

**PFLUGERVILLE
INDEPENDENT SCHOOL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL
REPORT**

For the Year Ended August 31, 2011

Issued By

**Pflugerville Independent School District
Department of Finance**

Pflugerville, Texas



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

BOARD OF TRUSTEES

Ms. Elva Gladney
President

Ms. Vernagene Mott
Vice-President

Dr. Cynthia Graves
Secretary

Dr. Carol Fletcher
Member

Mr. Jimmy Don Havins
Member

Mr. Mario Acosta
Member

Mr. Rob Reyes
Member

ADMINISTRATION

Mr. Charles E. Dupre
Superintendent of Schools

Mr. Keith McBurnett
Deputy Superintendent

Dr. Kenneth Adix
Chief Financial Officer

Dr. Terrence Eaton
Assistant Superintendent

Dr. Lori Einfalt
Assistant Superintendent

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

ADMINISTRATION (continued)

Mr. Bill Clayton
Executive Director of Facilities & Support Services

Mr. Darin Hathcock
Executive Director of HR and Admin Services

Mr. Victor Valdez
Executive Director of Technology

Ms. Amanda Brim
Director of Community Relations

CONSULTANTS AND ADVISORS

Null-Lairson, P.C.
Houston, Texas - Independent Auditors

Andrews Kurth L.L.P.
Houston, Texas - Bond Counsel

Specialized Public Finance, Inc.
Austin, Texas - Financial Advisor

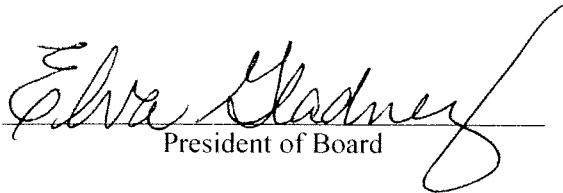
CERTIFICATE OF THE BOARD

Pflugerville Independent School District
Name of School District

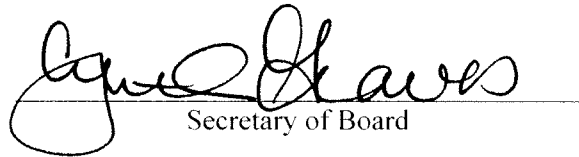
Travis
County

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, 2011, at a meeting of the Board of Trustees of such school district on January 12, 2012.



President of Board



Secretary of Board



January 12, 2012

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, 2011.

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

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

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

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

THE REPORTING ENTITY AND ITS SERVICES

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

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

The District provides a comprehensive range of school programs and services, as required by state statute, to approximately 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. SH-130 provides an alternate route to the heavily congested I-35 and allows commuters and commercial traffic easy access from "north of" to "south of" Austin. 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.

Over the past year, the U.S. economy continued to struggle, but there are signs that the economy has hit the bottom and is now in the process of recovery. The U.S. unemployment rate was 9.0% in September 2011. At the state and local level employment rates were better as the Texas unemployment rate was 8.5% and the Austin area was at 7.4% in September according to the Bureau of Labor and Statistics. The District's property values decreased due to the economy, but the District's general fund revenue increased due to increases in student enrollment.

The district currently has 24 active subdivisions which will add over 6,000 additional homes being tracked by Metrostudy. Additionally, there are 20 developments which will eventually add over 13,428 homes. Four multi-family projects are in the planning process which will add approximately 1,400 multi-family units in the short-term with additional multi-family projects adding between 8,000 and 10,000 units three to ten years down the road.

New businesses continued to open in Pflugerville during 2011. 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 2011, the Chief Appraisers for the Travis and Williamson County Appraisal Districts certified all taxable properties in the District subject to appraisals to be valued at \$6,863,378,827. The total tax rate for the 2010-2011 school year is \$1.46 and consists of the maintenance and operations tax rate of \$1.04 and the debt service tax rate of \$.42.

FOR THE FUTURE - The Board of Trustees adopted its mission, vision and values for the 2011-2012 school year that set high standards for the students and staff of the School District and are reviewed by the Board on an annual basis.

Mission Statement:

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

Our Values:

We believe that:

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

Our Vision:

Our students are:

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

ACHIEVEMENTS

The Texas Education Association (TEA) rated the PISD Academically Acceptable for 2011. Riojas Elementary and Rowe Lane Elementary received an Exemplary rating while Hendrickson High, Kelly Lane Middle, Park Crest Middle, Caldwell Elementary, Highland Park Elementary, Murchison Elementary, Pflugerville Elementary, River Oaks Elementary, Spring Hill Elementary, Timmerman Elementary, Windermere Elementary, and Windermere Primary received a Recognized rating. Connally High, Pflugerville High, Dessau Middle, Pflugerville Middle, Brookhollow Elementary, Copperfield Elementary, Delco Primary, Dessau Elementary, Northwest Elementary, Parmer Lane Elementary received an Academically Acceptable rating. Westview Middle and Wieland Elementary were rated Academically Unacceptable.

Seventeen out of twenty-six campuses received Gold Performance Acknowledgments (GPA) from the TEA for 2011. PISD was evaluated in thirteen out of 15 possible indicators and received acknowledgment in two indicators: College-Ready and Commended Performance in Social Studies. Eleven schools received recognition in more than one indicator while one campus received recognition in six indicators.

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, 2011 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

In 2009, the Texas legislature passed House Bill 3646. As a result of this bill, Pflugerville ISD received approximately \$6.2 million in revenue via the State Fiscal Stabilization Fund (SFSF). These funds were used to pay \$0.9 million in librarian salaries (Function 12) and \$5.3 million in assistant principal and principal salaries (Function 23). All of the revenue and expenses associated with SFSF was coded to Fund 266 for 2010-11. Before 2009-10, these expenses were paid with Fund 199. SFSF Funding was discontinued at the end of 2010-11.

LONG-TERM FINANCIAL PLANNING

The District is committed to long-term, financial planning for several reasons. First, State funding is determined on a biennial basis and was cut significantly by the State legislature in 2011. Second, the District continues to grow and will open a new school each year for the next 3 years starting in the Fall of

2012. These schools are necessary to accommodate the projected addition of over 2,300 students over the next 5 years.

In 2008-09, the District incurred an operating loss of (\$3.1M) to the General Fund. Since then, the District made a concerted effort to reduce operating costs to ensure that the District could, at a minimum, achieve a balanced budget each year. This effort resulted in adding \$10.9M to fund balance over the last 2 years (\$4.4M in 2009-10 and \$6.5M in 2010-11) as well as an expected operating gain of \$3.7M for the 2011-12 budget.

Given that EduJobs funding (\$3.7M) will end after 2011-12 and that operating costs will increase as a result of opening additional schools, the District continues to look at ways to reduce future costs. In 2011, the District formed a Budget and Compensation Committee (BCC) with a representative from every campus and department. The executive leadership team, principals and BCC were tasked with identifying cost/staff reduction ideas and prioritizing these cuts to ensure that the District will continually be able to adjust its cost structure in order to achieve a balanced budget.

Pflugerville ISD currently has \$346.24M in outstanding debt and is planning to have its next bond election in May 2013. The District has done considerable analysis on its debt service and has prepared a 5-year projection of: property tax and state revenue, tax rates, principal and interest payments and new bonds. This analysis concludes that the District can support both its current and future borrowing needs.

RISK MANAGEMENT

Through December 31, 2010, Pflugerville ISD offered a fully-funded employee group health insurance plan. On January 1, 2011 the District started a self-funded employee group health insurance plan and continued with a self-funded workers' compensation plan. The District maintained its monthly, medical insurance contribution of \$303 toward the total employee's cost for the medical plans that could include coverage for a spouse, child(ren) or family. There were three additional benefits (in-office surgeries/office procedures, preventative colonoscopies, physical and occupational therapy and chiropractic) added starting January 1, 2011. These additional benefits resulted in an increase in the premiums paid by employees.

For workers' compensation, the District has purchased Excess Workers' Compensation insurance coverage. The District's self-insured retention is \$300,000 for each accident and the stop loss carrier indemnifies the District against specific losses in excess of \$300,000. For the 2010-2011 fiscal year, the District has a financially sound reserve set aside to offset potential fund deficits in future years.

The district purchases commercial insurance for Property in the amount of \$489,502,946. Lower sub-limits are provided for Computer Equipment, Musical Instruments/Uniforms, Audio and Mobile Equipment; Flood limit of \$100,000,000, Earthquake limit of \$100,000,000, General Liability, Law Enforcement, Employee Benefits Liability and Educator's Legal Liability (Professional) are insured for a limit of \$1,000,000 per occurrence; Automobile Liability limits are \$100,000, each person for Bodily Injury, \$300,000 for each Accident Bodily Injury and \$100,000 limit Property Damage. Within these policy limits, the District's exposure is limited to the deductibles and specific retentions. There has not been any significant reduction of insurance coverage from that of the prior year. The District has not had claims in excess of its coverage.

The District provides regular home-to-school and special education student transportation through a contracted service and the contractor maintains insurance coverage on the buses that they use to conduct operations.

Independent Audit

Texas School Law requires an annual audit by an independent outside auditing firm of all District funds. 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 second 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, 2010. 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 second year in a row, the Association of School Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to Pflugerville ISD for its CAFR for the fiscal year ended August 31, 2010. 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.

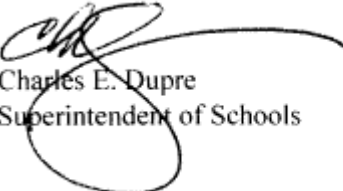
Acknowledgments

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.

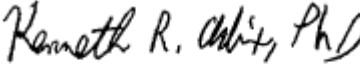
Special appreciation is also expressed to members of the business office staff for their assistance and effort in maintaining the financial records of the District. Individual recognition is directed to Mary Rabalais, Jo Zaneck, Craig Pruett, Jackie Porter, Janet Maluschka, Sue Holmes, Lisa Campbell, Lisa Wagner, Lorie Mills, Paula Bowden, Elizabeth Rehak, Brooke Greenfeder, Kristin Baum, Fiona Ellis, Cheryl Smith, Susan Simpson and Valerie Watts 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,

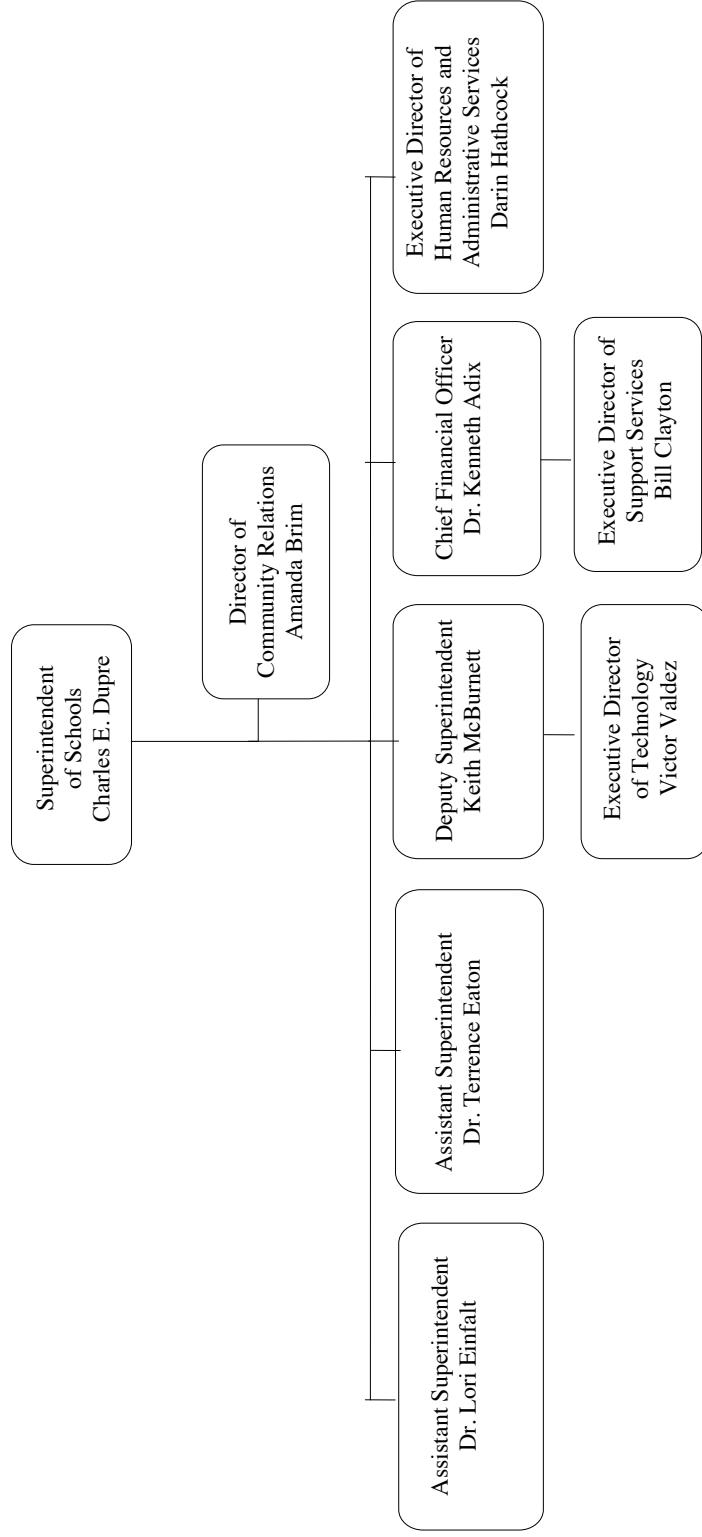


Charles E. Dupre
Superintendent of Schools



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

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
ORGANIZATIONAL CHART**



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, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Dandson

President

Jeffrey R. Egan

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended August 31, 2010

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

President

Executive Director

Financial Section

Independent Auditors' Report

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

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 the Pflugerville Independent School District (the "District"), as of and for the year ended August 31, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Pflugerville Independent School District, as of August 31, 2011, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 12, 2012, on our consideration of the District's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5 through 13 and 55 through 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, the required TEA schedules, except for those marked "unaudited" for which we express no opinion, the schedule of expenditures of federal awards, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, the required TEA schedules, except for those marked "unaudited" for which we express no opinion, 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The introductory section, fund balance and cash flow calculation schedule and statistical section listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.



Null-Lairson, PC
Houston, Texas
January 12, 2012

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, 2011. 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

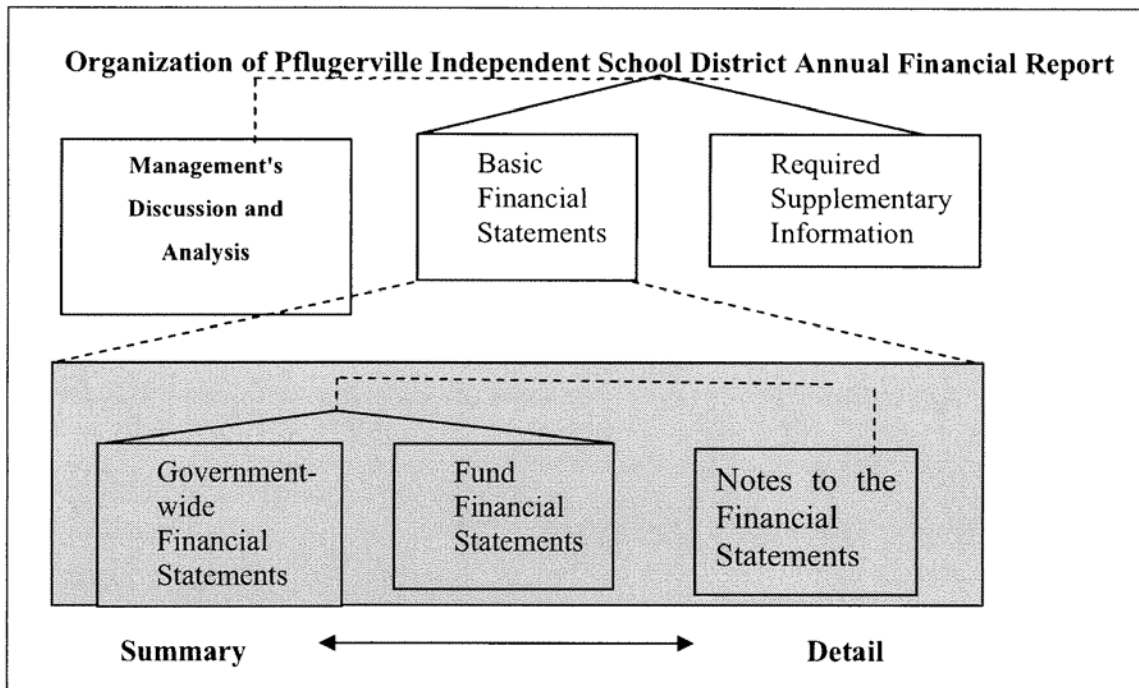
- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$62,770,490 (*net assets*). Of this amount, \$28,293,639 (*unrestricted net assets*) may be used to meet the District's ongoing obligations to students and creditors.
- Total net assets of the District's governmental activities increased by \$8,635,453 or about 15.95%.
- The total fund balance of the general fund was \$25,273,491 and was an increase of \$7,590,946 from the prior year. The unassigned fund balance of the General Fund was \$24,206,347, or 16.24% of total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains 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 (continued)

Figure A-2

<i>Type of Statements</i>	Government-Wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire Agency’s government (except fiduciary funds) and the Agency’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
Required Financial Statements	<ul style="list-style-type: none"> • Statement of net assets • 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 assets • Statement of revenues, expenses, and changes in fund net assets • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net assets • Statement of changes in fiduciary net assets
Accounting basis and measurement focus	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
Type of asset/liability information	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 Agency’s funds do not currently contain capital assets, although they can
Type of inflow/outflow information	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 assets includes all of the government’s assets and liabilities. 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 assets and the changes. Net assets - the difference between the District’s assets and liabilities - are one way to measure the District’s financial health or position.

- Over time, increases or decreases in the District’s net assets 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 (continued)

The *government-wide financial statements* of the District include the Governmental 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 *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 provide a detailed short-term view that helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. 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 a worker's compensation insurance program and an employee group health insurance plan. These internal service fund 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 assets and of changes in fiduciary net assets. 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 (continued)

Financial Analysis of the District as a Whole

Net assets

The District's combined net assets were \$62,770,490 at August 31, 2011. The following table compares twelve months of operations for the 2009-2010 fiscal year to twelve months of operations for the 2010-2011 fiscal year.

