

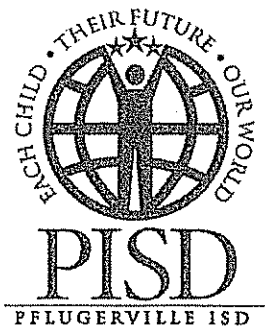
**PFLUGERVILLE INDEPENDENT
SCHOOL DISTRICT**

**Comprehensive Annual Financial Report
For the Fiscal Year Ended August 31, 2013**

Issued By

**Pflugerville Independent School District
Department of Finance**

Pflugerville, Texas



PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit/ Table</u>
Introductory Section		
Principal Officials and Advisors	i	
Certificate of the Board	iii	
Transmittal Letter	iv	
Organizational Chart	ix	
GFOA Certificate	x	
ASBO Certificate of Excellence	xi	
Financial Section		
Independent Auditors' Report	1	
Management's Discussion and Analysis	5	
Basic Financial Statements:		
Government-wide Financial Statements		
Statement of Net Position	19	A-1
Statement of Activities	20	A-2
Governmental Fund Financial Statements		
Balance Sheet	22	B-1
Reconciliation of Balance Sheet for Governmental Funds to the Statement of Net Position	25	B-1R
Statement of Revenues, Expenditures, and Changes in Fund Balances	26	B-2
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	28	B-2R
Proprietary Fund Financial Statements		
Statement of Net Position	29	C-1
Statement of Revenues, Expenses, and Changes in Fund Net Position	30	C-2
Statement of Cash Flows	31	C-3
Fiduciary Fund Financial Statements		
Statement of Fiduciary Net Position	32	D-1
Statement of Changes in Fiduciary Net Position	33	D-2
Notes to the Financial Statements	34	E-1
Required Supplementary Information:		
Budgetary Comparison Schedule - General Fund	54	F-1
Notes to Required Supplementary Information	55	F-2
Combining and Individual Funds Financial Statements:		
Non-major Governmental Funds:		
Combining Balance Sheet	62	G-1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	70	G-2
Internal Service Funds:		
Combining Statement of Net Position	81	H-1
Combining Statement of Revenues, Expenses, and Changes in Net Position	82	H-2
Combining Statement of Cash Flows	83	H-3
Fiduciary Fund:		
Statement of Changes in Assets and Liabilities - Fiduciary Fund	85	I-1

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

TABLE OF CONTENTS (continued)

	<u>Page</u>	<u>Exhibit/ Table</u>
Other Supplementary Information		
Schedule of Delinquent Taxes Receivable	86	J-1
Schedule of Expenditures For Computation of Indirect Costs For 2014-2015	88	J-2
Budgetary Comparison Schedule - Child Nutrition Fund	89	J-3
Budgetary Comparison Schedule - Debt Service Fund	90	J-4
Statistical Section		
Net Position by Component	94	1
Changes in Net Position	96	2
Fund Balances of Governmental Funds	100	3
Changes in Fund Balances - Governmental Funds	102	4
Assessed Value and Actual Value of Taxable Property	107	5
Property Tax Rates - Direct and Overlapping Governments	108	6
Principal Taxpayers	110	7
Property Tax Levies and Collections	111	8
Ratios of Outstanding Debt by Type	112	9
Ratios of Net General Obligation Bonded Debt Outstanding	113	10
Computation of Estimated Direct and Overlapping Debt	114	11
Demographic and Economic Statistics	115	12
Principal Employers	117	13
Demographic Statistics	118	14
Full-Time Equivalent District Employees by Position	120	15
Operating Statistics	122	16
Teacher Base Salaries	125	17
School Building Information	126	18
Federal Awards Section		
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	134	
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by <i>OMB Circular A-133</i>	136	
Schedule of Findings and Questioned Costs	138	
Schedule of Expenditures of Federal Awards	140	K-1
Notes to Schedule of Expenditures of Federal Awards	142	K-2

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

BOARD OF TRUSTEES

Ms. Elva Gladney
President

Ms. Vernagene Mott
Vice-President

Dr. Cynthia Graves
Secretary

Dr. Carol Fletcher
Member

Mr. Jimmy Don Havins
Member

Mr. Mario Acosta
Member

Mr. Rob Reyes
Member

ADMINISTRATION

Dr. Alex Torrez
Superintendent of Schools

Dr. Troy Galow
Deputy Superintendent

Dr. Kenneth Adix
Chief Financial Officer

Dr. Lori Einfalt
Chief Learning Officer

Dr. Terrence Eaton
Assistant Superintendent of Learning

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

ADMINISTRATION (continued)

Ms. Denise Monzingo
Executive Director of Student Success

Ms. Diana Sustaita
Executive Director of Curriculum and Instruction

Ms. Amanda Brim
Communications Officer

CONSULTANTS AND ADVISORS

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

Andrews Kurth L.L.P.
Houston, 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, 2013, at a meeting of the Board of Trustees of such school district on January 23, 2014.

Elva Hodney
President of Board

John A. Hayes
Secretary of Board



January 16, 2014

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

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

The Finance Department is pleased to submit the Comprehensive Annual Financial Report for the Pflugerville Independent School District (Pflugerville ISD) for the fiscal year ended August 31, 2013.

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

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

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

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

THE REPORTING ENTITY AND ITS SERVICES

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

The District provides a comprehensive range of school programs and services, as required by state statute, to over 23,000 enrolled students in grades pre-K through 12. This includes basic elementary pre-kindergarten through grade five, middle school grades six through eight, high school grades nine through twelve, career and technical education, alternative schools, bilingual education, pupil transportation, food service, special education and numerous special programs for remedial and enriched education. A wide variety of electives in fine arts, athletics and technology supplement these basic programs.

ECONOMIC CONDITION AND OUTLOOK

Pflugerville ISD is located in and around the City of Pflugerville which is a rapidly growing suburb of the state's capital, Austin and a developing commercial center of Travis County. The City of Pflugerville is experiencing growth in all business sectors. With a population of 50,850 and being strategically located a few miles north of Austin along the I-35 corridor and 25 minutes from the Austin-Bergstrom International Airport, Pflugerville provides businesses a climate with easy access to several metropolitan areas without the big city challenges.

Pflugerville also stands out as an excellent commercial site with a friendly and welcoming residential community. The SH-130 toll road is going to continue being the driving force behind Pflugerville's continuing growth. Average daily traffic counts are around 50,000 and continue to increase. Housing development will thrive on the east side of Pflugerville near SH-130 as families will be drawn to this area known for outstanding schools, affordable housing and easy access to work or play. More than seven major institutions of higher education surround Pflugerville ISD, including The University of Texas at Austin, Huston-Tillotson University, St. Edward's University, Southwestern University, Texas State University, Concordia University and the Austin Community College system.

The U.S. economy continues to improve from the Great Recession and the U.S. unemployment rate fell to 7.0% in October 2013. At the state and local level employment rates were better as the Texas unemployment rate was 6.2% and the Austin area was at 5.1% in October according to the Bureau of Labor and Statistics. The District's property values grew approximately \$450 million from rises in existing property values and the addition of both new homes and businesses. The District's General Fund, unassigned fund balance increased for the fourth consecutive year and more than doubled over that time period due to improved financial management and reducing cost.

The District currently has 18 active subdivisions producing 815 homes on an annual basis. The District has 23 subdivisions with over 7,543 future lots. The Pflugerville new housing market is positioned for continued growth with 700 to 800 new home starts expected each year. The Austin MSA will likely continue to grow with 9,000 to 10,000 new home starts per year. The District currently has one apartment complex under construction for a total of 278 units. Several thousand additional units are expected to be added to the district over the next ten years.

New businesses continued to open in Pflugerville during 2013. Pflugerville offers a good infrastructure, a long-range water supply and enviable demographics - an educated workforce and strong consumer base who want to work, live and shop close to home.

For 2013, the Chief Appraisers of Travis and Williamson County Appraisal Districts certified all taxable properties in the District subject to appraisals to be valued at \$7,406,318,239. The total tax rate for the 2013-2014 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 2013-2014 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 2013 along with all campuses within the District. Campuses receiving an accountability rating of Met Standard are eligible for the following three distinction designations: academic achievement in Reading/English Language Arts, academic achievement in Math and top twenty-five percent in student progress.

Of the approximately 3,600 campuses across Texas achieving the Met Standard rating under the State's new accountability system, 42% earned a distinction designation in one area while 9% of schools earned a distinction designation in all three areas. For PISD, 70% of our campuses earned one distinction designation and 11% earned a distinction in all three areas.

FINANCIAL INFORMATION

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that 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 that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the 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 that 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 has complied with applicable laws and regulations. The results of the District's single audit for the fiscal year ended August 31, 2013 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 have established spending regulations and policies. For all administrators with line item or program responsibility, regulations set the level of budgetary control at the major functional expenditure level. All requested budget revisions that move money between functions require approval by the Board of Trustees.

GOVERNMENTAL CHANGES

During the last legislative session in 2013, the State increased the level of public education funding. This was mainly accomplished by increasing the Regular Program Adjustment Factor from 0.98 to 1.0 and increasing the Basic Allotment from \$4,765 to \$4,950. This additional funding will come into Fund 199 in 2013-14.

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 fourth 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, 2012. 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 fourth year in a row, the Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to Pflugerville ISD for its CAFR for the fiscal year ended August 31, 2012. 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.

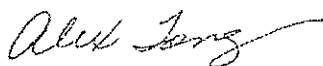
Acknowledgments

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.

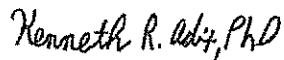
Special appreciation is also expressed to members of the business office staff for their assistance and effort in maintaining the financial records of the District. Individual recognition is directed to Mary Rabalais, Lisa Campbell, Craig Pruett, Jo Zaneck, Jackie Porter, Janet Maluschka, Sue Holmes, Lisa Wagner, Jennifer Davis, Paula Bowden, Roxanna Jonse, Kristin Baum, Fiona Ellis, Diana Clark, Cheryl Smith, Susan Simpson and Dorothy Wright for their combined efforts in closing out the accounting records and assisting in preparing the various financial reports at year-end.

Pflugerville ISD publicly solicits the active involvement of all citizens and school District personnel in its financial affairs. Together we are preparing Each Child for Their Future in Our World.

Respectfully submitted,

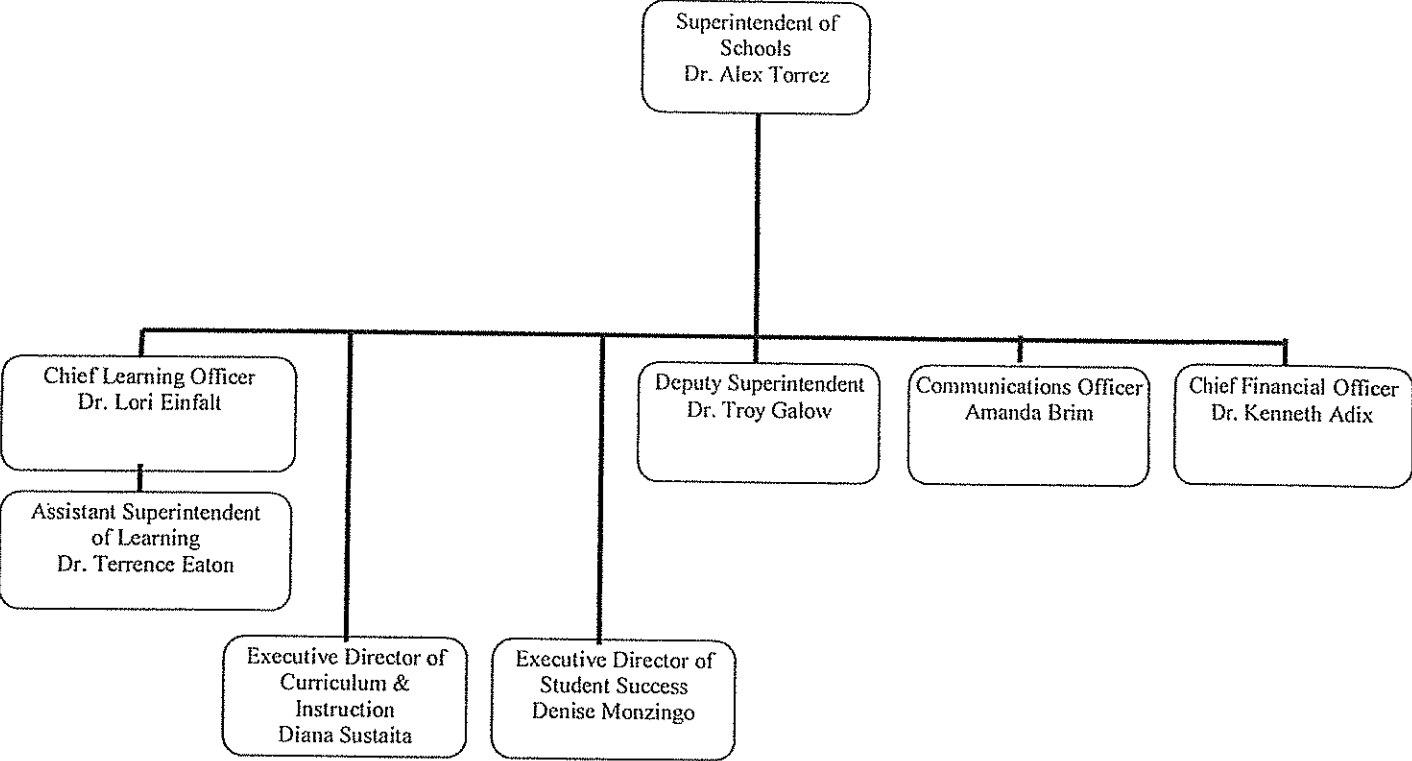


Alex Torres, Ph.D.
Superintendent of Schools



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

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
ORGANIZATIONAL CHART





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

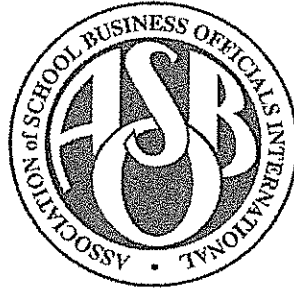
**Pflugerville Independent School
District, Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

August 31, 2012

Executive Director/CEO

Association of School Business Officials International



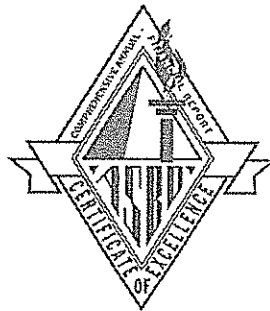
*The Certificate of Excellence in Financial Reporting Award
is presented to*

Pflugerville Independent School District

For Its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended August 31, 2012

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



A handwritten signature in cursive script, reading 'Ron McCulley', written over a horizontal line.

Ron McCulley, CPPB, RSBO
President

A handwritten signature in cursive script, reading 'John D. Musso', written over a horizontal line.

John D. Musso, CAE, RSBA
Executive Director

(This page intentionally left blank.)

Financial Section

HLSK

Hereford, Lynch, Sellars & Kirkham

Certified Public Accountants • A Professional Corporation

Conroe
1486 Wilson Rd., Suite 100
Conroe, Texas 77304
Tel 936-756-8127
Metro 936-441-1338
Fax 936-756-8132

Members of the
American Institute of Certified Public Accountants
Texas Society of Certified Public Accountants
Private Companies Practice Section
of the AICPA Division for Firms

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

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Pflugerville Independent School District (District), as of and for the year ended August 31, 2013, 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.

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Pflugerville Independent School District, as of August 31, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1. *Implementation of New Standard* in the notes to the financial statements for August 31, 2013, the District adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Pflugerville Independent School District's basic financial statements. The introductory section, combining and individual funds financial statements, other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 16, 2014, on our consideration of the Pflugerville Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Pflugerville Independent School District's internal control over financial reporting and compliance.

Respectfully,

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

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

Conroe, Texas
January 16, 2014

Management's Discussion and Analysis

(This page intentionally left blank.)

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, 2013. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Financial Highlights

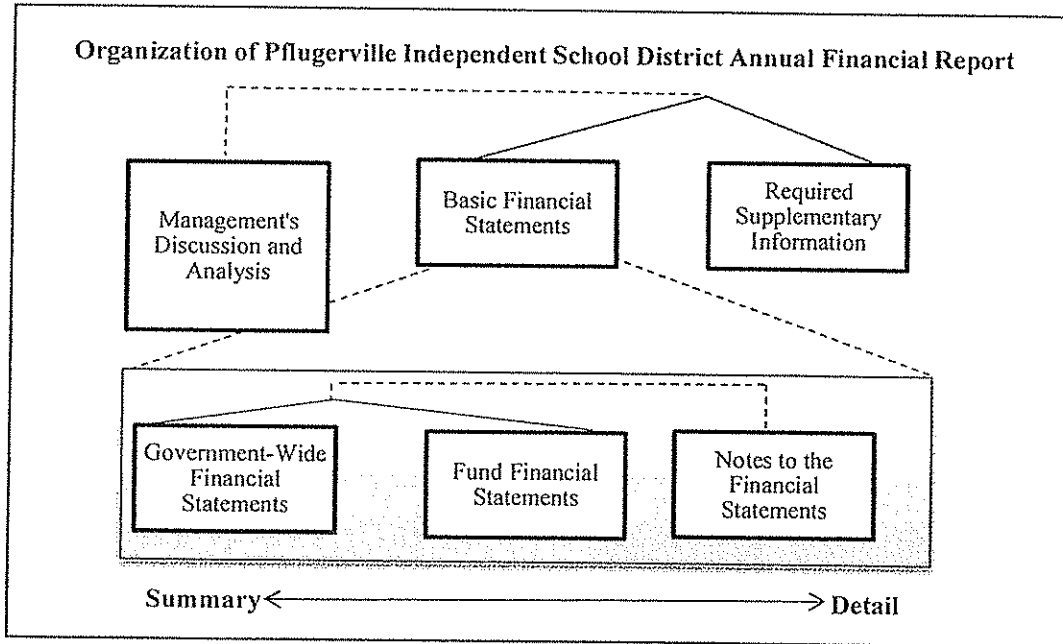
- The assets and deferred outflows of resources of the District exceeded its liabilities at the close of the most recent fiscal year by \$86,099,840 (*net position*). Of this amount, \$43,615,069 (*unrestricted net position*) may be used to meet the District's ongoing obligations to students and creditors.
- Total net position of the District increased by \$12,067,889 from current operations or about 16.27%.
- The total fund balance of the general fund was \$35,915,430 and was an increase of \$5,304,025 from the prior year. The unassigned fund balance of the General Fund was \$27,960,681, or 17.26% 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 other supplementary information in addition to the basic financial statements themselves, including schedules required by the state oversight agency, the Texas Education Agency (TEA).

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

Figure A-1



PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Figure A-2

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

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

Government-wide Financial Statements

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

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

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

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

The *government-wide financial statements* of the District include the governmental activities and business-type activities. The governmental activities of the District include activities such as instruction, extracurricular activities, curriculum and staff development, health services 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 kinds 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 worker's 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 were \$86,099,840 at August 31, 2013. The following table compares twelve months of operations for the 2012-2013 fiscal year to twelve months of operations for the 2011-2012 fiscal year.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT'S NET POSITION

	Governmental Activities		Business-Type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Current and Other Assets	\$ 87,115,133	\$ 98,599,750	\$ 174,895	\$ 44,310	\$ 87,290,028	\$ 98,644,060
Capital Assets, net of						
Depreciation	334,321,809	325,432,933	84,224	87,808	334,406,033	325,520,741
Total Assets	421,436,942	424,032,683	259,119	132,118	421,696,061	424,164,801
Total Deferred Outflows						
of Resources	12,604,441	11,314,668	-	-	12,604,441	11,314,668
Noncurrent Liabilities						
Outstanding	334,107,238	351,124,587	-	-	334,107,238	351,124,587
Other Liabilities	14,024,167	10,110,644	69,257	58,514	14,093,424	10,169,158
Total Liabilities	348,131,405	361,235,231	69,257	58,514	348,200,662	361,293,745
Net Position:						
Net Investment in Capital Assets	39,651,143	31,823,815	84,224	87,808	39,735,367	31,911,623
Restricted	2,833,628	2,553,638	-	-	2,833,628	2,553,638
Unrestricted	43,425,207	39,734,667	105,638	(14,204)	43,530,845	39,720,463
Total Net Position	\$ 85,909,978	\$ 74,112,120	\$ 189,862	\$ 73,604	\$ 86,099,840	\$ 74,185,724

Changes in net position

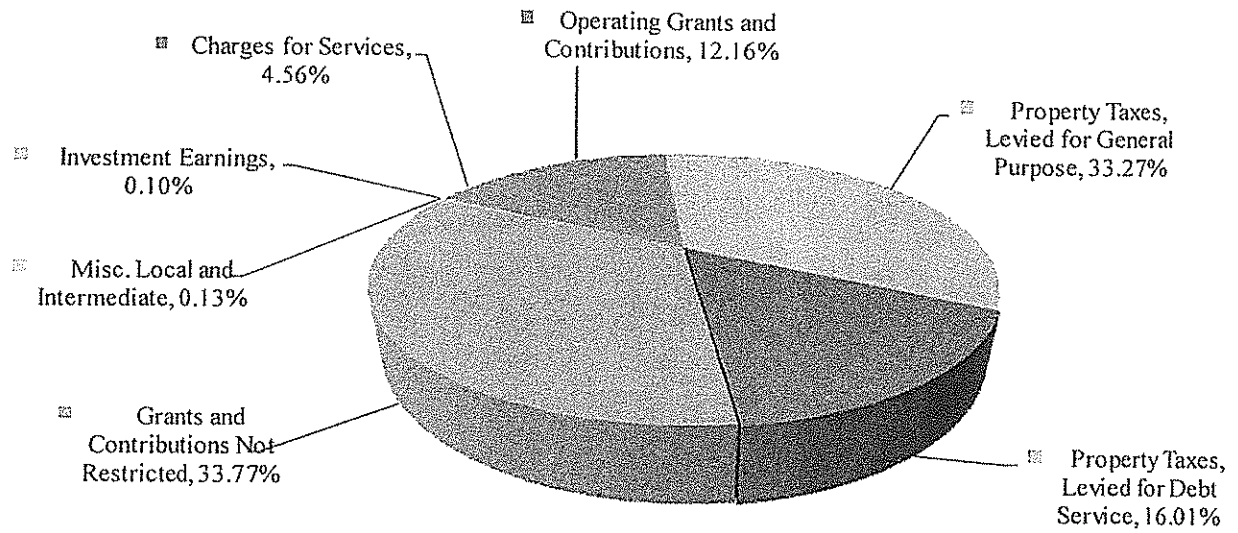
Net position increased overall by \$12.1 million from current operations primarily due to the following items:

- Increase in debt service property tax revenue from increased tax rate and values.
- Decrease in stimulus operating grants.
- Increase in instruction cost resulting from hiring additional teachers and a \$500 pay increase for teachers.
- Remainder of revenues and expenditures were consistent with a growing District.

