMENTS***

***AUGUST 31, 2016***

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 AA Af\* 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, 2016**

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>Long-term</u> <u>Investments</u>	<u>Fair Value</u> <u>Measurement</u> <u>Using</u> <u>Significant</u> <u>Other</u> <u>Observable</u> <u>Inputs</u> <u>(Level 2)</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>
<b>Investments Measured at Cost</b>						
Certificates of Deposit	\$ 42,000,000	\$ 50,000,000	\$ -	45.30%	537	Not Rated*
<b>Investments Measured at Amortized Cost</b>						
<b>Investment Pools</b>						
Lone Star Corporate Overnight Fund	2,694,086	-	-	1.33%	37	AAAm
Lone Star Government Overnight Fund	14,878	-	-	0.01%	23	AAAm
TexasDAILY	5,612	-	-	0.00%	43	AAAm
<b>Investments Measured at Net Asset Value (NAV), fair value</b>						
<b>Investment Pools</b>						
Lone Star Corporate Overnight Plus Fund	9,034,950	-	-	4.45%	41	AAAf
LOGIC	10,598,982	-	-	5.22%	39	AAAm
TexasCLASS	11,957,079	-	-	5.89%	47	AAAm
TexasTERM	20,000,000	-	-	9.85%	53	AAAf
<b>Investments Subject to Fair Value</b>						
Commercial Paper	29,811,938	-	29,811,938	14.68%	218	A-1
U.S. Government Agencies:						
Federal Home Loan Mortgage Corporation	-	20,100,370	20,100,370	9.90%	862	AA+
FICO Strips	-	6,855,331	6,855,331	3.38%	930	Aaa**
<b>Total</b>	<b>\$ 126,117,525</b>	<b>\$ 76,955,701</b>	<b>\$ 56,767,639</b>	<b>100.00%</b>	<b>404</b>	
<b>Portfolio Weighted Average Maturity</b>					<b>404</b>	

\*Certificates of Deposit are insured or collateralized

\*\*Moody's rating only

*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 net asset value, i.e. fair value. Such investments are not required to be reported by levels in the table above.

*Commercial Paper*, classified in Level 2 of the fair value hierarchy, is valued using index pricing and market spreads.

*U.S. Government Agency Securities*, classified in Level 2 of the fair value hierarchy, are valued using matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The Lone Star Corporate Overnight, Lone Star Government 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.

# **PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**

## **NOTES TO THE FINANCIAL STATEMENTS**

**AUGUST 31, 2016**

The Lonestar Corporate Overnight Plus, LOGIC, Texas CLASS, and TexasTERM investment pools are external investment pools measured at net asset 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.

### **Credit Risk**

For fiscal year 2016, the District invested in certificates of deposit, investment pools, commercial paper and U.S. Government agencies. The District also invested in certificates of deposits which are insured 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 seven pools for diversification and security reasons.

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**AUGUST 31, 2016**

**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, 2016, District’s banks’ balances of \$94,735,139 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.

**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 uncollectible amounts related to revenues of the current period increased (decreased) revenues as follows:

Uncollectibles Related to General Fund Property Taxes	\$ (933)
Uncollectibles Related to Debt Service Property Taxes	<u>(563)</u>
<b><i>Total Uncollectibles of the Current Fiscal Year</i></b>	<b><u><u>\$ (1,496)</u></u></b>

Approximately 85% 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)	\$ 16,560
Rental Deposits (General Fund)	3,570
Kickstart (General Fund)	85
Funds Received Prior to Meeting all Eligibility Requirements, Primarily Grants (Special Revenue Funds)	<u>204,661</u>
<b><i>Total Unearned Revenue for Governmental Funds</i></b>	<b><u><u>224,876</u></u></b>
Tuition Fees for Next Year (Enterprise Fund)	<u>30,334</u>
<b><i>Total Unearned Revenue for Proprietary Funds</i></b>	<b><u><u>30,334</u></u></b>
<b><i>Total Unearned Revenue</i></b>	<b><u><u>\$ 255,210</u></u></b>

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2016**

**Note 5 - Capital Assets**

The District's capital asset activity for the year ended August 31, 2016 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions and Transfers</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
<b>Capital Assets, not being Depreciated:</b>				
Land and Improvements	\$ 36,606,871	\$ 2,161,122	\$ -	\$ 38,767,993
Construction in Progress	16,657,471	87,997,791	(8,005,931)	96,649,331
<i>Total Capital Assets, not being Depreciated</i>	<u>53,264,342</u>	<u>90,158,913</u>	<u>(8,005,931)</u>	<u>135,417,324</u>
<b>Capital Assets, being Depreciated:</b>				
Buildings and Improvements	411,398,770	140,867	2,429,791	413,969,428
Furniture and Equipment	31,449,601	1,849,382	5,014,835	38,313,818
<i>Total Capital Assets, being Depreciated</i>	<u>442,848,371</u>	<u>1,990,249</u>	<u>7,444,626</u>	<u>452,283,246</u>
<b>Less Accumulated Depreciation for:</b>				
Buildings and Improvements	(111,360,594)	(8,847,571)	-	(120,208,165)
Furniture and Equipment	(18,324,507)	(2,861,709)	466,894	(20,719,322)
<i>Total Accumulated Depreciation</i>	<u>(129,685,101)</u>	<u>(11,709,280)</u>	<u>466,894</u>	<u>(140,927,487)</u>
<i>Total Capital Assets, being Depreciated, net</i>	<u>313,163,270</u>	<u>(9,719,031)</u>	<u>7,911,520</u>	<u>311,355,759</u>
<i>Governmental Activities Capital Assets, net</i>	<u>\$ 366,427,612</u>	<u>\$ 80,439,882</u>	<u>\$ (94,411)</u>	<u>\$ 446,773,083</u>
<b>Business-type Activities:</b>				
<b>Capital Assets, being Depreciated:</b>				
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>
<b>Less Accumulated Depreciation for:</b>				
Buildings and Improvements	(12,544)	(3,584)	-	(16,128)
<i>Total Accumulated Depreciation</i>	<u>(12,544)</u>	<u>(3,584)</u>	<u>-</u>	<u>(16,128)</u>
<i>Business-type Activities Capital Assets, net</i>	<u>\$ 77,056</u>	<u>\$ (3,584)</u>	<u>\$ -</u>	<u>\$ 73,472</u>



**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2016**

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

<b>Governmental Activities:</b>	
11 Instruction	\$ 5,723,446
12 Instructional Resources and Media Services	420,155
13 Curriculum Development and Instructional Staff Development	4,468
23 School Leadership	317,793
31 Guidance, Counseling, and Evaluation Services	46,750
32 Social Work Services	2,789
34 Student Transportation	33,718
35 Food Services	833,932
36 Extracurricular Activities	1,632,787
41 General Administration	91,999
51 Plant Maintenance and Operations	853,146
52 Security and Monitoring Services	325,134
53 Data Processing Services	1,414,227
61 Community Services	8,936
<b><i>Total Depreciation Expense-Governmental Activities</i></b>	<b><u>\$ 11,709,280</u></b>

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2016**

**Construction Commitments**

The District has active construction projects as of August 31, 2016. The projects include the construction and equipment of school facilities. At year-end, the District's commitments with contractors are as follows:

<b>Project</b>	<b>Approved Construction Budget</b>	<b>Remaining Commitment</b>
American Constructors Inc-High School #4	\$ 89,616,096	\$ 48,740,214
PBK-Architect High School #4	4,876,966	468,189
Gil Engineering-High School #4	301,630	17,967
Raba Kistner-Engineers High School #4	323,000	81,296
Bartlett Cocke-PCMS Additions & Renovations	5,571,802	36,131
Bartlett Cocke-New Timmerman ES	19,429,484	6,023,620
Huckabee & Assoc-Architect New Timmerman ES	1,291,843	138,290
Raba Kistner-Engineers-New Timmerman ES	90,000	15,339
Bartlett Cocke-District Stadium	22,752,584	5,991,530
Huckabee & Assoc-Architect New District Stadium	1,428,346	102,683
Gil Engineering-New District Stadium	138,060	19,651
Raba Kistner-Engineers-New District Stadium	102,000	38,474
Joeris General Contractors-ES #21 GMP 1	1,837,250	1,234,086
Joeris General Contractors-ES #21 GMP 2	22,662,750	22,322,260
PBK-Architect ES #21	990,000	166,320
Raba Kistner-Engineers ES #21	94,000	85,528
Bartlett Cocke-PHS Renovation of Office/Library	4,387,235	646,963
PBK-Architect PHS Renovation of Office/Library	263,234	5,265
Raba Kistner-Engineers PHS Renovation of Office/Library	8,500	2,628
Braun & Butler-Kuempel (PHS) Stadium Renovation	2,268,134	405,552
Huckabee & Assoc-Kuempel (PHS) Stadium Renovations	196,270	25,876
Raba Kistner-Engineers Kuempel (PHS) Stadium Renovations	8,700	3,274
PBK-Architect Old TES Renovations	190,260	142,695
Bartlett Cocke Contractors-HVAC Replacement-CHS	2,532,876	215,280
Bartlett Cocke Contractors-HVAC Replacement-WMS	423,981	56,764
Bartlett Cocke Contractors-HVAC Replacement-DMS	1,059,947	120,301
Bartlett Cocke Contractors-HVAC Replacement-CES	488,424	86,322
ESA Energy Systems-HVAC Controls Engineering	240,000	121,872
ESA Energy Systems-HVAC Engineering	715,028	292,347
Roofing at Connally High School	799,214	33,192
Brookhollow Elementary - Summer 2016 Renovation	654,252	98,330
Dessau Elementary - Summer 2016 Renovation	676,884	144,899
Pflugerville Elementary - Summer 2016 Renovation	1,043,927	214,265
<b>Totals</b>	<b>\$ 187,462,677</b>	<b>\$ 88,097,403</b>

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2016**

**Note 6 - Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of August 31, 2016 is as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental Funds:		
General Fund	\$ 1,130,821	\$ 8,539,623
Capital Projects Fund	5,523,312	-
Nonmajor-Other Governmental Funds	30,424	755,152
Proprietary Funds:		
Enterprise Fund - Extended Day Program	133	27,621
Internal Service Funds	3,000,006	362,300
<b>Totals</b>	<b>\$ 9,684,696</b>	<b>\$ 9,684,696</b>

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 governmental funds. All interfund balances are expected to be repaid within one year.

**Interfund Transfers**

Interfund transfers are defined as “flows of assets without equivalent flow of assets in return and without a requirement for repayment.” The following is a summary of the District’s transfers for the year ended August 31, 2016.

<u>Transfer Out</u>	<u>Transfers In</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 5,523,312
General Fund	Internal Service Fund - Health Insurance	3,000,000
Enterprise Fund-Extended Day Program	General Fund	1,500,000
<b>Total</b>		<b>\$ 10,023,312</b>

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

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

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

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, 2016**

**Changes in Long-term Liabilities**

Long-term liability activity for the year ended August 31, 2016 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>					
<b>Bonds Payable:</b>					
General Obligation Bonds	\$ 517,120,000	\$ -	\$ (27,640,000)	\$ 489,480,000	\$ 19,960,000
Deferred Amounts:					
For Issuance Premiums	52,677,123	-	(3,616,993)	49,060,130	-
<b>Total Bonds Payable, net</b>	<u>569,797,123</u>	<u>-</u>	<u>(31,256,993)</u>	<u>538,540,130</u>	<u>19,960,000</u>
Notes Payable	4,023,180	-	(454,250)	3,568,930	467,364
Health Insurance Claims	800,000	15,643,043	(15,437,005)	1,006,038	1,006,038
Workers' Compensation	520,982	142,916	(217,290)	446,608	446,608
Compensated Absences	1,297,830	185,074	(154,252)	1,328,652	132,865
Net Pension Liability	20,351,563	31,556,991	(7,085,487)	44,823,067	-
<b>Governmental Activity Long-term Liabilities</b>	<u>\$ 596,790,678</u>	<u>\$ 47,528,024</u>	<u>\$ (54,605,277)</u>	<u>\$ 589,713,425</u>	<u>\$ 22,012,875</u>

**General Obligation Bonds**

The District issues general obligation bonds to provide funds for the acquisition and construction/renovation of school buildings, equipment and technology (BLDG) and to refund general obligation bonds (REF). General obligation bonds are direct obligations and pledge the full faith and credit of the District. These bonds are issued as 9-25 year current interest bonds with various amounts of principal maturing each year. General obligation bonds currently outstanding as of August 31, 2016 are as follows:

<u>Series</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Maturity Date</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
2005 REF	5.25%	\$ 79,195,000	2016	\$ 6,585,000	\$ -	\$ (6,585,000)	\$ -
2008 BLDG	3.50%	121,715,000	2033	10,820,000	-	(3,785,000)	7,035,000
2010 REF	4.00-5.00%	20,420,000	2019	7,635,000	-	(1,985,000)	5,650,000
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	21,635,000	-	(785,000)	20,850,000
2012 REF	2.00-5.00%	40,765,000	2030	40,240,000	-	(1,250,000)	38,990,000
2012A REF	0.50-5.00%	38,645,000	2026	37,775,000	-	(2,590,000)	35,185,000
2014 BLDG	0.50-5.00%	212,795,000	2039	211,910,000	-	(1,995,000)	209,915,000
2014A BLDG	2.00-7.00%	49,670,000	2039	49,670,000	-	(8,665,000)	41,005,000
2014 REF	4.00-5.00%	107,275,000	2033	107,275,000	-	-	107,275,000
<b>Totals</b>				<u>\$ 517,120,000</u>	<u>\$ -</u>	<u>\$ (27,640,000)</u>	<u>\$ 489,480,000</u>