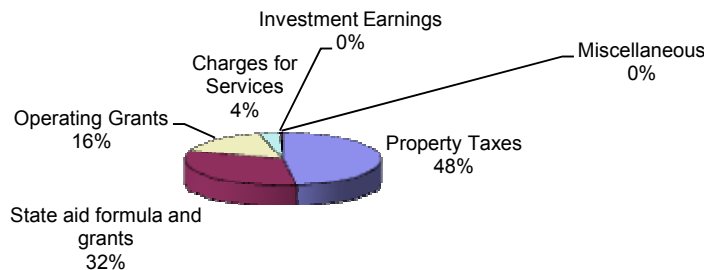
	Governmental-Type Activities		Business-Type Activities		Total		Percentage Change
	2011	2010	2011	2010	2011	2010	
Current and other assets	\$ 118,744,872	\$ 127,251,977	\$ 60,133	\$	\$ 118,805,005	\$ 127,251,977	-7%
Capital and non current assets	308,124,867	310,230,122			308,124,867	310,230,122	-1%
Total Assets	426,869,739	437,482,099	60,133		426,929,872	437,482,099	-2%
Current liabilities	8,281,120	12,695,276	92,711		8,373,831	12,695,276	-34%
Long term liabilities	355,785,551	370,651,786			355,785,551	370,651,786	-4%
Total Liabilities	364,066,671	383,347,062	92,711		364,159,382	383,347,062	-5%
Net Assets:							
Invested in capital assets net of related debt	31,462,570	30,170,927			31,462,570	30,170,927	4%
Restricted	3,014,281	3,955,354			3,014,281	3,955,354	-24%
Unrestricted	28,326,217	20,008,756	(32,578)		28,293,639	20,008,756	41%
Total Net Assets	\$ 62,803,068	\$ 54,135,037	\$ (32,578)	\$	\$ 62,770,490	\$ 54,135,037	16%

Changes in net assets

Net assets increased overall by \$8.6 million mainly due to the expenditures coming in less than revenue in the General Fund and the local and state revenue coming in higher than expected.

The District's total general revenues, charges for services, and operating grants and contributions were \$217.6 million. A significant portion, 48%, of the District's revenue comes from taxes (see Figure A-3), 32% comes from state aid formula and federal government grants, 16% from operating grants and 4% relates to investment earnings and charges for services. The total cost of all programs and services was \$208.9 million. Of these costs, 52% are related to instruction.

Figure A-3 District Sources of Revenue for Fiscal Year 2011



PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

	Governmental-Type Activities		Business-Type Activities		Total		Percentage Change
	2011	2010	2011	2010	2011	2010	
Program Revenues							
Charges for services	\$ 7,214,303	\$ 6,795,871	\$ 179,137	\$	\$ 7,393,440	\$ 6,795,871	9%
Operating grants	34,786,457	34,150,601			34,786,457	34,150,601	2%
General Revenues							
Property taxes	104,044,694	108,512,607			104,044,694	108,512,607	-4%
State aid	70,295,035	61,748,632			70,295,035	61,748,632	
Interest earnings	493,138	417,602			493,138	417,602	18%
Other	557,567	50,311			557,567	50,311	1008%
Total Revenues	217,391,194	211,675,624	179,137		217,570,331	211,675,624	3%
Expenses							
Instruction	108,337,542	108,060,717			108,337,542	108,060,717	0%
Instructional resources and media services	3,196,747	3,188,391			3,196,747	3,188,391	0%
Curriculum and staff development	6,099,548	6,051,164			6,099,548	6,051,164	1%
Instructional leadership	2,456,580	2,557,375			2,456,580	2,557,375	-4%
School leadership	10,159,941	10,098,502			10,159,941	10,098,502	1%
Guidance, counseling, and evaluation services	6,588,865	6,792,197			6,588,865	6,792,197	-3%
Social work services	475,137	441,736			475,137	441,736	8%
Health services	1,828,229	1,594,137			1,828,229	1,594,137	15%
Student transportation	7,466,658	7,139,172			7,466,658	7,139,172	5%
Food service	11,457,443	10,620,252			11,457,443	10,620,252	8%
Extracurricular activities	6,651,685	6,067,801			6,651,685	6,067,801	10%
General administration	3,840,998	3,709,032			3,840,998	3,709,032	4%
Facilities maintenance and operations	13,208,973	15,502,842			13,208,973	15,502,842	-15%
Security and monitoring services	2,383,226	2,137,943			2,383,226	2,137,943	11%
Data processing services	3,767,644	3,851,350			3,767,644	3,851,350	-2%
Community services	251,683	136,274			251,683	136,274	85%
Interest on long-term debt	17,453,765	17,507,086			17,453,765	17,507,086	0%
Capital outlay	13,136				13,136		
Payments related to shared services arrangements	2,505,714	2,379,337			2,505,714	2,379,337	5%
Payments to Juvenile Justice Alternative Education Programs	15,642				15,642		
Payments to Central Appraisal District	564,007	555,974			564,007	555,974	1%
Extended Day Program			211,715		211,715		
Total Expenses	208,723,163	208,391,282	211,715		208,934,878	208,391,282	0%
Increase (Decrease) in Net Assets	8,668,031	3,284,342	(32,578)		8,635,453	3,284,342	163%
Beginning net assets	54,135,037	50,850,695			54,135,037	50,850,695	6%
Ending Net Assets	\$ 62,803,068	\$ 54,135,037	\$ (32,578)		\$ 62,770,490	\$ 54,135,037	16%

Governmental Activities

- Property tax rates for the 2010-2011 fiscal year remained at \$1.46 per \$100 of valuation. Taxable values for the 2011 fiscal year decreased by 2.71%.

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 \$208.7 million.
- The amount that local taxpayers paid for these activities through property taxes was \$104.0 million.
- Those who directly benefited from the programs paid \$7.2 million. Grants covered \$34.8 million in cost.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Net Cost of Selected District Functions

	Total Cost of Services		Percent Change	Net Cost of Services		Percent Change
	2011	2010		2011	2010	
Instruction	\$ 108,337,542	\$ 108,060,717	0%	\$ 92,396,321	\$ 92,938,471	-1%
School Leadership	10,159,941	10,098,502	1%	3,986,112	3,955,060	1%
Facilities						
Maintenance & Operations	13,208,973	15,502,842	-15%	12,200,943	14,738,936	-17%
Debt Service - Interest	17,453,765	17,507,086	0%	17,453,765	17,507,086	0%

Financial Analysis of the District's Funds

Revenues from governmental fund types totaled \$217.8 million, an increase of \$5.7 million from the preceding year. State aid increased mainly due to additional students and the decline in property tax revenue that is offset by a corresponding increase in state funding. The \$0.7 million decrease in federal revenues is primarily due to a decrease in American Recovery and Reinvestment Act (ARRA) funding.

General Fund Budgetary Highlights

Over the course of the year, the District recommended and the Board approved revisions to budgeted revenue and appropriations. With these adjustments, actual expenditures were \$4.1 million less than final budgeted amounts. The most significant variances resulted from staffing.

Resources available were \$2.3 million more than the final budgeted amount:

- State program revenues were approximately \$2 million more than budgeted.
- Tuition and fees were slightly more than budgeted.

Bottom-line, the change in fund balance for the year of \$7.6 million was \$7.5 million better than the final budgeted net increase of \$0.1 million.

General Government Functions

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 \$7.6 million due to revenues exceeding expenditures by \$6.5 million and transfers in of \$1.1 million. The Debt Service Fund balance decreased because of decreased property tax revenue. The Capital Projects Fund balance decreased mainly due to capital outlay for equipment purchases and facility renovations. Fund balances and percent of increase (decrease) for the governmental funds are as follows:

Fund	Major Fund Balances			Percent Change
	2011	2010		
General Fund	\$ 25,273,491	\$ 17,682,545		43%
Debt Services	1,643,443	3,096,937		-47%
Capital Projects	77,865,559	86,530,605		-10%

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

General Fund

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

Revenue Sources	2011	Percent Realized	2010	Increase (Decrease)	Percent Change
Local	\$ 76,628,849	49%	\$ 79,117,346	\$ (2,488,497)	-3%
State	77,702,562	50%	68,801,978	8,900,584	13%
Federal	1,258,718	1%	1,436,457	(177,739)	-12%
Total	\$ 155,590,129	100%	\$ 149,355,781	\$ 6,234,348	

Local revenues, which are generated primarily from property taxes, decreased by 3.15 percent relative to the 2009-2010 school year, due to the decline in property values. The increase in State revenue resulted from additional students and to offset the loss in local property tax revenue. Federal revenues make up only 0.81 percent of total realized revenues. The amount of \$1,258,718 represents indirect cost earned from federal programs such as ESEA Title 1 Part A and Medicaid reimbursement for services performed by the Special Education Department and other qualifying employees.

Expenditures for the General Fund totaled \$149,065,721 an increase of 2.81% from last year.

Function	Expenditures 2011	Percent Expended	Expenditures 2010	Increase (Decrease)	Percent Change
Instruction	\$ 99,793,825	67%	\$ 97,333,417	\$ 2,460,408	3%
Instruction/Leadership	6,129,716	4%	6,128,473	1,243	0%
Pupil Services	20,432,669	14%	19,470,471	962,198	5%
Admin. Support	3,773,366	3%	3,630,132	143,234	4%
Support Services	15,887,951	11%	15,601,156	286,795	2%
Community Services	103,896	0%	28,591	75,305	263%
Payments to Juvenile Justice	15,642	0%		15,642	
Other Intergovernmental Charges	2,928,656	2%	2,801,360	127,296	5%
Total	\$ 149,065,721	100%	\$ 144,993,600	\$ 4,072,121	

Instruction and instructional related expenditures increased by \$2.5 million. This increase was largely due to additional teachers and a salary increase for instructional staff. Pupil Services expenditures increased by \$1.0 million due to additional staff and market adjustment pay increases for counselors and nursing staff as well as a 2.0 percent contractual rate increase for transportation and higher fuel costs.

The increase in Support Services expenditures was driven by increased costs for security and technology. Increased spending under Community Services was for additional parent-focused programs.

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 \$6,757,992. Revenues exceeded expenditures and other uses in the school breakfast and lunch program by \$138,143.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

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 workers' compensation program and employee group health insurance plan 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 \$300,000. Net operating loss for the employee group health insurance plan was \$48,005. Net operating gain for the workers' compensation program was \$228,004.

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, 2011, general governmental capital assets of the District amounted to \$308,124,867. Additional information is available in Note 4 to the financial statements.

Capital Assets and Debt Administration

Capital Assets

As of August 31, 2011, the District had a net value of \$308,124,867 in a broad range of capital assets, including land, equipment, buildings, and vehicles.

	2011	2010	Percent Change
Land	\$ 26,454,051	\$ 25,081,839	5%
Buildings & Equipment	279,437,108	277,108,433	1%
Construction in Progress	2,233,708	8,039,850	-72%
Net Capital Assets	<u>\$ 308,124,867</u>	<u>\$ 310,230,122</u>	

Capital Projects Fund

Interest earnings in the Capital Projects Fund for the 2010-2011 fiscal year was \$394,607.

Long Term Debt

At the end of the year, the District had \$346.2 million in bonds, which represents a 3.46 percent decrease. The District's bonds carry "Aaa" rating, because the Permanent School Fund (PSF) of Texas guarantees the repayment of the bond issues. The District's underlying ratings (i.e. without the PSF guarantee) is "AA-" by Standard & Poor's. 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 expenditures and other uses over revenues and other sources for the year amounted to \$1.5 million resulting in a fund balance of \$1.6 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

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

all taxable property within the District. Ten building and refunding bond issues (2001, 2003, 2004, 2004A, 2005, 2005A, 2006, 2008, 2010, and 2011) remain outstanding and mature serially through the year 2033.

The applicable debt service fund tax rate remained at \$0.42/\$100 for the assessed valuation for the 2010/2011 school year.

Economic Factors and Next Year's Budgets and Rates

- The appraised Net Taxable Value used for the 2011-2012 budget preparation is \$6.8 billion or 1.5% less than the 2010-2011 values. The decreased values generated a decrease in the amount of local tax revenue in the 2011-2012 budget 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 2010-2011.
- The District's student attendance was budgeted to increase by 350 students for a 2011-2012 total attendance of 21,750. The student attendance rate is budgeted at 95.3%.
- State aid (including \$6.2 million of SFSF in 2010-11) decreased by approximately \$5.0 million for the 2011-2012 General Fund budget. The District's budgeted state funding declined, despite increased student attendance and decreases in property tax revenue, due to State's decision to cut funding to public education over the next 2 years.
- General Fund spending per attending student for the 2011-2012 budget decreased by \$228 or 3.4%.
- Expenditures for the 2011-2012 General Fund budget decreased overall by \$4.9 million primarily due to eliminating positions and cutting non-payroll related costs. No pay increases were budgeted.
- If 2011-2012 budget estimates are realized, the District's General Fund Balance is expected to increase by approximately \$2.1million.
- Given the lower property values, the debt service tax rate was increased by \$0.02 to \$0.44 for 2011-12 in order to generate sufficient tax revenue to service the debt payments.

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.

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Basic Financial Statements

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PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

Exhibit A-1

STATEMENT OF NET ASSETS

August 31, 2011

Data Control Codes	Governmental Activities	Business-type Activities	Total	
Assets				
1110	Cash and temporary investments	\$ 106,200,084	\$ 152,987	\$ 106,353,071
1225	Property taxes receivables, net	2,654,311		2,654,311
1240	Due from other governments	5,414,429		5,414,429
1250	Accrued interest	273,637		273,637
1260	Internal balances	108,206	(108,206)	
1267	Due from fiduciary funds	938		938
1290	Other receivables, net	449,599	15,352	464,951
1300	Inventories	376,291		376,291
1410	Deferred expenses	1,000,374		1,000,374
1420	Capital bond and other debt issuance costs	2,267,003		2,267,003
Capital assets not subject to depreciation:				
1510	Land	26,454,051		26,454,051
1580	Construction in progress	2,233,708		2,233,708
Capital assets net of depreciation:				
1520	Buildings and improvements, net	272,522,828		272,522,828
1530	Furniture and equipment, net	6,914,280		6,914,280
1000	Total Assets	426,869,739	60,133	426,929,872
Liabilities				
2110	Accounts payable	1,809,833	44,560	1,854,393
2140	Interest payable	1,473,028		1,473,028
2150	Payroll deductions and withholdings	1,034,853		1,034,853
2160	Accrued wages payable	315,731	16,375	332,106
2180	Due to other governments	2,342,171		2,342,171
2200	Accrued expenses payable	877,801		877,801
2300	Unearned revenues	427,703	31,776	459,479
Noncurrent Liabilities:				
2501	Due within one year	15,505,770		15,505,770
2502	Due in more than one year	340,279,781		340,279,781
2000	Total Liabilities	364,066,671	92,711	364,159,382
Net Assets				
3200	Invested in capital assets, net of related debt	31,462,570		31,462,570
Restricted for:				
3820	Federal and state programs	93,288		93,288
3840	Food service	929,599		929,599
3850	Debt service	827,773		827,773
3870	Campus activity	1,163,621		1,163,621
3900	Unrestricted	28,326,217	(32,578)	28,293,639
3000	Total net assets	\$ 62,803,068	\$ (32,578)	\$ 62,770,490

See Notes to the Financial Statements

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended August 31, 2011

Data Control Codes	Functions/Programs	Program Revenue		
		Expenses	Charges for Services	Operating Grants and Contributions
	Governmental activities:			
11	Instruction	\$ 108,337,542	\$ 1,080,738	\$ 14,860,483
12	Instructional resources and media services	3,196,747	65,284	981,910
13	Curriculum and staff development	6,099,548	16,183	2,091,624
21	Instructional leadership	2,456,580	381	754,790
23	School leadership	10,159,941	213,571	5,960,258
31	Guidance, counseling, and evaluation services	6,588,865	109,117	519,467
32	Social work services	475,137		91,106
33	Health services	1,828,229	1,575	1,106,663
34	Student transportation	7,466,658	398	136,371
35	Food service	11,457,443	3,814,485	6,748,799
36	Extracurricular activities	6,651,685	1,441,675	226,606
41	General administration	3,840,998	2,409	365,682
51	Facilities maintenance and operations	13,208,973	453,453	554,577
52	Security and monitoring services	2,383,226	7,088	14,790
53	Data processing services	3,767,644		84,994
61	Community services	251,683	7,946	147,272
72	Interest on long-term debt	17,453,765		
81	Capital outlay	13,136		
93	Payments related to shared services arrangements	2,505,714		141,065
95	Payments to Juvenile Justice Alternative Education Programs	15,642		
99	Payments to Central Appraisal District	564,007		
TG	Total governmental activities	<u>208,723,163</u>	<u>7,214,303</u>	<u>34,786,457</u>
	Business-type activities:			
01	Extended Day Program	211,715	179,137	
TB	Total business-type activities	<u>211,715</u>	<u>179,137</u>	
TP	Total primary government	<u>\$ 208,934,878</u>	<u>\$ 7,393,440</u>	<u>\$ 34,786,457</u>

Data Control Codes	
	General revenues:
	Taxes:
MT	Property taxes, levied for general purposes
DT	Property taxes, levied for debt service
SF	State-aid formula grants
IE	Investment earnings
MI	Miscellaneous
TR	Total general revenues and transfers
CN	Change in net assets
NB	Net assets - beginning
NE	Net assets - ending

See Notes to the Financial Statements

Exhibit B-1

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (92,396,321)		\$ (92,396,321)
(2,149,553)		(2,149,553)
(3,991,741)		(3,991,741)
(1,701,409)		(1,701,409)
(3,986,112)		(3,986,112)
(5,960,281)		(5,960,281)
(384,031)		(384,031)
(719,991)		(719,991)
(7,329,889)		(7,329,889)
(894,159)		(894,159)
(4,983,404)		(4,983,404)
(3,472,907)		(3,472,907)
(12,200,943)		(12,200,943)
(2,361,348)		(2,361,348)
(3,682,650)		(3,682,650)
(96,465)		(96,465)
(17,453,765)		(17,453,765)
(13,136)		(13,136)
(2,364,649)		(2,364,649)
(15,642)		(15,642)
(564,007)		(564,007)
<u>(166,722,403)</u>		<u>(166,722,403)</u>
	(32,578)	(32,578)
	<u>(32,578)</u>	<u>(32,578)</u>
<u>(166,722,403)</u>	<u>(32,578)</u>	<u>(166,754,981)</u>
74,151,360		74,151,360
29,893,334		29,893,334
70,295,035		70,295,035
493,138		493,138
557,567		557,567
<u>175,390,434</u>		<u>175,390,434</u>
8,668,031	(32,578)	8,635,453
<u>54,135,037</u>		<u>54,135,037</u>
<u>\$ 62,803,068</u>	<u>\$ (32,578)</u>	<u>\$ 62,770,490</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

August 31, 2011

Data Control Codes	General Fund	Debt Service Funds	Capital Projects Fund
Assets			
1110 Cash and temporary investments	\$ 21,847,056	\$ 2,695,644	\$ 77,846,927
Receivables:			
1220 Delinquent Property taxes receivables	5,395,963	2,086,953	
1230 Allowance for uncollectible taxes (credit)	(3,455,645)	(1,372,960)	
1240 Receivables from other governments	2,772,528		
1250 Accrued interest	116,125		153,778
1260 Due from other funds	2,554,394		
1290 Other receivables	279,144	77,072	13,570
1300 Inventories, at cost	268,198		
1410 Prepays	788,398		107,870
1000 Total Assets	\$ 30,566,161	\$ 3,486,709	\$ 78,122,145
Liabilities and Fund Balance			
Liabilities:			
2110 Accounts payable	\$ 1,032,477	\$	\$ 247,641
2150 Payroll deduction and withholdings	1,038,589		
2160 Accrued wages payable	312,111		
2170 Due to other funds	83,179		2,295
2180 Payable to other governments	1,023,906	1,185,907	
2200 Accrued expenses	145		6,650
2300 Deferred revenues	1,802,263	657,359	
2000 Total Liabilities	5,292,670	1,843,266	256,586
Fund Balance:			
Nonspendable:			
3410 Investment in inventories	268,198		
3430 Prepaid items	788,398		107,870
Restricted:			
3450 Grant Funds			
3470 Capital acquisitions and contractual obligations			77,757,689
3480 Debt service		1,643,443	
Committed:			
3545 Other committed			
Assigned:			
3590 Other assigned	10,548		
3600 Unassigned	24,206,347		
3000 Total fund balances	25,273,491	1,643,443	77,865,559
4000 Total Liabilities and Fund Balances	\$ 30,566,161	\$ 3,486,709	\$ 78,122,145

See Notes to the Financial Statements.