The District's total general revenues, charges for services, and operating grants and contributions were \$227.5 million. A significant portion, 49%, of the District's revenue comes from taxes (see Figure A-3), 34% comes from state aid formula and certain federal government grants, 12% from operating grants and 5% relates to investment earnings, charges for services, and miscellaneous local and intermediate sources. The total cost of all programs and services was \$215.8 million. Of these costs, 53% are related to instruction expenses.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Figure A-3 District Sources of Revenue for Fiscal Year 2013



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

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT'S CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Totals	
	2013	2012	2013	2012	2013	2012
REVENUES						
Program Revenues:						
Charges for Services	\$ 7,600,258	\$ 7,264,490	\$ 2,775,480	\$ 2,154,516	\$ 10,375,738	\$ 9,419,006
Operating Grants and Contributions	27,680,515	33,479,272	-	-	27,680,515	33,479,272
General Revenues:						
Property Taxes, Levied for General Purpose	75,700,506	74,620,548	-	-	75,700,506	74,620,548
Property Taxes, Levied for Debt Service	36,425,476	31,339,637	-	-	36,425,476	31,339,637
Grants and Contributions Not Restricted	76,832,576	74,534,585	-	-	76,832,576	74,534,585
Investment Earnings	236,966	475,331	-	-	236,966	475,331
Misc. Local and Intermediate	295,589	272,522	-	-	295,589	272,522
Total Revenues	224,771,886	221,986,385	2,775,480	2,154,516	227,547,366	224,140,901
EXPENSES						
Instruction	114,690,363	109,251,840	-	-	114,690,363	109,251,840
Instructional Resources and Media Services	3,220,656	3,279,662	-	-	3,220,656	3,279,662
Curriculum and Instructional Staff Development	5,832,985	6,335,867	-	-	5,832,985	6,335,867
Instructional Leadership	2,351,868	2,219,164	-	-	2,351,868	2,219,164
School Leadership	10,831,744	10,173,649	-	-	10,831,744	10,173,649
Guidance, Counseling, and Evaluation Services	6,965,991	6,576,716	-	-	6,965,991	6,576,716
Social Work Services	539,198	501,903	-	-	539,198	501,903
Health Services	1,939,741	1,899,532	-	-	1,939,741	1,899,532
Student Transportation	7,688,544	7,104,168	-	-	7,688,544	7,104,168
Food Services	12,009,734	11,264,856	-	-	12,009,734	11,264,856
Extracurricular Activities	7,194,257	6,838,249	-	-	7,194,257	6,838,249
General Administration	3,705,361	3,643,282	-	-	3,705,361	3,643,282
Plant Maintenance and Operations	12,624,898	12,636,964	-	-	12,624,898	12,636,964
Security and Monitoring Services	2,758,741	2,708,046	-	-	2,758,741	2,708,046
Data Processing Services	3,878,344	3,394,096	-	-	3,878,344	3,394,096
Community Services	124,220	134,188	-	-	124,220	134,188
Interest on Long-term Debt	14,148,672	14,139,014	-	-	14,148,672	14,139,014
Issuance Costs and Fees	345,281	300,405	-	-	345,281	300,405
Facilities Repair and Maintenance	-	2,277,256	-	-	345,281	2,277,256
Payments Related to Shared Service Arrangements	2,092,300	1,810,439	-	-	2,092,300	1,810,439
Payments to Juvenile Justice Alternative Education Programs	-	15,319	-	-	-	15,319
Payments to Appraisal District	577,357	466,306	-	-	577,357	466,306
Extended Day Program	-	-	1,959,222	1,648,334	1,959,222	1,648,334
Total Expenses	213,520,255	206,970,921	1,959,222	1,648,334	215,824,758	208,619,255
Increase in Net Position Before Transfers	11,251,631	15,015,464	816,258	506,182	12,067,889	15,521,646
Transfers	700,000	400,000	(700,000)	(400,000)	-	-
Change in Net Position	11,951,631	15,415,464	116,258	106,182	12,067,889	15,521,646
Net Position - Beginning	74,112,120	62,803,068	73,604	(32,578)	74,185,724	62,770,490
Prior Period Adjustment - Implement GASB 65 for Bond Issuance Costs	(2,400,754)	(4,106,412)	-	-	(2,400,754)	(4,106,412)
Prior Period Adjustment -Capital Assets	2,246,981	-	-	-	2,246,981	-
Net Position - Beginning, as restated	73,958,347	58,696,656	73,604	(32,578)	74,031,951	58,664,078
Net Position - Ending	\$ 85,909,978	\$ 74,112,120	\$ 189,862	\$ 73,604	\$ 86,099,840	\$ 74,185,724

Governmental Activities

- Property tax rates for the 2012-2013 fiscal year increased \$0.06 to \$1.54 per \$100 of valuation. Taxable values for the 2013 fiscal year increased by 4.0%.

Business-type Activities

- Business-type activities increased net position by \$816,258 due to the operation of the extended day program, of which \$700,000 was transferred to the general fund.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

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

- The cost of all governmental activities this year was \$213.5 million.
- The amount that local taxpayers paid for these activities through property taxes was \$112.1 million.
- Those who directly benefited from the programs paid \$7.6 million. Operating grants covered \$27.7 million in cost.

Net Cost of Selected District Functions

	Total Cost of Services		Percent Change	Net Cost of Services		Percent Change
	2013	2012		2013	2012	
Instruction	\$ 114,690,363	\$ 109,251,840	5%	\$ 99,684,166	\$ 92,662,909	8%
School Leadership	10,831,744	10,173,649	6%	10,025,984	5,561,629	80%
Food Services	12,009,734	11,264,856	7%	209,242	364,672	-43%
Plant Maintenance & Operations	12,624,898	12,636,964	0%	11,955,222	11,690,645	2%
Debt Service - Interest	14,148,672	14,139,014	0%	12,494,586	14,139,014	-12%

Financial Analysis of the District's Funds

Revenues from governmental fund types totaled \$224.7 million, an increase of \$4.3 million from the preceding year. State aid decreased \$693 thousand due to reduction in state grants. The \$3.2 million decrease in federal revenues is primarily due to the loss of the Education Jobs Fund Grant.

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 \$5.2 million less than final budgeted amounts. The most significant favorable variances were in instruction cost (unfilled positions) and facilities acquisition and construction (construction not complete).

Resources available were \$255 thousand more than the final budgeted amount and the differences were insignificant.

Bottom-line, the change in fund balance for the year of \$5.3 million was \$5.25 million better than the final budgeted net increase of \$53,252.

Differences between the originally-adopted budget and the final amended budget of the general fund were to increase appropriations \$6,804,623. The most significant change was to increase appropriations for facilities acquisition and construction. Amendments were approved by the governing body.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Analysis of the Government's Funds

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

Major Fund Balances

<u>Fund</u>	<u>2013</u>	<u>2012</u>	<u>Percent Change</u>
General Fund	\$ 35,915,430	\$ 30,611,405	17
Debt Service	2,487,587	2,291,826	9
Capital Projects	24,901,272	44,363,710	(44)

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 \$5.3 million due to planned increases in state funding, property taxes, loan proceeds, and various other revenue increases and expenditures reductions exceeded the increase in instruction and school leadership functions. General Fund balance of \$35.9 million includes nonspendable inventories and prepaid items totaling \$0.5 million and assignments for solar panels and personnel of \$7.4 million.

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

<u>Revenue Sources</u>	<u>2013</u>	<u>Percent Realized</u>	<u>2012</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Local	\$ 77,710,586	48	\$ 75,396,043	\$ 2,314,543	3
State	81,981,886	51	80,011,196	1,970,690	2
Federal	1,853,724	1	1,714,142	139,582	8
Total	\$ 161,546,196	100	\$ 157,121,381	\$ 4,424,815	

Local revenues, which are generated primarily from property taxes, increased by 3 percent relative to the 2011-2012 school year, due to the incline in property values. The increase in State revenue resulted from additional students. Federal revenues make up only 1 percent of total realized revenues. The amount of \$1,853,724 represents primarily indirect cost earned from federal programs, Medicaid 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 \$161,977,893 an increase of 7.86% from last year.

<u>Function</u>	<u>Expenditures 2013</u>	<u>Percent Expended</u>	<u>Expenditures 2012</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Instruction	\$ 104,913,844	65	\$ 100,696,841	\$ 4,217,003	4
Instruction/Leadership	12,157,513	7	7,497,543	4,659,970	62
Pupil Services	21,074,020	13	19,774,739	1,299,281	7
Administrative Support	3,617,610	2	3,545,725	71,885	2
Support Services	16,235,634	10	16,357,890	(122,256)	(1)
Community Services	10,468	-	24,701	(14,233)	(58)
Facilities Acquisition and Construction	1,494,167	1	-	1,494,167	100
Other Intergovernmental Charges	2,474,637	2	2,283,028	191,609	8
Total	\$ 161,977,893	100	\$ 150,180,467	\$ 11,797,426	

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Instruction and instructional related expenditures increased by \$4.2 million. This increase was largely due to hiring additional teachers and giving teachers a \$500 pay increase. Instructional/Leadership expenditures increased by \$4.6 million due to the loss of Education Jobs Fund Grant funding which last year had paid for some of the staff costs in a separate fund.

Debt Service Fund

The Debt Service Fund has a total fund balance of \$2.5 million, all of which is restricted for the payment of debt service. The District makes semi-annual debt service payments in February and August of each year. Debt service payments on bonded indebtedness including bond fees for the year ended August 31, 2013 were \$32.7 million and the \$5.2 million used to defease outstanding bonds. The Debt Service Fund balance increased due to increased property tax revenues resulting from the \$0.06 increase in debt service property tax rate and values and state aid for debt, which exceeded the increase in debt service expenditures.

Capital Projects Fund

The Capital Projects Fund has a total fund balance of \$24.9 million, all of which is restricted for authorized construction projects. The net decrease in fund balance during the current year of \$19.5 million was primarily due to equipment purchases and the ongoing renovation projects and construction in progress for new campus buildings.

Federal Awards

Federal awards are primarily grants that are restricted by law or other formal action to expenditures for specific purposes. The District operated its school breakfast and lunch program with the assistance of federal awards. All federal awards are subject to a budget in the grant application. Revenue from federal sources for the breakfast and lunch program was \$7,498,314. Revenues exceeded expenditures and other uses in the school breakfast and lunch program by \$106,464.

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 \$350,000. The increase in net position for the employee group health insurance plan was \$441,491. The increase in net position for the workers' compensation program was \$31,098.

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, 2013, general governmental capital assets of the District amounted to \$334,321,809. Additional information is available in Note 4 to the financial statements.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Assets and Debt Administration

Capital Assets

As of August 31, 2013, the District had a net value of \$334,321,809 in a broad range of capital assets, including land, buildings and improvements, furniture and equipment, and construction in progress.

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

	Governmental Activities		Business-Type Activities		Totals	
	2013	2012	2013	2012	2013	2012
	Amount	Amount	Amount	Amount	Amount	Amount
Land	\$ 27,635,583	\$ 27,628,968	\$ -	\$ -	\$ 27,635,583	\$ 27,628,968
Buildings and Improvements	267,340,051	261,146,295	84,224	87,808	267,424,275	261,234,103
Furniture and Equipment	8,814,298	6,855,325	-	-	8,814,298	6,855,325
Construction in Progress	30,531,877	29,802,345	-	-	30,531,877	29,802,345
Totals	\$ 334,321,809	\$ 325,432,933	\$ 84,224	\$ 87,808	\$ 334,406,033	\$ 325,520,741

Construction Commitments

The District has active construction projects as of August 31, 2013. The projects include the construction and equipment of school facilities. At year end, the District's remaining commitments with contractors totaled \$24,143,595 for all ongoing projects.

Capital Projects Fund

Interest earned in the Capital Projects Fund for the 2012-2013 fiscal year was \$94,595.

Long Term Debt

At the end of the year, the District had \$327.2 million in bonds, which represents a 6.31 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 6 to the Financial Statements.

Debt Administration

The Debt Service Fund is used to account for the accumulation of resources to pay principal and interest on general long-term debt. Revenue sources for this fund include receipts from property taxes and state funds. The Debt Service Fund contains fund balance reserves and interest earnings on those reserves. An excess of revenues and other sources over expenditures and other uses for the year amounted to \$196 thousand resulting in a fund balance of \$2.5 million.

All bonds are direct obligations of the District payable from and secured by the proceeds of a continuing, direct annual ad valorem tax levied, subject to the Texas State Attorney General limits as to rate, against all taxable property within the District. Twelve building and refunding bond issues (2003, 2004, 2004A, 2005, 2005A, 2006, 2008, 2010, 2011, 2011A, 2012, and 2012A) remain outstanding and mature serially through the year 2033.

The applicable debt service fund tax rate increased \$0.06 to \$0.50/\$100 for the assessed valuation for the 2012/2013 school year.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Economic Factors and Next Year's Budgets and Rates

- The appraised Net Taxable Value used for the 2013-2014 budget preparation is \$7.4 billion or \$450 million more than the 2012-2013 values. The higher values resulted in a budgeted increase of \$4.25 million in current local tax revenue for 2013-2014 compared to actual collections in the prior year in the General Fund. The District is currently taxing at \$1.04 per \$100 in assessed valuation, the maximum allowable tax rate for maintenance and operations allowed by state law without a rollback election, which is the same tax rate used in 2012-2013.
- The District's student attendance was budgeted to increase by approximately 400 students for a 2013-2014 total attendance of 22,400. The student attendance rate was budgeted at 96.0%.
- Compared to the 2012-2013 actual results, State aid increased by approximately \$8.0 million for the 2013-2014 General Fund budget. This increase resulted from the State restoring part of the cuts to public education that it made in 2011, as well as funding for the 400 additional students.
- General Fund spending per enrolled student for the 2013-2014 budget increased by \$700 or 10.1% when compared to the 2012-2013 budget.
- General fund budgeted expenditures for 2013-2014 increased by \$20.6 million primarily due to adding \$9.2 million in positions targeted at special education, intervention, lowering class sizes and opening Cele Middle School. Also, \$3.9 million for solar panels, \$1.0 million to expand two barns for the agriculture program and \$2.3 million for a 1.0 percent pay raise, offset increased medical premiums and increased TRS contributions.
- If 2013-2014 budget estimates are realized, the District's, Unassigned General Fund Balance is expected to remain unchanged at \$28.0 million or 59 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.

(This page intentionally left blank.)

Basic Financial Statements

(This page intentionally left blank.)

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
AUGUST 31, 2013

Exhibit A-1

Data Control Codes	Governmental Activities	Business-type Activities	Total
ASSETS			
1110	\$ 24,871,602	\$ 180,860	\$ 25,052,462
1120	54,205,056	-	54,205,056
1225	3,996,279	-	3,996,279
1240	2,962,015	-	2,962,015
1250	74,180	-	74,180
1260	6,494	(6,494)	-
1267	5,643	-	5,643
1290	32,101	529	32,630
1300	470,096	-	470,096
1410	257,917	-	257,917
1490	233,750	-	233,750
Capital Assets:			
1510	27,635,583	-	27,635,583
1520	267,340,051	84,224	267,424,275
1530	8,814,298	-	8,814,298
1580	30,531,877	-	30,531,877
1000	<u>421,436,942</u>	<u>259,119</u>	<u>421,696,061</u>
DEFERRED OUTFLOWS OF RESOURCES			
1700	12,604,441	-	12,604,441
	<u>12,604,441</u>	<u>-</u>	<u>12,604,441</u>
LIABILITIES			
2110	5,353,657	19,053	5,372,710
2140	647,472	-	647,472
2150	986,377	-	986,377
2160	395,855	35,984	431,839
2177	2,276	-	2,276
2180	4,898,438	-	4,898,438
2200	1,362,481	-	1,362,481
2300	377,611	14,220	391,831
Noncurrent Liabilities:			
2501	20,177,202	-	20,177,202
2502	313,930,036	-	313,930,036
2000	<u>348,131,405</u>	<u>69,257</u>	<u>348,200,662</u>
NET POSITION			
3200	39,651,143	84,224	39,735,367
3850	2,833,628	-	2,833,628
3900	43,425,207	105,638	43,530,845
3000	<u>\$ 85,909,978</u>	<u>\$ 189,862</u>	<u>\$ 86,099,840</u>

The accompanying notes are an integral part of this statement.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2013

Data Control Codes	Functions/Programs	Expenses	Program Revenues	
			Charges for Services	Operating Grants and Contributions
	Governmental Activities:			
0011	Instruction	\$ 114,690,363	\$ 1,104,995	\$ 13,901,202
0012	Instructional Resources and Media Services	3,220,656	94,578	115,293
0013	Curriculum and Instructional Staff Development	5,832,985	30,455	1,089,462
0021	Instructional Leadership	2,351,868	46	602,763
0023	School Leadership	10,831,744	109,922	695,838
0031	Guidance, Counseling, and Evaluation Services	6,965,991	153,198	381,757
0032	Social Work Services	539,198	-	90,212
0033	Health Services	1,939,741	3,524	163,820
0034	Student Transportation	7,688,544	-	221,673
0035	Food Services	12,009,734	4,238,437	7,562,055
0036	Extracurricular Activities	7,194,257	1,456,031	448,032
0041	General Administration	3,705,361	6,143	290,813
0051	Plant Maintenance and Operations	12,624,898	376,518	293,158
0052	Security and Monitoring Services	2,758,741	12,955	12,301
0053	Data Processing Services	3,878,344	-	62,290
0061	Community Services	124,220	13,456	95,760
0072	Interest on Long-term Debt	14,148,672	-	1,654,086
0073	Issuance Costs and Fees	345,281	-	-
0081	Facilities Repair and Maintenance	-	-	-
0093	Payments Related to Shared Services Arrangements	2,092,300	-	-
0099	Payments to Appraisal District	577,357	-	-
TG	Total Governmental Activities	<u>213,520,255</u>	<u>7,600,258</u>	<u>27,680,515</u>
	Business-type-Activities:			
01	Extended Day Program	<u>1,959,222</u>	<u>2,775,480</u>	-
TB	Total Business-type Activities	<u>1,959,222</u>	<u>2,775,480</u>	-
TP	Total Primary Government	<u>\$ 215,479,477</u>	<u>\$ 10,375,738</u>	<u>\$ 27,680,515</u>
	General Revenues:			
MT	Property Taxes, Levied for General Purposes			
DT	Property Taxes, Levied for Debt Services			
GC	Grants and Contributions Not Restricted to Specific Programs			
IE	Investment Earnings			
MI	Miscellaneous			
FR	Transfers			
TR	Total General Revenues and Transfers			
CN	Change in Net Position			
NB	Net Position - Beginning			
PA	Prior Period Adjustment - Implement GASB 65 for Bond Issuance Costs			
PA1	Prior Period Adjustment - Capital Assets			
	Net Position - Beginning, as Restated			
NE	Net Position - Ending			

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (99,684,166)	\$ -	\$ (99,684,166)
(3,010,785)	-	(3,010,785)
(4,713,068)	-	(4,713,068)
(1,749,059)	-	(1,749,059)
(10,025,984)	-	(10,025,984)
(6,431,036)	-	(6,431,036)
(448,986)	-	(448,986)
(1,772,397)	-	(1,772,397)
(7,466,871)	-	(7,466,871)
(209,242)	-	(209,242)
(5,290,194)	-	(5,290,194)
(3,408,405)	-	(3,408,405)
(11,955,222)	-	(11,955,222)
(2,733,485)	-	(2,733,485)
(3,816,054)	-	(3,816,054)
(15,004)	-	(15,004)
(12,494,586)	-	(12,494,586)
(345,281)	-	(345,281)
-	-	-
(2,092,300)	-	(2,092,300)
(577,357)	-	(577,357)
<u>(178,239,482)</u>	<u>-</u>	<u>(178,239,482)</u>
-	816,258	816,258
-	816,258	816,258
<u>(178,239,482)</u>	<u>816,258</u>	<u>(177,423,224)</u>
75,700,506	-	75,700,506
36,425,476	-	36,425,476
76,832,576	-	76,832,576
236,966	-	236,966
295,589	-	295,589
700,000	(700,000)	-
<u>190,191,113</u>	<u>(700,000)</u>	<u>189,491,113</u>
<u>11,951,631</u>	<u>116,258</u>	<u>12,067,889</u>
74,112,120	73,604	74,185,724
(2,400,754)	-	(2,400,754)
2,246,981	-	2,246,981
<u>73,958,347</u>	<u>73,604</u>	<u>74,031,951</u>
<u>\$ 85,909,978</u>	<u>\$ 189,862</u>	<u>\$ 86,099,840</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
AUGUST 31, 2013

Data Control Codes		General Fund	Debt Service Fund
	ASSETS		
1110	<i>Cash and Cash Equivalents</i>	\$ 17,053,283	\$ 147,527
1120	<i>Current Investments</i>	21,824,302	3,937,412
1225	<i>Property Taxes Receivable (Net)</i>	3,002,766	993,513
1240	<i>Due from Other Governments</i>	1,933,944	-
1250	<i>Accrued Interest</i>	41,111	-
1260	<i>Due from Other Funds</i>	923,086	-
1290	<i>Other Receivables</i>	18,164	-
1300	<i>Inventories, at Cost</i>	328,717	-
1410	<i>Prepaid Items</i>	215,032	-
1000	Total Assets	<u>\$ 45,340,405</u>	<u>\$ 5,078,452</u>
	LIABILITIES		
2110	<i>Accounts Payable</i>	\$ 1,624,035	\$ -
2150	<i>Payroll Deductions and Withholdings</i>	986,377	-
2160	<i>Accrued Wages Payable</i>	382,632	-
2170	<i>Due to Other Funds</i>	8,876	-
2180	<i>Due to Other Governments</i>	3,298,821	1,597,352
2200	<i>Accrued Expenditures</i>	61,063	-
2300	<i>Unearned Revenues</i>	60,405	-
2000	Total Liabilities	<u>6,422,209</u>	<u>1,597,352</u>
	DEFERRED INFLOWS OF RESOURCES		
2600	<i>Unavailable Revenue - Property Taxes</i>	3,002,766	993,513
	Total Deferred Inflows of Resources	<u>3,002,766</u>	<u>993,513</u>
	FUND BALANCES		
	Nonspendable:		
3410	<i>Nonspendable - Inventories</i>	328,717	-
3430	<i>Nonspendable - Prepaid Items</i>	215,032	-
	Restricted:		
3470	<i>Restricted - Capital Acquisitions and Contractual Obligations</i>	-	-
3480	<i>Restricted - Debt Service</i>	-	2,487,587
	Committed:		
3545	<i>Committed - Other</i>	-	-
	Assigned:		
3565	<i>Assigned - Solar Panels</i>	3,911,000	-
3590	<i>Assigned - Personnel</i>	3,500,000	-
3600	<i>Unassigned</i>	27,960,681	-
3000	Total Fund Balances	<u>35,915,430</u>	<u>2,487,587</u>
4000	Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 45,340,405</u>	<u>\$ 5,078,452</u>

The accompanying notes are an integral part of this statement.

<u>Capital Projects Fund</u>	<u>Nonmajor Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 3,848,239	\$ 1,799,354	\$ 22,848,403
25,239,396	1,420,018	52,421,128
-	-	3,996,279
32,769	1,028,071	2,962,015
-	-	73,880
-	19,045	942,131
-	5,167	23,331
-	141,379	470,096
17,946	24,939	257,917
<u>\$ 29,138,350</u>	<u>\$ 4,437,973</u>	<u>\$ 83,995,180</u>
\$ 2,823,876	\$ 430,426	\$ 4,878,337
-	-	986,377
285	12,938	395,855
111,499	811,878	932,253
-	2,265	4,898,438
1,301,418	-	1,362,481
-	317,206	377,611
<u>4,237,078</u>	<u>1,574,713</u>	<u>13,831,352</u>
-	-	3,996,279
-	-	<u>3,996,279</u>
-	-	328,717
17,946	24,939	257,917
24,883,326	-	24,883,326
-	-	2,487,587
-	2,838,321	2,838,321
-	-	3,911,000
-	-	3,500,000
-	-	27,960,681
<u>24,901,272</u>	<u>2,863,260</u>	<u>66,167,549</u>
<u>\$ 29,138,350</u>	<u>\$ 4,437,973</u>	<u>\$ 83,995,180</u>

(This page intentionally left blank.)