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2016**

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

<b>Year Ending August 31</b>	<b>Principal Value</b>	<b>Interest</b>	<b>Total Requirements</b>
2017	\$ 19,960,000	\$ 20,662,101	\$ 40,622,101
2018	20,285,000	19,773,426	40,058,426
2019	21,190,000	18,864,351	40,054,351
2020	19,090,000	20,444,401	39,534,401
2021	19,925,000	19,612,951	39,537,951
2022	20,855,000	18,676,201	39,531,201
2023	21,875,000	17,658,763	39,533,763
2024	22,905,000	16,628,901	39,533,901
2025	23,980,000	15,552,051	39,532,051
2026	25,275,000	14,254,557	39,529,557
2027	22,405,000	13,106,213	35,511,213
2028	23,500,000	12,039,831	35,539,831
2029	23,365,000	11,023,875	34,388,875
2030	22,455,000	10,098,800	32,553,800
2031	21,455,000	9,229,850	30,684,850
2032	22,570,000	8,409,550	30,979,550
2033	20,950,000	7,463,150	28,413,150
2034	18,105,000	6,481,150	24,586,150
2035	19,135,000	5,454,475	24,589,475
2036	20,290,000	4,297,975	24,587,975
2037	21,520,000	3,068,425	24,588,425
2038	22,465,000	1,760,475	24,225,475
2039	15,925,000	398,125	16,323,125
<b>Totals</b>	<b>\$ 489,480,000</b>	<b>\$ 274,959,597</b>	<b>\$ 764,439,597</b>

As of August 31, 2016, 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 Amount</u>	<u>Initial Rate Period Commencement</u>	<u>Initial Rate Period Expiration</u>	<u>Initial Mandatory Tender Date</u>	<u>Stated Maturity</u>	<u>Initial Rate</u>	<u>Initial Yield</u>	<u>Stepped Rate</u>
\$49,670,000	July 15, 2014	August 14, 2019	August 15, 2019	August 15, 2039	2.000%	1.700%	7.000%

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

In 2016, the District defeased \$8,665,000 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.

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2016**

Prior to August 31, 2016, 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 old bonds. Accordingly, the escrow accounts to provide for all future debt service payments are not included in the District's financial statements. At August 31, 2016, the following outstanding bonds are considered defeased:

2008	General Obligation Bonds (maturing 2019-2033, callable February 15, 2017)	\$ 96,750,000
2011A	General Obligation Bonds (maturing 2018-2026, callable February 15, 2021)	5,185,000
2014A	General Obligation Bonds (maturing 2038-2039, callable August 15, 2019)	8,665,000
		<b><u>\$ 110,600,000</u></b>

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, 2016.

**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	\$ 4,023,180	\$ -	\$ (454,250)	\$ 3,568,930
<b>Totals</b>				<b><u>\$ 4,023,180</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (454,250)</u></b>	<b><u>\$ 3,568,930</u></b>

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>
2017	\$ 467,364	\$ 103,035	\$ 570,399
2018	480,857	89,542	570,399
2019	494,739	75,660	570,399
2020	509,022	61,377	570,399
2021	523,718	46,681	570,399
2022	538,837	31,562	570,399
2023	554,393	16,006	570,399
<b>Totals</b>	<b><u>\$ 3,568,930</u></b>	<b><u>\$ 423,863</u></b>	<b><u>\$ 3,992,793</u></b>

**Note 8 - Fund Balance**

Other committed fund balance includes the following commitment of funds:

Campus Activity Funds	\$ 1,719,868
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The campus activity funds are committed to fund the programs and activities at the respective campuses that have raised those funds.

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2016**

Other assigned fund balance includes the following fund assignment:

General Fund \$ 3,000,000

The general fund assignment of \$3,000,000 was designated to balance the 2016-2017 budget.

**Note 9 - Revenues from Local and Intermediate Sources**

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

	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total</b>
Property Taxes	\$ 100,043,646	\$ 48,086,852	\$ -	\$ -	\$ 148,130,498
Charges for Services	1,559,742	-	-	5,895,218	7,454,960
Investment Earnings	227,808	78,610	1,103,644	4,538	1,414,600
Other	2,905,468	-	-	545,073	3,450,541
<b>Total</b>	<b>\$ 104,736,664</b>	<b>\$ 48,165,462</b>	<b>\$ 1,103,644</b>	<b>\$ 6,444,829</b>	<b>\$ 160,450,599</b>

**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 2015-16 fiscal year, the District maintained its monthly, medical insurance contribution of \$360 for September 2015 through December 2015 and \$375 for January 2016 through August 2016 toward the total employee's cost for the medical plans that could include coverage for a spouse, qualifying individual, child(ren) or family.

Liabilities of the self-funded employee group health insurance plan are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities also include an estimated amount for claims that have been incurred by not reported (IBNR). The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. The result of the process to estimate the claims liability is based on the District's historical experience. An excess coverage insurance policy limits claims paid from the

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**AUGUST 31, 2016**

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 2015 and 2016 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>
2015	\$ 1,267,083	\$ 12,310,734	\$ (12,777,817)	\$ 800,000
2016	800,000	15,643,043	(15,437,005)	1,006,038

**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 2015 and 2016 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>
2015	\$ 520,982	\$ 273,713	\$ (273,713)	\$ 520,982
2016	520,982	142,916	(217,290)	446,608

**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, 2016, 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, 2016**

### **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, 2016**

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83<sup>rd</sup> Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. The 83<sup>rd</sup> Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for Plan fiscal years 2014 and 2015. The 84<sup>th</sup> Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for Plan fiscal years 2016 and 2017.

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Member	\$ 7.2%	\$ 6.7%	\$ 6.4%
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 2016 are as follows:

District Contributions	\$ 3,895,873
Member Contributions	9,986,363
NECE On-behalf Contributions (State)	7,366,861

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, 2016**

**Actuarial Assumptions**

The total pension liability in the August 31, 2015 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2015
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%
Inflation	2.50%
Salary Increases Including Inflation	3.50% to 9.50%
Payroll Growth Rate	2.50%
Benefit Changes During the Year	None
Ad Hoc Post-employment Benefit Changes	None

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, 2016**

**Discount Rate**

The discount rate used to measure the total pension liability was 8.0%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 8%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2015 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>
<b>Global Equity</b>			
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%
<b>Stable Value</b>			
U.S. Treasuries	11.0%	0.7%	0.1%
Absolute Return	0.0%	1.8%	0.0%
Hedge Funds (Stable Value)	4.0%	3.0%	0.1%
Cash	1.0%	-0.2%	0.0%
<b>Real Return</b>			
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%
<b>Risk Parity</b>			
Risk Parity	5.0%	6.7%	0.3%
Inflation Expectation	-	-	2.2%
Alpha	-	-	1.0%
<b>Total</b>	<b><u>100.0%</u></b>		<b><u>8.7%</u></b>

\*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, 2016

### 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:

	<b>1% Decrease</b> <b>(7.00%)</b>	<b>Current</b> <b>Discount Rate</b> <b>(8.00%)</b>	<b>1% Increase</b> <b>(9.00%)</b>
TRS	\$ 70,229,297	\$ 44,823,067	\$ 23,661,256

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

At August 31, 2016, the District reported a liability of \$44,823,067 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	\$ 44,823,067
State's Proportionate Share of the Net Pension Liability Associated with the District	83,980,979
<b>Total</b>	<b><u>\$ 128,804,046</u></b>

The net pension liability was measured as of August 31, 2015 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, 2014 through August 31, 2015.

At August 31, 2015, the employer's proportion of the net pension liability was .1268027%, which was an increase of .0506121 from its proportion measured as of August 31, 2014.

### Changes Since the Prior Actuarial Valuation

The following are changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period:

#### Economic Assumptions

- The inflation assumption was decreased from 3.00% to 2.50%.
- The ultimate merit assumption for long-service employees was decreased from 1.25% to 1.00%.
- In accordance with the observed experience, there were small adjustments in the service-based promotional/longevity component of the salary scale.
- The payroll growth assumption was lowered from 3.50% to 2.50%.

#### Mortality Assumptions

- The post-retirement mortality tables for non-disabled retirees were updated to reflect recent TRS member experience. Mortality rates will be assumed to continue to improve in the future using a fully generational approach and Scale BB.
- The post-retirement mortality tables for disabled retirees were updated to reflect recent TRS member experience. Mortality rates will be assumed to continue to improve in the future using a fully generational approach and Scale BB.

# PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2016

- The pre-retirement mortality tables for active employees were updated to use 90% of the recently published RP-2014 mortality table for active employees. Mortality rates will be assumed to continue to improve in the future using a fully generational approach and Scale BB.

### Other Demographic Assumptions

- Previously, it was assumed 10% of all members who had contributed in the past 5 years to be an active member. This was an implicit rehire assumption because teachers have historically had a high incidence of terminating employment for a time and then returning to the workforce at a later date. This methodology was modified to add a more explicit valuation of the rehire incidence in the termination liabilities, and therefore these 10% are no longer being counted as active members.
- There were adjustments to the termination patterns for members consistent with experience and future expectations. The termination patterns were adjusted to reflect the rehire assumption. The timing of the termination decrement was also changed from the middle of the year to the beginning to match the actual pattern in the data.
- Small adjustments were made to the retirement patterns for members consistent with experience and future expectations.
- Small adjustments to the disability patterns were made for members consistent with experience and future expectations. Two separate patterns were created based on whether the member has 10 years of service or more.
- For members that become disabled in the future, it is assumed 20% of them will choose a 100% joint and survivor annuity option.

### Actuarial Methods and Policies

- The method of using celled data in the valuation process was changed to now using individual data records to allow for better reporting of some items, such as actuarial gains and losses by source.

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, 2016, the District recognized pension expense of \$15,740,939 and revenue of \$11,965,938 for support provided by the State.

At August 31, 2016, 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:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actuarial Experience	\$ 261,763	\$ 1,722,591
Changes of Assumptions	1,100,189	1,599,091
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	11,038,923	4,665,201
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions (Cost-Sharing Plan)	11,566,621	13,561
District Contribution after Measurement Date	3,895,873	-
<b>Totals</b>	<b>\$ 27,863,369</b>	<b>\$ 8,000,444</b>

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**AUGUST 31, 2016**

\$3,895,873 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, 2017. Other amounts reported as deferred outflows of resources (deferred inflows of resources) related to pensions will be recognized in pension expense as follows:

<b>Year Ending August 31:</b>	
2017	\$ 2,874,647
2018	2,874,647
2019	2,874,647
2020	4,429,714
2021	1,653,657
Thereafter	1,259,740
<i>Total</i>	<u>\$ 15,967,052</u>

**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](http://www.trs.state.tx.us) under the TRS Publications heading, by calling the TRS Communications Department at 1-800-223-8778, or by writing to the Communications Department of the Teacher Retirement System of Texas at 1000 Red River Street, Austin, Texas 78701.

**Funding Policy**

Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee and public school contributions, respectively. Funding for free basic coverage is provided by the program based upon public school district payroll. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. Funding for optional coverage is provided by those participants selecting the optional coverage. Contribution rates and amounts are shown in the table below for fiscal years 2016-2014.

**Contribution Rates and Contribution Amounts**

Year	Active Member		State		District	
	Rate	Amount	Rate	Amount	Rate	Amount
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
2014	0.65%	\$ 818,340	1.00%	\$ 1,205,843	0.55%	\$ 692,441

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.

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**

***NOTES TO THE FINANCIAL STATEMENTS***

***AUGUST 31, 2016***

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, 2016, 2015, and 2014, the subsidy payments received by TRS-Care on-behalf of the District were \$532,004, \$549,095, and \$342,479, respectively. These payments are recorded as equal revenues and expenditures in the governmental funds financial statements of the District.