Exhibit C-1

Other Governmental Funds	Total Governmental Funds
\$ 2,511,346	\$ 104,900,973
	7,482,916
	(4,828,605)
2,534,033	5,306,561
	269,903
73,711	2,628,105
67,968	437,754
108,093	376,291
70,974	967,242
<u>\$ 5,366,125</u>	<u>\$ 117,541,140</u>
\$ 387,825	\$ 1,667,943
	1,038,589
3,620	315,731
2,230,289	2,315,763
132,358	2,342,171
	6,795
425,525	2,885,147
<u>3,179,617</u>	<u>10,572,139</u>
108,093	376,291
59,723	955,991
808,623	808,623
	77,757,689
	1,643,443
1,210,069	1,210,069
	10,548
	24,206,347
<u>2,186,508</u>	<u>106,969,001</u>
<u>\$ 5,366,125</u>	<u>\$ 117,541,140</u>

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PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS TO
STATEMENT OF NET ASSETS
August 31, 2011

Exhibit C-2

<u>Data Control Codes</u>		
	Total fund balance, governmental funds	\$ 106,969,001
	Amounts reported for <i>governmental activities</i> in the statement of net assets (A-1) are different because:	
1	Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. Capital assets at historical cost, net of accumulated depreciation, where applicable	308,124,867
2	Property taxes receivable have been levied and are due this year, but are not available soon enough to pay for the current period's expenditures, these property taxes and related penalty and interest amounts (net of allowance for uncollectible accounts).	2,457,442
3	Bond issuance costs are not financial resources and, therefore, are not reported as assets in governmental funds. These costs are to be amortized over the life of the bonds.	2,267,003
	Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:	
4	General obligation bonds	(346,240,000)
5	Premiums on issuance	(13,574,211)
6	Deferred loss on refunding	5,286,355
7	Accrued compensated absences	(1,257,695)
8	Accrued interest payable	(1,473,028)
9	Addition of Internal Service fund net assets	<u>243,334</u>
19	Total net assets - governmental activities	<u><u>\$ 62,803,068</u></u>

See Notes to the Financial Statements.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS
For the Year Ended August 31, 2011

Data Control Codes		General Fund	Debt Service Funds	Capital Projects Fund
Revenues				
5700	Local, intermediate, and out-of-state	\$ 76,628,849	\$ 30,064,907	\$ 394,607
5800	State program revenues	77,702,562	62,649	
5900	Federal program revenues	1,258,718		
5020	Total revenues	<u>155,590,129</u>	<u>30,127,556</u>	<u>394,607</u>
Expenditures				
Current:				
0011	Instruction	93,602,963		1,179,498
0012	Instruction resources and media services	1,957,548		31,270
0013	Curriculum and instructional staff development	4,233,314		4,228
0021	Instructional leadership	1,800,048		
0023	School leadership	4,329,668		6,087
0031	Guidance, counseling and evaluation services	6,091,987		1,460
0032	Social work services	405,607		
0033	Health services	1,820,486		586
0034	Student transportation	7,290,374		
0035	Food services	94,488		
0036	Extracurricular activities	4,729,727		6,535
0041	General administration	3,773,366		2,000
0051	Facilities maintenance and operations	11,416,995		1,258,071
0052	Security and monitoring services	2,116,919		1,695,165
0053	Data processing services	2,354,037		1,195,361
0061	Community services	103,896		
Debt service:				
0071	Principal on long-term debt		11,784,934	
0072	Interest on long-term debt		19,789,263	
0073	Bond issuance costs and fees		276,591	
Capital outlay:				
0081	Facilities acquisition and construction			3,679,392
Intergovernmental:				
0093	Payments related to shared services arrangements	2,364,649		
0095	Payments to Juvenile Justice Alt. Ed. Prgm.	15,642		
0099	Payments to Central Appraisal District	564,007		
6030	Total Expenditures	<u>149,065,721</u>	<u>31,850,788</u>	<u>9,059,653</u>
1100	Excess (deficiency) of revenues over expenditures	<u>6,524,408</u>	<u>(1,723,232)</u>	<u>(8,665,046)</u>
Other Financing Sources (Uses)				
7911	Issuance of bonds		23,655,000	
7912	Sale of real or personal property	5,478		
7915	Transfers in	1,073,910		
7916	Premium or discount on issuance of bonds		1,467,626	
8911	Transfers out			
8949	Payments to refunded bonds escrow agent		(24,852,888)	
7080	Total Other Financing Sources (Uses)	<u>1,079,388</u>	<u>269,738</u>	
Special Item				
8912	Special items (use)	(12,850)		
1200	Net change in fund balances	7,590,946	(1,453,494)	(8,665,046)
0100	Fund Balance - beginning	<u>17,682,545</u>	<u>3,096,937</u>	<u>86,530,605</u>
3000	Fund Balance - ending	<u>\$ 25,273,491</u>	<u>\$ 1,643,443</u>	<u>\$ 77,865,559</u>

See Notes to the Financial Statements.

Exhibit C-3

Other Governmental Funds	Total Governmental Funds
\$ 5,892,105	\$ 112,980,468
2,475,985	80,241,196
<u>23,359,366</u>	<u>24,618,084</u>
<u>31,727,456</u>	<u>217,839,748</u>
9,803,548	104,586,009
900,038	2,888,856
1,881,421	6,118,963
655,765	2,455,813
5,605,359	9,941,114
279,785	6,373,232
67,966	473,573
11,476	1,832,548
131,134	7,421,508
10,439,032	10,533,520
976,132	5,712,394
4,654	3,780,020
299,279	12,974,345
6,346	3,818,430
8,101	3,557,499
147,787	251,683
	11,784,934
	19,789,263
	276,591
	3,679,392
141,065	2,505,714
	15,642
	<u>564,007</u>
<u>31,358,888</u>	<u>221,335,050</u>
<u>368,568</u>	<u>(3,495,302)</u>
	23,655,000
	5,478
	1,073,910
	1,467,626
(1,073,910)	(1,073,910)
<u>(6,308)</u>	<u>(24,859,196)</u>
<u>(1,080,218)</u>	<u>268,908</u>
	(12,850)
<u>(711,650)</u>	<u>(3,239,244)</u>
<u>2,898,158</u>	<u>110,208,245</u>
<u>\$ 2,186,508</u>	<u>\$ 106,969,001</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

Exhibit C-4

For the Year Ended August 31, 2011

**Data
Control
Codes**

Net change in fund balances - total governmental funds (from C-3) \$ (3,239,244)

Amounts reported for governmental activities in the statement of activities (B-1) are different because:

1	Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	
	Capitalized expenditures reclassified to assets.	6,405,164
	Depreciation expense taken to Statement of Activities.	(8,474,973)
2	Governmental funds report the entire net sales price (proceeds) from sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports only the gain on the sale of the assets. Thus, the change in net assets differs from the change in fund balance by the cost of the asset sold.	(35,445)
3	Property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(438,562)
4	Repayment of bond principal is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net assets.	11,784,934
5	Payment to escrow agent for refunding.	24,852,888
6	Proceeds from issuance of long-term debt is reported as an other financing source in the governmental funds. In the government-wide financial statements, proceeds are treated as an increase in long-term liabilities.	(23,655,000)
7	Premium received from issuance of long-term debt.	(1,467,626)
8	Bond issuance costs paid during the current year will be amortized over the life of the bonds.	268,172
	Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
9	Increase in interest payable not recognized in fund statements.	(723,936)
10	Decrease in long-term portion of accrued compensated absences.	143,807
11	Accreted interest on capital appreciation bonds and amortization of bond issuance costs.	3,067,853
12	Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities (see D-2).	179,999
	Change in net assets of governmental activities	\$ 8,668,031

See Notes to the Financial Statements.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

Exhibit D-1

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

For the Year Ended August 31, 2011

<u>Data Control Codes</u>		<u>Business-type Activities</u>	<u>Governmental Activities</u>
		<u>Enterprise Fund - Extended Day Program</u>	<u>Total Internal Service Funds</u>
	Assets		
	Current assets:		
1110	Cash and cash equivalents	\$ 152,987	\$ 1,258,408
1120	Temporary investments, at fair value		40,703
	Receivables:		
1250	Accrued interest receivable		3,734
1290	Other receivables	15,352	11,845
1410	Prepays		141,000
1000	Total Assets	<u>\$ 168,339</u>	<u>\$ 1,455,690</u>
	Liabilities		
	Current liabilities:		
2110	Accounts payable	\$ 44,560	\$ 138,152
2160	Accrued wages payable	16,375	
2170	Due to other funds	108,206	203,196
2200	Accrued expenses		871,006
2300	Deferred revenue	31,776	
2000	Total Liabilities	<u>200,917</u>	<u>1,212,354</u>
	Net Assets		
3900	Unrestricted net assets	(32,578)	243,336
3000	Total Net Assets	<u>\$ (32,578)</u>	<u>\$ 243,336</u>

See Notes to the Financial Statements.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended August 31, 2011

Exhibit D-2

<u>Data Control Codes</u>		<u>Business-type Activities</u>	<u>Governmental Activities</u>
		<u>Enterprise Fund - Extended Day Program</u>	<u>Total Internal Service Funds</u>
	Operating Revenues		
5737	Registration fees	\$ 55,474	\$
5739	Tuition	123,650	
5754	Interfund services provided and used		7,770,496
5020	Total operating revenues	<u>179,124</u>	<u>7,770,496</u>
	Operating Expenses		
6100	Payroll costs	92,393	
6200	Purchased and contracted services	3,215	1,059,096
6300	Supplies and materials	112,796	
6400	Claims expense and other operating expenses	3,311	6,535,087
6030	Total Operating Expenses	<u>211,715</u>	<u>7,594,183</u>
1200	Operating Income (Loss)	<u>(32,591)</u>	<u>176,313</u>
	Non-Operating Revenues (Expenses)		
7020	Earnings - temporary deposits and investments		3,686
5749	Miscellaneous revenue	13	
	Total Nonoperating Revenues	<u>13</u>	<u>3,686</u>
1200	Change in Net Assets	(32,578)	179,999
0100	Net Assets - beginning		<u>63,337</u>
3300	Net Assets - ending	<u>\$ (32,578)</u>	<u>\$ 243,336</u>

See Notes to the Financial Statements.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended August 31, 2011

Exhibit D-3

	<u>Business-type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund - Extended Day Program</u>	<u>Total Internal Service Funds</u>
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities:		
Cash receipts from interfund services provided	\$	\$ 7,764,538
Cash receipts from local sources	195,548	
Cash payments to suppliers for goods and services	(74,762)	(7,416,218)
Cash payments to employees	(76,018)	
Net Cash Provided by (Used for) Operating Activities	<u>44,768</u>	<u>348,320</u>
Cash Flows from Non-Capital Financing Activities:		
Advances from other funds	108,206	103,578
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>108,206</u>	<u>103,578</u>
Cash Flows from Investing Activities:		
Investment proceeds (net)		22,305
Interest on investments	13	186
Net Cash Provided by Investing Activities	<u>13</u>	<u>22,491</u>
Net Increase in Cash and Cash Equivalents	152,987	474,389
Cash and Cash Equivalents at Beginning of Year		784,019
Cash and Cash Equivalents at End of Year	<u>\$ 152,987</u>	<u>\$ 1,258,408</u>
Reconciliation to Balance Sheet		
Cash and Cash Equivalents Per Cash Flow	<u>\$ 152,987</u>	<u>\$ 1,258,408</u>
Cash and Cash Equivalents per Balance Sheet	<u>\$ 152,987</u>	<u>\$ 1,258,408</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income (Loss)	\$ (32,591)	\$ 176,313
Change in Assets and Liabilities		
Decrease (increase) in Receivables	(15,352)	(5,959)
Decrease (increase) in Prepays		(141,000)
Increase (decrease) in Accounts Payable	44,560	120,357
Increase (decrease) in Accrued Expenses		198,609
Increase (decrease) in Accrued Wages Payable	16,375	
Increase (decrease) in Deferred Revenue	31,776	
Net Cash Provided by (Used for) Operating Activities	<u>\$ 44,768</u>	<u>\$ 348,320</u>

See Notes to the Financial Statements.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

Exhibit E-1

STATEMENT OF FIDUCIARY NET ASSETS

August 31, 2011

<u>Data Control Codes</u>		<u>Private- Purpose Trust Fund</u>	<u>Agency Fund</u>
	Assets		
1110	Cash and cash equivalents	\$ 42,700	\$ 274,368
1120	Investments	244,728	
	Total Assets	<u>287,428</u>	<u>\$ 274,368</u>
	Liabilities		
2110	Accounts payable	1,250	\$ 1,089
2170	Due to other funds		940
2190	Due to others		272,339
2000	Total Liabilities	<u>1,250</u>	<u>\$ 274,368</u>
	Net Assets		
3800	Restricted net assets	<u>\$ 286,178</u>	

See Notes to the Financial Statements.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

Exhibit E-2

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

For the Year Ended August 31, 2011

	Private Purpose
	Trust Fund
Additions	
Gifts and contributions	\$ 4,271
Total contributions	<u>4,271</u>
Investment earnings	
Interest	359
Total investment earnings	<u>359</u>
Total Additions	<u>4,630</u>
Deductions	
Miscellaneous expense	8,769
Total deductions	<u>8,769</u>
Change in net assets	(4,139)
Net assets - beginning of year	<u>290,317</u>
Net assets - end of year	<u>\$ 286,178</u>

See Notes to the Financial Statements.

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 assets 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. *Program revenues* include 1) charges to students or users who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary and fiduciary 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.

Note 1 - Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

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.

Property taxes and 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.

Additionally, the District reports the following fund types:

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 food service and campus activity funds, funds are rolled over from year to year for use in the program.

The *internal service funds* are used to account for the operations of the District's self-funded workers' compensation and employee group health insurance plans.

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.

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.

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

Note 1 - Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

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 fund are worker's compensation insurance premiums to participate in the worker's compensation program. Operating expenses for the internal service fund include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

Beginning with fiscal year 2011, the District implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

Nonspendable fund balance - amounts that are not in spendable form or are required to be maintained intact. As such, the inventory and prepaid items have been properly classified in the Governmental Funds Balance Sheet (Exhibit C-1).

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. The District has committed fund balance in the Campus Activity Fund in the amount of \$1,116,781 and for special local grants in the Special Projects Fund in the amount of \$93,288.

Assigned fund balance - amounts the District intends to use for a specific purpose. The Superintendent or designee may assign fund balance. 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. The District has assigned \$10,548 in the General Fund.

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

Note 1 - Summary of Significant Accounting Policies (continued)

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposit, investment pools and short-term investments 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, 2011. 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 if they are collected within 60 days of the end of the current fiscal period. 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 the 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. A portion of fund balance is classified as non-spendable to reflect minimum inventory quantities considered necessary for the District's continuing operations.

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.

Note 1 - Summary of Significant Accounting Policies (continued)

Capital Assets

Capital assets, which include land, construction in progress, buildings and improvements and furniture and equipment, are reported in the governmental column 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.

Through August 31, 2011, any employee with four or more full creditable years of experience in the District shall be paid for the number of unused local sick days upon separation from the District. An employee must have at least 22 unused local sick leave days remaining at separation in order to qualify for this benefit. The District will pay a maximum of 50 days. Beginning September 1, 2011, only employees who meet these requirements and are retiring will receive this benefit. All other employees will not receive any benefit associated with unused local sick leave days when they separate from the District.

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, as well as issuance costs, 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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

Note 1 - Summary of Significant Accounting Policies (continued)

Long-term Obligations (continued)

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.

Fund Equity

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.

Note 2 - Deposits and Investments (continued)

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. The District further limits its investments to obligations of the U.S. Treasury or the State of Texas, certain U.S. Agencies, certificates of deposit, collateralized mortgage obligations, no-load money market mutual funds, certain municipal securities, repurchase agreements, or investment pools.

For fiscal year 2011, the District invested in certificates of deposit, Texas Association of School Boards Lone Star Investment Pool and Texas Cooperative Liquid Assets Securities System Trust (Texas CLASS). 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. As such, Lone Star and Texas CLASS use amortized cost to report net assets and share prices, since those amounts approximate fair value. 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.

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

	Carrying Value	Weighted Average Maturity (Days)
Cash and deposits	\$ 59,331,892	N/A
Investments		
Certificates of Deposit	45,500,000	195
Local Government Investment Pools		
Lone Star	1,829,035	38
Texas CLASS Pool	253,940	40
Total Investments	<u>47,582,975</u>	
Total Cash and Investments	<u>\$ 106,914,867</u>	

Note 2 - Deposits and Investments (continued)

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, 2011, the District's exposure to interest rate risk as measured by the segmented time distribution by investment type is summarized below:

	Carrying Value	Fair Value	Investment Maturities in Years	
			Less than 1	1-5
Certificates of Deposit	\$ 45,500,000	\$ 45,500,000	\$ 30,000,000	\$ 15,500,000
Local Government Investment Pools				
Lone Star	1,829,035	1,829,035	1,829,035	
Texas CLASS Pool	253,940	253,940	253,940	
	<u>\$ 47,582,975</u>	<u>\$ 47,582,975</u>	<u>\$ 32,082,975</u>	<u>\$ 15,500,000</u>

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, 2011, the District's investments had the following ratings:

	Carrying Value	Fair Value	Rating
Certificates of Deposit	\$ 45,500,000	\$ 45,500,000	Not Rated
Local Government Investment Pools			
Lone Star	1,829,035	1,829,035	AAA
Texas CLASS Pool	253,940	253,940	AAAm
	<u>\$ 47,582,975</u>	<u>\$ 47,582,975</u>	

Note 2 - Deposits and Investments (continued)

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 Federal Reserve's book entry system and confirmed to the District via safekeeping receipt maintained on the books of the depository bank's safekeeping department.