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
AUGUST 31, 2013

Exhibit B-1R

Total Fund Balances - Governmental Funds (Exhibit B-1) \$ 66,167,549

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	\$ 445,677,266	
Accumulated Depreciation of Governmental Capital Assets	<u>(111,355,457)</u>	334,321,809

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. 3,996,279

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

Bonds Payable, at Original Par	\$ (306,575,000)	
Premium on Bonds Payable	(20,674,556)	
Deferred Charge on Refunding	12,604,441	
Accrued Interest on the Bonds	(616,654)	
Notes Payable	(4,926,823)	
Accrued Interest on Notes Payable	(30,818)	
Compensated Absences	<u>(445,330)</u>	(320,664,740)

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

Health Insurance	\$ 1,991,682	
Workers' Compensation	<u>97,399</u>	<u>2,089,081</u>

Total Net Position - Governmental Activities (Exhibit A-1) \$ 85,909,978

The accompanying notes are an integral part of this statement.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2013

<u>Data Control Codes</u>		<u>General Fund</u>	<u>Debt Service Fund</u>
REVENUES			
5700	<i>Local, Intermediate, and Out-of-State</i>	\$ 77,710,586	\$ 36,391,243
5800	<i>State Programs</i>	81,981,886	1,654,086
5900	<i>Federal Programs</i>	1,853,724	-
5020	Total Revenues	<u>161,546,196</u>	<u>38,045,329</u>
EXPENDITURES			
Current:			
0011	<i>Instruction</i>	97,495,774	-
0012	<i>Instructional Resources and Media Services</i>	2,509,471	-
0013	<i>Curriculum and Instructional Staff Development</i>	4,908,599	-
0021	<i>Instructional Leadership</i>	1,851,907	-
0023	<i>School Leadership</i>	10,305,606	-
0031	<i>Guidance, Counseling, and Evaluation Services</i>	6,702,467	-
0032	<i>Social Work Services</i>	472,521	-
0033	<i>Health Services</i>	1,861,931	-
0034	<i>Student Transportation</i>	7,437,879	-
0035	<i>Food Services</i>	127,428	-
0036	<i>Extracurricular Activities</i>	4,471,794	-
0041	<i>General Administration</i>	3,617,610	-
0051	<i>Plant Maintenance and Operations</i>	11,949,518	-
0052	<i>Security and Monitoring Services</i>	2,035,585	-
0053	<i>Data Processing Services</i>	2,250,531	-
0061	<i>Community Services</i>	10,468	-
Debt Service:			
0071	<i>Principal on Long-term Debt</i>	-	18,160,000
0072	<i>Interest on Long-term Debt</i>	-	14,181,497
0073	<i>Issuance Costs and Fees</i>	-	345,281
Capital Outlay:			
0081	<i>Facilities Acquisition and Construction</i>	1,494,167	-
Intergovernmental:			
0093	<i>Payments to Shared Services Arrangements</i>	1,897,280	-
0099	<i>Payments to Appraisal District</i>	577,357	-
6030	Total Expenditures	<u>161,977,893</u>	<u>32,686,778</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(431,697)</u>	<u>5,358,551</u>
OTHER FINANCING SOURCES (USES)			
7911	<i>Issuance of Refunding Bonds</i>	-	38,645,000
7914	<i>Non-Current Loan Proceeds</i>	4,926,823	-
7915	<i>Transfers In</i>	811,499	-
7916	<i>Premium from Issuance of Bonds</i>	-	5,994,931
8911	<i>Transfers Out</i>	-	-
8912	<i>Settlement of Lawsuit</i>	(2,600)	-
8940	<i>Payment to Bond Refunding Escrow Agent</i>	-	(49,802,721)
7080	Total Other Financing Sources (Uses)	<u>5,735,722</u>	<u>(5,162,790)</u>
1200	Net Change in Fund Balances	5,304,025	195,761
0100	Fund Balances - Beginning	30,611,405	2,291,826
3000	Fund Balances - Ending	<u>\$ 35,915,430</u>	<u>\$ 2,487,587</u>

The accompanying notes are an integral part of this statement.

Capital Projects Fund	Nonmajor Other Governmental Funds	Total Governmental Funds
\$ 204,536	\$ 6,580,916	\$ 120,887,281
-	1,575,466	85,211,438
-	16,797,645	18,651,369
<u>204,536</u>	<u>24,954,027</u>	<u>224,750,088</u>
3,949,044	9,311,773	110,756,591
261,337	89,809	2,860,617
52,349	886,098	5,847,046
-	513,787	2,365,694
22,668	272,373	10,600,647
-	190,869	6,893,336
19,220	66,181	557,922
4,311	79,452	1,945,694
-	216,526	7,654,405
83,876	11,088,608	11,299,912
195,845	1,280,508	5,948,147
-	5,797	3,623,407
773,824	329,639	13,052,981
245,576	125,225	2,406,386
1,372,385	-	3,622,916
-	108,006	118,474
-	-	18,160,000
-	-	14,181,497
-	-	345,281
12,575,040	-	14,069,207
-	195,020	2,092,300
-	-	577,357
<u>19,555,475</u>	<u>24,759,671</u>	<u>238,979,817</u>
(19,350,939)	194,356	(14,229,729)
-	-	38,645,000
-	-	4,926,823
-	-	811,499
-	-	5,994,931
(111,499)	-	(111,499)
-	-	(2,600)
-	-	(49,802,721)
<u>(111,499)</u>	<u>-</u>	<u>461,433</u>
(19,462,438)	194,356	(13,768,296)
44,363,710	2,668,904	79,935,845
<u>\$ 24,901,272</u>	<u>\$ 2,863,260</u>	<u>\$ 66,167,549</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2013

Exhibit B-2R

Total Net Changes in Fund Balances - Governmental Funds (Exhibit B-2) \$ (13,768,296)

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital Assets <i>increased</i>	\$ 16,584,679	
Depreciation Expense	<u>(9,919,072)</u>	6,665,607

The net effect of miscellaneous transactions involving capital assets (transfers, adjustments and dispositions) is an increase (decrease) to net position. (23,712)

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. 39,165

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

Par Value	\$ (38,645,000)	
Premium	<u>(5,994,931)</u>	(44,639,931)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 18,160,000

Payment to escrow agent to refund bonds from refunding proceeds. 49,802,721

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>	\$ 58,720	
Accrued Interest on Notes Payable <i>increased</i>	(30,818)	
Amortization of Bond Premium	1,951,560	
Amortization of Deferred Charge on Refunding Bonds	(1,267,411)	
Interest Adjustment for Cash Defeasance	<u>(679,226)</u>	32,825

Issuance of notes provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. (4,926,823)

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. 137,486

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

Health Insurance	\$ 441,491	
Workers' Compensation	<u>31,098</u>	<u>472,589</u>

Change in Net Position for Governmental Activities (Exhibit A-2) \$ 11,951,631

The accompanying notes are an integral part of this statement.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AUGUST 31, 2013

Exhibit C-1

Data Control Codes		Business-Type Activities Enterprise Fund - Extended Day Program	Governmental Activities Internal Service Funds
ASSETS			
Current Assets:			
1110	<i>Cash and Cash Equivalents</i>	\$ 180,860	\$ 2,023,199
1120	<i>Current Investments</i>	-	1,783,928
1250	<i>Accrued Interest</i>	-	300
1290	<i>Other Receivables</i>	529	8,770
1490	<i>Other Current Assets</i>	-	233,750
	Total Current Assets	<u>181,389</u>	<u>4,049,947</u>
Noncurrent Assets:			
1520	<i>Buildings and Improvements</i>	89,600	-
1570	<i>Accumulated Depreciation</i>	(5,376)	-
	Total Noncurrent Assets	<u>84,224</u>	<u>-</u>
1000	Total Assets	<u>265,613</u>	<u>4,049,947</u>
LIABILITIES			
Current Liabilities:			
2110	<i>Accounts Payable</i>	19,053	475,320
2160	<i>Accrued Wages Payable</i>	35,984	-
2170	<i>Due to Other Funds</i>	6,494	17
2300	<i>Unearned Revenue</i>	14,220	-
	Total Current Liabilities	<u>75,751</u>	<u>475,337</u>
Noncurrent Liabilities:			
2123	<i>Claims Payable - Due Within One Year</i>	-	1,485,529
	Total Noncurrent Liabilities	<u>-</u>	<u>1,485,529</u>
2000	Total Liabilities	<u>75,751</u>	<u>1,960,866</u>
NET POSITION			
3200	<i>Net Investment in Capital Assets</i>	84,224	-
3900	<i>Unrestricted</i>	105,638	2,089,081
3000	Total Net Position	<u>\$ 189,862</u>	<u>\$ 2,089,081</u>

The accompanying notes are an integral part of this statement.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2013

Exhibit C-2

<u>Data Control Codes</u>	<u>Business-Type Activities</u> <u>Enterprise</u> <u>Fund -</u> <u>Extended Day</u> <u>Program</u>	<u>Governmental Activities</u> <u>Internal Service</u> <u>Funds</u>
OPERATING REVENUES		
5737 <i>Registration Fees</i>	\$ 28,280	\$ -
5739 <i>Tuition</i>	2,747,200	-
5754 <i>Interfund Services Provided</i>	-	12,815,584
5020 <i>Total Operating Revenues</i>	<u>2,775,480</u>	<u>12,815,584</u>
OPERATING EXPENSES		
6100 <i>Payroll Costs</i>	1,583,694	-
6200 <i>Purchased and Contracted Services</i>	35,825	1,622,917
6300 <i>Supplies and Materials</i>	180,313	3,632
6400 <i>Claims Expense and Other Operating Expenses</i>	155,806	10,725,391
6449 <i>Depreciation</i>	3,584	-
6030 <i>Total Operating Expenses</i>	<u>1,959,222</u>	<u>12,351,940</u>
<i>Operating Income</i>	<u>816,258</u>	<u>463,644</u>
NONOPERATING REVENUES		
7955 <i>Investment Earnings - Deposits and Investments</i>	-	8,945
8030 <i>Total Nonoperating Revenues</i>	-	8,945
<i>Income before Transfers</i>	816,258	472,589
8911 <i>Transfers Out</i>	(700,000)	-
1300 <i>Change in Net Position</i>	<u>116,258</u>	<u>472,589</u>
0100 <i>Net Position - Beginning</i>	73,604	1,616,492
3300 <i>Net Position - Ending</i>	<u>\$ 189,862</u>	<u>\$ 2,089,081</u>

The accompanying notes are an integral part of this statement.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2013

Exhibit C-3

	<u>Business-Type Activities</u> Enterprise Fund - Extended Day Program	<u>Governmental Activities</u> Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Employee and Employer	\$ -	\$ 12,655,601
Cash Received from Registration Fees and Tuition	2,764,980	-
Cash Payments to Suppliers for Goods and Services	(366,312)	-
Cash Payments for Claims	-	(10,415,082)
Cash Payments for Employees	(1,562,878)	-
Cash Payments for Administrative Services	-	(1,661,799)
Net Cash Provided by Operating Activities	<u>835,790</u>	<u>578,720</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers to Other Funds	(700,000)	-
Net Cash Used for Noncapital Financing Activities	<u>(700,000)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and Dividends Received on Investments	-	8,945
Sale of Investments	-	42,864
Net Cash Provided by Investing Activities	<u>-</u>	<u>51,809</u>
Net Increase in Cash and Cash Equivalents	135,790	630,529
Cash and Cash Equivalents at Beginning of Year	45,070	1,392,670
Cash and Cash Equivalents at End of Year	<u>\$ 180,860</u>	<u>\$ 2,023,199</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:		
Operating Income	\$ 816,258	\$ 463,644
Depreciation Expense	3,584	-
Change in Assets and Liabilities:		
Decrease in Other Receivables	564	4,737
Increase in Prepaid Insurance	-	(35,250)
Increase in Other Assets	-	(57,500)
Increase in Accounts Payable	5,632	131,818
Increase in Accrued Wages Payable	16,175	-
Decrease in Deferred Revenue	(11,064)	-
Increase in Claims Payable	-	231,254
Increase (Decrease) in Due to Other Funds	4,641	(159,983)
Net Cash Provided by Operating Activities	<u>\$ 835,790</u>	<u>\$ 578,720</u>

The accompanying notes are an integral part of this statement.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
AUGUST 31, 2013

Exhibit D-1

<u>Data Control Codes</u>		<u>Private-Purpose Trust Fund</u>	<u>Agency Fund</u>
	ASSETS		
1110	<i>Cash and Cash Equivalents</i>	\$ 39,450	\$ 303,221
1120	<i>Current Investments</i>	243,198	-
1260	<i>Due from Other Funds</i>	-	2,276
1000	Total Assets	<u>282,648</u>	<u>\$ 305,497</u>
	LIABILITIES		
2110	<i>Accounts Payable</i>	-	\$ 153
2170	<i>Due to Other Funds</i>	-	5,643
2190	<i>Due to Student Groups</i>	-	299,701
2000	Total Liabilities	<u>-</u>	<u>\$ 305,497</u>
	NET POSITION		
3800	<i>Restricted Net Position</i>	282,648	
3000	Total Net Position	<u>\$ 282,648</u>	

The accompanying notes are an integral part of this statement.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED AUGUST 31, 2013

Exhibit D-2

	<u>Private-Purpose Trust Fund</u>
ADDITIONS	
<i>Interest</i>	\$ 250
<i>Gifts and Contributions</i>	9,110
Total Additions	<u>9,360</u>
DEDUCTIONS	
<i>Scholarship Funds</i>	9,700
Total Deductions	<u>9,700</u>
Change in Net Position	(340)
Net Position - Beginning of Year	282,988
Net Position - End of Year	<u>\$ 282,648</u>

The accompanying notes are an integral part of this statement.

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

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

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

Government-wide and Fund Financial Statements

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

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

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

Implementation of New Standard

Change in Accounting Principles - As a result of implementing GASB Statements Nos. 63 and 65, the District has restated the beginning net position in the government-wide statement of activities, effectively decreasing net position as of September 1, 2012 by \$2,400,754. The decrease results from no longer deferring and amortizing bond issuance costs. Further, the District has restated its long-term liabilities to reflect that a component of those liabilities as of August 31, 2012, deferred charge on refunding is now reported as deferred outflows of resources on the government-wide statement of net position. The effect of this change, as of August 31, 2012, is an increase of \$11,314,668 in long-term liabilities and a corresponding increase in deferred outflows of resources on the statement of net position.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

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 funds are rolled over from year to year for use in the program.

Additionally, the District reports the following fund types:

- The *enterprise fund* accounts for the District's operation of an extended day school care program. This fund is supported principally by revenues generated through program fees.
- The *internal service funds* are used to account for the operations of the District's self-funded employee group health insurance and workers' compensation plans.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2013

Exhibit E-1
(Continued)

- *Private purpose trust funds* are used to account for resources legally held in trust under which principal and income benefit individuals, private organizations or other governments. The District's private-purpose trust funds represent scholarship funds being held in trust for students.
- The *agency fund* is used to account for assets held by the District as an agent for student organizations. The fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operation.

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

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

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

Deposits and Investments

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

Investments for the District are reported at fair value based on quoted market prices at August 31, 2013. The investment pools operate in accordance with appropriate state laws and regulations. The reported value of the pools is the same as the fair value of the pool shares.

Receivables and Payables

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

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

Inventories and Prepaid items

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

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

Capital Assets

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

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

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

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

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

Compensated Absences

The State of Texas has created a minimum sick leave program consisting of five days per year sick 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 sick leave beyond the state minimum.

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

Long-term Obligations

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the reacquisition price over the carrying value of refunded debt. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

Net position Flow Assumption

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

Fund Balance Flow Assumptions

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

Fund Balance Policies

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

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

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

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

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

Unassigned fund balance - amounts that are available for any purpose. Positive amounts are reported only in the general fund.

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

Data Control Codes

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

Use of Estimates

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

Note 2 - Deposits and Investments

Cash Deposits

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

Investments

The District's investment policy is in accordance with the Public Funds Investment Act, the Public Funds Collateral Act, and federal and state laws. For fiscal year 2013, the District invested in certificates of deposit, LOGIC, Texas Association of School Boards Lone Star Investment Pool, and Texas Cooperative Liquid Assets Securities System Trust (Texas CLASS). LOGIC, Lone Star, and Texas CLASS operate in a manner consistent with the Security and Exchange Commission's Rule 2a-7 of the Investment Company Act of 1940. The investment pools use amortized cost to report net asset and share prices, since those amounts approximate fair value.

LOGIC is duly chartered by the State of Texas Interlocal Cooperation Act, is administered by First Southwest Asset Management, Inc. and J.P. Morgan Investment Management, Inc. (JPMIM), and managed by JPMIM. J.P. Morgan Chase provides custody, fund accounting and transfer agency services. LOGIC may invest in obligations of the U.S. or its agencies and instrumentalities; repurchase agreements; SEC-registered money market funds rated in the highest rating category by at least one NRSRO; and commercial paper rated A-1, P-1 or equivalent by on NRSRO and is fully secured by an irrevocable letter or 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 and American Beacon Advisors. The Bank of New York is the custodial bank. Lone Star Investment Pool is restricted to invest in obligations of the United States or its agencies and instrumentalities; other obligations insured by the United States; fully collateralized repurchase agreements having a defined termination date, secured by obligations described previously; and SEC-registered no-load money market mutual funds, the assets which consist exclusively of the obligations described above.

Texas CLASS is a local government investment pool organized under the authority of the Interlocal Cooperation Act, chapter 791, Texas Government Code, and the Public Funds Investment Act, chapter 2256, Texas Government Code. Texas CLASS was established in 1996. Pursuant to the Trust Agreement, Texas CLASS is supervised by a Board of Trustees who are elected by the Participants. The Board of Trustees supervises the Trust and its affairs and acts as the liaison between the Participants, the Custodian and the Program Administrator. Cutwater Investor Services Corp. serves as Program Administrator. Cutwater Investor Services Corp. is a subsidiary of Cutwater Asset Management. It maintains a Net Asset Value of approximately \$1 per share. On July 19, 2013, the Board of Trustees selected Public Trust Advisors, LLC. to serve as administrator and portfolio manager effective October 1, 2013.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2013

Exhibit E-1
(Continued)

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

	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Cash and Deposits	\$ 25,052,462	N/A
Investment Type:		
Certificates of Deposit	26,500,000	0.38
Local Government Investment Pools:		
LOGIC	9,795,873	0.17
Lone Star	2,700,377	0.27
Texas CLASS	<u>15,208,806</u>	0.13
Subtotal for Investments	<u>54,205,056</u>	
Total Fair Value	<u>\$ 79,257,518</u>	
 Portfolio Weighted Average Maturity		 0.26

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.

At August 31, 2013, the District's exposure to interest rate risk as measured by the segmented time distribution by investment type is summarized below:

	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Investment Maturities in Years</u>	
			<u>Less than 1</u>	<u>Greater than 1</u>
Certificate of Deposit	\$ 26,500,000	\$ 26,500,000	\$ 26,500,000	\$ -
Local Government Investment Pools:				
LOGIC	9,795,873	9,795,873	9,795,873	-
Lone Star	2,700,377	2,700,377	2,700,377	-
Texas CLASS	<u>15,208,806</u>	<u>15,208,806</u>	<u>15,208,806</u>	-
	<u>\$ 54,205,056</u>	<u>\$ 54,205,056</u>	<u>\$ 54,205,056</u>	<u>\$ -</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2013

Exhibit E-1
(Continued)

Credit Risk

State law and the District's investment policy limits investments in all categories to top ratings issued by nationally recognized statistical rating organizations. As of August 31, 2013, the District's investments had the following ratings:

	<u>Fair Value</u>	<u>Rating</u>
Certificate of Deposit	\$ 26,500,000	Not Rated
Local Government Investment Pools:		
LOGIC	9,795,873	AAAm
Lone Star	2,700,377	AAAm
Texas CLASS	15,208,806	AAAm
	<u>\$ 54,205,056</u>	

Custodial Credit Risk

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

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

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

Concentration of Credit Risk

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

Certificates of Deposit	50% (maximum)
U.S. Treasury Obligations	25% (maximum)
Public Funds Investment Pools	100% (maximum)

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

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2013

Exhibit E-1
(Continued)

As of August 31, 2013, the following was the composition of the District's non-interest bearing cash and investment portfolio:

Certificates of Deposit	33%
LOGIC	12%
Lone Star Investment Pool	4%
Texas CLASS Pool	19%
Non-interest Bearing Cash	32%

Note 3 - Receivables

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

	Governmental Fund Type				Proprietary Fund Type		Total
	General Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Enterprise Fund	Internal Service Funds	
Receivables:							
Property Taxes	\$ 3,033,097	\$ 1,003,548	\$ -	\$ -	\$ -	\$ -	\$ 4,036,645
Due From Other Governments:							
State	1,933,715	-	-	47,373	-	-	1,981,088
Federal	-	-	-	969,939	-	-	969,939
Local	229	-	-	10,759	-	-	10,988
Interest	41,111	-	32,769	-	-	300	74,180
Other	18,164	-	-	5,167	529	8,770	32,630
Gross Receivables	5,026,316	1,003,548	32,769	1,033,238	529	9,070	7,105,470
Less: Allowance for Uncollectibles	(30,331)	(10,035)	-	-	-	-	(40,366)
Net Total Receivables	\$ 4,995,985	\$ 993,513	\$ 32,769	\$ 1,033,238	\$ 529	\$ 9,070	\$ 7,065,104

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	\$ 173
Uncollectibles Related to Debt Service Property Taxes	(568)
Total Uncollectibles of the Current Fiscal Year	\$ (395)

Approximately \$3,524,000 of the outstanding balance of property taxes receivable is not anticipated to be collected within the next year.

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

	Unearned
Season Ticket Sales (General Fund)	\$ 14,451
Rental Deposits (General Fund)	11,399
Kickstart (General Fund)	34,555
Funds Received Prior to Meeting all Eligibility Requirements, Primarily Grants (Special Revenue Funds)	317,206
Total Unearned Revenue For Governmental Funds	\$ 377,611

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2013

Exhibit E-1
(Continued)

Note 4 - Capital Assets

The District's capital asset activity for the year ended August 31, 2013 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions and Adjustments</u>	<u>Prior Period Adjustment</u>	<u>Ending Balance</u>
Governmental Activities:					
Capital Assets, not being Depreciated:					
Land	\$ 27,628,968	\$ 6,615	\$ -	\$ -	\$ 27,635,583
Construction in Progress	29,802,345	14,036,492	(13,306,960)	-	30,531,877
<i>Total Capital Assets, not being Depreciated</i>	<u>57,431,313</u>	<u>14,043,107</u>	<u>(13,306,960)</u>	<u>-</u>	<u>58,167,460</u>
Capital Assets, being Depreciated:					
Buildings and Improvements	350,432,596	345,378	13,306,960	-	364,084,934
Furniture and Equipment	21,912,412	2,196,194	(683,734)	-	23,424,872
<i>Total Capital Assets, being Depreciated</i>	<u>372,345,008</u>	<u>2,541,572</u>	<u>12,623,226</u>	<u>-</u>	<u>387,509,806</u>
Less Accumulated Depreciation for:					
Buildings and Improvements	(89,286,301)	(7,482,637)	-	24,055	(96,744,883)
Furniture and Equipment	(15,057,087)	(2,436,435)	660,022	2,222,926	(14,610,574)
<i>Total Accumulated Depreciation</i>	<u>(104,343,388)</u>	<u>(9,919,072)</u>	<u>660,022</u>	<u>2,246,981</u>	<u>(111,355,457)</u>
<i>Total Capital Assets, being Depreciated, net</i>	<u>268,001,620</u>	<u>(7,377,500)</u>	<u>13,283,248</u>	<u>2,246,981</u>	<u>276,154,349</u>
<i>Governmental Activities Capital Assets, net</i>	<u>\$ 325,432,933</u>	<u>\$ 6,665,607</u>	<u>\$ (23,712)</u>	<u>\$ 2,246,981</u>	<u>\$ 334,321,809</u>
Business-type Activities:					
Capital Assets, being Depreciated:					
Buildings and Improvements	89,600	-	-	-	89,600
<i>Total Capital Assets, being Depreciated</i>	<u>89,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>89,600</u>
Less Accumulated Depreciation for:					
Buildings and Improvements	(1,792)	(3,584)	-	-	(5,376)
<i>Total Accumulated Depreciation</i>	<u>(1,792)</u>	<u>(3,584)</u>	<u>-</u>	<u>-</u>	<u>(5,376)</u>
<i>Business-type Activities Capital Assets, net</i>	<u>\$ 87,808</u>	<u>\$ (3,584)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 84,224</u>

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

Governmental Activities:	
11 Instruction	\$ 4,889,021
12 Instructional Resources and Media Services	368,217
13 Curriculum Development and Instructional Staff Development	3,351
23 School Leadership	268,098
31 Guidance, Counseling, and Evaluation Services	96,401
32 Social Work Services	2,589
34 Student Transportation	34,244
35 Food Services	710,264
36 Extracurricular Activities	1,326,363
41 General Administration	90,883
51 Plant Maintenance and Operations	414,734
52 Security and Monitoring Services	498,845
53 Data Processing Services	1,209,360
61 Community Services	6,702
<i>Total Depreciation Expense-Governmental Activities</i>	<u>\$ 9,919,072</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2013

Exhibit E-1
(Continued)

Construction Commitments

The District has active construction projects as of August 31, 2013. The projects include the construction and equipment of school facilities. At year-end, the District's commitments with contractors are as follows:

Project	Approved Construction Budget	Remaining Commitment
Balfour Beatty Construction - Cele MS #6	\$ 24,619,000	\$ 1,826,989
Bartlett Cocke Construction - Elementary School #20	17,150,000	15,215,075
Raba Kistner - Engineers - Elementary School #20	85,000	57,993
Gil Engineering - Engineers - Elementary School #20	95,175	19,550
SHW - Architects - Elementary School # 20	857,500	145,775
PBK - Architects - High School #4	3,600,000	2,988,000
PBK - Architects - PHS Ag Barn Expansion	28,000	15,400
PBK - Architects - HHS Ag Barn Expansion	28,000	15,400
Gridpoint - Solar Panel Project	4,926,823	3,859,413
Totals	\$ 51,389,498	\$ 24,143,595

Note 5 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of August 31, 2013 is as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental Funds:		
General Fund	\$ 923,086	\$ 8,876
Capital Projects Fund	-	111,499
Nonmajor-Other Governmental Funds	19,045	811,878
Proprietary Funds:		
Enterprise Fund - Extended Day Program	-	6,494
Internal Service Funds	-	17
Fiduciary Funds:		
Agency Fund	2,276	5,643
Totals	\$ 944,407	\$ 944,407

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

Interfund Transfers

Interfund transfers are defined as "flows of assets without equivalent flow of assets in return and without a requirement for repayment." The following is a summary of the District's transfers for the year ended August 31, 2013.