**Note 14 – Nonmonetary Transactions**

During 2016, the District received textbooks purchased by the State of Texas for the benefit of the District for a purchase price of \$226,923. The District receives the textbooks as part of state funding for textbook allotment. The textbooks have been recorded in the amount of \$226,923 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**

*Exhibit E-1*

**REQUIRED SUPPLEMENTARY INFORMATION**

**GENERAL FUND**

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

**BUDGET AND ACTUAL**

**FOR THE YEAR ENDED AUGUST 31, 2016**

Data Control Codes	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	1	2	3	
	Original	Final	Actual	
<b>REVENUES</b>				
5700	\$ 99,300,000	\$ 104,050,000	\$ 104,736,664	\$ 686,664
5800	92,300,000	92,300,000	94,445,243	2,145,243
5900	5,000,000	3,500,000	4,820,806	1,320,806
5020	<u>196,600,000</u>	<u>199,850,000</u>	<u>204,002,713</u>	<u>4,152,713</u>
<b>EXPENDITURES</b>				
Current:				
0011	117,687,992	117,687,992	114,905,232	2,782,760
0012	3,046,000	3,046,000	2,843,762	202,238
0013	6,140,166	6,140,166	6,036,321	103,845
0021	3,808,867	4,108,867	3,881,461	227,406
0023	11,687,588	12,187,588	11,874,694	312,894
0031	8,310,235	8,510,235	8,384,760	125,475
0032	710,392	760,392	661,420	98,972
0033	2,765,180	2,765,180	2,527,293	237,887
0034	8,165,304	8,165,304	7,498,976	666,328
0035	128,587	328,587	171,198	157,389
0036	5,207,329	5,407,329	5,334,359	72,970
0041	4,951,382	5,051,382	4,938,347	113,035
0051	15,790,069	17,280,228	15,576,792	1,703,436
0052	2,918,111	3,118,111	2,894,216	223,895
0053	2,357,842	3,424,842	2,862,313	562,529
0061	42,500	62,500	45,935	16,565
Debt Service:				
0071	454,250	454,250	454,250	-
0072	116,150	116,150	116,149	1
Intergovernmental:				
0093	2,057,159	-	-	-
0095	30,000	30,000	18,946	11,054
0099	825,000	825,000	779,770	45,230
6030	<u>197,200,103</u>	<u>199,470,103</u>	<u>191,806,194</u>	<u>7,663,909</u>
1100	<u>(600,103)</u>	<u>379,897</u>	<u>12,196,519</u>	<u>11,816,622</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
7912	-	-	2,185	2,185
7915	1,400,000	1,400,000	1,500,000	100,000
8911	-	-	(8,523,312)	(8,523,312)
7080	<u>1,400,000</u>	<u>1,400,000</u>	<u>(7,021,127)</u>	<u>(8,421,127)</u>
1200	799,897	1,779,897	5,175,392	3,395,495
0100	36,183,505	36,183,505	36,183,505	-
3000	<u>\$ 36,983,402</u>	<u>\$ 37,963,402</u>	<u>\$ 41,358,897</u>	<u>\$ 3,395,495</u>

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

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT***Exhibit E-2***REQUIRED SUPPLEMENTARY INFORMATION****SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY****OF A COST-SHARING MULTIPLE-EMPLOYER PENSION PLAN****TEACHER RETIREMENT SYSTEM OF TEXAS (TRS)****FOR THE YEARS ENDED AUGUST 31, 2016 AND 2015\***

	<u>2016</u>	<u>2015</u>
District's Proportion of the Net Pension Liability	0.1268027%	0.0761906%
District's Proportionate Share of the Net Pension Liability	\$ 44,823,067	\$ 20,351,563
State's Proportionate Share of the Net Pension Liability Associated with the District	83,980,979	71,421,318
<b>Total</b>	<b>\$ <u>128,804,046</u></b>	<b>\$ <u>91,772,881</u></b>
District's Covered-Employee Payroll	\$ 132,269,564	\$ 125,898,401
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	33.89%	16.17%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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 statement.

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT***Exhibit E-3***REQUIRED SUPPLEMENTARY INFORMATION****SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS TO THE TEACHER RETIREMENT****SYSTEM PENSION PLAN (TRS)****FOR THE YEARS ENDED AUGUST 31, 2016 AND 2015\***

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

# **PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**

## ***NOTES TO REQUIRED SUPPLEMENTARY INFORMATION***

***AUGUST 31, 2016***

### **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, 2016.

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, 2015. 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 \$7.6 million less than final budgeted amounts. The most significant favorable functional variances were in instruction and plant maintenance and operations.

Resources available were \$4.1 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 \$5.2 million was \$3.4 million higher than the final budgeted net increase of \$1.8 million.

Differences between the originally-adopted budget and the final amended budget of the general fund were to increase appropriations \$2.3 million. The most significant changes were to increase appropriations for plant maintenance and operations and data processing services and to decrease appropriations for payments to shared service arrangements. Amendments were approved by the governing body.

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**AUGUST 31, 2016**

**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, 2015
Actuarial Cost Method	Ultimate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Open
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 YEAR ENDED AUGUST 31, 2016**

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
<b>REVENUES</b>					
5700	Local and Intermediate Sources	\$ 46,480,000	\$ 47,980,000	\$ 48,165,462	\$ 185,462
5800	State Programs	1,300,000	1,300,000	1,343,129	43,129
5020	Total Revenues	<u>47,780,000</u>	<u>49,280,000</u>	<u>49,508,591</u>	<u>228,591</u>
<b>EXPENDITURES</b>					
Debt Service:					
0071	Principal on Long-term Debt	24,175,000	27,640,000	27,640,000	-
0072	Interest on Long-term Debt	22,619,838	22,020,916	22,020,916	-
0073	Issuance Costs and Fees	13,000	246,922	34,703	212,219
6030	Total Expenditures	<u>46,807,838</u>	<u>49,907,838</u>	<u>49,695,619</u>	<u>212,219</u>
1200	Net Change in Fund Balance	972,162	(627,838)	(187,028)	440,810
0100	Fund Balance - Beginning	<u>1,734,910</u>	<u>1,734,910</u>	<u>1,734,910</u>	-
3000	<b>Fund Balance - Ending</b>	<u>\$ 2,707,072</u>	<u>\$ 1,107,072</u>	<u>\$ 1,547,882</u>	<u>\$ 440,810</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.

**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 2015 – 2016.

**Miscellaneous Local Grants**

Funds received from other local sources with restricted purposes.

**Advanced Placement Grant**

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

**Tuition Based Pre-K Fund**

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, 2016**

<u>Data Control Codes</u>	<b>206</b>	<b>211</b>
	<b>ESEA, Title X, Part C - Education for the Homeless Children and Youth</b>	<b>ESEA Title I, Part A - Improving Basic Programs</b>
	<hr/>	<hr/>
	<b>ASSETS</b>	
1110 <i>Cash and Cash Equivalents</i>	\$ -	\$ -
1120 <i>Current Investments</i>	-	-
1240 <i>Due from Other Governments</i>	4,243	284,426
1260 <i>Due from Other Funds</i>	-	48
1290 <i>Other Receivables</i>	-	-
1300 <i>Inventories, at Cost</i>	-	-
1410 <i>Prepaid Items</i>	-	1,750
1000 <b>Total Assets</b>	<b>\$ 4,243</b>	<b>\$ 286,224</b>
	<hr/>	<hr/>
	<b>LIABILITIES</b>	
2110 <i>Accounts Payable</i>	\$ 82	\$ 7,496
2160 <i>Accrued Wages Payable</i>	310	457
2170 <i>Due to Other Funds</i>	3,851	278,271
2180 <i>Due to Other Governments</i>	-	-
2300 <i>Unearned Revenues</i>	-	-
2000 <b>Total Liabilities</b>	<b>4,243</b>	<b>286,224</b>
	<hr/>	<hr/>
	<b>FUND BALANCES</b>	
Nonspendable:		
3410 <i>Inventories</i>	-	-
Restricted:		
3450 <i>Grant Funds</i>	-	-
Committed:		
3545 <i>Other</i>	-	-
3000 <b>Total Fund Balances</b>	<b>-</b>	<b>-</b>
	<hr/>	<hr/>
4000 <b>Total Liabilities and Fund Balances</b>	<b>\$ 4,243</b>	<b>\$ 286,224</b>
	<hr/>	<hr/>

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>
\$ -	\$ -	\$ 1,011,701	\$ -
-	-	1,126,716	-
289,890	2,262	282,602	-
-	-	-	-
-	-	2,547	-
-	-	44,876	-
-	-	-	-
<u>\$ 289,890</u>	<u>\$ 2,262</u>	<u>\$ 2,468,442</u>	<u>\$ -</u>
\$ 1,918	\$ -	\$ 533,798	\$ -
-	-	-	-
287,972	2,262	7,089	-
-	-	-	-
-	-	44,876	-
<u>289,890</u>	<u>2,262</u>	<u>585,763</u>	<u>-</u>
-	-	-	-
-	-	1,882,679	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>1,882,679</u>	<u>-</u>
<u>\$ 289,890</u>	<u>\$ 2,262</u>	<u>\$ 2,468,442</u>	<u>\$ -</u>

Continued

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**AUGUST 31, 2016**

<u>Data Control Codes</u>	255	263
	<b>ESEA, Title II, Part A - Teacher and Principal Training and Recruiting</b>	<b>Title III, Part A - English Language Acquisition and Language Enhancement</b>
<b>ASSETS</b>		
1110 <i>Cash and Cash Equivalents</i>	\$ -	\$ -
1120 <i>Current Investments</i>	-	-
1240 <i>Due from Other Governments</i>	62,200	37,191
1260 <i>Due from Other Funds</i>	-	-
1290 <i>Other Receivables</i>	-	-
1300 <i>Inventories, at Cost</i>	-	-
1410 <i>Prepaid Items</i>	-	1,415
1000 <b>Total Assets</b>	<b>\$ <u>62,200</u></b>	<b>\$ <u>38,606</u></b>
<b>LIABILITIES</b>		
2110 <i>Accounts Payable</i>	\$ -	\$ -
2160 <i>Accrued Wages Payable</i>	-	599
2170 <i>Due to Other Funds</i>	62,200	38,007
2180 <i>Due to Other Governments</i>	-	-
2300 <i>Unearned Revenues</i>	-	-
2000 <b>Total Liabilities</b>	<b><u>62,200</u></b>	<b><u>38,606</u></b>
<b>FUND BALANCES</b>		
Nonspendable:		
3410 <i>Inventories</i>	-	-
Restricted:		
3450 <i>Grant Funds</i>	-	-
Committed:		
3545 <i>Other</i>	-	-
3000 <b>Total Fund Balances</b>	<b><u>-</u></b>	<b><u>-</u></b>
4000 <b>Total Liabilities and Fund Balances</b>	<b>\$ <u>62,200</u></b>	<b>\$ <u>38,606</u></b>

272	286	385	392
<b>Medicaid Administrative Claiming Program - MAC</b>	<b>LEP Summer School</b>	<b>State Supplemental Visually Impaired (SSVI)</b>	<b>Noneducational Community - Based Support</b>
\$ 64,055	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	1,792
-	-	-	-
-	-	-	-
-	-	-	-
<b>\$ 64,055</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,792</b>
\$ -	\$ -	\$ -	\$ -
65	-	-	-
-	-	-	1,792
-	-	-	-
63,990	-	-	-
<u>64,055</u>	<u>-</u>	<u>-</u>	<u>1,792</u>
-	-	-	-
-	-	-	-
-	-	-	-
<b>\$ 64,055</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,792</b>

Continued

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**AUGUST 31, 2016**

<u>Data Control Codes</u>	<b>397</b>	<b>410</b>
	<b>Advanced Placement Incentives</b>	<b>State Textbook Fund</b>
<b>ASSETS</b>		
1110 <i>Cash and Cash Equivalents</i>	\$ 22,438	\$ -
1120 <i>Current Investments</i>	-	-
1240 <i>Due from Other Governments</i>	-	10,862
1260 <i>Due from Other Funds</i>	-	-
1290 <i>Other Receivables</i>	-	-
1300 <i>Inventories, at Cost</i>	-	-
1410 <i>Prepaid Items</i>	-	-
1000 <b>Total Assets</b>	<b>\$ 22,438</b>	<b>\$ 10,862</b>
<b>LIABILITIES</b>		
2110 <i>Accounts Payable</i>	\$ 746	\$ -
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>	21,692	-
2000 <b>Total Liabilities</b>	<b>22,438</b>	<b>10,862</b>
<b>FUND BALANCES</b>		
Nonspendable:		
3410 <i>Inventories</i>	-	-
Restricted:		
3450 <i>Grant Funds</i>	-	-
Committed:		
3545 <i>Other</i>	-	-
3000 <b>Total Fund Balances</b>	<b>-</b>	<b>-</b>
4000 <b>Total Liabilities and Fund Balances</b>	<b>\$ 22,438</b>	<b>\$ 10,862</b>



422	429	461	481
<u>Read to Succeed</u>	<u>Texas Fitness Grant</u>	<u>Campus Activity Funds</u>	<u>Special Projects</u>
\$ -	\$ -	\$ 1,789,675	\$ 60,340
-	-	-	-
-	18,437	-	-
-	-	8,976	-
-	-	2,253	-
-	-	846	-
-	-	-	-
<u>\$ -</u>	<u>\$ 18,437</u>	<u>\$ 1,801,750</u>	<u>\$ 60,340</u>
\$ -	\$ 355	\$ 67,164	\$ -
-	-	6,858	-
-	18,082	2,958	-
-	-	4,056	-
-	-	-	57,951
<u>-</u>	<u>18,437</u>	<u>81,036</u>	<u>57,951</u>
-	-	846	-
-	-	-	2,389
-	-	1,719,868	-
<u>-</u>	<u>-</u>	<u>1,720,714</u>	<u>2,389</u>
<u>\$ -</u>	<u>\$ 18,437</u>	<u>\$ 1,801,750</u>	<u>\$ 60,340</u>

*Continued*

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**AUGUST 31, 2016**

483

490

<u>Data Control Codes</u>	<u>STEM Grant and CTE Initiative</u>	<u>CHS Culinary Arts/Aramark</u>
<b>ASSETS</b>		
1110 <i>Cash and Cash Equivalents</i>	\$ 14,319	\$ 133
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 <b>Total Assets</b>	<u>\$ 14,319</u>	<u>\$ 133</u>
<b>LIABILITIES</b>		
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>	14,319	133
2000 <b>Total Liabilities</b>	<u>14,319</u>	<u>133</u>
<b>FUND BALANCES</b>		
Nonspendable:		
3410 <i>Inventories</i>	-	-
Restricted:		
3450 <i>Grant Funds</i>	-	-
Committed:		
3545 <i>Other</i>	-	-
3000 <b>Total Fund Balances</b>	<u>-</u>	<u>-</u>
4000 <b>Total Liabilities and Fund Balances</b>	<u>\$ 14,319</u>	<u>\$ 133</u>