Concentration of Credit Risk

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

U.S. Treasury Obligations	25% (maximum)
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 four pools for diversification and security reasons.

As of August 31, 2011, the following was the composition of the District's investment portfolio:

Lone Star Investment Pool	4%
Texas CLASS Pool	1%
Certificates of Deposit	96%

The fair value of the investments in U.S. Government agency securities is based on quoted market prices. The investments are reported by the District at fair value. The amount of decrease in the fair value of these investments during the year ended August 31, 2011, is included in investment earnings as follows:

Investment earnings	\$ 493,497
Net increase (decrease) in investment values	
Total Investment earnings	<u><u>\$ 493,497</u></u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

Exhibit F-1
(continued)

Note 3 - Receivables

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

	General Fund	Debt Service Funds	Capital Projects Fund	Other Governmental Funds	Total
Property Taxes	\$ 5,395,963	\$ 2,086,953	\$	\$	\$ 7,482,916
Due from other governments	2,772,528			2,534,033	5,306,561
Interest	116,125		153,778		269,903
Other	279,144	77,072	13,570	67,968	437,754
Gross Receivables	8,563,760	2,164,025	167,348	2,602,001	13,497,134
Less allowance for doubtful accounts	(3,455,645)	(1,372,960)			(4,828,605)
Net Total Receivables	\$ 5,108,115	\$ 791,065	\$ 167,348	\$ 2,602,001	\$ 8,668,529

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period or in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenues reported in the governmental funds were as follows:

	Unavailable	Unearned
Delinquent property taxes receivable (General Fund)	\$ 1,800,083	\$
Delinquent property taxes receivable (Debt Service Fund)	657,359	
Advanced collection of fees		2,180
Grant funds received prior to meeting all eligibility requirements		425,525
	\$ 2,457,442	\$ 427,705

Note 4 - Capital Assets

The District's capital asset activity for the year ended August 31, 2011 is as follows:

	Balance August 31, 2010	Additions	(Retirements and Transfers)	Balance August 31, 2011
Capital assets, not being depreciated:				
Land	\$ 25,081,839	\$ 1,373,667	\$ (1,455)	\$ 26,454,051
Construction in progress	8,039,850	1,980,903	(7,787,045)	2,233,708
Total Capital assets, not being depreciated	33,121,689	3,354,570	(7,788,500)	28,687,759
Capital assets, being depreciated:				
Buildings and improvements	342,179,856	399,906	7,787,046	350,366,808
Furniture and equipment	18,579,638	2,650,687	(1,308,530)	19,921,795
Total Capital assets, being depreciated	360,759,494	3,050,593	6,478,516	370,288,603
Less accumulated depreciation for:				
Buildings and improvements	(71,060,655)	(6,783,325)		(77,843,980)
Furniture and Equipment	(12,590,406)	(1,691,648)	1,274,539	(13,007,515)
Total Accumulated depreciation	(83,651,061)	(8,474,973)	1,274,539	(90,851,495)
Governmental Capital Assets	\$ 310,230,122	\$ (2,069,810)	\$ (35,445)	\$ 308,124,867

Note 4 - Capital Assets (continued)

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

<u>Function</u>	<u>Depreciation Expense</u>
Instruction	\$ 4,214,462
Instructional resources and media services	325,819
School leadership	241,139
Guidance, counseling and evaluation services	220,736
Social work services	387
Student transportation	45,150
Food Services	632,141
Extracurricular activities	1,237,555
General administration	82,065
Plant maintenance and operations	471,129
Security and monitoring services	204,028
Data processing services	800,362
	<u>\$ 8,474,973</u>

Construction Commitments

The District has active construction projects as of August 31, 2011. The projects include the construction and equipment of school facilities. At year-end, the District's commitments with contractors are as follows:

<u>Project</u>	<u>Approved Construction Budget</u>	<u>Remaining Commitment</u>
Drymalla Constr-ES #19	\$ 11,999,783	\$ 11,873,427
Charter Builders-MS #6	24,619,000	24,619,000
SHW-ES #19 Architect	790,000	173,934 *
SHW-MS #6 Architect	1,225,000	223,986
SHW-MS #6 Architect-Reimb.	75,000	48,675 *
Terracon Consultants-MS #6	12,200	2,225
Terracon Consultants-MS #6	75,000	75,000
Gil Engineering-MS #6	94,150	20,250
Terracon Consultants-ES #19	65,000	63,343
Gil Engineering-ES #19	79,900	32,591
Braun & Butler-Rock Gym Window Replacement	65,627	49,267
Braun & Butler-Repair TES Structural Damage	75,000	37,887
Anchor Ventana-Replace Sliding Doors KLMS, RLES, HPES	42,650	42,650
	<u>\$ 39,218,310</u>	<u>\$ 37,262,235</u>

*Includes \$75,000 budgeted for "Reimbursables"

Note 5 - Interfund Receivables, Payables, and Transfers

Interfund balances consist of short-term lending/borrowing arrangements that result primarily from payroll, warehouse ordering and other regularly occurring charges that are paid by the general fund and then charged back to the appropriate other fund. Activity between the debt service fund and the capital projects fund results primarily from the capital projects fund interest earnings that are used for debt service payments. Additionally, some lending/borrowing may occur between two or more non-major governmental funds.

Interfund balances consist of 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.

The composition of interfund balances as of August 31, 2011, is as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 2,554,394	\$ 83,179
Capital Projects Fund		2,295
Proprietary Funds		311,402
Agency Fund		940
Nonmajor Funds	73,711	2,230,289
	<u>\$ 2,628,105</u>	<u>\$ 2,628,105</u>

The District moved \$1,073,910 from the Special Projects Fund back to the General Fund where they had been originally.

Note 6 - Long-term Liabilities

Changes in Long-term Liabilities

Long-term liability activity for the year ended August 31, 2011, was as follows:

	<u>Balance August 31, 2010</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance August 31, 2011</u>	<u>Due Within One Year</u>
General obligation bonds	\$ 358,634,934	\$ 23,655,000	\$ (36,049,934)	\$ 346,240,000	\$ 15,380,000
Less deferred amounts:					
For issuance premiums/discounts	13,004,191	1,467,626	(897,606)	13,574,211	
Gain or loss on refunding bonds	(5,049,325)	(587,888)	350,858	(5,286,355)	
Accreted interest on premium compound interest bonds	2,660,484	184,542	(2,845,026)		
Compensated absences payable	1,401,502	51,266	(195,073)	1,257,695	125,770
	<u>\$ 370,651,786</u>	<u>\$ 24,770,546</u>	<u>\$ (39,636,781)</u>	<u>\$ 355,785,551</u>	<u>\$ 15,505,770</u>

Compensated absences are generally liquidated by the General Fund.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

Exhibit F-1
(continued)

Note 6 - Long-term Liabilities (continued)

General Obligation Bonds

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

Issue	Original Issuance Amount	Interest Rate (%)	Maturity Date	Debt Outstanding
Unlimited Tax School Building Bonds, Series 2001	\$ 59,560,000	4.00% to 5.00%	8/15/2026	\$ 4,780,000
Unlimited Tax School Building, Series 2003	20,000,000	3.00% to 5.25%	2/15/2028	15,670,000
Unlimited Tax School Building, Series 2004	25,915,000	3.00% to 5.00%	2/15/2029	22,230,000
Unlimited Tax Refunding Bonds, Series 2004A	14,090,000	2.00% to 5.00%	2/15/2017	9,415,000
Unlimited Tax Refunding Bonds, Series 2005	79,195,000	3.50% to 5.25%	8/15/2026	68,200,000
Unlimited Tax School Building Bonds, Series 2005A	28,670,000	3.13% to 5.25%	2/15/2030	26,125,000
Unlimited Tax School Building Bonds, Series 2006	40,000,000	4.00% to 5.00%	2/15/2031	38,085,000
Unlimited Tax School Building Bonds, Series 2008	121,715,000	3.00% to 5.00%	2/15/2033	118,040,000
Unlimited Tax Refunding Bonds, Series 2010	20,420,000	3.00% to 5.00%	2/15/2033	20,120,000
Unlimited Tax Refunding Bonds, Series 2011	23,655,000	2.00% to 5.00%	8/15/2025	23,575,000
				<u>\$ 346,240,000</u>

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

Year Ending August 31,	Principal	Interest	Totals
2012	\$ 15,380,000	\$ 16,552,281	\$ 31,932,281
2013	17,120,000	15,862,150	32,982,150
2014	18,010,000	14,974,509	32,984,509
2015	18,810,000	14,161,147	32,971,147
2016	19,335,000	13,273,371	32,608,371
2017	20,275,000	12,353,181	32,628,181
2018	17,445,000	11,429,576	28,874,576
2019	18,220,000	10,549,605	28,769,605
2020	14,800,000	9,619,764	24,419,764
2021	15,385,000	8,913,175	24,298,175
2022	16,085,000	8,172,694	24,257,694
2023	16,890,000	7,359,531	24,249,531
2024	17,755,000	6,507,781	24,262,781
2025	18,645,000	5,641,341	24,286,341
2026	19,775,000	4,703,244	24,478,244
2027	13,625,000	3,709,406	17,334,406
2028	14,335,000	3,025,938	17,360,938
2029	13,685,000	2,340,050	16,025,050
2030	12,485,000	1,699,438	14,184,438
2031	10,935,000	1,128,275	12,063,275
2032	8,405,000	652,125	9,057,125
2033	8,840,000	221,000	9,061,000
	<u>\$ 346,240,000</u>	<u>\$ 172,849,582</u>	<u>\$ 519,089,582</u>

Note 6 - Long-term Liabilities (continued)

General Obligation Bonds

In February 2011, the District issued \$23,575,000 of refunding bonds. The proceeds of the refunding bonds were used to legally defease \$24,265,000 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 \$587,888. 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 \$1,575,487.

Prior Year Refunding of General Obligation Bonds

In 2005, 2010, and 2011, the District defeased certain outstanding bonds by placing proceeds of new bonds in irrevocable escrow accounts 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, 2011, \$96,410,600 of previously refunded bonds outstanding are considered defeased.

Note 7 - Revenues from Local, Intermediate, and Out-of-State Sources

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

	<u>General Fund</u>	<u>Debt Service Funds</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Property Taxes	\$ 74,431,180	\$ 30,052,074	\$	\$	\$ 104,483,254
Investment Income	152,085	12,832	321,990	2,545	489,452
Co-curricular student activities	367,633			1,385,019	1,752,652
Food Sales				3,750,101	3,750,101
Other	1,677,951	1	72,617	754,440	2,505,009
	<u>\$ 76,628,849</u>	<u>\$ 30,064,907</u>	<u>\$ 394,607</u>	<u>\$ 5,892,105</u>	<u>\$ 112,980,468</u>

Note 8 - Operating Leases

Commitment under operating lease agreements for copier equipment require minimum future rental payments as of August 31, 2011, as follows:

<u>Year ending August 31:</u>	
2011	\$ 925,145
Total minimum rentals	<u><u>\$ 925,145</u></u>

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 the 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, Chapters 803 and 805, respectively. 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 writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701, by calling the TRS Communications Department at 1-800-223-8778, or by downloading the report from the TRS Internet website, www.trs.state.tx.us, under the TRS Publications heading.

Funding Policy

State law provides for a member contribution rate of 6.4% for fiscal years 2011, 2010 and 2009, and a state contribution rate of 6.58% for fiscal year 2009, 6.4% from September 2009 through December 2009, and 6.644% effective January 2010. In certain instances, the reporting district is required to make all or a portion of the state's contribution. Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. The state funding policy is as follows: (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 10.0% of the aggregate annual compensation of all members of the system; (2) a state statute prohibits benefit improvements or contribution reductions if, as a result of a particular action, the time required to amortize TRS's 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

Staff members of the District are required to pay 6.4% of their eligible gross earnings to the TRS pension plan. The State of Texas contributes 6.644% (6.58% for fiscal year 2009, 6.4% from September 2009 through December 2009, and 6.644% effective January 2010) of all employees' eligible gross earnings, except for those staff members subject to statutory minimum requirements and those staff members being paid from and participating in federally funded programs. State statutes establish these rates. The statutory minimum requirements are based on the State of Texas teacher schedule adjusted based on local tax rates. For staff members funded by federal programs, the federal programs are required to contribute 6.644% (6.58% for fiscal year 2009, 6.4% from September 2009 through December 2009, and 6.644% effective January 2010).

Note 9 - Pension Information (continued)

Contributions (continued)

Contributions made by the State, District and staff members to TRS for the years ended August 31, 2009, 2010 and 2011 are as follows:

For the Year Ended August 31	State TRS Contributions Made on Behalf Of the District	District Required Contributions To TRS	Staff Members' Contributions To TRS
2011	\$ 6,027,135	\$ 1,702,645	\$ 7,436,074
2010	5,768,078	1,634,136	7,212,683
2009	5,762,463	1,120,434	7,011,045

The contributions made by the State on behalf of the District have been recorded in the financial statements of the District as both state revenues and payroll expenditures. These contributions are the legal responsibility of the State.

Note 10 - Risk Management

Property/Liability

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

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

Insurance Coverage

Through December 31, 2010, Pflugerville ISD offered a fully-funded employee group health insurance plan. On January 1, 2011, the District started a self-funded employee group health insurance plan. The District maintained its monthly, medical insurance contribution of \$303 toward the total employee's cost for the medical plans that could include coverage for a spouse, child(ren) or family.

Fiscal Year	Beginning of Year Accrual	Current Year Estimates	Claims Payments	End of Year Accrual
2011*	\$	\$ 6,423,803	\$ 5,994,379	\$ 429,424

* January 1, 2011 through August 31, 2011

Note 10 - Risk Management (continued)

Insurance Coverage (continued)

The District purchases commercial insurance for Property with limits of \$489,502,946 loss limit; lower sub-limits are provided for Computer Equipment, Musical Instruments/Uniforms, Audio, and Mobile Equipment; Flood limit of \$100,000,000 Earthquake limit of \$100,000,000. General Liability, Law Enforcement, Employee Benefits Liability and Educator’s Legal Liability (Professional) are insured for a limit of \$1,000,000 per occurrence; Automobile Liability limits are \$100,000; each person for Bodily Injury, \$300,000 for each Accident Bodily Injury and \$100,000 limit Property Damage. The District carries a \$300,000 specific retention on the Excess Workers’ Compensation. Within these policy limits, the District’s exposure is limited to the deductibles and specific retentions. There has not been any significant reduction of insurance coverage from that of the prior year. The District has not had claims in excess of its coverage in the past three years.

Workers’ Compensation

The District is self-insured for worker’s compensation coverage. The District contributed estimated premiums to the internal service fund based on standard state rates. The District purchased excess coverage from Frost Insurance Agency, a commercial insurer licensed in the State of Texas. The District’s retention under this excess policy is limited to \$300,000 per employee claim, with a cap on the District’s liability for all claims at 100% of annual premium in a policy year. The liability for claims at year-end is based on the estimated cost to settle all claims reported plus an estimate of claims incurred but not reported. Changes in workers’ compensation plan’s claims liability in fiscal years 2009, 2010 and 2011 were as follows:

Fiscal Year	Beginning of Year Accrual	Current Year Estimates	Claims Payments	End of Year Accrual
2009	\$ 434,168	\$ 506,681	\$ 215,849	\$ 725,000
2010	725,000	154,275	206,877	672,398
2011	672,398	9,877	240,693	441,582

Note 11 - Retiree Health Plan

Plan Description

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

Note 11 - Retiree Health Plan (continued)

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. The State of Texas and active public school employee contribution rates were 1.0% and .65% of public school payroll, respectively, with school districts contributing a percentage of payroll set at .55% for fiscal years 2011, 2010, and 2009. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than .25% or greater than .75% of the salary of each active employee of the public school. For staff members funded by federal programs, the federal programs are required to contribute 1.0%.The District contributed 100% of the annual required contribution for fiscal year 2011, 2010, and 2009.

Contributions

Contributions made by the State, District, and staff members for the years ended August 31, 2011, 2010 and 2009 are as follows:

For the Year Ended August 31	State TRS Care Contributions Made on Behalf Of the District	District Required Contributions To TRS Care	Staff Members' Contributions To TRS Care
2011	\$ 1,103,998	\$ 699,005	\$ 755,205
2010	1,068,442	678,436	732,555
2009	875,754	630,035	712,050

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, 2011, 2010, and 2009, the subsidy payments received by TRS-Care on-behalf of the District were \$308,527, \$277,402, and \$246,178, respectively. These payments are recorded as equal revenues and expenditures in the governmental funds financial statements of the District.

Note 12 - Commitments and Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

Note 12 - Commitments and Contingent Liabilities (continued)

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

Note 13 - Arbitrage

In accordance with the provisions of Section 148(f) of the Internal Revenue Code of 1986, as amended, bonds must satisfy certain arbitrage rebate requirements. Positive arbitrage is the excess of: (1) the amount earned on investments purchased with bond proceeds, or (2) the amount that such investments would have earned had such investments been invested at a rate equal to the yield on the bond issue. In order to comply with the arbitrage rebate requirements, positive arbitrage must be paid to the U.S. Treasury at the end of each five-year anniversary date of the bond issue. The District has estimated that it has no arbitrage liability as of August 31, 2011.

Note 14 - Special Items

The District incurred claims from lawsuits for prior years that resulted in the payment of funds to parents of students for their costs incurred for the education of the students.

Note 15 - Shared Service Arrangements

The District is the fiscal agent for a Shared Services Arrangement (“SSA”) which provides teaching, learning, educator preparation and development of school technology and readiness. In addition to the District, other member districts include KIPP Austin Public Schools, Bastrop ISD, San Marcos CISD, Round Rock ISD, Leander ISD, and the University of Texas Elementary School. Most expenditures were incurred by the fiscal agent on behalf of the member districts. Other expenditures are incurred by the member districts and reimbursed by the fiscal agent. The fiscal agent accounts for activities of the SSA in the appropriate Special Revenue Fund according to guidance provided in the Texas Education Agency’s Financial Accountability and Resource Guide.