<u>Transfer Out</u>	<u>Transfers In</u>	<u>Amount</u>
Capital Projects Fund	General Fund	\$ 111,499
Enterprise Fund-Extended Day Program	General Fund	700,000
Total		\$ 811,499

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

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

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2013

Exhibit E-1
(Continued)

Transfers from Capital Projects Fund to General Fund were to consolidate non-bond funds used for capital projects. The small amount of funds used for capital project improvements did not justify keeping the funds in a separate fund from the maintain/repair funds in the General Fund. Since the funds transferred were not bond funds there was no legal requirement to keep them in the Capital Projects Fund.

Note 6 - Long-term Liabilities

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

Changes in Long-term Liabilities

Long-term liability activity for the year ended August 31, 2013, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<i>Governmental Activities:</i>					
Bonds Payable:					
General Obligation Bonds	\$ 329,690,000	\$ 38,645,000	\$ (61,760,000)	\$ 306,575,000	\$ 18,185,000
<i>Deferred Amounts:</i>					
For Issuance Premiums	19,597,496	5,994,931	(4,917,871)	20,674,556	-
Total Bonds Payable, net	349,287,496	44,639,931	(66,677,871)	327,249,556	18,185,000
Notes Payable	-	4,926,823	-	4,926,823	462,140
Health Insurance Claims	900,000	10,577,320	(10,355,313)	1,122,007	1,122,007
Workers' Compensation Claims	354,275	291,794	(282,547)	363,522	363,522
Compensated Absences *	582,816	(70,773)	(66,713)	445,330	44,533
Governmental Activity Long-term Liabilities	\$ 351,124,587	\$ 60,365,095	\$ (77,382,444)	\$ 334,107,238	\$ 20,177,202

* The negative addition for compensated absences represents an adjustment of the provision in the current year as a result of a policy change that requires employees to retire from Teacher Retirement System to be paid for accumulated local sick leave.

General Obligation Bonds

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

<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>
2003	4.00%	\$ 20,000,000	2028	\$ 1,330,000	\$ -	\$ (650,000)	\$ 680,000
2004	4.00%	25,915,000	2029	2,285,000	-	(830,000)	1,455,000
2004 A	3.75-5.00%	14,090,000	2017	9,245,000	-	(5,650,000)	3,595,000
2005	5.00-5.25%	79,195,000	2026	61,040,000	-	(40,845,000)	20,195,000
2005 A	3.625-5.25%	28,670,000	2030	3,925,000	-	(905,000)	3,020,000
2006	4.00-5.00%	40,000,000	2031	26,485,000	-	(1,195,000)	25,290,000
2008	3.00-5.00%	121,715,000	2033	116,520,000	-	(6,225,000)	110,295,000
2010	4.00-5.00%	20,420,000	2019	16,930,000	-	(4,420,000)	12,510,000
2011	4.00-5.00%	23,655,000	2025	23,575,000	-	-	23,575,000
2011A	2.00-5.00%	28,170,000	2028	27,590,000	-	-	27,590,000
2012	2.00-5.00%	40,765,000	2030	40,765,000	-	(170,000)	40,595,000
2012A	0.50-5.00%	38,645,000	2026	-	38,645,000	(870,000)	37,775,000
Totals				\$ 329,690,000	\$ 38,645,000	\$ (61,760,000)	\$ 306,575,000

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2013

Exhibit E-1
(Continued)

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

Year Ending August 31	Principal Value	Interest	Total Requirements
2014	18,185,000	13,780,341	31,965,341
2015	19,055,000	12,970,269	32,025,269
2016	19,450,000	12,110,757	31,560,757
2017	20,500,000	11,081,351	31,581,351
2018	17,585,000	10,237,294	27,822,294
2019	18,260,000	9,458,294	27,718,294
2020	14,630,000	8,743,144	23,373,144
2021	15,155,000	8,092,869	23,247,869
2022	15,840,000	7,373,644	23,213,644
2023	16,590,000	6,613,707	23,203,707
2024	17,355,000	5,866,982	23,221,982
2025	18,140,000	5,098,317	23,238,317
2026	19,320,000	4,114,026	23,434,026
2027	13,300,000	3,355,350	16,655,350
2028	13,960,000	2,718,431	16,678,431
2029	13,480,000	2,053,175	15,533,175
2030	12,250,000	1,442,063	13,692,063
2031	10,935,000	895,275	11,830,275
2032	8,405,000	419,125	8,824,125
2033	4,180,000	104,500	4,284,500
Totals	\$ 306,575,000	\$ 126,528,914	\$ 433,103,914

As of August 31, 2013, the District did not have authorized but unissued bonds remaining.

In November 2012, the District issued \$38,645,000 of refunding bonds. The proceeds of the refunding bonds were used to legally defease \$38,940,000 of previously issued District bonds in order to lower its overall debt service requirements. The reacquisition price exceeded the net carrying value of the old debt by \$4,814,041. The amount is netted against the new debt and amortized over the life of the new debt. The refunding resulted in an economic gain of \$3,687,917.

In 2013, the District defeased \$4,660,000 outstanding bonds by placing funds accumulated by the Debt Service Fund in irrevocable escrow account to provide for future debt service payments on the Series 2008 bonds.

Prior to August 31, 2013, the District defeased certain outstanding bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the escrow accounts to provide for all future debt service payments are not included in the District's financial statements. At August 31, 2013, the following outstanding bonds are considered defeased:

2004	General Obligation Bonds (maturing 2016-2029, callable February 15, 2014)	\$ 19,150,000
2005A	General Obligation Bonds (maturing 2017-2030, callable February 15, 2015)	21,415,000
2006	General Obligation Bonds (maturing 2018-2023, callable February 15, 2015)	10,465,000
2004A	General Obligation Bonds (maturing 2016-2017, callable February 15, 2014)	5,535,000
2005	General Obligation Bonds (maturing 2017-2026, callable August 15, 2015)	33,405,000
2008	General Obligation Bonds (maturing 2033, callable February 15, 2017)	4,660,000
		\$ 94,630,000

Notes Payable

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

Description	Interest Rate	Original Issue	Maturity Date	Beginning Balance	Additions	Reductions	Ending Balance
Solar Panels	2.887%	4,926,823	2023	\$ -	\$ 4,926,823	\$ -	\$ 4,926,823
Totals				\$ -	\$ 4,926,823	\$ -	\$ 4,926,823

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2013

Exhibit E-1
(Continued)

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

Year Ending August 31	Principal	Interest	Total Requirements
2014	\$ 462,140	\$ 108,258	\$ 570,398
2015	441,503	128,895	570,398
2016	454,250	116,149	570,399
2017	467,364	103,035	570,399
2018	480,857	89,542	570,399
2019	494,739	75,660	570,399
2020	509,022	61,377	570,399
2021	523,718	46,681	570,399
2022	538,837	31,562	570,399
2023	554,393	16,006	570,399
Totals	\$ 4,926,823	\$ 777,165	\$ 5,703,988

Note 7 - Fund Balance

Other committed fund balance includes the following commitments of funds:

Other Governmental Funds:		
National School Breakfast and Lunch Program	\$	1,531,337
Campus Activity		1,280,858
Special Projects Fund		26,126
Total Other Committed Fund Balance	\$	2,838,321

Note 8 - Revenues from Local, Intermediate, and Out-of-State Sources

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

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Other Governmental Funds	Total
Property Taxes	\$ 75,717,668	\$ 36,369,149	\$ -	\$ -	\$ 112,086,817
Charges for Services	1,523,864	-	-	6,076,394	7,600,258
Contributions	148,280	-	-	502,004	650,284
Investment Income	108,814	22,094	94,595	2,518	228,021
Other	211,960	-	109,941	-	321,901
Total	\$ 77,710,586	\$ 36,391,243	\$ 204,536	\$ 6,580,916	\$ 120,887,281

Note 9 - Pension Information

Plan Description

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

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2013

Exhibit E-1
(Continued)

Funding Policy

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

Contributions

Contribution rates and contributions for fiscal years 2013-2011 are shown in the table below. These rates are set by the General Appropriations Act. In certain instances, the reporting district is required to make all or a portion of the state's and/or member's contribution and on the portion of the employees' salaries that exceeded the statutory minimum.

Contribution Rates and Contribution Amounts

Year	Member		State		School District Statutory Minimum
	Rate	Amount	Rate	Amount	Amount
2013	6.4%	\$ 7,695,552	6.400%	\$ 6,012,064	\$ 1,121,863
2012	6.4%	\$ 7,359,362	6.000%	\$ 5,424,287	\$ 999,251
2011	6.4%	\$ 7,436,074	6.644%	\$ 6,027,135	\$ 1,173,489

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

Note 11 - Risk Management

Property/Liability

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

In addition, the District is a member of the Texas Association of Public Schools Property and Liability Fund (Fund). The Fund was created to formulate, develop and administer a program of modified self-funding for the property and/or liability coverage for its membership, provide claims administration, and develop a comprehensive loss control program. The District pays contributions to the Fund for its general and educators' liability coverage. The District's agreement with the Fund provides that the Fund will be self-sustaining through member premiums and will provide, through commercial companies, reinsurance contracts.

Health Insurance Coverage

On January 1, 2011, the District implemented a self-funded employee group health insurance plan and such transactions are accounted for in an Internal Service Fund. During the 2012-13 fiscal year, the District maintained its monthly, medical insurance contribution of \$320 for September through December and \$344 for January through August toward the total employee's cost for the medical plans that could include coverage for a spouse, qualifying individual, child(ren) or family.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2013

Exhibit E-1
(Continued)

Liabilities of the self-funded employee group health insurance plan are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities also include an estimated amount for claims that have been incurred by not reported (IBNR). The result of the process to estimate the claims liability is based on the District's historical experience. An excess coverage insurance policy limits claims paid from the fund to an annual maximum amount of 115 percent of expected claims per plan year and an annual deductible of \$300,000 for each participant. 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 2012 and 2013 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>
2012	\$ 429,424	\$ 10,191,463	\$ 9,720,887	\$ 900,000
2013	900,000	10,577,320	10,355,313	1,122,007

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 \$350,000 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 2012 and 2013 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>
2012	\$ 441,582	\$ 324,597	\$ 411,904	\$ 354,275
2013	354,275	291,794	282,547	363,522

Note 12 - Retiree Health Plan

Plan Description

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

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2013

Exhibit E-1
(Continued)

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 2013-2011.

Contribution Rates

Year	Active Member		State		District	
	Rate	Amount	Rate	Amount	Rate	Amount
2013	0.65%	\$ 781,579	0.50%	\$ 570,470	0.55%	\$ 661,336
2012	0.65%	\$ 747,435	1.00%	\$ 1,090,692	0.55%	\$ 632,445
2011	0.65%	\$ 755,205	1.00%	\$ 1,103,998	0.55%	\$ 699,005

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

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. Under Medicare Part D, TRS-Care receives retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the years ended August 31, 2013, 2012, and 2011, the subsidy payments received by TRS-Care on-behalf of the District were \$322,725, \$293,598, and \$308,527, respectively. These payments are recorded as equal revenues and expenditures in the governmental funds financial statements of the District.

The Early Retiree Reinsurance Program (ERRP) was established by section 1102 of the Affordable Care Act enacted on March 23, 2010. Under ERRP, TRS receives payments for a portion of the cost of providing health benefits to retirees between the ages of 55-64 and their covered dependents. The ERRP program was temporary and no funds were received by TRS-Care in the 2012-13 and so none were allocated to the District. For fiscal year 2012, the ERRP subsidy payments received by TRS-Care on-behalf of the District were \$277,649. These payments were recorded as equal revenues and expenditures in the governmental funds' financial statements of the District.

Note 13 - Litigation and Contingent Liabilities

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

The District participates in a number of federal and state financial assistance programs. Although the District's grant programs have been audited in accordance with the provisions of the Single Audit Act through August 31, 2013, 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, 2013

Exhibit E-1
(Continued)

Note 14 - Arbitrage

In accordance with the provisions of Section 148(f) of the Internal Revenue Code of 1986, as amended, bonds must satisfy certain arbitrage rebate requirements. Positive arbitrage is the excess of: (1) the amount earned on investments purchased with bond proceeds, or (2) the amount that such investments would have earned had such investments been invested at a rate equal to the yield on the bond issue. In order to comply with the arbitrage rebate requirements, positive arbitrage must be paid to the U.S. Treasury at the end of each five-year anniversary date of the bond issue. The District has estimated that it has no arbitrage liability as of August 31, 2013.

Note 15 – Prior Period Adjustment

During the current fiscal year, the District noted an error in the disposal of accumulated depreciation for related assets that were disposed of in the prior year. The correction of this error resulted in a decrease in accumulated depreciation in the amount of \$2,246,981 as noted in Note 4 – Capital Assets and an increase in governmental activities net position in the same amount as shown on the statement of activities.

Note 16 - Shared Service Arrangements

The District participates in a Shared Service Arrangement (SSA) for the Energy for Schools Program with 102 other school districts. Approximately 3% of the electricity costs paid by the SSA are attributable to the District. The District does not account for the revenues or expenditures for this program and does not disclose them in these financial statements. The District neither has a joint ownership interest in capital assets purchased by the fiscal agent, Deer Park Independent School District, nor does the District have a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal contingencies that would give rise to a future additional benefit or burden to Pflugerville Independent School District. The fiscal agent manager is responsible for all financial activities of the SSA.

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

Revenues	\$ 2,092,300
<i>Total</i>	<u>\$ 2,092,300</u>
Expenditures	\$ 2,092,300
<i>Total</i>	<u>\$ 2,092,300</u>

Note 17 – Nonmonetary Transactions

During 2013, the District received textbooks purchased by the State of Texas for the benefit of the District for a purchase price of \$417,624. The District receives the textbooks as part of state funding for textbook allotment. The textbooks have been recorded in the amount of \$417,624 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
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2013

Exhibit F-1

Data Control Codes		1		2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual		
		Original	Final			
REVENUES						
5700	Local, Intermediate, and Out-of-State	\$ 76,950,000	\$ 77,475,000	\$ 77,710,586	\$ 235,586	
5800	State Programs	80,600,000	81,815,800	81,981,886	166,086	
5900	Federal Programs	2,000,000	2,000,000	1,853,724	(146,276)	
5020	Total Revenues	<u>159,550,000</u>	<u>161,290,800</u>	<u>161,546,196</u>	<u>255,396</u>	
EXPENDITURES						
Current:						
0011	Instruction	98,126,246	98,500,246	97,495,774	1,004,472	
0012	Instructional Resources and Media Services	2,643,847	2,643,847	2,509,471	134,376	
0013	Curriculum and Instructional Staff Development	4,585,910	5,035,910	4,908,599	127,311	
0021	Instructional Leadership	1,815,545	1,936,566	1,851,907	84,659	
0023	School Leadership	10,539,493	10,539,493	10,305,606	233,887	
0031	Guidance, Counseling, and Evaluation Services	6,420,329	6,724,308	6,702,467	21,841	
0032	Social Work Services	475,988	550,988	472,521	78,467	
0033	Health Services	1,965,038	1,965,038	1,861,931	103,107	
0034	Student Transportation	7,836,634	7,836,634	7,437,879	398,755	
0035	Food Services	80,338	180,338	127,428	52,910	
0036	Extracurricular Activities	4,238,538	4,738,538	4,471,794	266,744	
0041	General Administration	3,584,821	3,784,821	3,617,610	167,211	
0051	Plant Maintenance and Operations	11,198,010	12,467,810	11,949,518	518,292	
0052	Security and Monitoring Services	2,023,678	2,323,678	2,035,585	288,093	
0053	Data Processing Services	2,235,274	2,453,274	2,250,531	202,743	
0061	Community Services	19,059	19,059	10,468	8,591	
Capital Outlay:						
0081	Facilities Acquisition and Construction	-	2,755,823	1,494,167	1,261,656	
Intergovernmental:						
0093	Payments to Shared Services Arrangements	1,963,000	2,100,000	1,897,280	202,720	
0095	Payments to Juvenile Justice Alternative Education Programs	28,000	28,000	-	28,000	
0099	Payments to Appraisal District	580,000	580,000	577,357	2,643	
6030	Total Expenditures	<u>160,359,748</u>	<u>167,164,371</u>	<u>161,977,893</u>	<u>5,186,478</u>	
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(809,748)</u>	<u>(5,873,571)</u>	<u>(431,697)</u>	<u>5,441,874</u>	
OTHER FINANCING SOURCES (USES)						
7914	Non-Current Loan Proceeds	-	4,926,823	4,926,823	-	
7915	Transfers In	1,000,000	1,000,000	811,499	(188,501)	
8912	Settlement of Lawsuit	-	-	(2,600)	(2,600)	
7080	Total Other Financing Sources (Uses)	<u>1,000,000</u>	<u>5,926,823</u>	<u>5,735,722</u>	<u>(191,101)</u>	
1200	Net Change in Fund Balances	190,252	53,252	5,304,025	5,250,773	
0100	Fund Balances - Beginning	30,611,405	30,611,405	30,611,405	-	
3000	Fund Balances - Ending	<u>\$ 30,801,657</u>	<u>\$ 30,664,657</u>	<u>\$ 35,915,430</u>	<u>\$ 5,250,773</u>	

See accompanying notes to the required supplementary information.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
AUGUST 31, 2013

Exhibit F-2

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

Expenditures may not legally exceed budgeted appropriations at the function or activity level. Expenditure requests which would require an increase in total budgeted appropriations must be approved by the Trustees through formal budget amendment. State law prohibits trustees from making budget appropriations in excess of funds available and estimated revenues. State law also prohibits amendment of the budget after fiscal year end. Supplemental appropriations were made to the General Fund during the fiscal year ended August 31, 2013.

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, 2012. 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.

(This page intentionally left blank.)

**Combining and Individual Funds Financial Statements and
Other Supplementary Information**

(This page intentionally left blank.)

Nonmajor Governmental Funds

Special Revenue Funds

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

Programs accounted for in the Special Revenue Funds include:

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

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

ESEA, Title I, Part A – Improving Basic Programs

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

IDEA – Part B, Formula

Funds granted to operate educational programs for children with disabilities.

IDEA – Part B, Preschool

Funds granted for preschool children with disabilities.

National School Breakfast and Lunch Program (Child Nutrition)

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

Career and Technical – Basic Grant

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

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

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

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

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

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

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

Medicaid Administrative Claiming Program – MAC

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

LEP Summer School

Funds to provide summer school instruction for LEP students.

Teacher Incentive Program - ARRA

Funds to improve student achievement by increasing teacher and principal effectiveness; reform teacher and principal compensation systems so that teachers and principals are rewarded for increases in student achievement; increase the number of effective teachers teaching poor, minority and disadvantaged students; create sustainable performance-based compensation systems.

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.

Student Success Initiative

Accounts on a project basis for funds granted for teacher training and allocations to schools to implement scientific, research-based programs for students who have been identified as unlikely to achieve the third grade TAKS reading standard by the end of the third grade.

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.

District Awards for Teacher Excellence

Funding for improving instructional quality and teacher efficiency to increase student achievement. Allows districts to create or continue a system of awards for educators who demonstrate success in improving achievement. It helps districts to create a local award plan or to implement the Teacher Advancement Program (TAP).

Campus Activity Funds

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

Cinema Du Cannes Project

Funds to be used to educate, empower, develop, and celebrate the next generation of emerging artist to be productive citizens, creative individuals and active participants in shaping our communities in the 21st century.

Special Projects

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

After the Bell Program

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

STEM Grant and CTE Initiative

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

BTIM Math Science Grant

Funds to increase beginning math and science teacher retention in the district, to improve beginning teacher performance and effectiveness, to support student achievement, and to engage the support of campus principals.