491	492	495	Total Nonmajor Funds (See Exhibit B-1)
<u>Miscellaneous Local Grants</u>	<u>Advanced Placement Grant</u>	<u>Pre-K Tuition</u>	
\$ 1,700	\$ -	\$ 20,406	\$ 2,984,767
-	-	-	1,126,716
-	-	-	993,905
-	-	21,400	30,424
-	-	-	4,800
-	-	-	45,722
-	-	-	3,165
<u>\$ 1,700</u>	<u>\$ -</u>	<u>\$ 41,806</u>	<u>\$ 5,189,499</u>
\$ -	\$ -	\$ -	\$ 611,559
-	-	-	8,289
-	-	41,806	755,152
-	-	-	4,056
1,700	-	-	204,661
<u>1,700</u>	<u>-</u>	<u>41,806</u>	<u>1,583,717</u>
-	-	-	846
-	-	-	1,885,068
-	-	-	1,719,868
<u>-</u>	<u>-</u>	<u>-</u>	<u>3,605,782</u>
<u>\$ 1,700</u>	<u>\$ -</u>	<u>\$ 41,806</u>	<u>\$ 5,189,499</u>

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2016**

<b>Data Control Codes</b>	<b>206</b>	<b>211</b>
	<b>ESEA, Title X, Part C - Education for the Homeless Children and Youth</b>	<b>ESEA Title I, Part A - Improving Basic Programs</b>
<b>REVENUES</b>		
5700 <i>Local and Intermediate Sources</i>	\$ -	\$ -
5800 <i>State Programs</i>	-	-
5900 <i>Federal Programs</i>	28,636	3,715,336
5020 <b>Total Revenues</b>	<u>28,636</u>	<u>3,715,336</u>
<b>EXPENDITURES</b>		
Current:		
0011 <i>Instruction</i>	4,453	2,961,952
0012 <i>Instructional Resources and Media Services</i>	-	2,420
0013 <i>Curriculum and Instructional Staff Development</i>	-	561,448
0021 <i>Instructional Leadership</i>	939	1,556
0023 <i>School Leadership</i>	-	15,285
0031 <i>Guidance, Counseling, and Evaluation Services</i>	280	65,700
0032 <i>Social Work Services</i>	22,629	41,285
0033 <i>Health Services</i>	-	797
0034 <i>Student Transportation</i>	-	5,011
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>	335	59,882
Capital Outlay:		
0081 <i>Facilities Acquisition and Construction</i>	-	-
6030 <b>Total Expenditures</b>	<u>28,636</u>	<u>3,715,336</u>
1200 <b>Net Change in Fund Balances</b>	-	-
0100 <b>Fund Balances - Beginning</b>	-	-
3000 <b>Fund Balances - Ending</b>	<u>\$ -</u>	<u>\$ -</u>

224	225	240	244
<u>IDEA - Part B, Formula</u>	<u>IDEA - Part B, Preschool</u>	<u>National School Breakfast and Lunch Program</u>	<u>Career and Technical - Basic Grant</u>
\$ -	\$ -	\$ 4,069,860	\$ -
-	-	62,738	-
3,599,434	31,964	8,414,631	223,920
<u>3,599,434</u>	<u>31,964</u>	<u>12,547,229</u>	<u>223,920</u>
3,484,644	31,964	-	177,252
-	-	-	-
13,900	-	-	23,697
-	-	-	964
-	-	-	2,353
92,546	-	-	19,654
-	-	-	-
8,344	-	-	-
-	-	-	-
-	-	11,511,001	-
-	-	-	-
-	-	-	-
-	-	675,791	-
-	-	-	-
-	-	-	-
-	-	160,987	-
<u>3,599,434</u>	<u>31,964</u>	<u>12,347,779</u>	<u>223,920</u>
-	-	199,450	-
-	-	1,683,229	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,882,679</u>	<u>\$ -</u>

Continued

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2016**

<b>Data Control Codes</b>	<b>255</b>	<b>263</b>
	<b>ESEA, Title II, Part A - Teacher and Principal Training and Recruiting</b>	<b>Title III, Part A - English Language Acquisition and Language Enhancement</b>
<b>REVENUES</b>		
5700 <i>Local and Intermediate Sources</i>	\$ -	\$ -
5800 <i>State Programs</i>	-	-
5900 <i>Federal Programs</i>	281,405	429,024
5020 <b>Total Revenues</b>	<u>281,405</u>	<u>429,024</u>
<b>EXPENDITURES</b>		
Current:		
0011 <i>Instruction</i>	219,204	52,050
0012 <i>Instructional Resources and Media Services</i>	-	-
0013 <i>Curriculum and Instructional Staff Development</i>	62,201	370,873
0021 <i>Instructional Leadership</i>	-	1,324
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>	-	4,777
Capital Outlay:		
0081 <i>Facilities Acquisition and Construction</i>	-	-
6030 <b>Total Expenditures</b>	<u>281,405</u>	<u>429,024</u>
1200 <b>Net Change in Fund Balances</b>	-	-
0100 <b>Fund Balances - Beginning</b>	-	-
3000 <b>Fund Balances - Ending</b>	<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>
\$ -	\$ -	\$ -	\$ -
-	-	12,060	1,792
100,669	25,601	-	-
<u>100,669</u>	<u>25,601</u>	<u>12,060</u>	<u>1,792</u>
-	25,601	11,925	-
-	-	-	-
-	-	135	-
-	-	-	-
-	-	-	-
-	-	-	-
100,669	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	1,792
-	-	-	-
<u>100,669</u>	<u>25,601</u>	<u>12,060</u>	<u>1,792</u>
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Continued

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2016**

<u>Data Control Codes</u>	<b>397</b>	<b>410</b>
	<u>Advanced Placement Incentives</u>	<u>State Textbook Fund</u>
<b>REVENUES</b>		
5700 <i>Local and Intermediate Sources</i>	\$ -	\$ -
5800 <i>State Programs</i>	32,069	669,216
5900 <i>Federal Programs</i>	-	-
5020 <b>Total Revenues</b>	<u>32,069</u>	<u>669,216</u>
<b>EXPENDITURES</b>		
Current:		
0011 <i>Instruction</i>	-	669,216
0012 <i>Instructional Resources and Media Services</i>	-	-
0013 <i>Curriculum and Instructional Staff Development</i>	32,069	-
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>	-	-
Capital Outlay:		
0081 <i>Facilities Acquisition and Construction</i>	-	-
6030 <b>Total Expenditures</b>	<u>32,069</u>	<u>669,216</u>
1200 <b>Net Change in Fund Balances</b>	-	-
0100 <b>Fund Balances - Beginning</b>	-	-
3000 <b>Fund Balances - Ending</b>	<u>\$ -</u>	<u>\$ -</u>



422	429	461	481
<u>Read to Succeed</u>	<u>Texas Fitness Grant</u>	<u>Campus Activity Funds</u>	<u>Special Projects</u>
\$ -	\$ -	\$ 2,288,557	\$ 55,787
85	18,437	-	-
-	-	-	-
<u>85</u>	<u>18,437</u>	<u>2,288,557</u>	<u>55,787</u>
-	18,437	309,252	38,036
85	-	92,228	6,522
-	-	49,532	-
-	-	21	-
-	-	92,542	-
-	-	205,538	2,149
-	-	-	-
-	-	2,536	-
-	-	-	-
-	-	-	-
-	-	1,346,408	4,257
-	-	150	-
-	-	53,486	4,823
-	-	8,490	-
-	-	8,832	-
-	-	-	-
<u>85</u>	<u>18,437</u>	<u>2,169,015</u>	<u>55,787</u>
-	-	119,542	-
-	-	1,601,172	2,389
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,720,714</u>	<u>\$ 2,389</u>

Continued

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2016**

<u>Data Control Codes</u>	483	490
<u>REVENUES</u>	<u>STEM Grant and CTE Initiative</u>	<u>CHS Culinary Arts/Aramark</u>
5700 <i>Local and Intermediate Sources</i>	\$ -	\$ 9,225
5800 <i>State Programs</i>	-	-
5900 <i>Federal Programs</i>	-	-
5020 <b>Total Revenues</b>	<u>-</u>	<u>9,225</u>
 <b>EXPENDITURES</b>		
Current:		
0011 <i>Instruction</i>	-	9,225
0012 <i>Instructional Resources and Media Services</i>	-	-
0013 <i>Curriculum and Instructional Staff Development</i>	-	-
0021 <i>Instructional Leadership</i>	-	-
0023 <i>School Leadership</i>	-	-
0031 <i>Guidance, Counseling, and Evaluation Services</i>	-	-
0032 <i>Social Work Services</i>	-	-
0033 <i>Health Services</i>	-	-
0034 <i>Student Transportation</i>	-	-
0035 <i>Food Services</i>	-	-
0036 <i>Extracurricular Activities</i>	-	-
0041 <i>General Administration</i>	-	-
0051 <i>Plant Maintenance and Operations</i>	-	-
0052 <i>Security and Monitoring Services</i>	-	-
0061 <i>Community Services</i>	-	-
Capital Outlay:		
0081 <i>Facilities Acquisition and Construction</i>	-	-
6030 <b>Total Expenditures</b>	<u>-</u>	<u>9,225</u>
1200 <b>Net Change in Fund Balances</b>	-	-
0100 <b>Fund Balances - Beginning</b>	-	-
3000 <b>Fund Balances - Ending</b>	<u>\$ -</u>	<u>\$ -</u>

491	492	495	<b>Total Nonmajor Funds (See Exhibit B-2)</b>
<u>Miscellaneous Local Grants</u>	<u>Advanced Placement Grant</u>	<u>Pre-K Tuition</u>	
\$ -	\$ -	\$ 21,400	\$ 6,444,829
-	-	-	796,397
-	-	-	16,850,620
<u>-</u>	<u>-</u>	<u>21,400</u>	<u>24,091,846</u>
-	-	21,400	8,034,611
-	-	-	101,255
-	6	-	1,113,861
-	-	-	4,804
-	-	-	110,180
-	-	-	385,867
-	-	-	63,914
-	-	-	112,346
-	-	-	5,011
-	-	-	11,511,001
-	4,944	-	1,355,609
-	-	-	150
-	-	-	734,100
-	-	-	8,490
-	-	-	75,618
<u>-</u>	<u>-</u>	<u>-</u>	<u>160,987</u>
<u>-</u>	<u>4,950</u>	<u>21,400</u>	<u>23,777,804</u>
-	(4,950)	-	314,042
<u>-</u>	<u>4,950</u>	<u>-</u>	<u>3,291,740</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,605,782</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, 2016**

*Exhibit H-1*

<u>Data Control Codes</u>	<u>753</u>	<u>772</u>	<u>Total Internal Service Funds</u>
	<u>Health Insurance</u>	<u>Workers' Compensation</u>	
<b>ASSETS</b>			
Current Assets:			
1110	\$ 193,055	\$ 614,377	\$ 807,432
1120	1,000,000	429,577	1,429,577
1250	2,923	-	2,923
1260	3,000,006	-	3,000,006
1290	6,352	-	6,352
1490	260,000	57,500	317,500
	<u>4,462,336</u>	<u>1,101,454</u>	<u>5,563,790</u>
1000	<u>4,462,336</u>	<u>1,101,454</u>	<u>5,563,790</u>
<b>LIABILITIES</b>			
Current Liabilities:			
2110	391,603	13,708	405,311
2170	39	362,261	362,300
	<u>391,642</u>	<u>375,969</u>	<u>767,611</u>
Noncurrent Liabilities:			
2123	1,006,038	446,608	1,452,646
	<u>1,006,038</u>	<u>446,608</u>	<u>1,452,646</u>
2000	<u>1,397,680</u>	<u>822,577</u>	<u>2,220,257</u>
<b>NET POSITION</b>			
3900	3,064,656	278,877	3,343,533
3000	<u>\$ 3,064,656</u>	<u>\$ 278,877</u>	<u>\$ 3,343,533</u>

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2016**

*Exhibit H-2*

<u>Data Control Codes</u>	<u>753</u>	<u>772</u>	<u>Total Internal Service Funds</u>
	<u>Health Insurance</u>	<u>Workers' Compensation</u>	
<b>OPERATING REVENUES</b>			
5754 <i>Interfund Services Provided</i>	\$ 15,482,145	\$ 235,275	\$ 15,717,420
5020 Total Operating Revenues	<u>15,482,145</u>	<u>235,275</u>	<u>15,717,420</u>
<b>OPERATING EXPENSES</b>			
6100 <i>Payroll Costs</i>	17,830	-	17,830
6200 <i>Purchased and Contracted Services</i>	2,205,425	3,640	2,209,065
6300 <i>Supplies and Materials</i>	2,162	-	2,162
6400 <i>Claims Expense and Other Operating Expenses</i>	<u>16,187,373</u>	<u>233,698</u>	<u>16,421,071</u>
6030 Total Operating Expenses	<u>18,412,790</u>	<u>237,338</u>	<u>18,650,128</u>
Operating Income (Loss)	<u>(2,930,645)</u>	<u>(2,063)</u>	<u>(2,932,708)</u>
<b>NONOPERATING REVENUES</b>			
7955 <i>Investment Earnings - Deposits and Investments</i>	<u>4,278</u>	<u>2,060</u>	<u>6,338</u>
8030 Total Nonoperating Revenues	<u>4,278</u>	<u>2,060</u>	<u>6,338</u>
Income (Loss) before Transfers	(2,926,367)	(3)	(2,926,370)
7915 <i>Transfers In</i>	<u>3,000,000</u>	<u>-</u>	<u>3,000,000</u>
1300 Change in Net Position	73,633	(3)	73,630
0100 Net Position - Beginning	<u>2,991,023</u>	<u>278,880</u>	<u>3,269,903</u>
3300 <b>Net Position - Ending</b>	<u><u>\$ 3,064,656</u></u>	<u><u>\$ 278,877</u></u>	<u><u>\$ 3,343,533</u></u>