	Fiscal Agent Expenditures on Behalf of Member District	Member District Expenditures	Total SSA Expenditures
Pflugerville ISD	\$ 40,005	\$	\$ 40,005
Pflugerville ISD	5,000	35,723	40,723
KIPP Austin Public Schools		13,830	13,830
Bastrop ISD	5,520	13,360	18,880
San Marcos CISD	9,341	8,827	18,167
Round Rock ISD		35,654	35,654
Leander ISD	6,875	19,446	26,321
Univ. of Texas Elementary School	9,353	14,226	23,579
Total Expenditures	\$ 76,094	\$ 141,064	217,159
Indirect Costs			4,400
Total TEA Payments			\$ 221,558

Note 15 - Shared Service Arrangements (continued)

The District participates in a Shared Service Arrangement (SSA) for the Energy for Schools Program with 102 other school districts. Approximately 3.5% 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 fixed 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 Districts participation.

Revenues	\$ 2,364,649
5700 Local revenue from member districts	<u>\$ 2,364,649</u>
Expenditures	\$ 2,364,649
6200 Contracted services	<u>\$ 2,364,649</u>

Note 16 - Subsequent Events

On November 30, 2011, Pflugerville ISD issued \$28,170,000 in refunding bonds and defeased \$28,370,000 of bonded debt from the 2001, 2003 and 2004 bond issues.

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Required Supplementary Information

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PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended August 31, 2011

Exhibit G-1

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts,</u> <u>Budgetary</u> <u>Basis</u>	
Revenues				
5700 Local revenues	\$ 75,551,000	\$ 76,075,440	\$ 76,628,849	\$ 553,409
5800 State program revenues	74,746,000	75,729,000	77,702,562	1,973,562
5900 Federal program revenues	1,300,000	1,500,000	1,258,718	(241,282)
5020 Total revenues	<u>151,597,000</u>	<u>153,304,440</u>	<u>155,590,129</u>	<u>2,285,689</u>
Expenditures				
Current:				
0011 Instruction	95,684,085	94,713,251	93,602,963	1,110,288
0012 Instructional resources and media services	1,868,806	2,118,805	1,957,548	161,257
0013 Curriculum and staff development	3,989,902	4,417,834	4,233,314	184,520
0021 Instructional leadership	1,827,029	1,927,029	1,800,048	126,981
0023 School leadership	4,514,153	4,627,087	4,329,668	297,419
0031 Guidance, counseling and evaluation services	6,108,834	6,183,834	6,091,987	91,847
0032 Social work services	387,962	522,962	405,607	117,355
0033 Health services	1,786,884	1,891,852	1,820,486	71,366
0034 Student transportation	7,053,134	7,563,134	7,290,374	272,760
0035 Food services	71,177	141,177	94,488	46,689
0036 Extracurricular activities	4,264,995	4,961,562	4,729,727	231,835
0041 General administration	3,963,728	3,991,728	3,773,366	218,362
0051 Facilities maintenance and operations	12,303,355	12,254,412	11,416,995	837,417
0052 Security and monitoring services	2,058,852	2,263,852	2,116,919	146,933
0053 Data processing services	2,520,564	2,520,564	2,354,037	166,527
0061 Community services	110,953	110,769	103,896	6,873
0093 Payments related to shared services arrangements	2,371,500	2,371,500	2,364,649	6,851
0095 Payments to Juvenile Justice Alt. Ed. Prgm.	20,000	20,000	15,642	4,358
0099 Other intergovernmental charges	580,000	580,000	564,007	15,993
6030 Total Expenditures	<u>151,485,913</u>	<u>153,181,352</u>	<u>149,065,721</u>	<u>4,115,631</u>
1100 Excess (deficiency) of revenues over expenditures	<u>111,087</u>	<u>123,088</u>	<u>6,524,408</u>	<u>6,401,320</u>
Other Financing Sources (Uses)				
7912 Sale of real or personal property			5,478	5,478
7915 Transfers in			1,073,910	1,073,910
7080 Total other financing sources and uses			<u>1,079,388</u>	<u>1,079,388</u>
Special Item				
8912 Special items (use)			(12,850)	(12,850)
1200 Net change in fund balances	111,087	123,088	7,590,946	7,467,858
0100 Fund balances - beginning	<u>17,682,545</u>	<u>17,682,545</u>	<u>17,682,545</u>	
3000 Fund balances - ending	<u>\$ 17,793,632</u>	<u>\$ 17,805,633</u>	<u>\$ 25,273,491</u>	<u>\$ 7,467,858</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Exhibit G-2

The District adopts annual appropriations type budgets for the General Fund, Food Service 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, 2011.

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 by August 19, 2010. 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.

Other Supplementary Information

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Nonmajor Governmental Funds

Special Revenue Funds

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

Programs accounted for in the Special Revenue Funds include:

ESEA, Title IV, Part A - Safe and Drug-Free Schools and Communities Act

Funds used to develop age-appropriate comprehensive violence and drug/alcohol prevention programs.

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.

IDEA - Part B, Discretionary

Funds granted to cover excess costs of special education programs conducted according to priority areas approved by the State Board of Education.

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 - Technical Preparation

Funds granted to provide a combined secondary and postsecondary (grade 9 through high school and two years fo postsecondary) program of technical skills.

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.

Nonmajor Governmental Funds (continued)

Special Revenue Funds (continued)

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 II, Part D, Subpart 1 - Enhancing Education through Technology

Funds granted for the implementation and support of a comprehensive system that effectively uses technology in elementary and secondary schools to improve student academic achievement.

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.

Title XIV, State Fiscal Stabilization Fund - ARRA

Additional funds granted to improve basic programs authorized by the ESEA Act of 1965, as amended by the NCLB Act of 2001; the IDEA Act; the Adult and Family Literacy Act; the Carl D. Perkins and Technical Education Act of 2006, or for the modernization, renovation, or repair of public school facilities.

Medicaid Administrative Claiming Program - MAC

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

Title II, Part D, Subpart 1 - Enhancing Education through Technology - ARRA

Additional funds granted for the implementation and support of a comprehensive system that effectively uses technology in elementary and secondary schools to improve student academic achievement.

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

Additional funds granted for a variety of staff development and supplemental services, including in-service training, counseling, psychological services and tutoring.

Nonmajor Governmental Funds (continued)

Special Revenue Funds (continued)

Energy Efficiency Grant

For energy efficiency upgrades or retrofits and for installation of small-scale renewable energy technology. Funding provided through the State Energy Program.

Smaller Learning Communities

To promote academic achievement through creation of "Smaller Learning Communities" which are small, safe, and successful learning environments.

IDEA - Part B, Formula - ARRA

Additional funds granted to operate educational programs for children with disabilities.

IDEA - Part B, Preschool - ARRA

Additional funds granted for preschool children with disabilities.

ESEA, Title I, Part A - Improving Basic Programs - ARRA

Additional 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.

Texas Regional Collaborative for Excellence in Science Teaching

Funds to provide training in high quality, research-based professional development, and to provide mentoring and outreach to educators.

Middle School AP Grant

Funds are provided for enriching AP classes at the middle school level.

LEP Summer School

Funds to provide summer school instruction for LEP students.

Teacher Incentive Fund (TIF)

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.

SSA - Title II, Part D, Subpart 1 - Enhancing Education through Technology - ARRA

Additional funds granted for the implementation and support of a comprehensive system that effectively uses technology in elementary and secondary schools to improve student academic achievement. use of advanced technology. Pflugerville ISD is the fiscal agent for this grant and there are 8 member districts participating in this program. Fund 279 is the member district fund for Pflugerville ISD and Fund 361 is the fiscal agent fund operated by Pflugerville ISD. Fund 361 includes expenditures for all schools in the SSA purchased by the fiscal agent.

Nonmajor Governmental Funds (continued)

Special Revenue Funds (continued)

State Supplemental Visually Impaired (SSVI)

Funds granted to support the educational 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

Funds to provide immediate intervention to students in grades K-6 who have been identified by diagnostic assessments as struggling in reading and/or mathematics.

State Textbook Fund

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

Technology Allotment

Funds awarded to school districts to purchase technological software or equipment that contributes to student learning, or to pay for training for educational personnel involved in the use of these materials.

Texas Reading Initiative/Texas Reading, Math and Science Initiative

Funds granted to improve student achievement in reading, math, and science through the provision of materials, professional development, student instructional programs, and other related activities.

Kindergarten and Prekindergarten Grants

Funds granted to implement or expand kindergarten or prekindergarten programs not required under TEC 29.153.

Read to Succeed (License Plate Program)

Funds used to provide access to quality reading materials in the library and encourage children to visit the school library.

DATE (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).

Nonmajor Governmental Funds (continued)

Special Revenue Funds (continued)

Texas TAP (Teacher Advancement Program)

Research based school improvement program designed to attract, retain and motivate the best talent to the teaching profession.

Texas I-CAN! Grant

Texas Initiatives for Children's Activity & Nutrition is designed to combat childhood obesity and related chronic diseases by providing schools with physically active lesson units for school aged children as well as nutrition interventions and/or collection of dietary practices and preferences for the cafeteria.

TDA Nutrition Grants

A program with the goal of educating children on the ease of selection, preparation and consumption of nutritious foods.

Texas Fitness Now Grant

Dessau and Westview Middle Schools will utilize the Texas Fitness Now Program to enhance engaging physical activities for 6th and 7th grade students. The program will provide additional high engagement equipment and materials to promote a combination of moderate and vigorous intensity aerobic physical activities.

Campus Activity Funds

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

Special Projects

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

After the Bell Program

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

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 at Connally High School for 2011-2012 through 2015-2016.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

ALL NONMAJOR GOVERNMENTAL FUNDS

August 31, 2011

Data Control Codes	204	206	211
	ESEA, Title IV, Part A - Safe and Drug- Free Schools and Communities Act	ESEA, Title X, Part C - Education for the Homeless Children and Youth	ESEA, Title I, Part A - Improving Basic Programs
Assets			
1110	Cash and temporary investments	\$	\$
Receivables:			
1240	Receivables from other governments	9,966	26,361
1260	Due from other funds		339,858
1290	Other receivables		
1310	Inventories, at cost		
1410	Prepays		
1000	Total Assets	<u>\$ 9,966</u>	<u>\$ 26,361</u>
		<u>\$ 339,858</u>	
Liabilities and Fund Balances			
Liabilities:			
Current Liabilities:			
2110	Accounts payable	\$ 48	\$ 499
2160	Accrued wages payable		\$ 7,697
2170	Due to other funds	9,918	293
2180	Due to other governments		331,868
2300	Deferred revenues		
2000	Total Liabilities	<u>9,966</u>	<u>26,361</u>
			<u>339,858</u>
Fund Balance:			
Nonspendable:			
3410	Investment in inventories		
3430	Prepaid items		
Restricted:			
3450	Grant Funds		
Committed:			
3545	Other committed		
3600	Unassigned		
3000	Total Fund Balances	<u></u>	<u></u>
4000	Total Liabilities and Fund Balance	<u>\$ 9,966</u>	<u>\$ 26,361</u>
			<u>\$ 339,858</u>

224	225	226	240	243	244	255
IDEA - Part B, Formula	IDEA - Part B, Preschool	IDEA - Part B, Discretionary	National School Breakfast and Lunch Program	Career and Technical - Technical Preparation	Career and Technical - Basic Grant	ESEA, Title II, Part A - Teacher and Principal Training and Recruiting
\$	\$	\$	\$ 753,469	\$	\$	\$
508,112	4,628	9,114	223,114			52,418
			50,883			
			63,651			
			108,093			
			12,883			
<u>\$ 508,112</u>	<u>\$ 4,628</u>	<u>\$ 9,114</u>	<u>\$ 1,212,093</u>	<u>\$</u>	<u>\$</u>	<u>\$ 52,418</u>
\$ 357	\$	\$ 600	\$ 275,821	\$	\$	\$
507,755	4,628	8,514	6,673			52,418
<u>508,112</u>	<u>4,628</u>	<u>9,114</u>	<u>282,494</u>	<u></u>	<u></u>	<u>52,418</u>
			108,093			
			12,883			
			808,623			
			929,599			
<u>\$ 508,112</u>	<u>\$ 4,628</u>	<u>\$ 9,114</u>	<u>\$ 1,212,093</u>	<u>\$</u>	<u>\$</u>	<u>\$ 52,418</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

ALL NONMAJOR GOVERNMENTAL FUNDS

August 31, 2011

<u>Data Control Codes</u>	262	263	265
	<u>Title II, Part D, Subpart 1 - Enhancing Education through Technology</u>	<u>Title III, Part A - English Language Acquisition and Language Enhancement</u>	<u>Title IV, Part B - 21st Century Community Learning Centers</u>
Assets			
1110	Cash and temporary investments	\$	\$
	Receivables:		
1240	Receivables from other governments	5,613	86,386
1260	Due from other funds		76,459
1290	Other receivables		15,401
1310	Inventories, at cost		
1410	Prepays		
1000	Total Assets	<u>\$ 5,613</u>	<u>\$ 91,860</u>
 Liabilities and Fund Balances			
Liabilities:			
Current Liabilities:			
2110	Accounts payable	\$ 632	\$ 4,116
2160	Accrued wages payable	217	619
2170	Due to other funds	4,764	81,651
2180	Due to other governments		91,742
2300	Deferred revenues		
2000	Total Liabilities	<u>5,613</u>	<u>91,860</u>
 Fund Balance:			
Nonspendable:			
3410	Investment in inventories		
3430	Prepaid items		
Restricted:			
3450	Grant Funds		
Committed:			
3545	Other committed		
3600	Unassigned		
3000	Total Fund Balances	<u></u>	<u></u>
4000	Total Liabilities and Fund Balance	<u>\$ 5,613</u>	<u>\$ 91,860</u>

266	272	279	280	281	282	283
Title XIV, State Fiscal Stabilization Fund - ARRA	Medicaid Administrative Claiming Program - MAC	Title II, Part D, Subpart 1 - Enhancing Education through Technology - ARRA	ESEA, Title X, Part C - Education for Homeless Children and Youth - ARRA	Energy Efficiency Grant	Smaller Learning Communities	IDEA - Part B, Formula - ARRA
\$	\$ 56,200	\$	\$	\$	\$	\$
		33,189	1,451	30,000	10,284	525,373
<u>\$</u>	<u>\$ 56,200</u>	<u>\$ 33,189</u>	<u>\$ 1,451</u>	<u>\$ 30,000</u>	<u>\$ 10,284</u>	<u>\$ 525,373</u>
\$	\$	\$	\$	\$	\$ 3,214	\$ 33,597
		33,189	1,451	30,000	7,070	491,776
	56,200					
	<u>56,200</u>	<u>33,189</u>	<u>1,451</u>	<u>30,000</u>	<u>10,284</u>	<u>525,373</u>
<u>\$</u>	<u>\$ 56,200</u>	<u>\$ 33,189</u>	<u>\$ 1,451</u>	<u>\$ 30,000</u>	<u>\$ 10,284</u>	<u>\$ 525,373</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

ALL NONMAJOR GOVERNMENTAL FUNDS

August 31, 2011

Data Control Codes	284	285	287	
	IDEA - Part B, Preschool - ARRA	ESEA, Title I, Part A - Improving Basic Programs - ARRA	Texas Regional Collaborative for Excellence in Science Teaching	
Assets				
1110	Cash and temporary investments	\$	\$	\$
Receivables:				
1240	Receivables from other governments	1,244	28,899	
1260	Due from other funds			
1290	Other receivables			
1310	Inventories, at cost			
1410	Prepays			
1000	Total Assets	\$ 1,244	\$ 28,899	\$
Liabilities and Fund Balances				
Liabilities:				
Current Liabilities:				
2110	Accounts payable	\$	\$ 7,333	\$
2160	Accrued wages payable			
2170	Due to other funds	1,244	21,566	
2180	Due to other governments			
2300	Deferred revenues			
2000	Total Liabilities	1,244	28,899	
Fund Balance:				
Nonspendable:				
3410	Investment in inventories			
3430	Prepaid items			
Restricted:				
3450	Grant Funds			
Committed:				
3545	Other committed			
3600	Unassigned			
3000	Total Fund Balances			
4000	Total Liabilities and Fund Balance	\$ 1,244	\$ 28,899	\$

288	289	361 SSA - Title II, Part D, Subpart 1 - Enhancing Education through Technology - ARRA	385	392	397	404
Middle School AP Grant	LEP Summer School/Teacher Incentive Program - ARRA		State Supplemental Visually Impaired (SSVI)	Noneducational Community- Based Support	Advanced Placement Incentives	Student Success Initiative
\$	\$	\$	\$	\$ 1,528	\$ 30,068	\$
	73,993	65,849			1	48,779
	3,944					
<u>\$</u>	<u>\$ 77,937</u>	<u>\$ 65,849</u>	<u>\$</u>	<u>\$ 1,528</u>	<u>\$ 30,069</u>	<u>\$ 48,779</u>
\$	\$ 231	\$ 1,800	\$	\$ 1,528	\$	\$
	77,706	22,708				48,779
		41,341			30,069	
	<u>77,937</u>	<u>65,849</u>		<u>1,528</u>	<u>30,069</u>	<u>48,779</u>
<u>\$</u>	<u>\$ 77,937</u>	<u>\$ 65,849</u>	<u>\$</u>	<u>\$ 1,528</u>	<u>\$ 30,069</u>	<u>\$ 48,779</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

ALL NONMAJOR GOVERNMENTAL FUNDS

August 31, 2011

<u>Data Control Codes</u>	410	411	414
	<u>State Textbook Fund</u>	<u>Technology Allotment</u>	<u>Texas Reading Initiative/Texas Reading, Math and Science Initiative</u>
Assets			
1110	\$	\$ 297,553	\$ 9,469
Receivables:			
1240			
1260			
1290			
1310			
1410		11,251	
1000	<u>\$</u>	<u>\$ 308,804</u>	<u>\$ 9,469</u>
Liabilities and Fund Balances			
Liabilities:			
Current Liabilities:			
2110	\$	\$	\$ 1,300
2160			
2170			
2180		28,006	
2300		280,798	8,169
2000	<u>\$</u>	<u>\$ 308,804</u>	<u>\$ 9,469</u>
Fund Balance:			
Nonspendable:			
3410			
3430			
Restricted:			
3450			
Committed:			
3545			
3600			
3000	<u>\$</u>	<u>\$ 308,804</u>	<u>\$ 9,469</u>
4000	<u>\$</u>	<u>\$ 308,804</u>	<u>\$ 9,469</u>

415	422	425	426	427	428
<u>Kindergarten and Prekindergarten Grants</u>	<u>Read to Succeed</u>	<u>District Awards for Teacher Excellence</u>	<u>Texas Teacher Advancement Program</u>	<u>Texas I-CAN! Grant</u>	<u>TDA Nutrition Grants</u>
\$	\$	\$	\$	\$	\$
53,959	64	51,620	244,123		22,752
<u>\$ 53,959</u>	<u>\$ 64</u>	<u>\$ 51,620</u>	<u>\$ 244,123</u>	<u>\$</u>	<u>\$ 22,752</u>
\$ 6,877	\$	\$	\$	\$	\$
983					
46,099	64	51,620	244,123		22,752
<u>53,959</u>	<u>64</u>	<u>51,620</u>	<u>244,123</u>	<u></u>	<u>22,752</u>
<u>\$ 53,959</u>	<u>\$ 64</u>	<u>\$ 51,620</u>	<u>\$ 244,123</u>	<u>\$</u>	<u>\$ 22,752</u>