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.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2013

Data Control Codes	206	211
	ESEA, Title X, Part C - Education for the Homeless Children and Youth	ESEA Title I, Part A - Improving Basic Programs
ASSETS		
1110 <i>Cash and Cash Equivalents</i>	\$ -	\$ -
1120 <i>Current Investments</i>	-	-
1240 <i>Due from Other Governments</i>	5,596	288,641
1260 <i>Due from Other Funds</i>	-	1,340
1290 <i>Other Receivables</i>	-	-
1300 <i>Inventories, at Cost</i>	-	-
1410 <i>Prepaid Items</i>	-	-
1000 Total Assets	<u>\$ 5,596</u>	<u>\$ 289,981</u>
LIABILITIES		
2110 <i>Accounts Payable</i>	\$ 521	\$ 46,363
2160 <i>Accrued Wages Payable</i>	-	4,063
2170 <i>Due to Other Funds</i>	5,075	239,555
2180 <i>Due to Other Governments</i>	-	-
2300 <i>Unearned Revenues</i>	-	-
2000 Total Liabilities	<u>5,596</u>	<u>289,981</u>
FUND BALANCES		
Nonspendable:		
3430 <i>Nonspendable - Prepaid Items</i>	-	-
Committed:		
3545 <i>Committed - Other</i>	-	-
3000 Total Fund Balances	<u>-</u>	<u>-</u>
4000 Total Liabilities and Fund Balances	<u>\$ 5,596</u>	<u>\$ 289,981</u>

224	225	240	244	255
IDEA - Part B, Formula	IDEA - Part B, Preschool	National School Breakfast and Lunch Program	Career and Technical - Basic Grant	ESEA, Title II, Part A - Teacher and Principal Training and Recruiting
\$ -	\$ -	\$ 277,022	\$ -	\$ -
-	-	1,409,901	-	-
268,635	4,739	166,663	-	22,244
-	-	-	-	-
-	-	2,547	-	-
-	-	141,379	-	-
-	-	22,012	-	-
<u>\$ 268,635</u>	<u>\$ 4,739</u>	<u>\$ 2,019,524</u>	<u>\$ -</u>	<u>\$ 22,244</u>
\$ 307	\$ -	\$ 323,387	\$ -	\$ -
2,546	-	-	-	98
265,782	4,739	1,409	-	22,146
-	-	-	-	-
-	-	141,379	-	-
<u>268,635</u>	<u>4,739</u>	<u>466,175</u>	<u>-</u>	<u>22,244</u>
-	-	22,012	-	-
-	-	1,531,337	-	-
-	-	1,553,349	-	-
<u>\$ 268,635</u>	<u>\$ 4,739</u>	<u>\$ 2,019,524</u>	<u>\$ -</u>	<u>\$ 22,244</u>

Continued

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2013

Data Control Codes		263	265
		Title III, Part A - English Language Acquisition and Language Enhancement	Title IV, Part B - 21st Century Community Learning Centers
	ASSETS		
1110	<i>Cash and Cash Equivalents</i>	\$ -	\$ -
1120	<i>Current Investments</i>	-	-
1240	<i>Due from Other Governments</i>	32,529	180,892
1260	<i>Due from Other Funds</i>	-	-
1290	<i>Other Receivables</i>	-	-
1300	<i>Inventories, at Cost</i>	-	-
1410	<i>Prepaid Items</i>	-	-
1000	Total Assets	<u>\$ 32,529</u>	<u>\$ 180,892</u>
	LIABILITIES		
2110	<i>Accounts Payable</i>	\$ 897	\$ 148
2160	<i>Accrued Wages Payable</i>	-	-
2170	<i>Due to Other Funds</i>	31,632	180,744
2180	<i>Due to Other Governments</i>	-	-
2300	<i>Unearned Revenues</i>	-	-
2000	Total Liabilities	<u>32,529</u>	<u>180,892</u>
	FUND BALANCES		
	Nonspendable:		
3430	<i>Nonspendable - Prepaid Items</i>	-	-
	Committed:		
3545	<i>Committed - Other</i>	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 32,529</u>	<u>\$ 180,892</u>

272	286	289	385	392
Medicaid Administrative Claiming Program - MAC	LEP Summer School	Teacher Incentive Program - ARRA	State Supplemental Visually Impaired (SSVI)	Noneducational Community - Based Support
\$ 63,217	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	10,759
-	-	-	-	-
-	-	-	-	-
<u>63,217</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,759</u>
\$ 570	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	10,759
62,647	-	-	-	-
<u>63,217</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,759</u>
-	-	-	-	-
-	-	-	-	-
<u>63,217</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,759</u>

Continued

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2013

397

404

<u>Data Control Codes</u>		<u>Advanced Placement Incentives</u>	<u>Student Success Initiative</u>
	ASSETS		
1110	<i>Cash and Cash Equivalents</i>	\$ 11,130	\$ -
1120	<i>Current Investments</i>	-	-
1240	<i>Due from Other Governments</i>	-	7,907
1260	<i>Due from Other Funds</i>	-	-
1290	<i>Other Receivables</i>	-	-
1300	<i>Inventories, at Cost</i>	-	-
1410	<i>Prepaid Items</i>	-	-
1000	Total Assets	<u>\$ 11,130</u>	<u>\$ 7,907</u>
	LIABILITIES		
2110	<i>Accounts Payable</i>	\$ -	\$ -
2160	<i>Accrued Wages Payable</i>	-	-
2170	<i>Due to Other Funds</i>	-	7,907
2180	<i>Due to Other Governments</i>	-	-
2300	<i>Unearned Revenues</i>	11,130	-
2000	Total Liabilities	<u>11,130</u>	<u>7,907</u>
	FUND BALANCES		
	Nonspendable:		
3430	<i>Nonspendable - Prepaid Items</i>	-	-
	Committed:		
3545	<i>Committed - Other</i>	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 11,130</u>	<u>\$ 7,907</u>

410	422	425	461	480
State Textbook Fund	Read to Succeed	District Awards for Teacher Excellence	Campus Activity Funds	Cinema Du Cannes Project
\$ -	\$ -	\$ -	\$ 1,333,699	\$ -
-	-	-	-	-
39,466	-	-	17,705	-
-	-	-	2,620	-
-	-	-	-	-
-	-	-	2,927	-
<u>\$ 39,466</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,356,951</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ 57,806	\$ -
-	-	-	6,231	-
39,466	-	-	2,664	-
-	-	-	2,265	-
-	-	-	4,200	-
<u>39,466</u>	<u>-</u>	<u>-</u>	<u>73,166</u>	<u>-</u>
-	-	-	2,927	-
-	-	-	1,280,858	-
-	-	-	1,283,785	-
<u>\$ 39,466</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,356,951</u>	<u>\$ -</u>

Continued

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2013

<u>Data Control Codes</u>	481	482
	<u>Special Projects</u>	<u>After the Bell Program</u>
ASSETS		
1110 <i>Cash and Cash Equivalents</i>	\$ 61,064	\$ 3,071
1120 <i>Current Investments</i>	10,117	-
1240 <i>Due from Other Governments</i>	-	-
1260 <i>Due from Other Funds</i>	-	-
1290 <i>Other Receivables</i>	-	-
1300 <i>Inventories, at Cost</i>	-	-
1410 <i>Prepaid Items</i>	-	-
1000 Total Assets	<u>\$ 71,181</u>	<u>\$ 3,071</u>
LIABILITIES		
2110 <i>Accounts Payable</i>	\$ 427	\$ -
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>	44,628	3,071
2000 Total Liabilities	<u>45,055</u>	<u>3,071</u>
FUND BALANCES		
Nonspendable:		
3430 <i>Nonspendable - Prepaid Items</i>	-	-
Committed:		
3545 <i>Committed - Other</i>	26,126	-
3000 Total Fund Balances	<u>26,126</u>	<u>-</u>
4000 Total Liabilities and Fund Balances	<u>\$ 71,181</u>	<u>\$ 3,071</u>

483	484	490	491	Total Nonmajor Other Governmental Funds
<u>STEM Grant and CTE Initiative</u>	<u>BTIM Math Science Grant</u>	<u>CHS Culinary Arts/Aramark</u>	<u>Miscellaneous Local Grants</u>	
\$ 14,043	\$ -	\$ 26,408	\$ 9,700	\$ 1,799,354
-	-	-	-	1,420,018
-	-	-	-	1,028,071
-	-	-	-	19,045
-	-	-	-	5,167
-	-	-	-	141,379
-	-	-	-	24,939
<u>\$ 14,043</u>	<u>\$ -</u>	<u>\$ 26,408</u>	<u>\$ 9,700</u>	<u>\$ 4,437,973</u>
\$ -	\$ -	\$ -	\$ -	\$ 430,426
-	-	-	-	12,938
-	-	-	-	811,878
-	-	-	-	2,265
14,043	-	26,408	9,700	317,206
<u>14,043</u>	<u>-</u>	<u>26,408</u>	<u>9,700</u>	<u>1,574,713</u>
-	-	-	-	24,939
-	-	-	-	2,838,321
-	-	-	-	2,863,260
<u>\$ 14,043</u>	<u>\$ -</u>	<u>\$ 26,408</u>	<u>\$ 9,700</u>	<u>\$ 4,437,973</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2013

<u>Data Control Codes</u>		206	211
		ESEA, Title X, Part C - Education for the Homeless Children and Youth	ESEA Title I, Part A - Improving Basic Programs
	REVENUES		
5700	<i>Local, Intermediate, and Out-of-State</i>	\$ -	\$ -
5800	<i>State Programs</i>	-	-
5900	<i>Federal Programs</i>	36,445	3,134,343
5020	Total Revenues	<u>36,445</u>	<u>3,134,343</u>
	EXPENDITURES		
	Current:		
0011	<i>Instruction</i>	4,377	2,375,519
0012	<i>Instructional Resources and Media Services</i>	-	-
0013	<i>Curriculum and Instructional Staff Development</i>	-	405,931
0021	<i>Instructional Leadership</i>	651	54,447
0023	<i>School Leadership</i>	-	86,238
0031	<i>Guidance, Counseling, and Evaluation Services</i>	-	12,389
0032	<i>Social Work Services</i>	31,177	35,004
0033	<i>Health Services</i>	-	5,237
0034	<i>Student Transportation</i>	-	85,619
0035	<i>Food Services</i>	-	-
0036	<i>Extracurricular Activities</i>	-	-
0041	<i>General Administration</i>	-	-
0051	<i>Plant Maintenance and Operations</i>	-	309
0052	<i>Security and Monitoring Services</i>	-	-
0061	<i>Community Services</i>	240	73,650
	Intergovernmental:		
0093	<i>Payments to Shared Services Arrangements</i>	-	-
6030	Total Expenditures	<u>36,445</u>	<u>3,134,343</u>
1200	Net Change in Fund Balances	-	-
0100	Fund Balances - Beginning	-	-
3000	Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>

224	225	240	244	255
		National School Breakfast and Lunch Program	Career and Technical - Basic Grant	ESEA, Title II, Part A - Teacher and Principal Training and Recruiting
<u>IDEA - Part B, Formula</u>	<u>IDEA - Part B, Preschool</u>			
\$ -	\$ -	\$ 4,239,479	\$ -	\$ -
-	-	58,489	-	-
3,496,125	47,287	7,498,314	228,671	289,393
<u>3,496,125</u>	<u>47,287</u>	<u>11,796,282</u>	<u>228,671</u>	<u>289,393</u>
3,419,419	47,287	-	201,025	289,393
-	-	-	-	-
3,600	-	-	13,424	-
4,682	-	-	409	-
-	-	-	-	-
17,464	-	-	7,200	-
-	-	-	-	-
50,960	-	-	-	-
-	-	-	-	-
-	-	11,088,608	-	-
-	-	-	6,613	-
-	-	-	-	-
-	-	293,190	-	-
-	-	113,000	-	-
-	-	-	-	-
-	-	195,020	-	-
<u>3,496,125</u>	<u>47,287</u>	<u>11,689,818</u>	<u>228,671</u>	<u>289,393</u>
-	-	106,464	-	-
-	-	1,446,885	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,553,349</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, 2013

<u>Data Control Codes</u>		263	265
		Title III, Part A - English Language Acquisition and Language Enhancement	Title IV, Part B 21st Century Community Learning Centers
	REVENUES		
5700	<i>Local, Intermediate, and Out-of-State</i>	\$ -	\$ -
5800	<i>State Programs</i>	-	-
5900	<i>Federal Programs</i>	440,452	884,487
5020	Total Revenues	<u>440,452</u>	<u>884,487</u>
	EXPENDITURES		
	Current:		
0011	<i>Instruction</i>	48,526	320,508
0012	<i>Instructional Resources and Media Services</i>	-	-
0013	<i>Curriculum and Instructional Staff Development</i>	375,477	731
0021	<i>Instructional Leadership</i>	4,806	439,853
0023	<i>School Leadership</i>	3,472	-
0031	<i>Guidance, Counseling, and Evaluation Services</i>	-	-
0032	<i>Social Work Services</i>	-	-
0033	<i>Health Services</i>	-	-
0034	<i>Student Transportation</i>	-	120,907
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>	8,171	2,488
	Intergovernmental:		
0093	<i>Payments to Shared Services Arrangements</i>	-	-
6030	Total Expenditures	<u>440,452</u>	<u>884,487</u>
1200	Net Change in Fund Balances	-	-
0100	Fund Balances - Beginning	-	-
3000	Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>

272	286	289	385	392
Medicaid Administrative Claiming Program - MAC	LEP Summer School	Teacher Incentive Program - ARRA	State Supplemental Visually Impaired (SSVI)	Noneducational Community - Based Support
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	8,610	10,759
19,929	24,538	697,661	-	-
<u>19,929</u>	<u>24,538</u>	<u>697,661</u>	<u>8,610</u>	<u>10,759</u>
-	24,538	668,907	8,610	-
-	-	-	-	-
-	-	-	-	-
-	-	28,754	-	-
-	-	-	-	-
19,929	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	10,759
-	-	-	-	-
<u>19,929</u>	<u>24,538</u>	<u>697,661</u>	<u>8,610</u>	<u>10,759</u>
-	-	-	-	-
-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Continued

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2013

Data Control Codes	397	404
<u>REVENUES</u>	<u>Advanced Placement Incentives</u>	<u>Student Success Initiative</u>
5700 <i>Local, Intermediate, and Out-of-State</i>	\$ -	\$ -
5800 <i>State Programs</i>	15,091	79,096
5900 <i>Federal Programs</i>	-	-
5020 Total Revenues	<u>15,091</u>	<u>79,096</u>
 EXPENDITURES		
Current:		
0011 <i>Instruction</i>	-	61,701
0012 <i>Instructional Resources and Media Services</i>	-	-
0013 <i>Curriculum and Instructional Staff Development</i>	15,091	-
0021 <i>Instructional Leadership</i>	-	-
0023 <i>School Leadership</i>	-	3,757
0031 <i>Guidance, Counseling, and Evaluation Services</i>	-	3,638
0032 <i>Social Work Services</i>	-	-
0033 <i>Health Services</i>	-	-
0034 <i>Student Transportation</i>	-	10,000
0035 <i>Food Services</i>	-	-
0036 <i>Extracurricular Activities</i>	-	-
0041 <i>General Administration</i>	-	-
0051 <i>Plant Maintenance and Operations</i>	-	-
0052 <i>Security and Monitoring Services</i>	-	-
0061 <i>Community Services</i>	-	-
Intergovernmental:		
0093 <i>Payments to Shared Services Arrangements</i>	-	-
6030 Total Expenditures	<u>15,091</u>	<u>79,096</u>
1200 Net Change in Fund Balances	-	-
0100 Fund Balances - Beginning	-	-
3000 Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>

410	422	425	461	480
State Textbook Fund	Read to Succeed	District Awards for Teacher Excellence	Campus Activity Funds	Cinema Du Cannes Project
\$ -	\$ -	\$ -	\$ 2,120,520	\$ 16,000
668,153	134	735,134	-	-
-	-	-	-	-
<u>668,153</u>	<u>134</u>	<u>735,134</u>	<u>2,120,520</u>	<u>16,000</u>
668,153	-	667,706	321,174	-
-	134	-	89,248	-
-	-	15,389	28,739	-
-	-	-	44	-
-	-	46,425	103,727	-
-	-	5,614	144,564	-
-	-	-	-	-
-	-	-	3,326	-
-	-	-	-	-
-	-	-	1,241,939	16,000
-	-	-	5,797	-
-	-	-	36,140	-
-	-	-	12,225	-
-	-	-	12,698	-
-	-	-	-	-
<u>668,153</u>	<u>134</u>	<u>735,134</u>	<u>1,999,621</u>	<u>16,000</u>
-	-	-	120,899	-
-	-	-	1,162,886	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,283,785</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, 2013

Data Control Codes	481	482
	<u>Special Projects</u>	<u>After the Bell Program</u>
REVENUES		
5700 <i>Local, Intermediate, and Out-of-State</i>	\$ 25,030	\$ 80,564
5800 <i>State Programs</i>	-	-
5900 <i>Federal Programs</i>	-	-
5020 Total Revenues	<u>25,030</u>	<u>80,564</u>
EXPENDITURES		
Current:		
0011 <i>Instruction</i>	41,654	71,669
0012 <i>Instructional Resources and Media Services</i>	427	-
0013 <i>Curriculum and Instructional Staff Development</i>	-	-
0021 <i>Instructional Leadership</i>	-	8,895
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>	15,956	-
0041 <i>General Administration</i>	-	-
0051 <i>Plant Maintenance and Operations</i>	-	-
0052 <i>Security and Monitoring Services</i>	-	-
0061 <i>Community Services</i>	-	-
Intergovernmental:		
0093 <i>Payments to Shared Services Arrangements</i>	-	-
6030 Total Expenditures	<u>58,037</u>	<u>80,564</u>
1200 Net Change in Fund Balances	(33,007)	-
0100 Fund Balances - Beginning	<u>59,133</u>	-
3000 Fund Balances - Ending	<u>\$ 26,126</u>	<u>\$ -</u>

483	484	490	491	Total Nonmajor Other Governmental Funds
<u>STEM Grant and CTE Initiative</u>	<u>BTIM Math Science Grant</u>	<u>CHS Culinary Arts/Aramark</u>	<u>Miscellaneous Local Grants</u>	
\$ 51,418	\$ 31,953	\$ 15,952	\$ -	\$ 6,580,916
-	-	-	-	1,575,466
-	-	-	-	16,797,645
<u>51,418</u>	<u>31,953</u>	<u>15,952</u>	<u>-</u>	<u>24,954,027</u>
51,418	4,237	15,952	-	9,311,773
-	-	-	-	89,809
-	27,716	-	-	886,098
-	-	-	-	513,787
-	-	-	-	272,373
-	-	-	-	190,869
-	-	-	-	66,181
-	-	-	-	79,452
-	-	-	-	216,526
-	-	-	-	11,088,608
-	-	-	-	1,280,508
-	-	-	-	5,797
-	-	-	-	329,639
-	-	-	-	125,225
-	-	-	-	108,006
-	-	-	-	195,020
<u>51,418</u>	<u>31,953</u>	<u>15,952</u>	<u>-</u>	<u>24,759,671</u>
-	-	-	-	194,356
-	-	-	-	2,668,904
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,863,260</u>

(This page intentionally left blank.)

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.

(This page intentionally left blank.)

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
AUGUST 31, 2013

Exhibit H-1

<u>Data Control Codes</u>	<u>753</u>	<u>772</u>	<u>Total Internal Service Funds</u>
	<u>Health Insurance</u>	<u>Workers' Compensation</u>	
ASSETS			
Current Assets:			
1110	\$ 1,768,031	\$ 255,168	\$ 2,023,199
1120	1,500,000	283,928	1,783,928
1250	300	-	300
1290	8,770	-	8,770
1490	176,250	57,500	233,750
	<u>3,453,351</u>	<u>596,596</u>	<u>4,049,947</u>
1000	<u>3,453,351</u>	<u>596,596</u>	<u>4,049,947</u>
LIABILITIES			
Current Liabilities:			
2110	339,662	135,658	475,320
2170	-	17	17
	<u>339,662</u>	<u>135,675</u>	<u>475,337</u>
Noncurrent Liabilities:			
2123	1,122,007	363,522	1,485,529
	<u>1,122,007</u>	<u>363,522</u>	<u>1,485,529</u>
2000	<u>1,461,669</u>	<u>499,197</u>	<u>1,960,866</u>
NET POSITION			
3900	1,991,682	97,399	2,089,081
3000	<u>\$ 1,991,682</u>	<u>\$ 97,399</u>	<u>\$ 2,089,081</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2013

Exhibit H-2

Data Control Codes		753	772	Total Internal Service Funds
		<u>Health Insurance</u>	<u>Workers' Compensation</u>	
OPERATING REVENUES				
5754	<i>Interfund Services Provided</i>	\$ 12,352,772	\$ 462,812	\$ 12,815,584
5020	Total Operating Revenues	<u>12,352,772</u>	<u>462,812</u>	<u>12,815,584</u>
OPERATING EXPENSES				
6200	<i>Purchased and Contracted Services</i>	1,531,682	91,235	1,622,917
6300	<i>Supplies and Materials</i>	3,632	-	3,632
6400	<i>Claims Expense and Other Operating Expenses</i>	10,384,662	340,729	10,725,391
6030	Total Operating Expenses	<u>11,919,976</u>	<u>431,964</u>	<u>12,351,940</u>
	Operating Income (Loss)	<u>432,796</u>	<u>30,848</u>	<u>463,644</u>
NONOPERATING REVENUES				
7955	<i>Investment Earnings - Deposits and Investments</i>	8,695	250	8,945
8030	Total Nonoperating Revenues	<u>8,695</u>	<u>250</u>	<u>8,945</u>
1300	Change in Net Position	441,491	31,098	472,589
0100	Net Position - Beginning	<u>1,550,191</u>	<u>66,301</u>	<u>1,616,492</u>
3300	Net Position - Ending	<u>\$ 1,991,682</u>	<u>\$ 97,399</u>	<u>\$ 2,089,081</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2013

Exhibit H-3

	753	772	Total
	Health Insurance	Workers' Compensation	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Employee and Employer	\$ 12,192,772	\$ 462,829	\$ 12,655,601
Cash Payments for Claims	(10,018,194)	(396,888)	(10,415,082)
Cash Payments for Administrative Services	(1,570,564)	(91,235)	(1,661,799)
Net Cash Provided by (Used for) Operating Activities	<u>604,014</u>	<u>(25,294)</u>	<u>578,720</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and Dividends Received on Investments	8,695	250	8,945
Sale of Investments	8	42,856	42,864
Net Cash Provided For Investing Activities	<u>8,703</u>	<u>43,106</u>	<u>51,809</u>
Net Increase in Cash and Cash Equivalents	612,717	17,812	630,529
Cash and Cash Equivalents at Beginning of Year	1,155,314	237,356	1,392,670
Cash and Cash Equivalents at End of Year	<u>\$ 1,768,031</u>	<u>\$ 255,168</u>	<u>\$ 2,023,199</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:			
Operating Income	\$ 432,796	\$ 30,848	\$ 463,644
Change in Assets and Liabilities:			
Decrease in Other Receivables	4,737	-	4,737
Increase in Prepaid Insurance	(35,250)	-	(35,250)
Increase in Other Assets	-	(57,500)	(57,500)
Increase (Decrease) in Accounts Payable	139,724	(7,906)	131,818
Increase in Claims Payable	222,007	9,247	231,254
Increase (Decrease) in Due to Other Funds	(160,000)	17	(159,983)
Net Cash Provided by (Used for) Operating Activities	<u>\$ 604,014</u>	<u>\$ (25,294)</u>	<u>\$ 578,720</u>

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.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUND
FOR THE YEAR ENDED AUGUST 31, 2013

Exhibit I-1

AGENCY FUND:

<u>Data Control Codes</u>		<u>Beginning Balance 9/1/12</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance 8/31/13</u>
	ASSETS				
1110	<i>Cash and Cash Equivalents</i>	\$ 296,484	\$ 1,132,601	\$ 1,125,864	\$ 303,221
1260	<i>Due from Other Funds</i>	24,482	12,301	34,507	2,276
1000	Total Assets	<u>\$ 320,966</u>	<u>\$ 1,144,902</u>	<u>\$ 1,160,371</u>	<u>\$ 305,497</u>
	LIABILITIES				
2110	<i>Accounts Payable</i>	\$ 450	\$ -	\$ 297	\$ 153
2170	<i>Due to Other Funds</i>	-	31,631	25,988	5,643
2190	<i>Due to Student Groups</i>	320,516	1,195,537	1,216,352	299,701
2000	Total Liabilities	<u>\$ 320,966</u>	<u>\$ 1,227,168</u>	<u>\$ 1,242,637</u>	<u>\$ 305,497</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE YEAR ENDED AUGUST 31, 2013

Year Ended August 31	Tax Rates		Net Assessed/Appraised Value For School Tax Purposes
	Maintenance	Debt Service	
2004 and Prior Years	\$ Various	\$ Various	\$ Various
2005	1.49	0.34	4,943,934,802
2006	1.50	0.35	5,248,037,564
2007	1.36	0.32	5,878,350,774
2008	1.04	0.43	6,602,774,490
2009	1.04	0.42	7,230,322,945
2010	1.04	0.42	7,460,985,822
2011	1.04	0.42	7,200,603,973
2012	1.04	0.44	7,151,132,095
2013	1.04	0.50	7,294,605,195
1000 Totals			