**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2016**

*Exhibit H-3*

	<b>753</b>	<b>772</b>	<b>Total</b>
	<b>Health Insurance</b>	<b>Workers' Compensation</b>	<b>Internal Service Funds</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Employee and Employer	\$ 13,982,184	\$ 274,603	\$ 14,256,787
Cash Payments for Claims	(15,840,565)	(303,777)	(16,144,342)
Cash Payments for Administrative Services	(2,225,417)	(3,640)	(2,229,057)
Net Cash Used for Operating Activities	<u>(4,083,798)</u>	<u>(32,814)</u>	<u>(4,116,612)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers from Other Funds	3,000,000	-	3,000,000
Net Cash Provided by Noncapital Financing Activities	<u>3,000,000</u>	<u>-</u>	<u>3,000,000</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and Dividends Received on Investments	1,437	2,060	3,497
Purchase of Investments	-	(12,029)	(12,029)
Net Cash Provided by (Used for) Investing Activities	<u>1,437</u>	<u>(9,969)</u>	<u>(8,532)</u>
Net Decrease in Cash and Cash Equivalents	(1,082,361)	(42,783)	(1,125,144)
Cash and Cash Equivalents at Beginning of Year	1,275,416	657,160	1,932,576
<b>Cash and Cash Equivalents at End of Year</b>	<b><u>\$ 193,055</u></b>	<b><u>\$ 614,377</u></b>	<b><u>\$ 807,432</u></b>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED FOR OPERATING ACTIVITIES:</b>			
Operating Loss	\$ (2,930,645)	\$ (2,063)	\$ (2,932,708)
Change in Assets and Liabilities:			
Increase in Other Receivables	(1,854)	-	(1,854)
Increase in Due from Other Funds	(1,500,000)	-	(1,500,000)
Decrease in Prepaid Items	114,990	-	114,990
Increase in Accounts Payable	27,634	4,295	31,929
Increase (Decrease) in Claims Payable	206,038	(74,374)	131,664
Increase in Due to Other Funds	39	39,328	39,367
<b>Net Cash Used for Operating Activities</b>	<b><u>\$ (4,083,798)</u></b>	<b><u>\$ (32,814)</u></b>	<b><u>\$ (4,116,612)</u></b>

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**Fiduciary Fund**

*Agency Fund*

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

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**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FIDUCIARY FUND**  
**FOR THE YEAR ENDED AUGUST 31, 2016**

*Exhibit I-1*

<b>Data Control Codes</b>		<b>Beginning Balance 9/1/15</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance 8/31/16</b>
<b>ASSETS</b>					
1110	<i>Cash and Cash Equivalents</i>	\$ 367,536	\$ 1,272,036	\$ 1,218,602	\$ 420,970
1240	<i>Due from Other Governments</i>	75	-	75	-
1000	Total Assets	<u>\$ 367,611</u>	<u>\$ 1,272,036</u>	<u>\$ 1,218,677</u>	<u>\$ 420,970</u>
<b>LIABILITIES</b>					
2110	<i>Accounts Payable</i>	\$ 6,340	\$ 145,895	\$ 143,659	\$ 8,576
2180	<i>Due to Other Governments</i>	19,356	107,666	84,939	42,083
2190	<i>Due to Student Groups</i>	341,915	1,308,524	1,280,128	370,311
2000	Total Liabilities	<u>\$ 367,611</u>	<u>\$ 1,562,085</u>	<u>\$ 1,508,726</u>	<u>\$ 420,970</u>

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF DELINQUENT TAXES RECEIVABLE**  
**FOR THE YEAR ENDED AUGUST 31, 2016**

<u>Year Ended August 31</u>	<u>Tax Rates</u>		<u>3 Net Assessed/Appraised Value For School Tax Purposes</u>
	<u>1</u>	<u>2</u>	
	<u>Maintenance</u>	<u>Debt Service</u>	
2007 and Prior Years	\$ Various	\$ Various	\$ Various
2008	1.04	0.43	6,602,774,490
2009	1.04	0.42	7,230,322,945
2010	1.04	0.42	7,460,985,822
2011	1.04	0.42	7,200,603,973
2012	1.04	0.44	7,151,132,095
2013	1.04	0.50	7,294,605,195
2014	1.04	0.50	7,744,462,403
2015	1.04	0.50	8,712,782,857
2016	1.04	0.50	9,672,047,532
<b>1000 Totals</b>			

<b>10</b>	<b>20</b>	<b>31</b>	<b>32</b>	<b>40</b>	<b>50</b>
<b>Beginning</b>	<b>Current</b>	<b>Maintenance</b>	<b>Debt Service</b>	<b>Entire</b>	<b>Ending</b>
<b>Balance</b>	<b>Year's</b>	<b>Collections</b>	<b>Collections</b>	<b>Year's</b>	<b>Balance</b>
<b>9/1/15</b>	<b>Total Levy</b>			<b>Adjustments</b>	<b>8/31/16</b>
\$ 1,905,809	\$ -	\$ 17,131	\$ 4,031	\$ (3,060)	\$ 1,881,587
129,338	-	2,536	1,049	(135)	125,618
209,883	-	4,241	1,713	(19)	203,910
176,993	-	(4,585)	(1,852)	(10,142)	173,288
204,653	-	30,664	12,385	22,320	183,924
301,009	-	44,361	18,768	30,552	268,432
310,662	-	53,930	25,931	36,466	267,267
443,690	-	123,058	59,169	42,934	304,397
727,105	-	204,588	98,370	(83,122)	341,025
-	148,949,532	99,190,396	47,687,690	(1,262,116)	809,330
<b>\$ 4,409,142</b>	<b>\$ 148,949,532</b>	<b>\$ 99,666,320</b>	<b>\$ 47,907,254</b>	<b>\$ (1,226,322)</b>	<b>\$ 4,558,778</b>

**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 YEAR ENDED AUGUST 31, 2016**

Data Control Codes	1		2		3		Variance with Final Budget Positive (Negative)
	Budgeted Amounts				Actual		
	Original	Final					
<b>REVENUES</b>							
5700	<i>Local and Intermediate Sources</i>	\$ 4,287,600	\$ 4,287,600	\$ 4,069,860	\$ (217,740)		
5800	<i>State Programs</i>	65,000	65,000	62,738	(2,262)		
5900	<i>Federal Programs</i>	8,198,489	8,198,489	8,414,631	216,142		
5020	Total Revenues	<u>12,551,089</u>	<u>12,551,089</u>	<u>12,547,229</u>	<u>(3,860)</u>		
<b>EXPENDITURES</b>							
Current:							
0035	<i>Food Services</i>	11,661,611	11,970,611	11,511,001	459,610		
0051	<i>Plant Maintenance and Operations</i>	477,182	736,643	675,791	60,852		
Capital Outlay:							
0081	<i>Facilities Acquisition and Construction</i>	-	281,000	160,987	120,013		
Intergovernmental:							
0093	<i>Payments to Shared Services Arrangements</i>	259,461	-	-	-		
6030	Total Expenditures	<u>12,398,254</u>	<u>12,988,254</u>	<u>12,347,779</u>	<u>640,475</u>		
1200	Net Change in Fund Balance	152,835	(437,165)	199,450	636,615		
0100	Fund Balance - Beginning	1,683,229	1,683,229	1,683,229	-		
3000	<b>Fund Balance - Ending</b>	<u>\$ 1,836,064</u>	<u>\$ 1,246,064</u>	<u>\$ 1,882,679</u>	<u>\$ 636,615</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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Governmental Activities:</b>					
Net Investment in Capital Assets	\$ 74,971,698	\$ 63,674,882	\$ 57,716,900	\$ 39,651,143	\$ 31,823,815
Restricted	3,686,881	3,581,479	4,493,919	2,833,628	2,553,638
Unrestricted	23,416,244	21,755,040	40,142,710	43,425,207	39,734,667
<b>Total Governmental Activities Net Position</b>	<b><u>\$ 102,074,823</u></b>	<b><u>\$ 89,011,401</u></b>	<b><u>\$ 102,353,529</u></b>	<b><u>\$ 85,909,978</u></b>	<b><u>\$ 74,112,120</u></b>
<b>Business-type Activities:</b>					
Net Investment in Capital Assets	\$ 73,472	\$ 77,056	\$ 80,640	\$ -	\$ 87,808
Unrestricted	163,190	160,317	65,344	189,862	(14,204)
<b>Total Business-type Activities Net Position</b>	<b><u>\$ 236,662</u></b>	<b><u>\$ 237,373</u></b>	<b><u>\$ 145,984</u></b>	<b><u>\$ 189,862</u></b>	<b><u>\$ 73,604</u></b>
<b>Primary Government:</b>					
Net Investment in Capital Assets	\$ 75,045,170	\$ 63,751,938	\$ 57,797,540	\$ 39,651,143	\$ 31,911,623
Restricted	3,686,881	3,581,479	4,493,919	2,833,628	2,553,638
Unrestricted	23,579,434	21,915,357	40,208,054	43,615,069	39,720,463
<b>Total Primary Government Net Position</b>	<b><u>\$ 102,311,485</u></b>	<b><u>\$ 89,248,774</u></b>	<b><u>\$ 102,499,513</u></b>	<b><u>\$ 86,099,840</u></b>	<b><u>\$ 74,185,724</u></b>

*Table 1*

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

# PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

## CHANGES IN NET POSITION

### LAST TEN FISCAL YEARS

#### (ACCRUAL BASIS OF ACCOUNTING)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Expenses</b>					
Governmental Activities:					
Instruction	\$ 140,567,674	\$ 128,212,451	\$ 122,256,562	\$ 114,690,363	\$ 109,251,840
Instructional Resources and Media Services	3,584,223	3,277,760	3,389,564	3,220,656	3,279,662
Curriculum and Instructional Staff Development	7,723,707	7,275,734	6,899,437	5,832,985	6,335,867
Instructional Leadership	4,212,433	2,536,160	2,591,939	2,351,868	2,219,164
School Leadership	13,155,038	11,642,765	11,399,172	10,831,744	10,173,649
Guidance, Counseling, and Evaluation Services	9,325,728	7,818,428	7,478,095	6,965,991	6,576,716
Social Work Services	778,068	665,804	642,344	539,198	501,903
Health Services	2,785,555	2,428,883	2,175,192	1,939,741	1,899,532
Student Transportation	7,543,509	8,457,815	8,253,644	7,688,544	7,104,168
Food Services	12,447,702	12,324,547	12,125,168	12,009,734	11,264,856
Extracurricular Activities	8,443,556	7,804,164	7,283,955	7,194,257	6,838,249
General Administration	5,268,966	4,110,257	4,185,979	3,705,361	3,643,282
Plant Maintenance and Operations	25,869,002	18,611,278	14,801,261	12,624,898	12,636,964
Security and Monitoring Services	3,630,611	5,262,884	3,165,308	2,758,741	2,708,046
Data Processing Services	5,425,964	8,227,751	4,341,709	3,878,344	3,394,096
Community Services	173,598	103,863	87,933	124,220	134,188
Interest on Long-term Debt & Bond Fees	19,862,534	20,542,013	18,298,857	14,493,953	14,439,419
Issuance Costs and Fees	34,703				
Facilities Repair and Maintenance	173,414	-	-	-	2,277,256
Payments Related to Shared Service Arrangements	-	2,314,664	2,204,665	2,092,300	1,810,439
Payments to Juvenile Justice Alternative Ed. Program	18,946	1,892	1,978	-	15,319
Payments to Appraisal District	779,770	722,627	599,885	577,357	466,306
<b>Total Governmental Activities Expenses</b>	<u>271,804,701</u>	<u>252,341,740</u>	<u>232,182,647</u>	<u>213,520,255</u>	<u>206,970,921</u>
Business-type Activities:					
Extended Day Program	2,314,571	2,296,403	2,165,603	1,959,222	1,648,334
<b>Total Primary Government Expenses</b>	<u>274,119,272</u>	<u>254,638,143</u>	<u>234,348,250</u>	<u>215,479,477</u>	<u>208,619,255</u>
<b>Program Revenues</b>					
Governmental Activities:					
Charges for Services:					
Instruction	1,079,399	1,028,362	1,080,924	1,104,995	908,105
Food Services	3,975,638	3,937,867	3,910,949	4,238,437	3,890,454
Extracurricular Activities	1,895,244	1,696,779	2,030,827	1,456,031	1,537,818
Other Activities	504,679	493,471	555,887	800,795	928,113
Operating Grants and Contributions	33,706,817	27,167,670	30,227,697	27,680,515	33,479,272
<b>Total Primary Government Governmental Activities Program Revenues</b>	<u>41,161,777</u>	<u>34,324,149</u>	<u>37,806,284</u>	<u>35,280,773</u>	<u>40,743,762</u>
Business-type Activities:					
Charges for Services	3,813,860	3,787,792	3,321,725	2,775,480	2,154,516
<b>Total Primary Government Program Revenues</b>	<u>44,975,637</u>	<u>38,111,941</u>	<u>41,128,009</u>	<u>38,056,253</u>	<u>42,898,278</u>
<b>Net (Expense)/Revenue</b>					
<b>Total Primary Government Net Expense</b>	<u>\$ (229,143,635)</u>	<u>\$ (216,526,202)</u>	<u>\$ (193,220,241)</u>	<u>\$ (177,423,224)</u>	<u>\$ (165,720,977)</u>