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 ALL NONMAJOR GOVERNMENTAL FUNDS
 August 31, 2011**

	429	461	481
Data Control Codes	Texas Fitness Now Grant	Campus Activity Funds	Special Projects
Assets			
1110 Cash and temporary investments	\$ 719	\$ 1,216,708	\$ 95,632
Receivables:			
1240 Receivables from other governments	424		
1260 Due from other funds		7,427	
1290 Other receivables		373	
1310 Inventories, at cost			
1410 Prepaids		46,840	
1000 Total Assets	<u>\$ 1,143</u>	<u>\$ 1,271,348</u>	<u>\$ 95,632</u>
Liabilities and Fund Balances			
Liabilities:			
Current Liabilities:			
2110 Accounts payable	\$ 1,143	\$ 40,914	\$
2160 Accrued wages payable		1,508	
2170 Due to other funds		2,294	2,055
2180 Due to other governments		63,011	
2300 Deferred revenues			289
2000 Total Liabilities	<u>1,143</u>	<u>107,727</u>	<u>2,344</u>
Fund Balance:			
Nonspendable:			
3410 Investment in inventories			
3430 Prepaid items		46,840	
Restricted:			
3450 Grant Funds			
Committed:			
3545 Other committed		1,116,781	93,288
3600 Unassigned			
3000 Total Fund Balances		<u>1,163,621</u>	<u>93,288</u>
4000 Total Liabilities and Fund Balance	<u>\$ 1,143</u>	<u>\$ 1,271,348</u>	<u>\$ 95,632</u>

482	484	490	
<u>After the Bell Program</u>	<u>BTIM Math Science Grant</u>	<u>CHS Culinary Arts/Aramark</u>	<u>Total Nonmajor Governmental Funds</u>
\$	\$	\$ 50,000	\$ 2,511,346
			2,534,033
			73,711
			67,968
			108,093
			70,974
<u>\$</u>	<u>\$</u>	<u>\$ 50,000</u>	<u>\$ 5,366,125</u>
\$	\$	\$	\$ 387,825
			3,620
			2,230,289
			132,358
		50,000	425,525
		<u>50,000</u>	<u>3,179,617</u>
			108,093
			59,723
			808,623
			1,210,069
			<u>2,186,508</u>
<u>\$</u>	<u>\$</u>	<u>\$ 50,000</u>	<u>\$ 5,366,125</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended August 31, 2011

Data Control Codes	204	206	211
	ESEA, Title IV, Part A - Safe and Drug-Free Schools and Communities Act	ESEA, Title X, Part C - Education for the Homeless Children and Youth	ESEA, Title I, Part A - Improving Basic Programs
Revenues			
5700 Local, intermediate, and out-of-state	\$	\$	\$
5800 State program revenues			
5900 Federal program revenues	9,768	45,452	2,100,438
5020 Total revenues	<u>9,768</u>	<u>45,452</u>	<u>2,100,438</u>
Expenditures			
Current:			
0011 Instruction	1,965	9,511	1,823,044
0012 Instruction resources and media services			
0013 Curriculum and instructional staff development			136,182
0021 Instructional leadership			54,561
0023 School leadership			15,659
0031 Guidance, counseling and evaluation services	743		7,894
0032 Social work services	3,102	35,315	27,520
0033 Health services			
0034 Student transportation			910
0035 Food service			
0036 Extracurricular activities			
0041 General administration			
0051 Facilities maintenance and operations			
0052 Security and monitoring services			
0053 Data processing services	164		
0061 Community services	3,794	626	34,668
Intergovernmental:			
0093 Payments related to shared services arrangement			
6030 Total Expenditures	<u>9,768</u>	<u>45,452</u>	<u>2,100,438</u>
1100 Excess (deficiency) of revenues over expenditures			
Other Financing Sources (Uses)			
8911 Transfers out			
8949 Other Uses			
7080 Total other financing sources and uses			
1200 Net change in fund balances			
0100 Fund balance - beginning			
3000 Fund balance - ending	<u>\$</u>	<u>\$</u>	<u>\$</u>

224	225	226	240	243	244	255
IDEA - Part B, Formula	IDEA - Part B, Preschool	IDEA - Part B, Discretionary	National School Breakfast and Lunch Program	Career and Technical - Technical Preparation	Career and Technical - Basic Grant	ESEA, Title II, Part A - Teacher and Principal Training and Recruiting
\$	\$	\$	\$ 3,923,010	\$	\$	\$
			59,505			
<u>3,360,823</u>	<u>45,604</u>	<u>31,914</u>	<u>6,757,992</u>	<u>4,597</u>	<u>171,937</u>	<u>374,712</u>
<u>3,360,823</u>	<u>45,604</u>	<u>31,914</u>	<u>10,740,507</u>	<u>4,597</u>	<u>171,937</u>	<u>374,712</u>
3,359,291	45,604	25,157		4,597	165,490	364,118
					3,751	10,594
1,532					2,696	
		6,757				
			10,352,363			
			250,001			
<u>3,360,823</u>	<u>45,604</u>	<u>31,914</u>	<u>10,602,364</u>	<u>4,597</u>	<u>171,937</u>	<u>374,712</u>
			138,143			
			138,143			
			791,456			
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 929,599</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended August 31, 2011

Data Control Codes	262	263	265
	Title II, Part D, Subpart 1 - Enhancing Education through Technology	Title III, Part A - English Language Acquisition and Language Enhancement	Title IV, Part B - 21st Century Community Learning Centers
Revenues			
5700	Local, intermediate, and out-of-state	\$	\$
5800	State program revenues		
5900	Federal program revenues	7,346	1,103,491
5020	Total revenues	<u>7,346</u>	<u>1,103,491</u>
Expenditures			
Current:			
0011	Instruction	5,294	544,687
0012	Instruction resources and media services		88
0013	Curriculum and instructional staff development	2,052	387,289
0021	Instructional leadership		2,560
0023	School leadership		2,410
0031	Guidance, counseling and evaluation services		
0032	Social work services		
0033	Health services		
0034	Student transportation		122,411
0035	Food service		
0036	Extracurricular activities		
0041	General administration		
0051	Facilities maintenance and operations		204
0052	Security and monitoring services		
0053	Data processing services		
0061	Community services		6,529
Intergovernmental:			
0093	Payments related to shared services arrangement		
6030	Total Expenditures	<u>7,346</u>	<u>1,103,491</u>
1100	Excess (deficiency) of revenues over expenditures		
Other Financing Sources (Uses)			
8911	Transfers out		
8949	Other Uses		
7080	Total other financing sources and uses		
1200	Net change in fund balances		
0100	Fund balance - beginning		
3000	Fund balance - ending	<u>\$</u>	<u>\$</u>

266	272	279	280	281	282	283
Title XIV, State Fiscal Stabilization Fund - ARRA	Medicaid Administrative Claiming Program - MAC	Title II, Part D, Subpart 1 - Enhancing Education through Technology - ARRA	ESEA, Title X, Part C - Education for Homeless Children and Youth - ARRA	Energy Efficiency Grant	Smaller Learning Communities	IDEA - Part B, Formula - ARRA
\$	\$	\$	\$	\$	\$	\$
6,165,405		68,907	7,184	30,000	133,609	1,711,188
6,165,405		68,907	7,184	30,000	133,609	1,711,188
		31,387	3,691		14,066	1,141,232
836,406		31,395			71,725	402,905
		2,335	1,016		47,038	200
5,328,999		2,805			93	
			2,029		12	166,851
				30,000		
		985				
			448		675	
6,165,405		68,907	7,184	30,000	133,609	1,711,188
\$	\$	\$	\$	\$	\$	\$

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended August 31, 2011

Data Control Codes	284	285	287
	IDEA - Part B, Preschool - ARRA	ESEA, Title I, Part A - Improving Basic Programs - ARRA	Texas Regional Collaborative for Excellence in Science Teaching
Revenues			
5700	Local, intermediate, and out-of-state	\$	\$
5800	State program revenues		
5900	Federal program revenues	31,226	7,148
5020	Total revenues	<u>31,226</u>	<u>7,148</u>
Expenditures			
Current:			
0011	Instruction	18,684	7,148
0012	Instruction resources and media services		
0013	Curriculum and instructional staff development	8,537	52,072
0021	Instructional leadership		18,689
0023	School leadership		31,744
0031	Guidance, counseling and evaluation services		
0032	Social work services		
0033	Health services		
0034	Student transportation		
0035	Food service		
0036	Extracurricular activities		
0041	General administration		
0051	Facilities maintenance and operations		
0052	Security and monitoring services		
0053	Data processing services		
0061	Community services	4,005	62,540
Intergovernmental:			
0093	Payments related to shared services arrangement		
6030	Total Expenditures	<u>31,226</u>	<u>7,148</u>
1100	Excess (deficiency) of revenues over expenditures		
Other Financing Sources (Uses)			
8911	Transfers out		
8949	Other Uses		
7080	Total other financing sources and uses		
1200	Net change in fund balances		
0100	Fund balance - beginning		
3000	Fund balance - ending	<u>\$</u>	<u>\$</u>

288	289	361 SSA - Title II, Part D, Subpart 1 - Enhancing Education through Technology - ARRA	385 State Supplemental Visually Impaired (SSVI)	392 Noneducational Community- Based Support	397 Advanced Placement Incentives	404 Student Success Initiative
\$	\$	\$	\$	\$	\$	\$
			6,898	5,572	35,238	177,445
61	97,275	217,159				
61	97,275	217,159	6,898	5,572	35,238	177,445
61	19,340	21,809	6,066		14,763	171,196
	49,972	23,035			18,445	4,385
	3,782	31,250				
	21,684		832		1,530	
						1,864
					500	
	2,497					
				5,572		
61	97,275	141,065 217,159	6,898	5,572	35,238	177,445
\$	\$	\$	\$	\$	\$	\$

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended August 31, 2011

Data Control Codes		410	411	414
		<u>State Textbook Fund</u>	<u>Technology Allotment</u>	<u>Texas Reading Initiative/Texas Reading, Math and Science Initiative</u>
	Revenues			
5700	Local, intermediate, and out-of-state	\$	\$	\$
5800	State program revenues	894	441,663	13,636
5900	Federal program revenues			
5020	Total revenues	<u>894</u>	<u>441,663</u>	<u>13,636</u>
	Expenditures			
	Current:			
0011	Instruction	894	277,199	2,066
0012	Instruction resources and media services		4,962	
0013	Curriculum and instructional staff development		152,550	11,570
0021	Instructional leadership			
0023	School leadership			
0031	Guidance, counseling and evaluation services			
0032	Social work services			
0033	Health services			
0034	Student transportation			
0035	Food service			
0036	Extracurricular activities			
0041	General administration			
0051	Facilities maintenance and operations			
0052	Security and monitoring services			
0053	Data processing services		6,952	
0061	Community services			
	Intergovernmental:			
0093	Payments related to shared services arrangement			
6030	Total Expenditures	<u>894</u>	<u>441,663</u>	<u>13,636</u>
1100	Excess (deficiency) of revenues over expenditures			
	Other Financing Sources (Uses)			
8911	Transfers out			
8949	Other Uses			
7080	Total other financing sources and uses			
1200	Net change in fund balances			
0100	Fund balance - beginning			
3000	Fund balance - ending	<u>\$</u>	<u>\$</u>	<u>\$</u>

415	422	425	426	427	428
Kindergarten and Prekindergarten Grants	Read to Succeed	District Awards for Teacher Excellence	Texas Teacher Advancement Program	Texas I-CAN! Grant	TDA Nutrition Grants
\$ 419,415	\$ 132	\$ 426,069	\$ 794,894	\$	\$ 65,800
<u>419,415</u>	<u>132</u>	<u>426,069</u>	<u>794,894</u>	<u>2,993</u>	<u>65,800</u>
252,349	132	276,810	508,597	2,993	23,609
82,825		115,205	285,744		
28,181		30,000	154		
6,298		4,054	399		
3,309					
44,478					42,191
1,975					
<u>419,415</u>	<u>132</u>	<u>426,069</u>	<u>794,894</u>	<u>2,993</u>	<u>65,800</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended August 31, 2011

	429	461	481
Data Control Codes	<u>Texas Fitness Now Grant</u>	<u>Campus Activity Funds</u>	<u>Special Projects</u>
Revenues			
5700	\$	\$ 1,744,378	\$ 119,548
5800	28,824		
5900			
5020	<u>28,824</u>	<u>1,744,378</u>	<u>119,548</u>
Expenditures			
Current:			
0011	28,824	200,343	55,880
0012		58,450	
0013		14,489	
0021		341	
0023		191,214	
0031		97,695	
0032			
0033		1,410	
0034		356	
0035			
0036		961,611	14,021
0041		2,157	
0051		19,074	
0052		6,346	
0053			
0061		7,114	3,000
Intergovernmental:			
0093			
6030	<u>28,824</u>	<u>1,560,600</u>	<u>72,901</u>
1100		<u>183,778</u>	<u>46,647</u>
Other Financing Sources (Uses)			
8911			(1,073,910)
8949		(6,308)	
7080		<u>(6,308)</u>	<u>(1,073,910)</u>
1200		177,470	(1,027,263)
0100		<u>986,151</u>	<u>1,120,551</u>
3000	<u>\$</u>	<u>\$ 1,163,621</u>	<u>\$ 93,288</u>

482	484	490	
<u>After the Bell Program</u>	<u>BTIM Math Science Grant</u>	<u>CHS Culinary Arts/Aramark</u>	<u>Total-Other Governmental Funds</u>
\$ 85,803	\$ 19,366	\$	\$ 5,892,105
			2,475,985
			23,359,366
<u>85,803</u>	<u>19,366</u>	<u></u>	<u>31,727,456</u>
74,124	2,667		9,803,548
			900,038
	16,699		1,881,421
6,086			655,765
			5,605,359
			279,785
			67,966
			11,476
5,593			131,134
			10,439,032
			976,132
			4,654
			299,279
			6,346
			8,101
			147,787
			141,065
<u>85,803</u>	<u>19,366</u>	<u></u>	<u>31,358,888</u>
			368,568
			(1,073,910)
			(6,308)
			<u>(1,080,218)</u>
			(711,650)
			2,898,158
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 2,186,508</u>

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Internal Service Funds

Internal Service Funds are used to account for the operations of the District's self-funded insurance programs.

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 to employees, excess loss insurance premiums, and related administrative costs.

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.

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PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
August 31, 2011

Exhibit I-1

Data Control Codes		Health Insurance	Workers' Compensation	Total
Assets				
Current assets:				
1110	Cash and cash equivalents	\$ 340,645	\$ 917,763	\$ 1,258,408
1120	Temporary investments, at fair value		40,703	40,703
Receivables:				
1250	Accrued interest receivable		3,734	3,734
1290	Other receivables	11,032	813	11,845
1410	Prepays	141,000		141,000
	Total Assets	<u>492,677</u>	<u>963,013</u>	<u>1,455,690</u>
Liabilities				
Current liabilities:				
2110	Accounts payable	111,258	26,894	138,152
2170	Due to other funds		203,196	203,196
2200	Accrued expenses	429,424	441,582	871,006
2000	Total Liabilities	<u>540,682</u>	<u>671,672</u>	<u>1,212,354</u>
Net Assets				
3900	Unrestricted net assets	(48,005)	291,341	243,336
3000	Total Net Assets	<u>(48,005)</u>	<u>291,341</u>	<u>243,336</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
For the Year Ended August 31, 2011

Exhibit I-2

Data Control Codes	Health Insurance	Workers' Compensation	Total
Operating Revenues			
5754 Interfund services provided and used	\$ 7,425,744	\$ 344,752	\$ 7,770,496
5020 Total Operating Revenues	<u>7,425,744</u>	<u>344,752</u>	<u>7,770,496</u>
Operating Expenses			
6200 Purchased and contracted services	938,807	120,289	1,059,096
6400 Claims expense and other operating expenses	6,535,087		6,535,087
6030 Total Operating Expenses	<u>7,473,894</u>	<u>120,289</u>	<u>7,594,183</u>
1200 Operating income (loss)	<u>(48,150)</u>	<u>224,463</u>	<u>176,313</u>
Non-Operating Revenues (Expenses)			
7020 Earnings - temporary deposits and investments	145	3,541	3,686
Total Nonoperating Revenues (Expenses)	<u>145</u>	<u>3,541</u>	<u>3,686</u>
1200 Change in Net Assets	(48,005)	228,004	179,999
0100 Total net assets - beginning		63,337	63,337
3300 Total net assets - ending	<u>\$ (48,005)</u>	<u>\$ 291,341</u>	<u>\$ 243,336</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended August 31, 2011

Exhibit I-3

	<u>Health Insurance</u>	<u>Workers' Compensation</u>	<u>Total</u>
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities:			
Cash receipts from interfund services provided	\$ 7,414,712	\$ 349,826	\$ 7,764,538
Cash payments to suppliers for goods and services	(7,074,212)	(342,006)	(7,416,218)
Net Cash Provided by (Used for) Operating Activities	<u>340,500</u>	<u>7,820</u>	<u>348,320</u>
Cash Flows from Non-Capital Financing Activities:			
Advances from other funds		103,578	103,578
Net Cash Provided by (Used for) Non-Capital Financing Activities		<u>103,578</u>	<u>103,578</u>
Cash Flows from Investing Activities:			
Investment proceeds (net)		22,305	22,305
Interest on investments	145	41	186
Net Cash Provided by Investing Activities	<u>145</u>	<u>22,346</u>	<u>22,491</u>
Net Increase in Cash and Cash Equivalents	340,645	133,744	474,389
Cash and Cash Equivalents at Beginning of Year		784,019	784,019
Cash and Cash Equivalents at End of Year	<u>\$ 340,645</u>	<u>\$ 917,763</u>	<u>\$ 1,258,408</u>
Reconciliation to Balance Sheet			
Cash and Cash Equivalents Per Cash Flow	<u>\$ 340,645</u>	<u>\$ 917,763</u>	<u>\$ 1,258,408</u>
Cash and Cash Equivalents per Balance Sheet	<u>\$ 340,645</u>	<u>\$ 917,763</u>	<u>\$ 1,258,408</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating Income (Loss)	\$ (48,150)	\$ 224,463	\$ 176,313
Change in Assets and Liabilities			
Decrease (increase) in Receivables	(11,032)	5,073	(5,959)
Decrease (increase) in Prepaids	(141,000)		(141,000)
Increase (decrease) in Accounts Payable	111,258	9,099	120,357
Increase (decrease) in Accrued Expenses	429,424	(230,815)	198,609
Net Cash Provided by (Used for) Operating Activities	<u>\$ 340,500</u>	<u>\$ 7,820</u>	<u>\$ 348,320</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF DELINQUENT TAXES RECEIVABLE