Exhibit J-1

	<u>Beginning Balance 9/1/12</u>	<u>Current Year's Total Levy</u>	<u>Maintenance Collections</u>	<u>Debt Service Collections</u>	<u>Entire Year's Adjustments</u>	<u>Ending Balance 8/31/13</u>
\$	1,567,745	\$ -	\$ 7,232	\$ 1,687	\$ (2,208)	\$ 1,556,618
	139,639	-	3,171	723	(1,592)	134,153
	134,839	-	(1,363)	(318)	(10,046)	126,474
	131,058	-	(5,699)	(1,341)	(18,492)	119,606
	161,256	-	(7,334)	(3,032)	(22,835)	148,787
	260,864	-	9,307	3,759	(13,772)	234,026
	321,447	-	20,637	8,334	(57,136)	235,340
	434,081	-	91,426	36,922	(28,899)	276,834
	846,156	-	241,138	102,020	(67,031)	435,967
	-	112,336,920	75,032,742	36,073,434	(461,904)	768,840
\$	<u>3,997,085</u>	\$ <u>112,336,920</u>	\$ <u>75,391,257</u>	\$ <u>36,222,188</u>	\$ <u>(683,915)</u>	\$ <u>4,036,645</u>

Reconciliation of Ending Balance to Exhibit B-1:

Ending Balance at 8/31/13	\$ 4,036,645
Less: Uncollectible Taxes	(40,366)
Adjusted Ending Balance	<u>3,996,279</u>
Property Taxes Receivable (Net) per Exhibit B-1	\$ <u>3,996,279</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES FOR COMPUTATION OF INDIRECT COSTS FOR 2014-2015
GENERAL AND SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2013

Exhibit J-2

FUNCTION 41 AND RELATED FUNCTION 53 - GENERAL ADMINISTRATION AND FUNCTION 99 - APPRAISAL DISTRICT COST

Account Number	Account Name	1 (702) School Board	2 (703) Tax Collection	3 (701) Superintendent's Office	4 (750) Indirect Cost	5 (720) Direct Cost	6 (Other) Miscellaneous	7 Total
611X-6146	Payroll Costs	\$ 24,111	\$ -	\$ 205,820	\$ 2,392,701	\$ -	\$ -	\$ 2,622,632
6149	Fringe Benefits (Unused Leave for Separating Employees in Function 41 and Related 53)	-	-	-	-	-	-	-
6149	Fringe Benefits (Unused Leave for Separating Employees in all Functions except Function 41 and Related 53)	-	-	-	-	-	-	-
6211	Legal Services	-	-	-	-	97,605	-	97,605
6212	Audit Services	-	-	-	176,210	-	-	176,210
6213	Tax Appraisal and Collection	-	620,546	-	-	-	-	620,546
621X	Other Professional Services	-	-	-	2,808	-	-	2,808
6220	Tuition and Transfer Payments	-	-	-	-	-	4,666	4,666
6230	Education Service Centers	-	-	-	227,677	-	-	227,677
6240	Contracted Maint. and Repairs	-	-	-	-	46,597	-	46,597
6250	Utilities	-	-	-	-	-	-	-
6260	Rentals	-	-	-	35,344	-	-	35,344
6290	Miscellaneous Contr.	21,612	-	1,000	164,186	-	-	186,798
6310	Operational Supplies, Materials	-	-	-	-	-	-	-
6320	Textbooks and Reading	-	-	59	1,356	-	-	1,415
6330	Testing Materials	-	-	-	-	-	-	-
63XX	Other Supplies, Materials	1,302	-	3,578	107,463	-	-	112,343
6410	Travel, Subsistence, Stipends	4,962	-	3,435	18,735	-	-	27,132
6420	Ins. and Bonding Costs	-	-	-	-	-	-	-
6430	Election Costs	76,444	-	-	-	-	-	76,444
6490	Miscellaneous Operating	479	-	2,232	187,243	-	-	189,954
6500	Debt Service	-	-	-	-	-	-	-
6600	Capital Outlay	-	-	-	-	-	-	-

6000 \$ 128,910 \$ 620,546 \$ 216,124 \$ 3,313,723 \$ 144,202 \$ 4,666 \$ 4,428,171

Total Expenditures for General and Special Revenue Funds \$ 186,737,564
 LESS: Deductions of Unallowable Costs

<u>FISCAL YEAR</u>	
Total Capital Outlay (6600)	(10) \$ 2,201,375
Total Debt & Lease (6500)	(11) \$ -
Plant Maintenance (Function 51, 6100-6400)	(12) \$ 11,958,815
Food (Function 35, 6341 and 6499)	(13) \$ 11,216,036
Stipends (6413)	(14) \$ -
Column 4 (above) - Total Indirect Cost	\$ 3,313,723
Subtotal	28,689,949

Net Allowed Direct Cost \$ 158,047,615

<u>CUMULATIVE</u>	
Total Cost of Buildings Before Depreciation (1520)	(15) \$ 364,084,934
Historical Cost of Buildings over 50 years old	(16) \$ 111,938
Amount of Federal Money in Building Cost (Net of #16)	(17) \$ -
Total Cost of Furniture & Equipment Before Depreciation (1530 & 1540)	(18) \$ 23,424,872
Historical Cost of Furniture & Equipment over 16 years old	(19) \$ 143,349
Amount of Federal Money in Furniture & Equipment (Net of #19)	(20) \$ 1,072,255

(8) Note A - \$227,407 in Function 53 expenditures and \$577,357 in Function 99 expenditures are included in this report as administrative costs.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
CHILD NUTRITION FUND
FOR THE YEAR ENDED AUGUST 31, 2013

Exhibit J-3

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
REVENUES					
5700	<i>Local, Intermediate, and Out-of-State</i>	\$ 4,145,947	\$ 4,254,608	\$ 4,239,479	\$ (15,129)
5800	<i>State Programs</i>	59,505	59,505	58,489	(1,016)
5900	<i>Federal Programs</i>	7,340,303	7,410,303	7,498,314	88,011
5020	Total Revenues	<u>11,545,755</u>	<u>11,724,416</u>	<u>11,796,282</u>	<u>71,866</u>
EXPENDITURES					
Current:					
Support Services - Student (Pupil):					
0035	<i>Food Services</i>	10,931,979	11,310,640	11,088,608	222,032
	Total Support Services - Student (Pupil)	<u>10,931,979</u>	<u>11,310,640</u>	<u>11,088,608</u>	<u>222,032</u>
Support Services - Nonstudent Based:					
0051	<i>Plant Maintenance and Operations</i>	291,980	296,980	293,190	3,790
0052	<i>Security and Monitoring Services</i>	113,000	113,000	113,000	-
	Total Support Services - Nonstudent Based:	<u>404,980</u>	<u>409,980</u>	<u>406,190</u>	<u>3,790</u>
Intergovernmental:					
0093	<i>Payments to Shared Services Arrangements</i>	195,020	195,020	195,020	-
	Total Intergovernmental	<u>195,020</u>	<u>195,020</u>	<u>195,020</u>	<u>-</u>
6030	Total Expenditures	<u>11,531,979</u>	<u>11,915,640</u>	<u>11,689,818</u>	<u>225,822</u>
1200	Net Change in Fund Balances	13,776	(191,224)	106,464	297,688
0100	Fund Balances - Beginning	1,446,885	1,446,885	1,446,885	-
3000	Fund Balances - Ending	<u>\$ 1,460,661</u>	<u>\$ 1,255,661</u>	<u>\$ 1,553,349</u>	<u>\$ 297,688</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE YEAR ENDED AUGUST 31, 2013

Exhibit J-4

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
REVENUES					
5700	<i>Local, Intermediate, and Out-of-State</i>	\$ 36,097,000	\$ 36,097,000	\$ 36,391,243	\$ 294,243
5800	<i>State Programs</i>	1,955,435	1,955,435	1,654,086	(301,349)
5020	Total Revenues	<u>38,052,435</u>	<u>38,052,435</u>	<u>38,045,329</u>	<u>(7,106)</u>
EXPENDITURES					
Debt Service:					
0071	<i>Principal on Long-term Debt</i>	18,160,000	18,160,000	18,160,000	-
0072	<i>Interest on Long-term Debt</i>	14,181,497	14,181,497	14,181,497	-
0073	<i>Issuance Costs and Fees</i>	5,677,866	345,281	345,281	-
	Total Debt Service	<u>38,019,363</u>	<u>32,686,778</u>	<u>32,686,778</u>	<u>-</u>
6030	Total Expenditures	<u>38,019,363</u>	<u>32,686,778</u>	<u>32,686,778</u>	<u>-</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	<u>33,072</u>	<u>5,365,657</u>	<u>5,358,551</u>	<u>(7,106)</u>
OTHER FINANCING SOURCES (USES)					
7911	<i>Issuance of Refunding Bonds</i>	-	38,645,000	38,645,000	-
7916	<i>Premium from Issuance of Bonds</i>	-	5,332,585	5,994,931	662,346
8940	<i>Payment to Bond Refunding Escrow Agent</i>	-	(49,802,721)	(49,802,721)	-
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>(5,825,136)</u>	<u>(5,162,790)</u>	<u>662,346</u>
1200	Net Change in Fund Balances	33,072	(459,479)	195,761	655,240
0100	Fund Balances - Beginning	<u>2,291,826</u>	<u>2,291,826</u>	<u>2,291,826</u>	<u>-</u>
3000	Fund Balances - Ending	<u>\$ 2,324,898</u>	<u>\$ 1,832,347</u>	<u>\$ 2,487,587</u>	<u>\$ 655,240</u>

Statistical Section
(Unaudited)

(This page intentionally left blank.)

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Governmental Activities:				
Net Investment in Capital Assets	\$ 39,651,143	\$ 31,823,815	\$ 31,462,570	\$ 30,170,927
Restricted	2,833,628	2,553,638	3,014,281	3,955,354
Unrestricted	43,425,207	39,734,667	28,326,217	20,008,756
Total Governmental Activities Net Position	\$ <u>85,909,978</u>	\$ <u>74,112,120</u>	\$ <u>62,803,068</u>	\$ <u>54,135,037</u>
Business-type Activities:				
Net Investment in Capital Assets	\$ -	\$ 87,808	\$ -	\$ -
Unrestricted	189,862	(14,204)	(32,578)	-
Total Business-type Activities Net Position	\$ <u>189,862</u>	\$ <u>73,604</u>	\$ <u>(32,578)</u>	\$ <u>-</u>
Primary Government:				
Net Investment in Capital Assets	\$ 39,651,143	\$ 31,911,623	\$ 31,462,570	\$ 30,170,927
Restricted	2,833,628	2,553,638	3,014,281	3,955,354
Unrestricted	43,615,069	39,720,463	28,293,639	20,008,756
Total Primary Government Net Position	\$ <u>86,099,840</u>	\$ <u>74,185,724</u>	\$ <u>62,770,490</u>	\$ <u>54,135,037</u>

Table I

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$	32,247,876	\$ 31,191,545	\$ 22,719,417	\$ 29,806,066	\$ 21,382,098	\$ 27,207,288
	4,766,734	3,662,850	3,179,559	3,019,023	1,074,704	2,390,721
	13,836,085	18,891,768	25,592,424	9,135,897	19,282,881	9,893,995
\$	<u>50,850,695</u>	<u>\$ 53,746,163</u>	<u>\$ 51,491,400</u>	<u>\$ 41,960,986</u>	<u>\$ 41,739,683</u>	<u>\$ 39,492,004</u>
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
	-	-	-	-	-	-
\$	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$	32,247,876	\$ 31,191,545	\$ 22,719,417	\$ 29,806,066	\$ 21,382,098	\$ 27,207,288
	4,766,734	3,662,850	3,179,559	3,019,023	1,074,704	2,390,721
	13,836,085	18,891,768	25,592,424	9,135,897	19,282,881	9,893,995
\$	<u>50,850,695</u>	<u>\$ 53,746,163</u>	<u>\$ 51,491,400</u>	<u>\$ 41,960,986</u>	<u>\$ 41,739,683</u>	<u>\$ 39,492,004</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Expenses				
Governmental Activities:				
Instruction	\$ 114,690,363	\$ 109,251,840	\$ 108,337,542	\$ 108,060,717
Instructional Resources and Media Services	3,220,656	3,279,662	3,196,747	3,188,391
Curriculum and Instructional Staff Development	5,832,985	6,335,867	6,099,548	6,051,164
Instructional Leadership	2,351,868	2,219,164	2,456,580	2,557,375
School Leadership	10,831,744	10,173,649	10,159,941	10,098,502
Guidance, Counseling, and Evaluation Services	6,965,991	6,576,716	6,588,865	6,792,197
Social Work Services	539,198	501,903	475,137	441,736
Health Services	1,939,741	1,899,532	1,828,229	1,594,137
Student Transportation	7,688,544	7,104,168	7,466,658	7,139,172
Food Services	12,009,734	11,264,856	11,457,443	10,620,252
Extracurricular Activities	7,194,257	6,838,249	6,651,685	6,067,801
General Administration	3,705,361	3,643,282	3,840,998	3,709,032
Plant Maintenance and Operations	12,624,898	12,636,964	13,208,973	15,502,842
Security and Monitoring Services	2,758,741	2,708,046	2,383,226	2,137,943
Data Processing Services	3,878,344	3,394,096	3,767,644	3,851,350
Community Services	124,220	134,188	251,683	136,274
Interest on Long-term Debt & Bond Fees	14,493,953	14,439,419	17,453,765	17,507,086
Facilities Repair and Maintenance	-	2,277,256	13,136	-
Payments Related to Shared Service Arrangements	2,092,300	1,810,439	2,505,714	2,379,337
Payments to Juvenile Justice Alternative Ed. Program	-	15,319	15,642	-
Payments to Appraisal District	577,357	466,306	564,007	555,974
Total Governmental Activities Expenses	<u>213,520,255</u>	<u>206,970,921</u>	<u>208,723,163</u>	<u>208,391,282</u>
Business-type Activities:				
Extended Day Program	1,959,222	1,648,334	211,715	-
Total Primary Government Expenses	<u>215,479,477</u>	<u>208,619,255</u>	<u>208,934,878</u>	<u>208,391,282</u>
Program Revenues				
Governmental Activities:				
Charges for Services:				
Instruction	1,104,995	908,105	1,080,738	886,652
Food Services	4,238,437	3,890,454	3,814,485	3,791,705
Extracurricular Activities	1,456,031	1,537,818	1,441,675	1,319,423
Other Activities	800,795	928,113	877,405	798,091
Operating Grants and Contributions	27,680,515	33,479,272	34,786,457	34,150,601
Total Primary Government Governmental Activities Program Revenues	<u>35,280,773</u>	<u>40,743,762</u>	<u>42,000,760</u>	<u>40,946,472</u>
Business-type Activities:				
Charges for Services	2,775,480	2,154,516	179,137	-
Total Primary Government Program Revenues	<u>38,056,253</u>	<u>42,898,278</u>	<u>42,179,897</u>	<u>40,946,472</u>
Net (Expense)/Revenue				
Total Primary Government Net Expense	<u>\$ (177,423,224)</u>	<u>\$ (165,720,977)</u>	<u>\$ (166,754,981)</u>	<u>\$ (167,444,810)</u>

Table 2
Page 1 of 2

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$	103,394,889	\$ 94,650,337	\$ 85,939,489	\$ 77,640,628	\$ 68,800,517	\$ 62,179,295
	3,705,657	3,471,299	3,820,581	3,514,660	3,143,224	2,728,988
	5,482,628	4,088,992	3,303,276	2,579,484	2,268,760	1,625,188
	2,027,673	1,672,599	1,162,792	1,022,484	849,633	791,120
	10,818,210	10,110,269	8,464,935	7,576,769	7,001,025	6,292,320
	6,033,629	5,948,106	4,722,770	4,321,876	3,967,392	3,642,550
	441,932	423,094	264,432	172,844	198,232	175,078
	1,597,561	1,479,424	1,440,727	1,166,643	1,109,559	1,113,650
	7,008,750	6,875,115	5,916,371	5,750,299	5,243,935	4,719,206
	9,830,910	9,108,389	7,486,650	7,153,506	6,239,179	5,149,827
	6,013,120	5,559,634	5,081,456	5,003,610	4,391,876	4,271,686
	3,764,274	3,769,737	4,043,427	3,714,824	3,410,368	3,102,273
	15,368,510	16,034,590	14,572,997	13,677,476	12,258,394	12,762,548
	2,325,743	1,202,334	829,415	1,084,024	923,009	302,802
	3,246,828	3,051,548	3,428,639	3,366,470	3,307,263	2,180,069
	125,400	113,423	90,737	114,557	52,110	77,212
	18,422,579	14,791,698	13,817,715	13,957,491	13,264,035	12,805,720
	29,257	4,181,777	453,026	186,230	6,750	31,707
	2,881,565	-	-	-	-	-
	19,987	14,141	3,068	3,540	5,192	8,496
	568,410	513,372	-	-	-	-
	<u>203,107,512</u>	<u>187,059,878</u>	<u>164,842,503</u>	<u>152,007,415</u>	<u>136,440,453</u>	<u>123,959,735</u>
	-	-	-	-	-	-
	<u>203,107,512</u>	<u>187,059,878</u>	<u>164,842,503</u>	<u>152,007,415</u>	<u>136,440,453</u>	<u>123,959,735</u>
	1,056,284	892,791	643,611	653,310	274,933	249,088
	3,904,617	3,568,350	3,211,394	3,133,213	3,073,719	2,731,637
	992,532	980,685	874,388	957,687	349,648	244,352
	843,827	950,666	733,246	868,231	289,166	190,562
	<u>22,515,245</u>	<u>20,132,811</u>	<u>15,463,959</u>	<u>16,062,555</u>	<u>13,955,970</u>	<u>12,253,965</u>
	<u>29,312,505</u>	<u>26,525,303</u>	<u>20,926,598</u>	<u>21,674,996</u>	<u>17,943,436</u>	<u>15,669,604</u>
	-	-	-	-	-	-
	<u>29,312,505</u>	<u>26,525,303</u>	<u>20,926,598</u>	<u>21,674,996</u>	<u>17,943,436</u>	<u>15,669,604</u>
\$	<u><u>(173,795,007)</u></u>	\$ <u><u>(160,534,575)</u></u>	\$ <u><u>(143,915,905)</u></u>	\$ <u><u>(130,332,419)</u></u>	\$ <u><u>(118,497,017)</u></u>	\$ <u><u>(108,290,131)</u></u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes, Levied for General Purposes	\$ 75,700,506	\$ 74,620,548	\$ 74,151,360	\$ 77,282,606
Property Taxes, Levied for Debt Service	36,425,476	31,339,637	29,893,334	31,230,001
Grants and Contributions Not Restricted to Specific Prog.	76,832,576	74,534,585	70,295,035	61,748,632
Investment Earnings	236,966	475,331	493,138	417,602
Miscellaneous	295,589	272,522	557,567	50,311
Transfers	700,000	400,000	-	-
Special Item - Gain on Sale of Asset	-	-	-	-
Total Governmental Activities General Revenues	<u>190,191,113</u>	<u>181,642,623</u>	<u>175,390,434</u>	<u>170,729,152</u>
Business-type Activities:				
Transfers	(700,000)	(400,000)	-	-
Total Business-type Activities General Revenues	<u>(700,000)</u>	<u>(400,000)</u>	<u>-</u>	<u>-</u>
Total Primary Government General Revenues	<u>\$ 189,491,113</u>	<u>\$ 181,242,623</u>	<u>\$ 175,390,434</u>	<u>\$ 170,729,152</u>
Change in Net Position				
Governmental Activities	11,951,631	15,415,464	8,668,031	3,284,342
Business-type Activities	116,258	106,182	(32,578)	-
Total Change in Net Position	<u>\$ 12,067,889</u>	<u>\$ 15,521,646</u>	<u>\$ 8,635,453</u>	<u>\$ 3,284,342</u>

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$	74,503,421	\$ 67,412,374	\$ 82,211,619	\$ 78,954,378	\$ 73,138,632	\$ 67,363,426
	30,245,042	27,692,617	19,516,637	18,340,815	17,114,748	15,763,326
	63,570,162	64,369,942	44,600,806	30,395,557	28,131,476	21,875,032
	2,409,191	3,154,609	3,162,914	2,221,687	2,171,642	578,440
	171,723	159,794	135,298	641,285	188,198	268,832
	-	-	-	-	-	-
	-	-	3,819,045	-	-	-
	<u>170,899,539</u>	<u>162,789,336</u>	<u>153,446,319</u>	<u>130,553,722</u>	<u>120,744,696</u>	<u>105,849,056</u>
	-	-	-	-	-	-
	-	-	-	-	-	-
\$	<u><u>170,899,539</u></u>	\$ <u><u>162,789,336</u></u>	\$ <u><u>153,446,319</u></u>	\$ <u><u>130,553,722</u></u>	\$ <u><u>120,744,696</u></u>	\$ <u><u>105,849,056</u></u>
	(2,895,468)	2,254,761	9,530,414	221,303	2,247,679	(2,441,075)
	-	-	-	-	-	-
\$	<u><u>(2,895,468)</u></u>	\$ <u><u>2,254,761</u></u>	\$ <u><u>9,530,414</u></u>	\$ <u><u>221,303</u></u>	\$ <u><u>2,247,679</u></u>	\$ <u><u>(2,441,075)</u></u>

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General Fund				
Nonspendable:				
Investment in Inventories	\$ 328,717	\$ 379,652	\$ 268,198	\$ 279,763
Prepaid Items	215,032	145,746	788,398	777,320
Assigned:				
Other Purposes	7,411,000	3,500,000	10,548	-
Unassigned:	<u>27,960,681</u>	<u>26,586,007</u>	<u>24,206,347</u>	<u>16,625,462</u>
Total General Fund	<u>\$ 35,915,430</u>	<u>\$ 30,611,405</u>	<u>\$ 25,273,491</u>	<u>\$ 17,682,545</u>
All Other Governmental Funds				
Nonspendable:				
Investment in Inventories	\$ -	\$ -	\$ 108,093	\$ -
Prepaid Items	42,885	125,537	167,593	13,398
Restricted:				
Grant Funds	-	-	808,623	1,899,183
Land Acquisitions and Construction Projects	24,883,326	44,268,455	77,757,689	86,530,605
Debt Service	2,487,587	2,291,476	1,643,443	3,096,937
Committed:				
Other	2,838,321	2,638,972	1,210,069	985,576
Assigned:				
Other	-	-	-	-
Unassigned:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total All Other Governmental Funds	<u>\$ 30,252,119</u>	<u>\$ 49,324,440</u>	<u>\$ 81,695,510</u>	<u>\$ 92,525,699</u>

Source: District Financial Statements

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

Table 3

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$	118,398	\$ 162,937	\$ 181,528	\$ 230,335	\$ 112,175	\$ 71,819
	618,129	161,630	145,240	-	52,209	70,019
	-	-	-	-	-	-
	12,685,986	16,177,531	18,805,325	11,612,955	8,066,264	4,944,088
\$	<u>13,422,513</u>	<u>16,502,098</u>	<u>19,132,093</u>	<u>11,843,290</u>	<u>8,230,648</u>	<u>5,085,926</u>
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
	-	-	-	-	-	-
	1,677,007	2,455,148	3,124,536	2,402,284	1,064,459	638,912
	106,398,420	135,301,946	18,789,413	-	27,925,290	25,441,721
	4,116,832	3,696,794	1,845,631	2,489,505	2,096,576	1,999,718
	878,098	783,375	771,607	757,850	1,734,984	1,755,625
	-	-	-	-	-	-
	(56)	(183,955)	(116,314)	(6,712,267)	(88,613)	-
\$	<u>113,070,301</u>	<u>142,053,308</u>	<u>24,414,873</u>	<u>(1,062,628)</u>	<u>32,732,696</u>	<u>29,835,976</u>