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

# PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

## CHANGES IN NET POSITION

### LAST TEN FISCAL YEARS

#### (ACCRUAL BASIS OF ACCOUNTING)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental Activities:					
Property Taxes, Levied for General Purposes	\$ 100,136,037	\$ 90,263,484	\$ 80,406,030	\$ 75,700,506	\$ 74,620,548
Property Taxes, Levied for Debt Service	48,142,601	43,403,630	38,628,467	36,425,476	31,339,637
Grants and Contributions Not Restricted to Specific Prog.	92,312,300	91,045,377	89,749,248	76,832,576	74,534,585
Investment Earnings	1,420,938	1,619,602	287,320	236,966	475,331
Miscellaneous	194,470	1,777	548,849	295,589	272,522
Transfers	1,500,000	1,400,000	1,200,000	700,000	400,000
Special Item - Gain on Sale of Asset	-	-	-	-	-
<b>Total Governmental Activities General Revenues</b>	<u>243,706,346</u>	<u>227,733,870</u>	<u>210,819,914</u>	<u>190,191,113</u>	<u>181,642,623</u>
Business-type Activities:					
Transfers	(1,500,000)	(1,400,000)	(1,200,000)	(700,000)	(400,000)
<b>Total Business-type Activities General Revenues</b>	<u>(1,500,000)</u>	<u>(1,400,000)</u>	<u>(1,200,000)</u>	<u>(700,000)</u>	<u>(400,000)</u>
<b>Total Primary Government General Revenues</b>	<u>\$ 242,206,346</u>	<u>\$ 226,333,870</u>	<u>\$ 209,619,914</u>	<u>\$ 189,491,113</u>	<u>\$ 181,242,623</u>
<b>Change in Net Position</b>					
Governmental Activities	13,063,422	9,716,279	16,443,551	11,951,631	15,415,464
Business-type Activities	(711)	91,389	(43,878)	116,258	106,182
<b>Total Change in Net Position</b>	<u>\$ 13,062,711</u>	<u>\$ 9,807,668</u>	<u>\$ 16,399,673</u>	<u>\$ 12,067,889</u>	<u>\$ 15,521,646</u>



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

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>General Fund</b>					
Nonspendable:					
Investment in Inventories	\$ 335,941	\$ 268,390	\$ 257,734	\$ 328,717	\$ 379,652
Prepaid Items	462,001	159,852	605,467	215,032	145,746
Assigned:					
Other Purposes	3,000,000	1,753,000	-	7,411,000	3,500,000
Unassigned	<u>37,560,955</u>	<u>34,002,263</u>	<u>33,284,754</u>	<u>27,960,681</u>	<u>26,586,007</u>
<b>Total General Fund</b>	<b>\$ <u>41,358,897</u></b>	<b>\$ <u>36,183,505</u></b>	<b>\$ <u>34,147,955</u></b>	<b>\$ <u>35,915,430</u></b>	<b>\$ <u>30,611,405</u></b>
 <b>All Other Governmental Funds</b>					
Nonspendable:					
Investment in Inventories	\$ 846	\$ 525	\$ 235	\$ -	\$ -
Prepaid Items	-	8,487	21,802	42,885	125,537
Restricted:					
Grant Funds	1,885,068	1,690,568	1,853,342	-	-
Land Acquisitions and Construction Projects	154,984,692	254,347,893	285,595,606	24,883,326	44,268,455
Debt Service	1,547,882	1,734,910	4,466,719	2,487,587	2,291,476
Committed:					
Other	1,719,868	1,598,142	1,489,908	2,838,321	2,638,972
Assigned:					
Construction	-	-	2,000,000	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total All Other Governmental Funds</b>	<b>\$ <u>160,138,356</u></b>	<b>\$ <u>259,380,525</u></b>	<b>\$ <u>295,427,612</u></b>	<b>\$ <u>30,252,119</u></b>	<b>\$ <u>49,324,440</u></b>

Source: District Financial Statements

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

**Table 3**

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

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>REVENUES</b>					
Local, Intermediate, and Out-of-State	\$ 160,450,599	\$ 143,676,672	\$ 127,821,531	\$ 120,887,281	\$ 112,740,450
State Programs	96,584,769	98,021,636	99,036,883	85,211,438	85,904,547
Federal Programs	21,671,426	20,160,051	20,107,976	18,651,369	21,840,457
Total Revenues	<u>278,706,794</u>	<u>261,858,359</u>	<u>246,966,390</u>	<u>224,750,088</u>	<u>220,485,454</u>
<b>EXPENDITURES</b>					
Current:					
Instruction	127,255,699	123,740,099	116,478,605	110,756,591	105,862,543
Instructional Resources and Media Services	2,988,148	2,875,971	2,975,983	2,860,617	2,938,099
Curriculum and Instructional Staff Development	7,333,543	7,345,669	6,877,859	5,847,046	6,347,636
Instructional Leadership	3,886,265	2,509,428	2,581,667	2,365,694	2,227,204
School Leadership	12,083,090	11,446,734	11,068,572	10,600,647	9,931,249
Guidance, Counseling, and Evaluation Services	8,770,627	7,842,773	7,379,415	6,893,336	6,361,976
Social Work Services	725,334	667,386	637,085	557,922	502,321
Health Services	2,639,639	2,450,887	2,169,405	1,945,694	1,903,195
Student Transportation	7,503,987	8,424,783	8,216,930	7,654,405	7,059,718
Food Services	11,767,094	11,533,728	11,344,939	11,299,912	10,564,654
Extracurricular Activities	6,749,065	6,330,540	6,013,686	5,948,147	5,559,113
General Administration	4,938,497	4,034,743	4,078,109	3,623,407	3,548,814
Plant Maintenance and Operations	29,458,394	23,532,248	14,588,098	13,052,981	12,498,011
Security and Monitoring Services	3,522,895	4,803,572	2,632,346	2,406,386	2,300,852
Data Processing Services	4,470,662	9,236,604	4,412,056	3,622,916	5,342,106
Community Services	121,553	63,951	80,221	118,474	136,429
Debt Service:					
Principal on Long-term Debt	28,094,250	22,751,503	26,527,140	18,160,000	15,960,000
Interest on Long-term Debt	22,137,065	24,561,224	14,015,393	14,181,497	15,572,477
Issuance Costs and Fees	34,703	41,165	2,798,677	345,281	681,314
Capital Outlay:					
Facilities Acquisition and Construction	85,996,530	18,540,484	26,809,125	14,069,207	28,613,772
Intergovernmental:					
Payments Related to Shared Services Arrange.	-	2,314,664	2,204,665	2,092,300	1,810,439
Payments to Juvenile Justice Alt. Ed. Prgm.	18,946	1,892	1,978	-	15,319
Payments to Appraisal District	779,770	722,627	599,885	577,357	466,306
Total Expenditures	<u>371,275,756</u>	<u>295,772,675</u>	<u>274,491,839</u>	<u>238,979,817</u>	<u>246,203,547</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(92,568,962)</u>	<u>(33,914,316)</u>	<u>(27,525,449)</u>	<u>(14,229,729)</u>	<u>(25,718,093)</u>

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

*Continued*

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	<u>2016 (1)</u>	<u>2015 (1)</u>	<u>2014 (1)</u>	<u>2013</u>	<u>2012</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Refunding Bonds Issued	\$ -	\$ -	\$ 107,275,000	\$ 38,645,000	\$ 68,935,000
Issuance of Capital Related Debt (Regular Bonds)	-	-	262,465,000	-	-
Premium/Discount from Issuance of Bonds	-	-	41,102,494	5,994,931	8,209,802
Non-current Loan Proceeds	-	-	-	4,926,823	-
Sale of Real and Personal Property	2,185	2,779	11,596	-	-
Other Sources (Uses)	-	-	(45,175)	(2,600)	(3,000)
Transfers In	7,023,312	4,400,000	3,695,493	811,499	400,000
Transfers Out	(8,523,312)	(4,500,000)	(2,495,493)	(111,499)	(2,000,000)
Payment to Refunded Bond Escrow Agent	-	-	(121,075,448)	(49,802,721)	(76,856,865)
<b>Total Other Financing Sources (Uses)</b>	<u>(1,497,815)</u>	<u>(97,221)</u>	<u>290,933,467</u>	<u>461,433</u>	<u>(1,315,063)</u>
Special Items (Uses)	-	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>\$ <u>(94,066,777)</u></b>	<b>\$ <u>(34,011,537)</u></b>	<b>\$ <u>263,408,018</u></b>	<b>\$ <u>(13,768,296)</u></b>	<b>\$ <u>(27,033,156)</u></b>
<b>Debt Service (Principal and Interest) Expenditures as a Percentage of Noncapital Expenditures</b>	18.00%	17.57%	16.49%	14.54%	14.80%

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

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

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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		
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
2007	5,474,463,029	1,547,238,633	1,278,540,063	5,743,161,599	1.6800

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**

<b>Taxing Authority</b>	<b>2016 (3)</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>Overlapping Rates:</b>					
Austin, City of	\$ 0.4418	\$ 0.4589	\$ 0.4809	\$ 0.5027	\$ 0.4811
Austin Community College District	0.1020	0.1005	0.0942	0.0949	-
Kelly Lane WCID #1	0.9500	0.9500	0.9500	0.9500	0.9500
Kelly Lane WCID #2	0.9500	-	-	-	-
Lakeside MUD #3	0.8400	0.8470	0.8775	0.9000	0.9000
Lakeside WCID #2D	0.9700	0.9700	0.9700	0.9700	0.9700
Lakeside WCID #1	0.7500	0.8000	0.8000	0.8500	0.9000
Lakeside WCID #2B	0.9700	0.9700	0.9700	0.9700	0.9700
Lakeside WCID #2C	0.9700	0.9700	0.9700	0.9700	0.9700
Northeast Travis County UD	0.7800	0.8610	0.8760	0.8993	0.8993
Northtown MUD	0.7075	0.7220	0.7360	0.7500	0.7500
Pflugerville, City of	0.5399	0.5405	0.5336	0.5736	0.5990
Travis County	0.3838	0.4169	0.4563	0.4946	0.4855
Travis Co. Healthcare District	0.1105	0.1178	0.1264	0.1290	-
Travis County Emergency Service #2	0.1000	0.1000	0.0982	0.1000	0.1000
Travis County MUD #15	0.6700	0.3325	0.3325	0.3325	0.3325
Travis County MUD #17	0.9500	0.9500	-	-	-
Wells Branch MUD	0.3873	0.3900	0.4300	0.4600	0.4700
Williamson County	0.4365	0.4415	0.4465	0.4490	0.4600
Williamson Co. Water, Sewer, Irrigation and DD #3	0.7230	0.7306	0.8082	0.8150	0.8150
<b>Total Overlapping Rates</b>	<b>\$ 12.7323</b>	<b>\$ 11.6692</b>	<b>\$ 10.9563</b>	<b>\$ 11.2106</b>	<b>\$ 11.0524</b>
<b>District Direct Rates:</b>					
Pflugerville ISD					
Maintenance and Operations	\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.0400
Debt Service	0.5000	0.5000	0.5000	0.5000	0.4400
<b>Total District Direct Rates</b>	<b>\$ 1.5400</b>	<b>\$ 1.5400</b>	<b>\$ 1.5400</b>	<b>\$ 1.5400</b>	<b>\$ 1.4800</b>

Source: The Municipal Advisory Council of Texas

- 1) Data for Kelly Lane WCID #1, Lakeside MUD #3, and Lakeside WCID #2D not available prior to 2008
- 2) Data for Williamson County not available prior to 2011
- 3) Data for Kelly Lane WCID #2 not available prior to 2016

**Table 6**

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

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

*Table 7*

Taxpayer	2016			2007		
	Assessed Value	Rank	Percentage of Total Assessed Value	Assessed Value	Rank	Percentage of Total Assessed Value
Dell Inc	\$ 128,707,408	1	1.36%	\$ 180,705,098	1	3.15%
A-S 93 SH 130-SH 45 LP	125,523,839	2	1.33%			
Oracle USA Inc	108,649,323	3	1.15%	86,377,213	3	1.50%
Realty Associates Fund IX LP The	63,405,424	4	0.67%			
Parmer Tech Ridge LLC	62,077,143	5	0.66%			
TX13 Austin LLC	59,031,646	6	0.62%			
BRE MF Stone Hill LLC	53,998,600	7	0.57%			
San Paloma Apartments 100 LP	53,026,000	8	0.56%			
Sage Creek-Audubon LLC	47,000,000	9	0.50%			
CL Tech Ridge LP & Tech Ridge LA Partners	45,769,047	10	0.48%			
Dell USA LP				175,562,596	2	3.06%
DDR DB Tech Ventures LP				57,697,000	4	1.00%
TXU Electric Delivery Co				36,771,350	5	0.64%
MBS-SAGE Creek				36,177,840	6	0.63%
Zavala Properties II, Inc.				35,751,000	7	0.62%
Tech Ridge Phase I LP				26,871,714	8	0.47%
Braker Industrial Portfolio Ltd.				25,911,593	9	0.45%
Riverhorse Equities LTD				24,510,917	10	0.43%
<b>TOTALS</b>	<b>\$ 747,188,430</b>		<b>7.90%</b>	<b>\$ 686,336,321</b>		<b>11.95%</b>
<b>TOTAL ASSESSED VALUE</b>	<b>\$ 9,459,620,199</b>			<b>\$ 5,743,161,599</b>		

Source: Travis Central Appraisal District.