For the Year Ended August 31, 2011

Last Ten Fiscal Years	Tax Rates		Net Assessed/Appraised Value For School Tax Purposes	Beginning Balance 08/31/10
	Maintenance	Debt Service		
2002 and prior	Various	Various	Various	\$1,107,577
2003	1.392500	0.297500	4,644,517,007	238,616
2004	1.500000	0.350000	4,574,180,513	262,349
2005	1.490000	0.340000	4,943,934,802	159,849
2006	1.500000	0.350000	5,248,037,564	164,446
2007	1.360000	0.320000	5,878,350,774	253,292
2008	1.040000	0.430000	6,602,774,490	267,257
2009	1.040000	0.420000	7,230,322,945	521,619
2010	1.040000	0.420000	7,460,985,822	1,091,217
2011	1.040000	0.420000	7,200,603,973	
1000 Totals				<u><u>\$4,066,222</u></u>

9000 Portion of Row 1000 for Taxes Paid into Tax
Increment Zone Under Chapter 311, Tax Code (Functon 97)

Exhibit J-1

20	31	32	40	50
Current Year's Total Levy	Maintenance Total Collections	Debt Service Total Collections	Entire Year's Adjustments	Ending Balance 08/31/11
\$	\$ 1,382	\$ 440	\$	\$ 1,105,755
	1,905	362	(285)	236,064
	(10,175)	(2,174)	(20,184)	254,514
	5,552	1,296	(1,206)	151,795
	7,087	1,617	(6,874)	148,868
	29,208	6,815	(71,888)	145,381
	(6,484)	(1,526)	(79,134)	196,133
	59,097	24,435	(104,628)	333,459
	411,098	166,021	(64,201)	449,897
<u>105,128,818</u>	<u>73,702,012</u>	<u>29,764,274</u>	<u>(829,045)</u>	<u>833,487</u>
<u>\$ 105,128,818</u>	<u>\$ 74,200,682</u>	<u>\$ 29,961,560</u>	<u>\$ (1,177,445)</u>	3,855,353
				<u>3,627,563</u>
				<u>\$ 7,482,916</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES FOR COMPUTATION OF
INDIRECT COSTS FOR 2012-2013
GENERAL AND SPECIAL REVENUE FUNDS
For the Year Ended August 31, 2011

Exhibit J-2

Account Number	Account Name	1 (702) School Board	2 (703) Tax Collection	3 (701) Supt's Office	4 (750) Indirect Cost	5 (720) Direct Cost	6 (other) Miscellaneous	7 Total
611X-6146	PAYROLL COSTS	\$ 31,398	\$	\$ 268,828	\$ 2,356,483	\$	\$	\$ 2,656,709
6149	Fringe Benefits (Unused Leave for Separating Employees in Function 41 and Related 53)				\$ 1,240			1,240
6149	Fringe Benefits (Unused Leave for Separating Employees in all Functions except Function 41 and Related 53)							
6211	Legal Services			86,785				86,785
6212	Audit Services				84,000			84,000
6213	(Appraisal district costs only from function 99)		609,438					609,438
6214	Lobbying							
621X	Other Prof. Services				2,385			2,385
6220	Tuition and Transfer Payments						7,905	7,905
6230	Education Service Centers				224,274			224,274
6240	Contr. Maint. and Repair					45,171		45,171
6250	Utilities							
6260	Rentals				37,320			37,320
6290	Miscellaneous Contr.	85,444			303,302			388,746
6320	Textbooks and Reading	114		563	2,495			3,172
6330	Testing Materials							
63XX	Other Supplies Materials	2,189		2,203	105,788			110,180
6410	Travel, Subsistence, Stipends	16,298		6,543	27,071	189		50,101
6420	Ins. and Bonding Costs							
6430	Election Costs							
6490	Miscellaneous Operating	1,052		8,671	226,021			235,744
6500	Debt Service							
6600	Capital Outlay						21,631	21,631
6000	TOTAL	\$ 136,495	\$ 609,438	\$ 373,593	\$ 3,370,379	\$ 45,360	\$ 29,536	\$ 4,564,801

Total expenditures/expenses for General and Special Revenue Funds
 (plus Food Service Enterprise Fund if present) 9 \$ 180,424,609

Less: Deductions of Unallowable Costs

Fiscal Year	
Total Capital Outlay (6600)	10 \$ 266,153
Total Debt & Lease (6500)	11
Plant Maintenance (Function 51, 6100-6400)	12 11,628,189
Food (Function 35, 6341 and 6499)	13
Stipends (6413)	14
Column 4 (above) - Total Indirect Cost	3,370,379
Subtotal:	15,264,721
Net Allowed Direct Cost	\$ 165,159,888

Cumulative

Total Cost of Buildings before Depreciation (1520)	15 \$ 340,134,208
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 18,420,673
Historical Cost of Furniture & Equipment over 16 years old	19 101,155
Amount of Federal Money in Furniture & Equipment (Net of #19)	20 956,487

(8) Note A - \$ 222,774 in Function 53 expenditures are included in this report on administrative costs.
 \$ 564,007 in Function 99 expenditures for appraisal district costs are included in this report on administrative costs.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
FUND BALANCE AND CASH FLOW CALCULATION SCHEDULE (UNAUDITED)
GENERAL FUND
August 31, 2011

Exhibit J-3

Data Control Code	Explanation	Amount
1.	Total General Fund Balance 8-31-11 (Exhibit C-1 object 3000 for the General Fund only)	\$ 25,273,491
2.	Total Non-Spendable Fund Balance 8-31-11 (from Exhibit C-1 - total of object 341X - 344X for the General Fund only)	1,056,596
3.	Total Restricted Fund Balance (from Exhibit C-1 - total of object 345X - 349X for the General Fund only)	
4.	Total Committed Fund Balance (from Exhibit C-1 - total of object 351X-354X for the General Fund only)	
5.	Total Assigned Fund Balance (from Exhibit C-1 - total of object 355X-359X for the General Fund only)	10,548
6.	Estimated amount needed to cover fall cash flow deficits in General Fund (net of borrowed funds and funds representing deferred revenues)	
7.	Estimate of two month's average cash disbursements during the fiscal year	24,988,908
8.	Estimate of delayed payments from state sources (58xx)	
9.	Estimate of underpayment from state sources equal to variance between Legislative Payment Estimate (LPE) and District Planning Estimate (DPE) or District's calculated earned state aid amount	
10.	Estimate of delayed payments from federal sources (59xx)	
11.	Estimate of expenditures to be reimbursed to General Fund from Capital Projects Fund (uses of General Fund cash after bond referendum and prior to issuance of bonds).	
12.	General Fund Optimum Fund Balance and Cash Flow (2+3+4+5+6+7+8+9+10+11)	<u>26,056,052</u>
13.	Excess or (Deficit) Unassigned General Fund Fund Balance (1-11)	<u>\$ (782,561)</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

Exhibit J-4

BUDGETARY COMPARISON SCHEDULE

CHILD NUTRITION FUND

For the Year Ended August 31, 2011

Data Control Codes		Food Service			
		Budget			Variance with Final Budget
		Original	Final	Actual	
Revenues					
5700	Local, Intermediate, and Out-of-State	\$ 4,678,680	\$ 4,678,680	\$ 3,923,010	\$ (755,670)
5800	State Program Revenues	61,700	61,700	59,505	(2,195)
5900	Federal Program Revenues	6,679,278	6,679,278	6,757,992	78,714
5020	Total Revenues	<u>11,419,658</u>	<u>11,419,658</u>	<u>10,740,507</u>	<u>(679,151)</u>
Expenditures					
Current:					
0035	Food Services	11,416,695	10,916,695	10,352,363	564,332
0051	Facilities maintenance and operations		500,000	250,001	249,999
6030	Total Expenditures	<u>11,416,695</u>	<u>11,416,695</u>	<u>10,602,364</u>	<u>814,331</u>
1200	Increase (Decrease) in Fund Balance	2,963	2,963	138,143	135,180
0100	Fund Balance - beginning	<u>791,455</u>	<u>791,455</u>	<u>791,455</u>	
3000	Fund Balance - ending	<u>\$ 794,418</u>	<u>\$ 794,418</u>	<u>\$ 929,598</u>	<u>\$ 135,180</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
For the Year Ended August 31, 2011

Exhibit J-5

Data Control Codes	Debt Service Fund				
	Budget			Variance with Final Budget	
	Original	Final	Actual		
Revenues					
5700	Local, Intermediate, and Out-of-State	\$ 29,740,041	\$ 30,105,041	\$ 30,064,907	\$ (40,134)
5800	State Program Revenues			62,649	62,649
5020	Total Revenues	<u>29,740,041</u>	<u>30,105,041</u>	<u>30,127,556</u>	<u>22,515</u>
Expenditures					
Debt Service:					
0071	Principal on long-term debt	11,704,973	11,704,973	11,784,934	(79,961)
0072	Interest on long-term debt	19,958,358	19,958,358	19,789,263	169,095
0073	Bond issuance costs and fees	13,000	293,000	276,591	16,409
6030	Total Expenditures	<u>31,676,331</u>	<u>31,956,331</u>	<u>31,850,788</u>	<u>105,543</u>
1100	Excess (Deficiency) Revenues Over Expenditures	(1,936,290)	(1,851,290)	(1,723,232)	128,058
Other Financing Sources (Uses)					
7911	Capital-related debt issued (regular bonds)			23,655,000	23,655,000
7916	Premium or discount on issuance of bonds			1,467,626	1,467,626
8949	Other Financing (Uses)			(24,852,888)	(24,852,888)
	Total Other Financing Sources (Uses)			<u>269,738</u>	<u>269,738</u>
1200	Increase (Decrease) in Fund Balance	(1,936,290)	(1,851,290)	(1,453,494)	397,796
0100	Fund Balance - beginning	<u>3,096,937</u>	<u>3,096,937</u>	<u>3,096,937</u>	
3000	Fund Balance - ending	<u>\$ 1,160,647</u>	<u>\$ 1,245,647</u>	<u>\$ 1,643,443</u>	<u>\$ 397,796</u>

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Statistical Section
(Unaudited)

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PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
STATISTICAL SECTION

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

	<u>Page</u>
Financial Trends	100
<p>These schedules contain trend information to show how the District’s financial performance and position have changed over time</p>	
Revenue Capacity	113
<p>These schedules contain information to help assess the factors affecting the District’s most significant local revenue source, the property tax.</p>	
Debt Capacity	118
<p>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</p>	
Demographic and Economic Information	121
<p>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.</p>	
Operating Information	128
<p>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.</p>	

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 ASSETS BY COMPONENT

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Governmental Activities				
Invested in Capital Assets, Net of Related Debt	\$ 31,462,570	\$ 30,170,927	\$ 32,247,876	\$31,191,545
Restricted	3,014,281	3,955,354	4,766,734	3,662,850
Unrestricted	28,326,217	20,008,756	13,836,085	18,891,768
Total Primary Government Net Assets	<u>\$ 62,803,068</u>	<u>\$ 54,135,037</u>	<u>\$ 50,850,695</u>	<u>\$53,746,163</u>

Table 1

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$22,719,417	\$29,806,066	\$21,382,098	\$27,207,288	\$28,677,231	\$32,374,012
3,179,559	3,019,023	1,074,704	2,390,721	1,378,302	1,860,860
<u>25,592,424</u>	<u>9,135,897</u>	<u>19,282,881</u>	<u>9,893,995</u>	<u>11,877,546</u>	<u>12,223,939</u>
<u>\$51,491,400</u>	<u>\$41,960,986</u>	<u>\$41,739,683</u>	<u>\$39,492,004</u>	<u>\$41,933,079</u>	<u>\$46,458,811</u>

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Expenses				
Governmental Activities:				
Instruction	\$ 108,337,542	\$ 108,060,717	\$ 103,394,889	\$ 94,650,337
Instructional Resources and Media Services	3,196,747	3,188,391	3,705,657	3,471,299
Curriculum and Instructional Staff Development	6,099,548	6,051,164	5,482,628	4,088,992
Instructional Leadership	2,456,580	2,557,375	2,027,673	1,672,599
School Leadership	10,159,941	10,098,502	10,818,210	10,110,269
Guidance, Counseling, and Evaluation Services	6,588,865	6,792,197	6,033,629	5,948,106
Social Work Services	475,137	441,736	441,932	423,094
Health Services	1,828,229	1,594,137	1,597,561	1,479,424
Student Transportation	7,466,658	7,139,172	7,008,750	6,875,115
Food Services	11,457,443	10,620,252	9,830,910	9,108,389
Cocurricular/Extracurricular Activities	6,651,685	6,067,801	6,013,120	5,559,634
General Administration	3,840,998	3,709,032	3,764,274	3,769,737
Facilities Maintenance and Operations	13,208,973	15,502,842	15,368,510	16,034,590
Security and Monitoring Services	2,383,226	2,137,943	2,325,743	1,202,334
Data Processing Services	3,767,644	3,851,350	3,246,828	3,051,548
Community Services	251,683	136,274	125,400	113,423
Interest on Long-term Debt	17,453,765	17,507,086	18,422,579	14,791,698
Facilities Acquisition and Construction	13,136		29,257	4,181,777
Payments to Fiscal Agent/Member Districts of SSAs	2,505,714	2,379,337	2,881,565	
Payments to Juvenile Justice Alternative Ed. Prog.	15,642		19,987	14,141
Payments to Central Appraisal District	564,007	555,974	568,410	513,372
Total Primary Government Expenses	<u>208,723,163</u>	<u>208,391,282</u>	<u>203,107,512</u>	<u>187,059,878</u>
Program Revenues				
Governmental Activities:				
Charges for Services:				
Instruction	1,080,738	886,652	1,056,284	892,791
Instructional resources and media services	65,284	75,679	75,091	67,166
Curriculum and staff development	16,183	22,623	14,791	23,226
Instructional leadership	381	186	7,876	2,545
School leadership	213,571	180,892	247,434	259,326
Guidance, counseling, and evaluation svc.	109,117	99,983	109,067	103,915
Social Work Services		1,183		
Health Services	1,575	357		
Student Transportation	398		4,821	2,466
Food Services	3,814,485	3,791,705	3,904,617	3,568,350
Cocurricular/Extracurricular Activities	1,441,675	1,319,423	992,532	980,685
General administration	2,409	1,275	19,964	15,609
Facilities Maintenance and Operations	453,453	401,936	345,475	450,749
Security and monitoring	7,088	3,696	5,365	12,194
Data processing services				
Community services	7,946	10,281	13,943	13,470
Operating Grants and Contributions	34,786,457	34,150,601	22,515,245	20,132,811
Capital Grants and contributions				
Total Primary Government Program Revenues	<u>42,000,760</u>	<u>40,946,472</u>	<u>29,312,505</u>	<u>26,525,303</u>
Net (Expense)/Revenue				
Total Primary Government Net Expense	<u>\$ (166,722,403)</u>	<u>\$ (167,444,810)</u>	<u>\$ (173,795,007)</u>	<u>\$ (160,534,575)</u>

Table 2
Page 1 of 2

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$	85,939,489	\$ 77,640,628	\$ 68,800,517	\$ 62,179,295	\$ 64,186,480	\$ 56,914,380
	3,820,581	3,514,660	3,143,224	2,728,988	2,580,743	2,032,108
	3,303,276	2,579,484	2,268,760	1,625,188	1,979,548	1,670,497
	1,162,792	1,022,484	849,633	791,120	680,994	600,473
	8,464,935	7,576,769	7,001,025	6,292,320	6,323,812	5,640,986
	4,722,770	4,321,876	3,967,392	3,642,550	3,448,082	3,071,957
	264,432	172,844	198,232	175,078	136,402	
	1,440,727	1,166,643	1,109,559	1,113,650	1,003,706	832,396
	5,916,371	5,750,299	5,243,935	4,719,206	4,279,843	3,606,258
	7,486,650	7,153,506	6,239,179	5,149,827	4,986,223	4,304,619
	5,081,456	5,003,610	4,391,876	4,271,686	3,935,956	3,458,265
	4,043,427	3,714,824	3,410,368	3,102,273	3,092,437	3,013,549
	14,572,997	13,677,476	12,258,394	12,762,548	11,308,903	9,077,456
	829,415	1,084,024	923,009	302,802	206,181	174,674
	3,428,639	3,366,470	3,307,263	2,180,069	1,768,869	1,110,884
	90,737	114,557	52,110	77,212	41,958	35,438
	13,817,715	13,957,491	13,264,035	12,805,720	12,664,175	14,246,533
	453,026	186,230	6,750	31,707	148,689	131,740
	3,068	3,540	5,192	8,496	3,481	3,481
	<u>164,842,503</u>	<u>152,007,415</u>	<u>136,440,453</u>	<u>123,959,735</u>	<u>122,776,482</u>	<u>109,925,694</u>
	643,611	653,310	274,933	249,088	206,992	
	70,740	73,044				
	11,144	7,829				
	2,237	128				
	257,417	293,656				
	75,382	19,002				
	1,590	1,603				
	3,211,394	3,133,213	3,073,719	2,731,637	2,659,658	2,498,812
	874,388	957,687	349,648	244,352	244,305	
	25,398	22,940				
	264,901	428,983	289,166	190,562	106,637	
	12,918	9,659				
		11,387				
	11,519					
	15,463,959	16,062,555	13,955,970	12,253,965	13,170,029	10,357,636
						505,241
	<u>20,926,598</u>	<u>21,674,996</u>	<u>17,943,436</u>	<u>15,669,604</u>	<u>16,387,621</u>	<u>13,361,689</u>
\$	<u>(143,915,905)</u>	<u>(130,332,419)</u>	<u>(118,497,017)</u>	<u>(108,290,131)</u>	<u>(106,388,861)</u>	<u>(96,564,005)</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

CHANGES IN NET ASSETS

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General Revenues and Other Changes in Net Assets				
Governmental Activities:				
Property Taxes, Levied for General Purposes	\$ 74,151,360	\$ 77,282,606	\$ 74,503,421	\$ 67,412,374
Property Taxes, Levied for Debt Service	29,893,334	31,230,001	30,245,042	27,692,617
Investment Earnings	493,138	417,602	2,409,191	3,154,609
State Aid - Formula Grants - Unrestricted	70,295,035	61,748,632	63,547,951	63,915,202
Grants and Contributions Not Restricted to Specific Programs			22,211	454,740
Miscellaneous	557,567	50,311	171,723	159,794
Special item - gain on sale of asset				
Total Primary Government General Revenues	<u>175,390,434</u>	<u>170,729,152</u>	<u>170,899,539</u>	<u>162,789,336</u>
Change in Net Assets - Total Primary Government	<u>\$ 8,668,031</u>	<u>\$ 3,284,342</u>	<u>\$ (2,895,468)</u>	<u>\$ 2,254,761</u>