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
REVENUES				
Local, Intermediate, and Out-of-State	\$ 120,887,281	\$ 112,740,450	\$ 112,980,468	\$ 116,404,455
State Programs	85,211,438	85,904,547	80,241,196	70,435,028
Federal Programs	18,651,369	21,840,457	24,618,084	25,303,610
Total Revenues	<u>224,750,088</u>	<u>220,485,454</u>	<u>217,839,748</u>	<u>212,143,093</u>
EXPENDITURES				
Current:				
Instruction	110,756,591	105,862,543	104,586,009	104,374,052
Instructional Resources and Media Services	2,860,617	2,938,099	2,888,856	2,877,675
Curriculum and Instructional Staff Development	5,847,046	6,347,636	6,118,963	6,056,306
Instructional Leadership	2,365,694	2,227,204	2,455,813	2,563,892
School Leadership	10,600,647	9,931,249	9,941,114	9,863,547
Guidance, Counseling, and Evaluation Services	6,893,336	6,361,976	6,373,232	6,633,242
Social Work Services	557,922	502,321	473,573	441,668
Health Services	1,945,694	1,903,195	1,832,548	1,596,312
Student Transportation	7,654,405	7,059,718	7,421,508	7,094,022
Food Services	11,299,912	10,564,654	10,533,520	9,723,969
Extracurricular Activities	5,948,147	5,559,113	5,712,394	5,661,053
General Administration	3,623,407	3,548,814	3,780,020	3,631,310
Plant Maintenance and Operations	13,052,981	12,498,011	12,974,345	15,314,846
Security and Monitoring Services	2,406,386	2,300,852	3,818,430	2,752,632
Data Processing Services	3,622,916	5,342,106	3,557,499	4,069,284
Community Services	118,474	136,429	251,683	136,274
Debt Service:				
Principal on Long-term Debt	18,160,000	15,960,000	11,784,934	14,870,000
Interest on Long-term Debt	14,181,497	15,572,477	19,789,263	17,624,815
Issuance Costs and Fees	345,281	681,314	276,591	210,049
Capital Outlay:				
Facilities Acquisition and Construction	14,069,207	28,613,772	3,679,392	10,102,907
Intergovernmental:				
Payments Related to Shared Services Arrange.	2,092,300	1,810,439	2,505,714	2,379,337
Payments to Juvenile Justice Alt. Ed. Prgm.	-	15,319	15,642	-
Payments to Appraisal District	577,357	466,306	564,007	555,974
Total Expenditures	<u>238,979,817</u>	<u>246,203,547</u>	<u>221,335,050</u>	<u>228,533,166</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(14,229,729)</u>	<u>(25,718,093)</u>	<u>(3,495,302)</u>	<u>(16,390,073)</u>

Table 4
Page 1 of 2

	2009	2008	2007	2006	2005	2004
\$	113,426,921	\$ 107,933,585	\$ 107,849,751	\$ 106,355,368	\$ 98,199,466	\$ 88,588,856
	73,381,316	73,095,749	50,877,181	36,262,538	33,038,480	26,870,932
	12,669,277	11,233,950	8,995,786	9,598,405	7,816,368	5,645,983
	<u>199,477,514</u>	<u>192,263,284</u>	<u>167,722,718</u>	<u>152,216,311</u>	<u>139,054,314</u>	<u>121,105,771</u>
	99,246,993	91,042,438	82,344,130	74,274,567	65,614,093	59,918,270
	3,390,660	3,161,886	3,524,940	3,241,542	2,877,924	2,518,545
	5,472,684	4,085,028	3,298,576	2,576,041	2,265,606	1,625,403
	2,016,242	1,671,651	1,161,885	1,020,874	881,600	790,986
	10,576,334	9,894,351	8,220,585	7,355,922	6,810,296	6,160,037
	5,969,339	5,918,195	4,685,561	4,283,200	3,934,529	3,620,811
	441,284	422,553	265,076	172,198	197,332	174,691
	1,585,411	1,478,116	1,438,394	1,164,311	1,108,736	1,113,034
	6,963,600	6,862,075	5,871,150	5,698,488	5,190,783	4,726,043
	9,222,653	8,603,027	7,092,533	6,725,532	5,739,430	4,880,059
	4,852,312	4,413,903	4,037,054	4,073,224	3,621,513	3,650,957
	3,692,732	3,686,453	3,951,122	3,577,837	3,319,737	2,854,169
	14,900,930	15,590,266	14,139,174	13,627,565	12,516,801	12,750,846
	2,260,900	1,125,442	960,688	1,079,581	1,075,320	362,873
	2,268,351	1,768,997	1,599,842	1,482,856	963,767	856,635
	125,400	113,423	62,456	96,539	51,930	77,047
	12,140,000	17,565,319	9,950,000	8,956,835	9,215,278	6,144,703
	19,528,347	13,436,105	14,321,841	13,830,485	12,847,738	12,754,534
	4,450	6,900	5,616	11,642	-	-
	23,460,093	11,881,210	12,134,341	29,500,286	26,032,431	9,161,594
	-	-	-	-	-	-
	19,987	14,141	3,068	3,540	5,192	8,496
	3,449,975	513,372	-	-	-	-
	<u>231,588,677</u>	<u>203,254,851</u>	<u>179,068,032</u>	<u>182,753,065</u>	<u>164,270,036</u>	<u>134,149,733</u>
	<u>(32,111,163)</u>	<u>(10,991,567)</u>	<u>(11,345,314)</u>	<u>(30,536,754)</u>	<u>(25,215,722)</u>	<u>(13,043,962)</u>

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
OTHER FINANCING SOURCES (USES)				
Refunding Bonds Issued	\$ 38,645,000	\$ 68,935,000	\$ 23,655,000	\$ 20,420,000
Issuance of Capital Related Debt (Regular Bonds)	-	-	-	-
Premium/Discount from Issuance of Bonds	5,994,931	8,209,802	1,467,626	2,413,495
Non-current Loan Proceeds	4,926,823	-	-	-
Sale of Real and Personal Property	-	-	5,478	-
Other Sources (Uses)	(2,600)	(3,000)	-	(63,245)
Transfers In	811,499	400,000	1,073,910	-
Transfers Out	(111,499)	(2,000,000)	(1,073,910)	-
Payment to Refunded Bond Escrow Agent	(49,802,721)	(76,856,865)	(24,859,196)	(22,625,843)
Total Other Financing Sources (Uses)	<u>461,433</u>	<u>(1,315,063)</u>	<u>268,908</u>	<u>144,407</u>
Special Items (Uses)	<u>-</u>	<u>-</u>	<u>(12,850)</u>	<u>(38,904)</u>
Net Change in Fund Balances	<u>\$ (13,768,296)</u>	<u>\$ (27,033,156)</u>	<u>\$ (3,239,244)</u>	<u>\$ (16,284,570)</u>
Debt Service (Principal and Interest) Expenditures as a Percentage of Noncapital Expenditures	14.54%	14.80%	14.69%	15.06%

Table 4
Page 2 of 2

2009	2008	2007	2006	2005	2004
\$ -	\$ -	\$ -	\$ -	\$ 101,253,912	\$ -
-	121,715,000	40,000,000	-	30,281,476	25,915,000
-	4,220,319	1,867	-	-	80,000
-	-	-	-	-	-
43,440	55,912	4,106,574	100	2,394	15,741
5,138	8,774	3,177	-	111,836	10,376
56,650	-	-	78,378	35,062	-
(56,650)	-	-	(78,378)	(35,062)	-
-	-	-	-	(100,392,454)	-
<u>48,578</u>	<u>126,000,005</u>	<u>44,111,618</u>	<u>100</u>	<u>31,257,164</u>	<u>26,021,117</u>
-	-	-	-	-	-
<u>\$ (32,062,585)</u>	<u>\$ 115,008,438</u>	<u>\$ 32,766,304</u>	<u>\$ (30,536,654)</u>	<u>\$ 6,041,442</u>	<u>\$ 12,977,155</u>
15.24%	15.89%	14.55%	14.94%	16.05%	15.21%

(This page is intentionally left blank.)

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		
2013	\$ 7,101,732,589	\$ 1,043,205,885	\$ 1,250,911,712	\$ 6,894,026,762	\$ 1.5400
2012	6,927,223,361	927,076,504	1,227,911,047	6,626,388,818	1.4800
2011	6,990,955,971	928,000,481	1,128,460,284	6,790,496,168	1.4600
2010	7,001,868,479	1,168,252,825	1,236,404,902	6,933,716,402	1.4600
2009	6,975,643,971	1,498,765,369	1,439,680,945	7,034,728,395	1.4600
2008	6,060,160,682	1,640,470,968	1,548,427,041	6,152,204,609	1.4700
2007	5,474,463,029	1,547,238,633	1,278,540,063	5,743,161,599	1.6800
2006	4,988,896,471	1,103,365,959	1,136,709,701	4,955,552,729	1.8500
2005	4,705,279,643	835,499,798	714,074,051	4,826,705,390	1.8300
2004	4,496,587,755	728,564,993	701,900,663	4,523,252,085	1.8500

Sources: Travis Central Appraisal District and Williamson Central Appraisal District

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

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

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

Taxing Authority	2013	2012	2011 (3)	2010
<i>Overlapping Rates:</i>				
Austin, City of	\$ 0.5027	\$ 0.4811	\$ 0.4571	\$ 0.4209
Austin Community College District	0.0949			
Kelly Lane WCID #1	0.9500	0.9500	0.9500	0.9500
Lakeside MUD #3	0.9000	0.9000	0.9000	0.9000
Lakeside WCID #2D	0.9700	0.9700	0.9700	0.9700
Lakeside WCID #1	0.8500	0.9000	0.9000	0.8500
Lakeside WCID #2B	0.9700	0.9700	0.9700	0.9700
Lakeside WCID #2C	0.9700	0.9700	0.9700	0.9400
Northeast Travis County UD	0.8993	0.8993	0.8993	0.8993
Northtown MUD	0.7500	0.7500	0.7500	0.7500
Pflugerville, City of	0.5736	0.5990	0.6040	0.6090
Travis County	0.4946	0.4855	0.4215	0.4215
Travis Co. Healthcare District	0.1290			
Travis County Emergency Service #2	0.1000	0.1000	0.1000	0.0997
Travis County MUD #15	0.3325	0.3325	0.3325	0.3325
Wells Branch MUD	0.4600	0.4700	0.4700	0.4700
Williamson County	0.4490	0.4600	0.4600	-
Williamson Co. Water, Sewer, Irrigation and DD #3	0.8150	0.8150	0.8150	0.7999
Total Overlapping Rates	\$ <u>11.2106</u>	\$ <u>11.0524</u>	\$ <u>10.9694</u>	\$ <u>10.3828</u>
<i>District Direct Rates:</i>				
Pflugerville ISD				
Maintenance and Operations	\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.0400
Debt Service	0.5000	0.4400	0.4200	0.4200
Total District Direct Rates	\$ <u>1.5400</u>	\$ <u>1.4800</u>	\$ <u>1.4600</u>	\$ <u>1.4600</u>

Source: The Municipal Advisory Council of Texas

- 1) Data for Kelly Lane WCID #1, Lakeside MUD #3, and Lakeside WCID #2D not available prior to 2008
- 2) Data for Lakeside WCID #2C not available prior to 2005
- 3) Data for Williamson County not available prior to 2011
- 4) Data for Williamson Co. Water, Sewer, Irrigation and DD #3 not available prior to 2006

Table 6

	<u>2009</u>	<u>2008 (1)</u>	<u>2007</u>	<u>2006 (4)</u>	<u>2005 (2)</u>	<u>2004</u>
\$	0.4012	\$ 0.4034	\$ 0.4126	\$ 0.4430	\$ 0.4430	\$ 0.4928
	0.9500	0.9500	-	-	-	-
	0.9000	0.9000	-	-	-	-
	0.9700	0.9700	-	-	-	-
	0.8500	0.8500	0.8700	0.8700	0.8700	0.8700
	0.9700	0.9700	0.8700	0.8700	0.8700	0.8700
	0.9000	0.9000	0.8200	0.8700	0.8700	-
	0.8993	0.8993	0.9300	0.9300	0.9300	0.9300
	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500
	0.6140	0.6190	0.6240	0.6350	0.6400	0.6417
	0.4122	0.4216	0.4499	0.4993	0.4872	0.4918
	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
	0.2925	0.2500	0.2500	0.2300	0.4940	0.6500
	0.4700	0.4800	0.4800	0.4800	0.4800	0.5000
	-	-	-	-	-	-
	0.7730	0.7730	0.8500	0.8500	-	-
\$	<u>10.2522</u>	<u>10.2363</u>	<u>7.4065</u>	<u>7.5273</u>	<u>6.9342</u>	<u>6.2963</u>
\$	1.0400	\$ 1.0400	\$ 1.3600	\$ 1.5000	\$ 1.4900	\$ 1.5000
	0.4200	0.4300	0.3200	0.3500	0.3400	0.3500
\$	<u>1.4600</u>	<u>1.4700</u>	<u>1.6800</u>	<u>1.8500</u>	<u>1.8300</u>	<u>1.8500</u>

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

Table 7

Taxpayer	2013			2004		
	Assessed Value	Rank	Percentage of Total Assessed Value	Assessed Value	Rank	Percentage of Total Assessed Value
Oracle USA Inc	\$ 138,710,117	1	2.01%	\$ 39,574,000	3	0.87%
Dell USA Inc	123,225,798	2	1.79%	371,793,350	1	8.22%
A-S 93 SH I30-SH 45 LP	58,180,691	3	0.85%			
Parmer Tech Ridge LLC	48,650,191	4	0.71%			
Samsung Austin Semiconductor	40,095,882	5	0.58%			
San Paloma Apartments 100 LP	39,470,000	6	0.57%			
The Realty Associated Fund XI LP	39,311,030	7	0.57%			
Target Corporation	38,459,316	8	0.56%			
Oncor Electric Delivery Co	37,521,319	9	0.54%	31,905,790	4	0.71%
Tech Ridge Austin LLC	37,454,815	10	0.54%			
Applied Materials				116,865,420	2	2.58%
DDR DB Tech Ventures LP				27,411,000	5	0.61%
Zavala Properties II, Inc.				24,551,400	6	0.54%
Walmart Stores Texas LP				23,700,500	7	0.52%
Scofield Ranch Apartments Homes				22,159,800	8	0.49%
Southwestern Bell Tel Co				20,757,100	9	0.46%
H E Butt Grocery Company				19,394,400	10	0.43%
TOTALS	\$ 601,079,159		8.72%	\$ 698,112,760		15.43%
TOTAL ASSESSED VALUE	\$ 6,894,026,762			\$ 4,523,252,085		

Source: Travis Central Appraisal District.

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

Table 8

Fiscal Year	Tax Levy For The Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date (Including 60 Day Accrual)	
		Amount	Percentage of Net Tax Levy		Amount	Percent of Total Tax Collections To Net Tax Levy
2013	\$ 111,875,016	\$ 111,106,176	99.31%	\$ -	\$ 111,106,176	99.20%
2012	105,311,092	104,531,967	99.26%	343,158	104,875,125	99.20%
2011	104,270,874	103,466,286	99.20%	527,754	103,994,040	99.58%
2010	108,130,386	107,041,100	98.94%	853,946	107,895,046	99.70%
2009	104,317,677	103,367,737	99.08%	715,914	104,083,651	99.75%
2008	95,765,662	95,563,864	99.77%	53,011	95,616,875	99.83%
2007	98,040,444	97,306,560	99.23%	614,278	97,920,838	99.87%
2006	96,856,093	95,756,426	98.85%	973,193	96,729,619	99.86%
2005	89,621,911	88,400,947	98.64%	1,086,811	89,487,758	99.84%
2004	84,211,057	82,763,360	98.28%	(108,921)	82,654,439	99.72%

(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

Fiscal Year	Governmental Activities			Ratio of Debt to Assessed Value (1)	Debt Per Student (2)
	General Obligation Bonds	Capital Leases/Notes Payable	Total Primary Government		
2013	\$ 327,249,556	\$ 4,926,823	\$ 332,176,379	4.82%	\$ 15,077
2012	349,287,496	-	349,287,496	5.27%	16,044
2011	359,814,211	-	359,814,211	5.30%	16,814
2010	374,299,609	-	374,299,609	5.40%	18,067
2009	389,105,174	-	389,105,174	5.53%	19,134
2008	401,664,307	-	401,664,307	6.53%	20,619
2007	292,665,776	-	292,665,776	5.10%	15,745
2006	263,383,063	-	263,383,063	5.31%	14,950
2005	272,587,589	-	272,587,589	5.65%	16,423
2004	242,642,079	-	242,642,079	5.36%	15,450

(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>
2013	\$ 327,249,556	\$ 2,487,587	\$ 324,761,969	4.71%	\$ 14,740
2012	349,287,496	2,291,826	346,995,670	5.24%	15,938
2011	359,814,211	1,643,443	358,170,768	5.27%	16,737
2010	374,299,609	3,096,937	371,202,672	5.35%	17,918
2009	389,105,174	4,116,832	384,988,342	5.47%	18,931
2008	401,664,307	3,696,794	397,967,513	6.47%	20,430
2007	292,665,776	1,845,631	290,820,145	5.06%	15,646
2006	263,383,063	2,489,505	260,893,558	5.26%	14,808
2005	272,587,589	2,096,576	270,491,013	5.60%	16,297
2004	242,642,079	1,999,718	240,642,361	5.32%	15,323

(1) See Table 5 for assessed value data.

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

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMPUTATION OF ESTIMATED DIRECT AND OVERLAPPING DEBT
AUGUST 31, 2013

Table 11

Taxing Body	Gross Debt Amount	Outstanding As of	Percent Overlapping	Share of Debt
<i>Overlapping:</i>				
City of Austin	\$ 1,105,969,994	08/31/13	3.42%	\$ 37,824,174
Austin Community College District	85,258,659	08/31/13	2.30%	1,960,949
Kelly Lane WCID #1	6,480,000	08/31/13	100.00%	6,480,000
Lakeside MUD #3	5,050,000	08/31/13	100.00%	5,050,000
Lakeside WCID #1	5,325,000	08/31/13	100.00%	5,325,000
Lakeside WCID #2-B	6,115,000	08/31/13	100.00%	6,115,000
Lakeside WCID #2-C	6,315,000	08/31/13	100.00%	6,315,000
Lakeside WCID #2D	4,040,000	08/31/13	100.00%	4,040,000
Northeast Travis County UD	18,980,000	08/31/13	100.00%	18,980,000
Northtown MUD	27,235,000	08/31/13	100.00%	27,235,000
City of Pflugerville	153,275,000	08/31/13	100.00%	153,275,000
Travis County	632,324,987	08/31/13	6.72%	42,492,239
Travis County Emergency Service #2	1,205,000	08/31/13	100.00%	1,205,000
Travis Co Healthcare District	14,160,000	08/31/13	6.72%	951,552
Travis County MUD #15	8,115,000	08/31/13	100.00%	8,115,000
Wells Branch MUD	1,330,000	08/31/13	37.93%	390,679
Williamson County	773,914,942	08/31/13	0.02%	154,783
Williamson Co. Water, Sewer, Irrigation and DD #3	27,920,000	08/31/13	26.68%	<u>7,449,056</u>
Total Net Overlapping Debt				<u><u>333,358,432</u></u>
<i>Direct</i>				
Pflugerville ISD	327,249,556	08/31/13	100.0%	<u>327,249,556</u>
TOTAL NET OVERLAPPING AND DIRECT DEBT				<u><u>\$ 660,607,988</u></u>

Source: Specialized Public Finance

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

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

Table 12

<u>Fiscal Year</u>	<u>Residential Units (1)</u>	<u>Total Assessed Value of Residential Units (2)</u>	<u>Average Assessed Value Per Residential Unit</u>	<u>Average Daily Attendance (3)</u>	<u>Unemployment Rate (4)</u>
2012-13	34,745	\$ 5,375,057,344	\$ 154,700	22,032	5.6%
2011-12	34,069	5,419,191,612	159,065	21,771	6.4%
2010-11	33,455	5,416,319,648	161,899	21,400	7.6%
2009-10	32,846	5,528,542,649	168,317	20,717	7.3%
2008-09	32,166	5,193,604,881	161,463	20,336	7.3%
2007-08	30,925	4,670,793,854	151,036	19,480	4.4%
2006-07	29,630	4,192,599,530	141,498	18,588	4.0%
2005-06	28,359	3,891,915,270	137,237	17,618	4.4%
2004-05	27,088	3,643,127,874	134,492	16,598	4.4%
2003-04	25,942	3,431,402,512	132,272	15,705	4.7%

(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

(This page intentionally left blank.)

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

Table 13

Employer	2013			2004		
	Employees	Rank	Percentage of Top Ten Employers	Employees	Rank	Percentage of Top Ten Employers
Pflugerville Independent School District	2,694	1	62.20%	1,905	2	8.18%
City of Pflugerville	291	2	6.72%	200	7	0.86%
Wal-Mart	268	3	6.19%	-	-	0.00%
HEB Grocery	200	4	4.62%	400	6	1.71%
Flextronics	195	5	4.50%	-	-	0.00%
Target (2)	192	6	4.43%	-	-	0.00%
Avant Technologies	165	7	3.81%	-	-	0.00%
Austin Foam Plastics	119	8	2.75%	180	9	0.77%
Home Depot (1)	105	9	2.42%	-	-	0.00%
Advanced Integration Technologies	102	10	2.36%	-	-	0.00%
Dell Computers	-	-	-	18,000	1	77.28%
Samsung	-	-	-	1,117	3	4.80%
Sears TeleServ	-	-	-	650	4	2.79%
Compaq Computers	-	-	-	500	5	2.15%
Datum-Austin	-	-	-	200	8	0.86%
Carroll Systems	-	-	-	140	10	0.60%
Total Employed	4,331		100.0%	23,292		100.0%

Sources: Pflugerville Community Development Corp and PISD Business Office

- 1) Updated data for 2013 unavailable for these employers. Number of employees from 2012 used.
- 2) Updated data for 2013 unavailable for these employers. Number of employees from 2011 used.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
DEMOGRAPHIC STATISTICS
LAST TEN YEARS

Fiscal Year	(A) Estimated School District Population	(B) Area Population	(C) Personal Income	(D) Per Capita Personal Income	(E) Labor Force	(E) Employment
2013	-	-	\$ -	\$ -	989,700	938,800
2012	-	1,834,303	-	-	943,997	882,739
2011	116,118	1,783,519	-	-	904,067	838,282
2010	109,722	1,728,307	66,936,889,000	38,730	902,915	834,432
2009	103,039	1,682,338	64,014,645,000	38,051	869,525	813,212
2008	107,298	1,633,870	64,411,889,000	39,423	853,810	818,843
2007	94,978	1,577,856	59,924,200,000	37,978	831,964	798,734
2006	97,288	1,515,485	56,105,865,000	37,022	803,219	766,878
2005	N/A	1,453,358	51,047,445,000	35,124	787,187	747,924
2004	N/A	1,410,058	46,455,572,000	32,946	770,615	726,194

(A) 2011 data provided by USA.com. 2004 - 2010 data from U.S. Census Bureau, American Community Survey. Data for 2012 and 2013 unavailable.

(B) 2012 & 2011 data from American Community Survey, Austin-Round Rock-San Marcos Metropolitan Statistical Area. Area population for 2013 unavailable. Data for 2004-2010 provided by Bureau of Economic Analysis.

(C) Personal Income provided by TRACER, MSA 2000. Personal Income data unavailable for 2011 - 2013.

(D) Per Capita Personal Income data equals personal income divided by area population. Analysis. Data for 2011 through 2013 cannot be calculated.