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

*Table 8*

<b>Fiscal Year</b>	<b>Tax Levy For The Fiscal Year (1)</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections In Subsequent Years</b>	<b>Total Collections to Date (Including 60 Day Accrual)</b>	
		<b>Amount</b>	<b>Percentage of Net Tax Levy</b>		<b>Amount</b>	<b>Percent of Total Tax Collections To Net Tax Levy</b>
2016	\$ 147,687,416	\$ 146,878,086	99.45%	\$ -	\$ 146,878,086	99.45%
2015	133,600,917	132,956,934	99.52%	302,958	133,259,892	99.74%
2014	118,574,123	117,925,201	99.45%	344,525	118,269,726	99.74%
2013	111,422,118	111,106,176	99.72%	48,675	111,154,851	99.76%
2012	105,431,271	104,531,967	99.15%	630,872	105,162,839	99.75%
2011	104,348,572	103,466,286	99.15%	698,362	104,164,648	99.82%
2010	108,150,923	107,041,100	98.97%	936,535	107,977,635	99.84%
2009	104,260,138	103,367,737	99.14%	688,491	104,056,228	99.80%
2008	95,712,835	95,563,864	99.84%	23,353	95,587,217	99.87%
2007	98,026,160	97,306,560	99.27%	617,440	97,924,000	99.90%

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

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

*Table 9*

<b>Fiscal Year</b>	<b>Governmental Activities</b>			<b>Ratio of Debt to Assessed Value (1)</b>	<b>Debt Per Student (2)</b>
	<b>General Obligation Bonds</b>	<b>Capital Leases/Notes Payable</b>	<b>Total Primary Government</b>		
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
2007	292,665,776	-	292,665,776	5.10%	15,745

(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>
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
2007	292,665,776	1,845,631	290,820,145	5.06%	15,646

(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, 2016**

*Table 11*

Taxing Body	Gross Debt Amount	Outstanding As of	Percent Overlapping	Share of Debt
<i>Overlapping:</i>				
City of Austin	\$ 1,442,619,994	08/31/16	3.17%	\$ 45,731,054
Austin Community College District	304,153,659	08/31/16	2.24%	6,813,042
Kelly Lane WCID #1	16,410,000	08/31/16	100.00%	16,410,000
Kelly Lane WCID #2	3,300,000	08/31/16	100.00%	3,300,000
Lakeside MUD #3	12,630,000	08/31/16	100.00%	12,630,000
Lakeside WCID #1	4,660,000	08/31/16	100.00%	4,660,000
Lakeside WCID #2-B	8,435,000	08/31/16	100.00%	8,435,000
Lakeside WCID #2-C	8,825,000	08/31/16	100.00%	8,825,000
Lakeside WCID #2D	9,395,000	08/31/16	100.00%	9,395,000
Northeast Travis County UD	19,265,000	08/31/16	100.00%	19,265,000
Northtown MUD	23,345,000	08/31/16	100.00%	23,345,000
City of Pflugerville	222,765,000	08/31/16	100.00%	222,765,000
Travis County	707,826,497	08/31/16	6.84%	48,415,332
Travis County Emergency Service #2	170,000	08/31/16	100.00%	170,000
Travis Co Healthcare District	11,355,000	08/31/16	6.84%	776,682
Travis County MUD #15	15,225,000	08/31/16	100.00%	15,225,000
Travis County MUD #17	5,100,000	08/31/16	100.00%	5,100,000
Wells Branch MUD	290,000	08/31/16	37.04%	107,416
Williamson County	931,599,942	08/31/16	16.12%	150,173,911
Williamson Co. Water, Sewer, Irrigation and DD #3	32,970,000	08/31/16	14.83%	4,889,451
<b>Total Net Overlapping Debt</b>				<b>606,431,888</b>
<u>Direct</u>				
<b>Pflugerville ISD</b>	538,540,130	08/31/16	100.0%	538,540,130
<b>TOTAL NET OVERLAPPING AND DIRECT DEBT</b>				<b>\$ 1,144,972,018</b>

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*

<b>Fiscal Year</b>	<b>Residential Units (1)</b>	<b>Total Assessed Value of Residential Units (2)</b>	<b>Average Assessed Value Per Residential Unit</b>	<b>Average Daily Attendance (3)</b>	<b>Unemployment Rate (4)</b>
2015-16	37,571	\$ 7,511,905,364	\$ 199,939	22,733	3.6%
2014-15	36,395	6,552,264,664	180,032	22,621	3.5%
2013-14	35,500	5,745,745,609	161,852	22,238	4.6%
2012-13	34,745	5,375,057,344	154,700	22,032	5.6%
2011-12	34,069	5,419,191,612	159,065	21,771	6.4%
2010-11	33,455	5,416,319,648	161,899	21,400	7.6%
2009-10	32,846	5,528,542,649	168,317	20,717	7.3%
2008-09	32,166	5,193,604,881	161,463	20,336	7.3%
2007-08	30,925	4,670,793,854	151,036	19,480	4.4%
2006-07	29,630	4,192,599,530	141,498	18,588	4.0%

- (1) Source: Travis County Appraisal District Certified Totals, October supplement Residential Units include: Single Family Residences, Multifamily Residences and Mobile Homes.
- (2) Source: Travis Central Appraisal District
- (3) Source: Texas Education Agency
- (4) Source: U.S. Bureau of Labor Statistics, July, Not Seasonally Adjusted

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

*Table 13*

<u>Employer</u>	<u>2016</u>			<u>2007</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	3,000	1	0.28%	1,905	2	0.24%
City of Pflugerville	310	2	0.03%	200	7	0.03%
Mtech (3)	265	3	0.02%	-	-	-
Wal-Mart	265	4	0.02%	-	-	-
HEB Grocery	220	5	0.02%	400	6	0.05%
Target (1)	192	6	0.02%	-	-	-
Home Depot	145	7	0.01%	-	-	-
FedEx (3)	120	8	0.01%	-	-	-
Austin Foam Plastics	110	9	0.01%	180	9	0.02%
Avant Technologies	85	10	0.01%	-	-	-
Dell Computer Corp.	-	-	-	18,000	1	2.25%
Samsung	-	-	-	1,117	3	0.14%
Sears TeleServ	-	-	-	650	4	0.08%
Compaq Computers	-	-	-	500	5	0.06%
Durham School Services	-	-	-	200	8	0.03%
Lonestar Infrastructure	-	-	-	150	10	0.02%
<b>Total Employed per Top Ten Employers</b>	<b><u>4,712</u></b>		<b><u>0.44%</u></b>	<b><u>23,302</u></b>		<b><u>2.92%</u></b>
<b>Total Employed (2)</b>	<b><u>1,069,800</u></b>			<b><u>798,734</u></b>		

Sources: Pflugerville Community Development Corp and PISD Business Office

- 1) Updated data for 2016 unavailable for this employer. Number of employees from 2011 used.
- 2) See Table 14 for total employed.
- 3) Updated data for 2016 unavailable for this employer. Number of employees from 2015 used.

# PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

## DEMOGRAPHIC STATISTICS

### LAST TEN YEARS

<b>Fiscal Year</b>	<b>(A) Estimated School District Population</b>	<b>(B) Area Population</b>	<b>(C) Personal Income</b>	<b>(D) Per Capita Personal Income</b>	<b>(E) Labor Force</b>	<b>(E) Employment</b>
2016	-	-	\$ -	\$ -	1,108,900	1,069,800
2015	136,289	2,000,860	-	-	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
2007	82,389	1,577,856	59,924,200,000	37,978	831,964	798,734

(A) U.S. Census Bureau. 2016 data unavailable.

(B) American Community Survey. Data for 2016 unavailable.

(C) Personal Income provided by TRACER, MSA 2000. Data for 2015 and 2016 unavailable.

(D) 2007-2010 data from Bureau of Economic Analysis. Data for 2015 and 2016 unavailable.

(E) Bureau of Labor Statistics

*Table 14*

<b>(E)</b>	<b>(E)</b>	<b>(E)</b>	<b>(E)</b>	<b>(E)</b>	<b>(E)</b>
<b>Unemployment</b>	<b>Percent Unemployment</b>	<b>Construction</b>	<b>Manufacturing</b>	<b>Trades</b>	<b>Government</b>
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
33,230	4.0%	45,700	59,200	131,900	154,000

# PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

## FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY POSITION

### LAST TEN FISCAL YEARS

<u>POSITION</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Teachers:</b>					
Teacher/Special Duty Teacher	1,675.0	1,649.6	1,623.0	1,563.1	1,511.6
Substitute Teacher	0.9	1.2	0.4	0.2	0.2
<b>Teacher Totals</b>	<b>1,675.9</b>	<b>1,650.8</b>	<b>1,623.4</b>	<b>1,563.3</b>	<b>1,511.8</b>
<b>Professional Support:</b>					
Counselor	58.0	57.0	53.8	53.4	49.4
Educational Diagnostician	12.9	13.8	12.9	9.8	9.0
Librarian	25.0	24.8	24.9	20.6	21.0
Occupational Therapist	6.1	7.1	5.0	5.6	4.6
Orientation and Mobility Specialist	2.0	2.0	2.0	2.0	1.0
Physical Therapist	3.7	4.0	2.8	2.0	2.0
Nurse	31.8	33.0	31.0	28.9	26.9
LSSP/Psychologist	22.0	19.4	20.0	19.8	18.0
Social Worker	8.5	8.5	7.5	7.0	7.0
Speech Language Pathologist	26.3	24.7	24.8	23.3	24.0
Truant Officer	4.0	4.0	3.0	4.0	3.6
Teacher Facilitator	68.3	64.9	67.9	39.3	42.0
Athletic Trainer	2.7	4.0	2.6	4.1	2.5
Campus Professional Personnel	12.1	27.8	33.9	37.1	10.5
Non-Campus Professional Personnel	97.5	70.9	62.9	63.3	56.3
<b>Professional Support Totals</b>	<b>380.9</b>	<b>365.9</b>	<b>355.0</b>	<b>320.2</b>	<b>277.8</b>
<b>Campus Administration:</b>					
Assistant Principal	58.3	58.0	57.1	53.1	49.1
Executive Director/Program Director	3.5	4.0	5.0	4.3	8.0
Principal	28.0	29.0	28.0	27.0	25.9
Teacher Supervisor	8.2	7.8	2.0	3.5	25.0
Athletic Director	3.2	3.7	4.9	4.2	5.5
<b>Campus Administration Totals</b>	<b>101.2</b>	<b>102.5</b>	<b>97.0</b>	<b>92.1</b>	<b>113.5</b>
<b>Central Administration:</b>					
Assistant/Deputy Supt	4.0	2.0	3.0	3.0	3.0
Instructional Officer	11.0	13.5	14.0	15.0	22.6
Superintendent	1.0	1.0	0.9	1.0	1.0
Teacher Supervisor	35.5	22.0	22.9	22.0	5.0
Business Manager	1.0	1.0	1.0	1.0	1.0
Director of HR	2.0	-	1.0	1.0	1.0
<b>Central Administration Totals</b>	<b>54.5</b>	<b>39.5</b>	<b>42.8</b>	<b>43.0</b>	<b>33.6</b>
<b>Educational Aides:</b>					
Aides	386.9	360.4	353.4	294.4	299.7
<b>Educational Aides Totals</b>	<b>386.9</b>	<b>360.4</b>	<b>353.4</b>	<b>294.4</b>	<b>299.7</b>
<b>Auxiliary Support:</b>					
Includes: Clerical, Secretarial, Grounds, Custodial, Maintenance	400.9	381.8	367.7	380.9	337.9
<b>Auxiliary Support Totals</b>	<b>400.9</b>	<b>381.8</b>	<b>367.7</b>	<b>380.9</b>	<b>337.9</b>
<b>Total Employees</b>	<b>3,000.3</b>	<b>2,900.9</b>	<b>2,839.3</b>	<b>2,693.9</b>	<b>2,574.3</b>

Source: PEIMS

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

Table 15

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

**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>
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%
2007	18,588	142,656,234	7,675	3.65%

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

(2) Source: District documents.

(3) See Table 12 for student average daily attendance



*Table 16*

<u>Government Wide Expenses</u>	<u>Cost Per Student</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Student to Teacher Ratio</u>	<u>Percentage of Students in Free/Reduced Lunch Program (2)</u>
\$ 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%
164,842,503	8,868	2.78%	1256	14.80	41.71%

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

*Table 17*

<b>Fiscal Year</b>	<b>Minimum Salary (1)</b>	<b>Maximum Salary (1)</b>	<b>Region Average Salary (2)</b>	<b>State wide Average Salary (2)</b>
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
2007	38,000	53,500	43,781	44,897

(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**

<b>Building:</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>HIGH SCHOOLS</b>					
<b>Pflugerville High School</b>					
Square Footage	388,246	388,246	335,550	335,550	335,550
Capacity	2,475	2,475	2,475	2,475	2,475
Enrollment	2,104	2,191	2,185	2,212	2,221
<b>Hendrickson High School</b>					
Square Footage	380,130	380,130	380,130	380,130	380,130
Capacity	2,500	2,500	2,500	2,500	2,500
Enrollment	2,957	2,729	2,606	2,370	2,213
<b>Connally High School</b>					
Square Footage	314,876	314,876	314,876	314,876	314,876
Capacity	2,325	2,325	2,325	2,325	2,325
Enrollment	1,851	1,856	1,876	1,939	1,935
<b>Opportunity Center</b>					
Square Footage	19,691	19,691	19,691	19,691	19,691
Capacity	256	256	256	256	256
Enrollment	-	-	-	-	-
<b>MIDDLE SCHOOLS</b>					
<b>Pflugerville Middle School</b>					
Square Footage	111,036	111,036	111,036	111,036	111,036
Capacity	1,375	1,375	1,375	1,375	1,375
Enrollment	982	1,029	1,046	1,114	1,039
<b>Westview Middle School</b>					
Square Footage	112,245	112,245	112,245	112,245	112,245
Capacity	1,100	1,100	1,100	1,100	1,100
Enrollment	828	877	853	907	851
<b>Park Crest Middle School</b>					
Square Footage	133,300	116,800	116,800	116,800	116,800
Capacity	1,500	1,300	1,300	1,300	1,300
Enrollment	915	949	934	993	1,017
<b>Dessau Middle School</b>					
Square Footage	121,200	121,200	121,200	121,200	121,200
Capacity	1,300	1,300	1,300	1,300	1,300
Enrollment	756	820	848	1,080	1,016
<b>Kelly Lane Middle School</b>					
Square Footage	139,000	139,000	139,000	139,000	139,000
Capacity	1,250	1,250	1,250	1,250	1,250
Enrollment	1,149	1,088	1,019	1,249	1,176
<b>Cele Middle School</b>					
Square Footage	163,473	163,473	163,473	-	-
Capacity	1,200	1,200	1,200	-	-
Enrollment	823	783	687	-	-
<b>Opportunity Center</b>					
Square Footage	-	-	-	-	-
Capacity	-	-	-	-	-
Enrollment	-	-	-	-	-

Source: District Records

**Table 18**  
**Page 1 of 3**

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

*Continued*

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**

<b>Building:</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>ELEMENTARY SCHOOLS</b>					
<b>Pflugerville Elementary School</b>					
Square Footage	77,922	77,922	77,922	77,922	77,922
Capacity	600	600	600	600	600
Enrollment	438	470	477	496	531
<b>Parmer Lane Elementary School</b>					
Square Footage	63,634	63,634	63,634	63,634	63,634
Capacity	650	650	650	650	650
Enrollment	479	457	435	480	519
<b>Timmerman Elementary School</b>					
Square Footage	58,792	58,792	58,792	58,792	58,792
Capacity	550	550	550	550	550
Enrollment	420	442	502	523	550
<b>Northwest Elementary School</b>					
Square Footage	62,000	62,000	62,000	62,000	62,000
Capacity	600	600	600	600	600
Enrollment	529	561	563	514	614
<b>Dessau Elementary School</b>					
Square Footage	64,150	64,150	64,150	64,150	64,150
Capacity	650	650	650	650	650
Enrollment	503	509	430	404	602
<b>Windermere Elementary School</b>					
Square Footage	66,272	66,272	66,272	66,272	66,272
Capacity	750	750	750	750	750
Enrollment	433	438	494	503	525
<b>River Oaks Elementary School</b>					
Square Footage	66,512	66,512	66,512	66,512	66,512
Capacity	750	750	750	750	750
Enrollment	555	525	509	572	536
<b>Brookhollow Elementary School</b>					
Square Footage	66,512	66,512	66,512	66,512	66,512
Capacity	750	750	750	750	750
Enrollment	454	511	548	517	501
<b>Spring Hill Elementary School</b>					
Square Footage	68,600	68,600	68,600	68,600	68,600
Capacity	750	750	750	750	750
Enrollment	627	674	710	705	719
<b>Windermere Primary School</b>					
Square Footage	68,752	68,752	68,752	68,752	68,752
Capacity	750	750	750	750	750
Enrollment	448	465	471	490	558

Source: District Records

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

*Continued*

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**

<b>Building:</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>Copperfield Elementary School</b>					
Square Footage	77,922	77,922	77,922	77,922	77,922
Capacity	850	850	850	850	850
Enrollment	464	484	519	504	586
<b>Murchison Elementary School</b>					
Square Footage	77,922	77,922	77,922	77,922	77,922
Capacity	850	850	850	850	850
Enrollment	797	732	897	843	852
<b>Delco Primary School</b>					
Square Footage	68,752	68,752	68,752	68,752	68,752
Capacity	750	750	750	750	750
Enrollment	633	564	534	527	748
<b>Caldwell Elementary School</b>					
Square Footage	73,007	73,007	73,007	73,007	73,007
Capacity	800	800	800	800	800
Enrollment	713	669	659	731	739
<b>Rowe Lane Elementary School</b>					
Square Footage	75,007	75,007	75,007	75,007	75,007
Capacity	750	750	750	750	750
Enrollment	852	816	922	867	793
<b>Highland Park Elementary School</b>					
Square Footage	75,007	75,007	75,007	75,007	75,007
Capacity	750	750	750	750	750
Enrollment	771	743	829	762	732
<b>Wieland Elementary School</b>					
Square Footage	75,490	75,490	75,490	75,490	75,490
Capacity	750	750	750	750	750
Enrollment	445	471	544	544	741
<b>Riojas Elementary School</b>					
Square Footage	79,064	71,624	71,624	71,624	71,624
Capacity	832	700	700	700	700
Enrollment	844	732	652	624	540
<b>Ruth Barron Elementary School</b>					
Square Footage	86,899	86,899	86,899	86,899	-
Capacity	900	900	900	900	-
Enrollment	774	695	713	754	-
<b>Dearing Elementary School</b>					
Square Footage	93,376	93,376	-	-	-
Capacity	850	850	-	-	-
Enrollment	608	573	-	-	-

Source: District Records



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

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## **Federal Awards Section**



**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 as of and for the year ended August 31, 2016, and the related notes to the financial statements, which collectively comprise District's basic financial statements, and have issued our report thereon dated January 6, 2017.

***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.

***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  
January 6, 2017

**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.

Yours truly,

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Conroe, Texas

January 6, 2017



**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 (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, 2016. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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, 2016.

**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 as a basis for designing auditing procedures

Pflugerville Independent School District  
January 6, 2017

that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

#### **Purpose of this Report**

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.

Yours truly,

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Conroe, Texas

January 6, 2017

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**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**

*SCHEDULE OF FINDINGS AND QUESTIONED COSTS*

*FOR THE YEAR ENDED AUGUST 31, 2016*

**I. Summary Of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued Unmodified

Internal control over financial reporting:

Material weakness (es) identified? No

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

Noncompliance material to the financial statements noted? No

**Federal Awards**

Internal controls over major programs:

Material weakness (es) identified? No

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

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

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? No

Identification of Major Programs:

<b>CFDA Numbers</b>	<b>Name of Federal Program or Cluster:</b>
84.010A	ESEA Title 1, Part A – Improving Basic Programs

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

Auditee qualified as a low-risk auditee? Yes

**II. Financial Statement Findings**

None noted

**III. Federal Awards Findings and Questioned Costs**

None noted

**IV. Status of Prior Year Findings**

None noted

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED AUGUST 31, 2016**

*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
<b><u>U.S. DEPARTMENT OF EDUCATION:</u></b>			
<b>Passed Through State Department of Education:</b>			
<i>ESEA Title I, Part A - Improving Basic Programs</i>	84.010A	16610101227904	\$ 3,585,296
<i>ESEA Title I, Part A - Improving Basic Programs</i>	84.010A	17610101227904	227,877
Total Program 84.010A			<b><u>3,813,173</u></b>
Special Education Cluster (IDEA):			
<i>IDEA - Part B, Formula</i>	84.027A	166600012279046600	3,403,845
<i>IDEA - Part B, Formula</i>	84.027A	176600012279046600	287,689
<i>IDEA - Part B, Preschool</i>	84.173A	166610012279046610	30,502
<i>IDEA - Part B, Preschool</i>	84.173A	176610012279046610	2,323
Total Special Education Cluster (IDEA)			<b><u>3,724,359</u></b>
<i>Career and Technical - Basic Grant</i>	84.048A	16420006227904	229,955
<i>Title III, Part A - English Language Acquisition and Language Enhancement</i>	84.365A	16671001227904	411,790
<i>Title III, Part A - English Language Acquisition and Language Enhancement</i>	84.365A	17671001227904	25,522
Total Program 84.365A			<b><u>437,312</u></b>
<i>ESEA Title II, Part A - Teacher and Principal Training and Recruiting</i>	84.367A	16694501227904	225,113
<i>ESEA Title II, Part A - Teacher and Principal Training and Recruiting</i>	84.367A	17694501227904	62,874
Total Program 84.367A			<b><u>287,987</u></b>
<i>LEP Summer School Program</i>	84.369A	69551502	25,601
<b>Passed Through Education Service Center Region X:</b>			
<i>ESEA Title X, Part C - Education for the Homeless Children and Youth</i>	84.196A	16-031	25,433
<b>Passed Through Education Service Center Region XIII:</b>			
<i>ESEA Title X, Part C - Education for the Homeless Children and Youth</i>	84.196A	509465	3,870
Total Program 84.196A			<b><u>29,303</u></b>
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<b><u>8,547,690</u></b>
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u></b>			
<b>Passed Through State Department of Health and Human Services:</b>			
<i>Medicaid Administrative Claiming Program (MAC)</i>	93.778	529-07-0157-00121	100,669
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<b><u>100,669</u></b>
<b><u>U.S. DEPARTMENT OF AGRICULTURE:</u></b>			
Child Nutrition Cluster:			
<b>Passed Through State Department of Agriculture - Noncash Assistance:</b>			
<i>National School Lunch Program</i>	10.555	01069	729,585
<b>Passed Through State Department of Education - Cash Assistance:</b>			
<i>National School Breakfast Program</i>	10.553	71401601	1,871,814
<i>National School Lunch Program</i>	10.555	71301601	5,634,711
Total Child Nutrition Cluster			<b><u>8,236,110</u></b>

*Continued*

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED AUGUST 31, 2016**

*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
<b>Passed Through State Department of Agriculture:</b>			
<i>Child and Adult Care Food Program</i>	10.558	01069	178,521
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<b><u>8,414,631</u></b>
<b><u>U.S. DEPARTMENT OF DEFENSE:</u></b>			
<b>Direct:</b>			
<i>Reserve Officers' Training Corps</i>	12.000	N/A	67,900
<b>TOTAL U.S. DEPARTMENT OF DEFENSE</b>			<b><u>67,900</u></b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b><u>\$ 17,130,890</u></b>

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, 2016. 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.

**Note 3 - Reconciliation of Basic Financial Statements**

<b>Total Expenditures of Federal Awards per Exhibit K-1</b>	\$ 17,130,890
<b>General Fund - Federal Revenue Excluded:</b>	
SHARS Revenue	4,540,536
<b>Total Federal Revenues per Exhibit B-2</b>	<u>\$ 21,671,426</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, 2016, are as follows:

<u>Program Source</u>	<u>CFDA Number</u>	<u>Amount</u>
SHARS	N/A	\$ 4,540,536
ROTC	12.000	67,900
Indirect Costs:		
ESEA Title I - Improving Basic Programs	84.010A	97,837
IDEA Part B - Formula	84.027A	92,100
IDEA Part B - Preschool	84.173A	861
Career and Technical - Basic Grant	84.048A	6,035
ESEA Title II, Part A - Teacher and Principal Training and Recruiting	84.367A	6,582
ESEA Title III, Part A - English Language Acquisition and Language Enhancement	84.365A	8,288
ESEA Title X, Part C - Education for the Homeless	84.196	667
<b>Total</b>		<u>\$ 4,820,806</u>

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**  
*SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS*  
*AS OF AUGUST 31, 2016*

*EXHIBIT K-2*

<u>Data Control Codes</u>	<u>Responses</u>
SF2     Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF4     Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF5     Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6     Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7     Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?	Yes
SF8     Did the school district not receive an adjusted repayment schedule for more than one fiscal year for an over allocation of Foundation School Program (FSP) funds as a result of a financial hardship?	Yes
SF10    Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end?	\$     -
SF11    Net Pension Assets (1920) at fiscal year-end.	\$     -
SF12    Net Pension Liabilities (2540) at fiscal year-end.	\$    44,823,067
SF13    Pension Expense (6147) at fiscal year-end, excluding On-Behalf Pension Expense (6144).	\$    3,775,001