(E) Texas Workforce Commission, Austin-Round Rock-San Marcos Metropolitan Statistical Area

Table 14

(E) <u>Unemployment</u>	(E) Percent <u>Unemployment</u>	(E) <u>Construction</u>	(E) <u>Manufacturing</u>	(E) <u>Trades</u>	(E) <u>Government</u>
50,900	5.1%	46,100	51,400	154,100	166,200
61,258	6.4%	40,700	50,800	139,800	166,700
65,785	7.3%	40,200	49,100	138,300	163,800
68,483	7.6%	39,500	46,500	129,800	166,300
56,313	6.5%	42,400	50,700	136,900	164,600
34,967	4.1%	48,000	58,800	138,400	160,000
33,230	4.0%	45,700	59,200	131,900	154,000
36,341	4.5%	41,200	57,300	123,200	149,400
39,263	5.0%	37,800	57,300	117,800	146,900
44,421	5.8%	35,900	56,500	113,500	143,700

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

<u>POSITION</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Teachers:				
Teacher/Special Duty Teacher	1,563.1	1,511.6	1,508.2	1,450.2
Substitute Teacher	0.2	0.2	0.1	-
Teacher Totals	<u>1,563.3</u>	<u>1,511.8</u>	<u>1,508.3</u>	<u>1,450.2</u>
Professional Support:				
Counselor	53.4	49.4	49.5	40.4
Educational Diagnostician	9.8	9.0	8.0	8.9
Librarian	20.6	21.0	25.0	24.4
Occupational Therapist	5.6	4.6	5.2	4.6
Orientation and Mobility Specialist	2.0	1.0	1.0	1.0
Physical Therapist	2.0	2.0	2.0	4.0
Nurse	28.9	26.9	27.0	25.4
LSSP/Psychologist	19.8	18.0	19.0	18.1
Social Worker	7.0	7.0	7.0	5.5
Speech Language Pathologist	23.3	24.0	24.6	20.8
Truant Officer	4.0	3.6	1.0	-
Teacher Facilitator	39.3	42.0	51.7	28.0
Athletic Trainer	4.1	2.5	4.9	4.8
Campus Professional Personnel	37.1	10.5	10.6	11.0
Non Campus Professional Personnel	63.3	56.3	56.6	37.0
Professional Support Totals	<u>320.2</u>	<u>277.8</u>	<u>293.1</u>	<u>233.9</u>
Campus Administration:				
Assistant Principal	53.1	49.1	47.0	47.0
Executive Director/Program Director	4.3	8.0	6.0	-
Principal	27.0	25.9	25.9	24.4
Teacher Supervisor	3.5	25.0	20.6	-
Athletic Director	4.2	5.5	5.8	-
Campus Administration Totals	<u>92.1</u>	<u>113.5</u>	<u>105.3</u>	<u>71.4</u>
Central Administration:				
Assistant/Deputy Supt	3.0	3.0	4.0	1.0
Instructional Officer	15.0	22.6	27.0	23.0
Superintendent	1.0	1.0	1.0	1.0
Teacher Supervisor	22.0	5.0	3.0	4.5
Business Manager	1.0	1.0	1.0	-
Director of HR	1.0	1.0	-	1.0
Central Administration Totals	<u>43.0</u>	<u>33.6</u>	<u>36.0</u>	<u>30.5</u>
Educational Aides:				
Aides	294.4	299.7	318.7	275.6
Educational Aides Totals	<u>294.4</u>	<u>299.7</u>	<u>318.7</u>	<u>275.6</u>
Auxiliary Support:				
Includes: Clerical, Secretarial, Grounds, Custodial, Maintenance	380.9	337.9	369.6	456.4
Auxiliary Support Totals	<u>380.9</u>	<u>337.9</u>	<u>369.6</u>	<u>456.4</u>
Total Employees	<u>2,693.9</u>	<u>2,574.3</u>	<u>2,631.0</u>	<u>2,518.0</u>

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

2009	2008	2007	2006	2005	2004
1,458.0	1,379.3	1,256.0	1,174.9	1,082.1	1,028.7
-	-	-	-	-	-
<u>1,458.0</u>	<u>1,379.3</u>	<u>1,256.0</u>	<u>1,174.9</u>	<u>1,082.1</u>	<u>1,028.7</u>
45.1	49.6	36.2	35.1	32.5	32.5
8.0	7.0	5.0	7.0	7.5	4.5
25.7	24.0	24.0	22.0	20.0	19.8
4.4	3.7	4.5	4.3	4.3	4.3
1.0	1.0	-	0.8	0.5	-
4.0	3.5	3.0	2.8	2.5	2.0
24.9	24.7	24.6	22.9	20.7	21.0
20.0	20.0	20.0	17.9	14.9	17.0
6.5	6.5	4.0	4.0	6.8	3.0
22.4	20.2	20.8	19.9	17.4	15.8
-	-	-	-	-	-
41.1	24.1	30.1	21.5	13.5	9.3
3.9	1.0	1.0	-	-	-
12.0	8.0	3.0	3.0	1.8	1.0
34.0	26.0	22.0	20.0	20.0	18.3
<u>253.0</u>	<u>219.3</u>	<u>198.2</u>	<u>181.2</u>	<u>162.4</u>	<u>148.5</u>
53.0	45.0	41.0	36.4	32.6	31.0
-	-	-	-	-	-
27.0	27.0	24.9	22.0	22.0	22.0
-	-	-	-	-	-
-	-	-	-	0.3	-
<u>80.0</u>	<u>72.0</u>	<u>65.9</u>	<u>58.4</u>	<u>54.9</u>	<u>53.0</u>
4.0	1.0	1.0	1.0	1.3	1.3
26.9	14.4	14.0	16.8	15.4	17.3
1.0	1.0	1.6	1.0	-	1.0
5.0	5.0	6.0	-	-	-
-	-	-	-	-	-
1.0	2.0	1.0	1.0	1.0	-
<u>37.9</u>	<u>23.4</u>	<u>23.6</u>	<u>19.8</u>	<u>17.7</u>	<u>19.6</u>
269.6	207.1	199.5	144.9	156.3	134.1
<u>269.6</u>	<u>207.1</u>	<u>199.5</u>	<u>144.9</u>	<u>156.3</u>	<u>134.1</u>
376.2	435.2	357.6	387.8	353.0	345.0
<u>376.2</u>	<u>435.2</u>	<u>357.6</u>	<u>387.8</u>	<u>353.0</u>	<u>345.0</u>
<u>2,474.7</u>	<u>2,336.3</u>	<u>2,100.8</u>	<u>1,967.0</u>	<u>1,826.4</u>	<u>1,728.9</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Average Daily Attendance</u>	<u>Operating Expenditures (1)</u>	<u>Cost Per Student</u>	<u>Percentage Change</u>
2013	22,032	\$ 189,708,360	\$ 8,611	3.62%
2012	21,771	180,912,541	8,310	-2.87%
2011	21,400	183,079,098	8,555	-4.57%
2010	20,717	185,725,395	8,965	3.32%
2009	20,336	176,455,787	8,677	5.40%
2008	19,480	160,365,317	8,232	7.27%
2007	18,588	142,656,234	7,675	3.65%
2006	17,618	130,453,817	7,405	5.79%
2005	16,598	116,174,589	6,999	3.62%
2004	15,705	106,088,902	6,755	-

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

Table 16

	<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>
\$	213,520,255	\$ 9,691	1.94%	1,563	14.10	53.63%
	206,970,921	9,507	-2.63%	1,512	14.40	53.92%
	208,934,878	9,763	-2.94%	1,502	14.25	52.59%
	208,391,282	10,059	0.71%	1,475	14.05	50.40%
	203,107,512	9,988	4.01%	1,458	13.95	42.31%
	187,059,878	9,603	8.28%	1,382	14.10	44.30%
	164,842,503	8,868	2.78%	1,256	14.80	41.71%
	152,007,415	8,628	4.96%	1,175	14.99	40.21%
	136,440,453	8,220	4.15%	1,082	15.34	36.86%
	123,959,735	7,893	-	1,029	15.26	33.76%

(This page is intentionally left blank.)

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
TEACHER BASE SALARIES
LAST TEN FISCAL YEARS

Table 17

<u>Fiscal Year</u>	<u>Minimum Salary (1)</u>	<u>Maximum Salary (1)</u>	<u>Region Average Salary (2)</u>	<u>Statewide Average Salary (2)</u>
2013	\$ 41,000	\$ 57,850	\$ 47,596	\$ 48,821
2012	41,000	57,350	46,930	48,375
2011	41,000	57,350	47,158	48,638
2010	41,000	57,350	46,979	48,263
2009	40,950	57,350	45,604	47,159
2008	40,000	56,400	44,752	46,179
2007	38,000	53,500	43,781	44,897
2006	35,200	51,000	40,170	41,744
2005	34,500	50,500	39,856	41,011
2004	34,000	50,000	39,390	40,478

(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

<u>Building:</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
HIGH SCHOOLS				
Pflugerville High School				
Square Footage	335,550	335,550	335,550	310,448
Capacity	2,475	2,475	2,475	2,475
Enrollment	2,212	2,221	2,237	2,244
Hendrickson High School				
Square Footage	380,130	380,130	380,130	380,130
Capacity	2,500	2,500	2,500	2,500
Enrollment	2,370	2,213	2,108	1,911
Connally High School				
Square Footage	314,876	314,876	314,876	298,333
Capacity	2,325	2,325	2,325	2,325
Enrollment	1,939	1,935	1,946	2,044
Opportunity Center				
Square Footage	19,691	19,691	19,691	19,691
Capacity	256	256	256	256
Enrollment	-	-	-	-
MIDDLE SCHOOLS				
Pflugerville Middle School				
Square Footage	111,036	111,036	111,036	111,036
Capacity	1,375	1,375	1,375	1,375
Enrollment	1,114	1,039	1,028	1,069
Westview Middle School				
Square Footage	112,245	112,245	112,245	112,245
Capacity	1,100	1,100	1,100	1,100
Enrollment	907	851	955	896
Park Crest Middle School				
Square Footage	116,800	116,800	116,800	116,800
Capacity	1,300	1,300	1,300	1,300
Enrollment	993	1,017	942	874
Dessau Middle School				
Square Footage	121,200	121,200	121,200	121,200
Capacity	1,300	1,300	1,300	1,300
Enrollment	1,080	1,016	995	1,007
Kelly Lane Middle School				
Square Footage	139,000	139,000	139,000	139,000
Capacity	1,250	1,250	1,250	1,250
Enrollment	1,249	1,176	1,106	1,029
Opportunity Center				
Square Footage	-	-	-	-
Capacity	-	-	-	-
Enrollment	-	-	-	-

Source: District Records

Table 18
Page 1 of 3

2009	2008	2007	2006	2005	2004
285,346	285,346	285,346	285,346	285,346	285,346
2,400	2,400	2,400	2,400	2,400	2,400
2,290	2,219	2,110	2,029	2,065	2,180
380,130	380,130	380,130	380,130	380,130	380,130
2,500	2,500	2,500	2,500	2,500	2,500
1,947	1,810	1,436	1,277	853	494
281,790	281,790	281,790	281,790	281,790	281,790
2,400	2,400	2,400	2,400	2,400	2,400
2,084	2,006	1,969	1,852	1,850	1,876
19,691	19,691	19,691	-	-	-
256	256	256	-	-	-
-	183	167	129	128	85
111,036	111,036	111,036	111,036	111,036	111,036
1,375	1,375	1,375	1,375	1,375	1,375
1,074	1,153	1,063	1,080	1,031	1,031
112,245	112,245	112,245	112,245	112,245	112,245
1,100	1,100	1,100	1,100	1,100	1,100
858	821	843	848	842	841
116,800	116,800	116,800	116,800	116,800	116,800
1,300	1,300	1,300	1,300	1,300	1,300
862	921	903	1,371	1,253	1,081
121,200	121,200	121,200	121,200	121,200	121,200
1,300	1,300	1,300	1,300	1,300	1,300
1,029	1,033	990	962	893	873
139,000	139,000	139,000	139,000	-	-
1,250	1,250	1,250	1,250	-	-
1,022	861	655	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	21	13	18	23	7

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

<u>Building:</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
ELEMENTARY SCHOOLS				
Farmer Lane Elementary School				
Square Footage	63,634	63,634	63,634	63,634
Capacity	650	650	650	650
Enrollment	480	519	543	613
Timmerman Elementary School				
Square Footage	58,792	58,792	58,792	58,792
Capacity	550	550	550	550
Enrollment	523	550	574	530
Pflugerville Elementary School				
Square Footage	77,922	77,922	77,922	77,922
Capacity	600	600	600	600
Enrollment	496	531	520	519
Northwest Elementary School				
Square Footage	62,000	62,000	62,000	62,000
Capacity	600	600	600	600
Enrollment	514	614	623	599
Dessau Elementary School				
Square Footage	64,150	64,150	64,150	64,150
Capacity	650	650	650	650
Enrollment	404	602	623	588
Windermere Elementary School				
Square Footage	66,272	66,272	66,272	66,272
Capacity	750	750	750	750
Enrollment	503	525	488	477
River Oaks Elementary School				
Square Footage	66,512	66,512	66,512	66,512
Capacity	750	750	750	750
Enrollment	572	536	526	475
Brookhollow Elementary School				
Square Footage	66,512	66,512	66,512	66,512
Capacity	750	750	750	750
Enrollment	517	501	549	577
Spring Hill Elementary School				
Square Footage	68,600	68,600	68,600	68,600
Capacity	750	750	750	750
Enrollment	705	719	741	746
Windermere Primary School				
Square Footage	68,752	68,752	68,752	68,752
Capacity	750	750	750	750
Enrollment	490	558	612	642

Source: District Records

Table 18
Page 2 of 3

2009	2008	2007	2006	2005	2004
63,634	63,634	63,634	63,634	63,634	63,634
650	650	650	650	650	650
619	615	674	677	661	646
58,792	58,792	58,792	58,792	58,792	58,792
550	550	550	550	550	550
524	516	478	497	488	480
77,922	77,922	77,922	77,922	77,922	77,922
600	600	600	600	600	600
530	538	540	523	507	528
62,000	62,000	62,000	62,000	62,000	62,000
600	600	600	600	600	600
584	528	498	533	515	497
64,150	64,150	64,150	64,150	64,150	64,150
650	650	650	650	650	650
586	525	539	524	477	437
66,272	66,272	66,272	66,272	66,272	66,272
750	750	750	750	750	750
481	492	513	570	562	538
66,512	66,512	66,512	66,512	66,512	66,512
750	750	750	750	750	750
476	473	528	529	559	568
66,512	66,512	66,512	66,512	66,512	66,512
750	750	750	750	750	750
572	611	645	793	702	555
68,600	68,600	68,600	68,600	68,600	68,600
750	750	750	750	750	750
743	706	637	579	557	619
68,752	68,752	68,752	68,752	68,752	68,752
750	750	750	750	750	750
650	565	614	683	668	624

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

<u>Building:</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Copperfield Elementary School				
Square Footage	77,922	77,922	77,922	77,922
Capacity	850	850	850	850
Enrollment	504	586	600	621
Murchison Elementary School				
Square Footage	77,922	77,922	77,922	77,922
Capacity	850	850	850	850
Enrollment	843	852	834	861
Delco Primary School				
Square Footage	68,752	68,752	68,752	68,752
Capacity	750	750	750	750
Enrollment	527	748	701	649
Caldwell Elementary School				
Square Footage	73,007	73,007	73,007	73,007
Capacity	800	800	800	800
Enrollment	731	739	760	729
Rowe Lane Elementary School				
Square Footage	75,007	75,007	75,007	75,007
Capacity	750	750	750	750
Enrollment	867	793	728	726
Highland Park Elementary School				
Square Footage	75,007	75,007	75,007	75,007
Capacity	750	750	750	750
Enrollment	762	732	692	849
Wieland Elementary School				
Square Footage	75,490	75,490	75,490	75,490
Capacity	750	750	750	750
Enrollment	544	741	766	676
Riojas Elementary School				
Square Footage	71,624	71,624	71,624	71,624
Capacity	700	700	700	700
Enrollment	624	540	453	-
Ruth Barron Elementary School				
Square Footage	86,899	-	-	-
Capacity	900	-	-	-
Enrollment	754	-	-	-

Source: District records

Source: District Records

Table 18
Page 3 of 3

2009	2008	2007	2006	2005	2004
77,922	77,922	77,922	77,922	77,922	77,922
850	850	850	850	850	850
613	630	783	742	705	746
77,922	77,922	77,922	77,922	77,922	77,922
850	850	850	850	850	850
860	798	598	557	874	784
68,752	68,752	68,752	68,752	68,752	68,752
750	750	750	750	750	750
630	625	648	635	539	458
73,007	73,007	73,007	73,007	73,007	73,007
800	800	800	800	800	800
750	734	664	808	773	587
75,007	75,007	75,007	75,007	-	-
750	750	750	750	-	-
698	681	550	488	-	-
75,007	75,007	75,007	75,007	-	-
750	750	750	750	-	-
845	858	666	-	-	-
75,490	75,490	75,490	-	-	-
750	750	750	-	-	-
680	648	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

(This page intentionally left blank.)

Federal Awards Section

HLSK

Hereford, Lynch, Sellars & Kirkham

Certified Public Accountants • A Professional Corporation

Conroe
1406 Wilson Rd., Suite 100
Conroe, Texas 77304
Tel 936-756-8127
Metro 936-441-1338
Fax 936-756-8132

Members of the
American Institute of Certified Public Accountants
Texas Society of Certified Public Accountants
Private Companies Practice Section
of the AICPA Division for Firms

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

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Pflugerville Independent School District (District), as of and for the year ended August 31, 2013, and the related notes to the financial statements, which collectively comprise Pflugerville Independent School District's basic financial statements and have issued our report thereon dated January 16, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Pflugerville Independent School 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 Pflugerville Independent School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Pflugerville Independent School District's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully,

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

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

Conroe, Texas
January 16, 2014

HLSK

Hereford, Lynch, Sellars & Kirkham

Certified Public Accountants • A Professional Corporation

Conroe
1406 Wilson Rd., Suite 100
Conroe, Texas 77304
Tel 936-756-8127
Metro 936-441-1338
Fax 936-756-8132

Members of the
American Institute of Certified Public Accountants
Texas Society of Certified Public Accountants
Private Companies Practice Section
of the AICPA Division for Firms

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

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

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

Report on Compliance for Each Major Federal Program

We have audited Pflugerville Independent School District's (District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Pflugerville Independent School District's major federal programs for the year ended August 31, 2013. Pflugerville Independent School District's major federal programs are identified in the summary of auditors' 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.

Auditors' Responsibility

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

Opinion on Each Major Federal Program

In our opinion, Pflugerville Independent School District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2013.

Report on Internal Control Over Compliance

Management of Pflugerville Independent School 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 Pflugerville Independent School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Pflugerville Independent School District's internal control over compliance.

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

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

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

Respectfully,

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

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

Conroe, Texas
January 16, 2014

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2013

I. Summary Of Auditors' Results

Financial Statements

Type of auditors' report issued	Unmodified
Internal control over financial reporting:	
Material weakness (es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal controls over major programs:	
Material weakness (es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section .510(a) 2-7 of OMB Circular A-133?	No

Identification of Major Programs:

CFDA Numbers	Name of Federal Program or Cluster:
84.385A	Child Nutrition Cluster ARRA Teacher Incentive Fund

Dollar threshold used to distinguish between type A and type B federal programs	\$510,407
Auditee qualified as a low-risk auditee?	Yes

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2013

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, 2013

Exhibit K-1

(1) Federal Grantor/ Pass-Through Grantor/ Program Title	(2) Federal CFDA Number	(2A) Pass-Through Entity Identifying Number	(3) Total Federal Expenditures
U.S. DEPARTMENT OF EDUCATION:			
Passed Through State Department of Education:			
<i>ESEA Title I, Part A - School Improvement Program</i>	84.010A	13610104227904003	\$ 9,815
<i>ESEA Title I, Part A - School Improvement Program</i>	84.010A	13610104227904041	12,650
<i>ESEA Title I, Part A - School Improvement Program</i>	84.010A	13610104227904042	30,515
<i>ESEA Title I, Part A - School Improvement Program</i>	84.010A	13610110227904042	155,703
<i>ESEA Title I, Part A - Improving Basic Programs</i>	84.010A	13610101227904	2,834,676
<i>ESEA Title I, Part A - Improving Basic Programs</i>	84.010A	14610101227904	145,943
Total Program 84.010A			<u>3,189,302</u>
Special Education Cluster (IDEA):			
<i>IDEA - Part B, Formula</i>	84.027A	126600012279046600	3,685
<i>IDEA - Part B, Formula</i>	84.027A	136600012279046600	3,307,194
<i>IDEA - Part B, Formula</i>	84.027A	146600012279046600	248,263
<i>IDEA - Part B, Preschool</i>	84.173A	136610012279046610	43,320
<i>IDEA - Part B, Preschool</i>	84.173A	146610012279046610	4,821
Total Special Education Cluster (IDEA)			<u>3,607,283</u>
<i>Career and Technical - Basic Grant</i>	84.048A	13420006227904	232,812
<i>Title IV, Part B - 21st Century Community Learning Centers</i>	84.287C	126950147110044	868,282
<i>Title IV, Part B - 21st Century Community Learning Centers</i>	84.287C	136950147110044	32,123
Total Program 84.287C			<u>900,405</u>
<i>Title III, Part A - English Language Acquisition and Language Enhancement</i>	84.365A	13671001227904	421,362
<i>Title III, Part A - English Language Acquisition and Language Enhancement</i>	84.365A	14671001227904	27,030
Total Program 84.365A			<u>448,392</u>
<i>ESEA Title II, Part A - Teacher and Principal Training and Recruiting</i>	84.367A	13694501227904	271,974
<i>ESEA Title II, Part A - Teacher and Principal Training and Recruiting</i>	84.367A	14694501227904	22,634
Total Program 84.367A			<u>294,608</u>
<i>LEP Summer School Program</i>	84.369A	69551202	24,538
Passed Through Education Service Center Region X:			
<i>ESEA Title X, Part C - Education for the Homeless Children and Youth</i>	84.196A	13-012	34,149
Passed Through Education Service Center Region XIII:			
<i>ESEA Title X, Part C - Education for the Homeless Children and Youth</i>	84.196A	13-031	2,903
Total Program 84.196A			<u>37,052</u>
Passed Through Education Service Center Region XVIII:			
<i>ARRA Teacher Incentive Fund</i>	84.385A	S385A100176	697,661
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>9,432,053</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:			
Passed Through State Department of Health and Human Services:			
<i>Medicaid Administrative Claiming Program (MAC)</i>	93.778	529-07-0157-00121	19,929

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2013

Exhibit K-1

(1) Federal Grantor/ Pass-Through Grantor/ Program Title	(2) Federal CFDA Number	(2A) Pass-Through Entity Identifying Number	(3) Total Federal Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE:</u>			
Child Nutrition Cluster:			
Passed Through State Department of Agriculture - Noncash Assistance:			
<i>National School Lunch Program</i>	10.555	01069	548,838
Passed Through State Department of Education - Cash Assistance:			
<i>National School Breakfast Program</i>	10.553	71401301	1,640,091
<i>National School Lunch Program</i>	10.555	71301301	5,236,204
Total Child Nutrition Cluster			<u>7,425,133</u>
Passed Through State Department of Agriculture:			
<i>Child and Adult Care Food Program</i>	10.558	01069	73,181
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>7,498,314</u>
<u>U.S. DEPARTMENT OF DEFENSE:</u>			
Direct:			
<i>Reserve Officers' Training Corps</i>	12.000	N/A	63,254
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 17,013,550</u>

The accompanying notes are an integral part of this statement.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Exhibit K-2

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, 2013. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Government, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

Note 3 - Reconciliation of Basic Financial Statements

Total Expenditures of Federal Awards per Exhibit K-1	\$ 17,013,550
General Fund - Federal Revenue Excluded:	
SHARS Revenue	<u>1,637,819</u>
Total Federal Revenues per Exhibit B-2	<u>\$ 18,651,369</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, 2013, are as follows:

Program Source	CFDA Number	Amount
SHARS	N/A	\$ 1,637,819
ROTC	12.000	63,254
Indirect Costs:		
ESEA Title I - Improving Basic Programs	84.010A	51,879
ESEA Title I - School Improvement Effective Strategies	84.010A	3,080
IDEA Part B - Formula	84.027A	63,017
IDEA Part B - Preschool	84.173A	854
Career and Technical - Basic Grant	84.048A	4,141
ESEA Title II, Part A - Teacher and Principal Training and Recruiting	84.367A	5,215
ESEA Title III, Part A - English Language Acquisition and Language Enhancement	84.365A	7,940
Texas Support for Homeless Education Program (TEXSHEP)	84.196	607
Texas 21st Community Learning Centers	84.287C	<u>15,918</u>
Total		<u>\$ 1,853,724</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
AUGUST 31, 2013

Exhibit L-1

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