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ 82,211,619	\$ 78,954,378	\$ 73,138,632	\$ 67,363,426	\$ 64,255,195	\$ 48,017,817
19,516,637	18,340,815	17,114,748	15,763,326	13,739,980	9,222,948
3,162,914	2,221,687	2,171,642	578,440	907,667	1,406,793
43,064,029	29,988,064	27,797,716	21,697,418	22,135,391	33,007,077
1,536,777	407,493	333,760	177,614	260,259	185,237
135,298	641,285	188,198	268,832	564,637	482,043
3,819,045					
153,446,319	130,553,722	120,744,696	105,849,056	101,863,129	92,321,915
\$ 9,530,414	\$ 221,303	\$ 2,247,679	\$ (2,441,075)	\$ (4,525,732)	\$ (4,242,090)

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General Fund				
Nonspendable:				
Investment in inventories	\$ 268,198	\$ 279,763	\$ 118,398	\$ 162,937
Prepaid items	788,398	777,320	618,129	161,630
Assigned:				
Other purposes	10,548			
Unassigned	24,206,347	16,625,462	12,685,986	16,177,531
Total General Fund	<u>\$ 25,273,491</u>	<u>\$ 17,682,545</u>	<u>\$ 13,422,513</u>	<u>\$ 16,502,098</u>
 All Other Governmental Funds				
Nonspendable:				
Investment in inventories	\$ 108,093	\$	\$	\$
Prepaid items	167,593	13,398		
Restricted:				
Grant Funds	808,623	1,899,183	1,677,007	2,455,148
Capital acquisitions and contractual obligations	77,757,689	86,530,605	106,398,420	135,301,946
Debt Service	1,643,443	3,096,937	4,116,832	3,696,794
Committed:				
Other committed	1,210,069	985,576	878,098	783,375
Assigned:				
Unassigned			(56)	(183,955)
Total All Other Governmental Funds	<u>\$ 81,695,510</u>	<u>\$ 92,525,699</u>	<u>\$ 113,070,301</u>	<u>\$ 142,053,308</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>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ 181,528	\$ 230,335	\$ 112,175	\$ 71,819	\$ 90,643	\$ 104,135
145,240		52,209	70,019	563,541	424,225
<u>18,805,325</u>	<u>11,612,955</u>	<u>8,066,264</u>	<u>4,944,088</u>	<u>6,945,856</u>	<u>5,179,845</u>
<u>\$ 19,132,093</u>	<u>\$ 11,843,290</u>	<u>\$ 8,230,648</u>	<u>\$ 5,085,926</u>	<u>\$ 7,600,040</u>	<u>\$ 5,708,205</u>
\$	\$	\$	\$	\$	\$
3,124,536	2,402,284	1,064,459	638,912	414,549	579,053
18,789,413		27,925,290	25,441,721	10,481,108	15,760,302
1,845,631	2,489,505	2,096,576	1,999,718	1,675,442	1,565,289
771,607	757,850	1,734,984	1,755,625	1,909,393	1,820,971
<u>(116,314)</u>	<u>(6,712,267)</u>	<u>(88,613)</u>		<u>(135,785)</u>	<u>(8,371)</u>
<u>\$ 24,414,873</u>	<u>\$ (1,062,628)</u>	<u>\$ 32,732,696</u>	<u>\$ 29,835,976</u>	<u>\$ 14,344,707</u>	<u>\$ 19,717,244</u>

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Revenues				
Local, Intermediate, and Out-of-State	\$ 112,980,468	\$ 116,404,455	\$ 113,426,921	\$ 107,933,585
State Programs	80,241,196	70,435,028	73,381,316	73,095,749
Federal Programs	24,618,084	25,303,610	12,669,277	11,233,950
Total Revenues	<u>217,839,748</u>	<u>212,143,093</u>	<u>199,477,514</u>	<u>192,263,284</u>
Expenditures				
Current:				
Instruction	104,586,009	104,374,052	99,246,993	91,042,438
Instructional Resources and Media Services	2,888,856	2,877,675	3,390,660	3,161,886
Curriculum and Instructional Staff Development	6,118,963	6,056,306	5,472,684	4,085,028
Instructional Leadership	2,455,813	2,563,892	2,016,242	1,671,651
School Leadership	9,941,114	9,863,547	10,576,334	9,894,351
Guidance, Counseling, and Evaluation Services	6,373,232	6,633,242	5,969,339	5,918,195
Social Work Services	473,573	441,668	441,284	422,553
Health Services	1,832,548	1,596,312	1,585,411	1,478,116
Student Transportation	7,421,508	7,094,022	6,963,600	6,862,075
Food Services	10,533,520	9,723,969	9,222,653	8,603,027
Cocurricular/Extracurricular Activities	5,712,394	5,661,053	4,852,312	4,413,903
General Administration	3,780,020	3,631,310	3,692,732	3,686,453
Facilities Maintenance and Operations	12,974,345	15,314,846	14,900,930	15,590,266
Security and Monitoring Services	3,818,430	2,752,632	2,260,900	1,125,442
Data Processing Services	3,557,499	4,069,284	2,268,351	1,768,997
Community Services	251,683	136,274	125,400	113,423
Principal on Long-term Debt	11,784,934	14,870,000	12,140,000	17,565,319
Interest on Long-term Debt	19,789,263	17,624,815	19,528,347	13,436,105
Bond Issuance Costs and Fees	276,591	210,049	4,450	6,900
Facilities Acquisition and Construction	3,679,392	10,102,907	23,460,093	11,881,210
Payments related to shared services arrangements	2,505,714	2,379,337	2,881,565	
Payments to Juvenile Justice Alt. Ed. Prgm.	15,642		19,987	14,141
Other Intergovernmental Charges	564,007	555,974	568,410	513,372
Total Expenditures	<u>221,335,050</u>	<u>228,533,166</u>	<u>231,588,677</u>	<u>203,254,851</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,495,302)</u>	<u>(16,390,073)</u>	<u>(32,111,163)</u>	<u>(10,991,567)</u>

Table 4
Page 1 of 2

2007	2006	2005	2004	2003	2002
\$ 107,849,751	\$ 106,355,368	\$ 98,199,466	\$ 88,588,856	\$ 82,986,724	\$ 63,086,657
50,877,181	36,262,538	33,038,480	26,870,932	31,492,650	38,393,348
8,995,786	9,598,405	7,816,368	5,645,983	4,927,806	3,879,467
<u>167,722,718</u>	<u>152,216,311</u>	<u>139,054,314</u>	<u>121,105,771</u>	<u>119,407,180</u>	<u>105,359,472</u>
82,344,130	74,274,567	65,614,093	59,918,270	62,181,147	55,360,972
3,524,940	3,241,542	2,877,924	2,518,545	2,388,229	1,859,793
3,298,576	2,576,041	2,265,606	1,625,403	1,982,018	1,676,236
1,161,885	1,020,874	881,600	790,986	682,074	603,147
8,220,585	7,355,922	6,810,296	6,160,037	6,205,979	5,548,397
4,685,561	4,283,200	3,934,529	3,620,811	3,434,237	3,070,798
265,076	172,198	197,332	174,691	136,427	
1,438,394	1,164,311	1,108,736	1,113,034	1,005,511	837,993
5,871,150	5,698,488	5,190,783	4,726,043	4,246,125	3,595,890
7,092,533	6,725,532	5,739,430	4,880,059	4,638,974	3,980,283
4,037,054	4,073,224	3,621,513	3,650,957	3,409,359	2,956,438
3,951,122	3,577,837	3,319,737	2,854,169	2,509,975	2,555,886
14,139,174	13,627,565	12,516,801	12,750,846	11,448,132	9,143,461
960,688	1,079,581	1,075,320	362,873	203,591	172,019
1,599,842	1,482,856	963,767	856,635	802,467	639,064
62,456	96,539	51,930	77,047	41,968	35,438
9,950,000	8,956,835	9,215,278	6,144,703	4,762,689	2,471,167
14,321,841	13,830,485	12,847,738	12,754,534	12,714,356	13,672,396
5,616	11,642				
12,134,341	29,500,286	26,032,431	9,161,594	20,338,305	54,349,158
3,068	3,540	5,192	8,496	3,481	3,481
<u>179,068,032</u>	<u>182,753,065</u>	<u>164,270,036</u>	<u>134,149,733</u>	<u>143,135,044</u>	<u>162,532,017</u>
<u>(11,345,314)</u>	<u>(30,536,754)</u>	<u>(25,215,722)</u>	<u>(13,043,962)</u>	<u>(23,727,864)</u>	<u>(57,172,545)</u>

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Other Financing Sources (Uses)				
Refunding Bonds Issued	\$ 23,655,000	\$ 20,420,000	\$	\$
Issuance of Capital Related Debt (Regular Bonds)				121,715,000
Premium/Discount from Issuance of Bonds	1,467,626	2,413,495		4,220,319
Other Resources				
Sale of Real and Personal Property	5,478		43,440	55,912
Other Sources (Uses)		(63,245)	5,138	8,774
Transfers In	1,073,910		56,650	
Transfers Out	(1,073,910)		(56,650)	
Payment to Refunded Bond Escrow Agent	(24,859,196)	(22,625,843)		
Total Other Financing Sources (Uses)	<u>268,908</u>	<u>144,407</u>	<u>48,578</u>	<u>126,000,005</u>
Special items	<u>(12,850)</u>	<u>(38,904)</u>		
Net Change in Fund Balances	<u>\$ (3,239,244)</u>	<u>\$ (16,284,570)</u>	<u>\$ (32,062,585)</u>	<u>\$ 115,008,438</u>
Debt Service as a Percentage of				
Noncapital Expenditures	14.69%	15.06%	15.24%	15.89%

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$	\$	\$ 101,253,912	\$	\$	\$ 10,422,316
40,000,000		30,281,476	25,915,000	20,013,053	59,560,000
1,867			80,000		
					24,331
4,106,574	100	2,394	15,741	214,809	414,865
3,177		111,836	10,376	23,800	
	78,378	35,062			
	(78,378)	(35,062)			
		(100,392,454)			(10,570,606)
<u>44,111,618</u>	<u>100</u>	<u>31,257,164</u>	<u>26,021,117</u>	<u>20,251,662</u>	<u>59,850,906</u>
<u>\$ 32,766,304</u>	<u>\$ (30,536,654)</u>	<u>\$ 6,041,442</u>	<u>\$ 12,977,155</u>	<u>\$ (3,476,202)</u>	<u>\$ 2,678,361</u>
14.55%	14.94%	16.05%	15.21%	14.26%	14.94%

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

Table 5

Fiscal Year Ended August 31,	Appraised Value		Less Exemptions Travis	Taxable Assessed Value	Total Direct Rate (2)
	Real Property Value Travis & Williamson (1)	Personal Property Value Travis			
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
2003	4,396,745,239	709,269,679	710,394,309	4,395,620,609	1.6900
2002	3,793,515,327	501,965,256	613,825,190	3,681,655,393	1.4700

Sources: Travis Central Appraisal District and Williamson Central Appraisal District

(1) Williamson County values are before freeze. Prior to fiscal year 2008, Williamson appraisal information maintained by and included in Travis Central Appraisal District 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	2011 ⁽⁵⁾	2010	2009	2008 ⁽¹⁾
Overlapping Rates:				
Austin, City of	\$ 0.4571	\$ 0.4209	\$ 0.4012	\$ 0.4034
Kelly Lane WCID #1	0.9500	0.9500	0.9500	0.9500
Lakeside MUD #3	0.9000	0.9000	0.9000	0.9000
Lakeside MUD #2D	0.9700	0.9700	0.9700	0.9700
Lakeside WCID #1	0.9000	0.8500	0.8500	0.8500
Lakeside WCID #2-B	0.9700	0.9700	0.9700	0.9700
Lakeside WCID #2-C	0.9700	0.9400	0.9000	0.9000
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	0.6040	0.6090	0.6140	0.6190
Travis County	0.4215	0.4215	0.4122	0.4216
Travis County Emergency Service #2	0.1000	0.0997	0.1000	0.1000
Travis County MUD #15	0.3325	0.3325	0.2925	0.2500
Wells Branch MUD	0.4700	0.4700	0.4700	0.4800
Williamson County	0.4600			
Williamson Co. Water, Sewer, Irrigation and DD #3	0.8150	0.7999	0.7730	0.7730
Total Overlapping Rates	\$ 10.9694	\$ 10.3828	\$ 10.2522	\$ 10.2363
District Direct Rates:				
Pflugerville ISD				
Maintenance and Operations	\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.0400
Debt Service	0.4200	0.4200	0.4200	0.4300
Total District Direct Rates	\$ 1.4600	\$ 1.4600	\$ 1.4600	\$ 1.4700

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 #2B and Travis County MUD #15 not available prior to 2003

3) Data for Lakeside WCID #2C not available prior to 2005

4) Data for Northeast Travis County UD not available prior to 2004

5) Data for Williamson County not available prior to 2011

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

Table 6

<u>2007</u>	<u>2006⁽⁶⁾</u>	<u>2005⁽³⁾</u>	<u>2004⁽⁴⁾</u>	<u>2003⁽²⁾</u>	<u>2002</u>
\$ 0.4126	\$ 0.4430	\$ 0.4430	\$ 0.4928	\$ 0.4597	\$ 0.4597
0.8700	0.8700	0.8700	0.8700	0.8700	0.8700
0.8700	0.8700	0.8700	0.8700	0.8700	
0.8200	0.8700	0.8700			
0.9300	0.9300	0.9300	0.9300		
0.7500	0.7500	0.7500	0.7500	0.6500	0.6500
0.6240	0.6350	0.6400	0.6417	0.6299	0.6299
0.4499	0.4993	0.4872	0.4918	0.4660	0.4660
0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
0.2500	0.2300	0.4940	0.6500	0.6500	
0.4800	0.4800	0.4800	0.5000	0.5050	0.5200
0.8500	0.8500				
<u>\$ 7.4065</u>	<u>\$ 7.5273</u>	<u>\$ 6.9342</u>	<u>\$ 6.2963</u>	<u>\$ 5.2006</u>	<u>\$ 3.6956</u>
\$ 1.3600	\$ 1.5000	\$ 1.4900	\$ 1.5000	\$ 1.3925	\$ 1.2350
0.3200	0.3500	0.3400	0.3500	0.2975	0.2350
<u>\$ 1.6800</u>	<u>\$ 1.8500</u>	<u>\$ 1.8300</u>	<u>\$ 1.8500</u>	<u>\$ 1.6900</u>	<u>\$ 1.4700</u>

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

Table 7

Taxpayer	2011			2002		
	Assessed Value	Rank	Percentage of Total Assessed Value	Assessed Value	Rank	Percentage of Total Assessed Value
Dell USA LP	\$ 133,557,731	1	1.97%	\$		
Dell Inc.	63,962,919	2	0.94%			
Oracle USA Inc	54,358,089	3	0.80%			
A-S 93 SH 130-SH 45 LP	47,181,138	4	0.69%			
Target Corporation	37,723,453	5	0.56%			
AMB/TR Four 2001 Ltd.	37,630,739	6	0.55%			
Oncor Electric Delivery Co	34,835,620	7	0.51%	29,564,150	6	0.80%
San Paloma Apartments 100 LP	33,000,000	8	0.49%			
Tech Ridge Austin LLC	29,000,000	9	0.43%			
MBS - Sage Creek Ltd.	28,138,320	10	0.41%			
Applied Materials				230,156,618	1	6.25%
State Street Bank & Trust Comp.				151,662,364	2	4.12%
Dell Computer Corp.				110,526,702	3	3.00%
Societe Generale Financial Corp.				48,353,857	4	1.31%
Zavala Properties II, Inc.				35,500,000	5	0.96%
AMB/TR Three 2000 Ltd.				28,395,844	7	0.77%
Southwestern Bell Telephone Co.				26,161,478	8	0.71%
Simpson Parmer Ridge Limited				23,246,210	9	0.63%
Chardonnay at Wells Branch Assoc.				21,500,000	10	0.58%
Totals	<u>\$ 499,388,009</u>		<u>7.35%</u>	<u>\$ 705,067,223</u>		<u>19.15%</u>
Total Assessed Value	<u>\$ 6,790,496,168</u>			<u>\$ 3,681,655,393</u>		

Source: Travis Central Appraisal District

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

Table 8

Fiscal Year	Tax Levy For The Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date	
		Amount	Percentage of Net Tax Levy		Amount	Percent of Total Tax Collections To Net Tax Levy
2011	\$ 104,299,773	\$ 103,466,286	99.20%	\$	\$ 103,466,286	99.20%
2010	108,187,522	107,041,100	98.94%	577,119	107,618,219	99.47%
2009	104,331,449	103,367,737	99.08%	630,253	103,997,990	99.68%
2008	95,788,497	95,563,864	99.77%	21,254	95,585,118	99.79%
2007	98,058,936	97,306,560	99.23%	541,981	97,848,541	99.79%
2006	96,866,139	95,756,426	98.85%	955,177	96,711,603	99.84%
2005	89,623,503	88,400,947	98.64%	1,089,739	89,490,686	99.85%
2004	84,213,265	82,763,360	98.28%	1,175,493	83,938,853	99.67%
2003	76,213,874	75,813,609	99.47%	163,916	75,977,525	99.69%
2002	56,675,339	56,085,127	98.96%	468,957	56,554,084	99.79%

(1) Appraised value less exemptions equal taxable assessed value. The beginning taxable value net of adjustments times the tax rate set by the District's Board of Trustees each fall 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	Total Primary Government		
2011	\$ 346,240,000	\$ 346,240,000	5.10%	\$ 16,179
2010	358,634,934	358,634,934	5.17%	17,311
2009	375,344,934	375,344,934	5.34%	18,457
2008	387,484,934	387,484,934	6.30%	19,891
2007	282,399,934	282,399,934	4.92%	15,193
2006	252,349,934	252,349,934	5.09%	14,323
2005	261,306,769	261,306,769	5.41%	15,743
2004	242,642,079	242,642,079	5.36%	15,450
2003	222,871,782	222,871,782	5.07%	14,881
2002	207,634,468	207,634,468	5.64%	14,397

(1) See Table 5 for assessed value data.

(2) See Table 16 for student enrollment data.

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

Table 10

Fiscal Year	Gross Bonded Debt	Less Amount Available in Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt To Assessed Value (1)	Net Bonded Debt Per Student (2)
2011	\$ 346,240,000	\$ 1,643,443	\$ 344,596,557	5.07%	\$ 16,103
2010	358,634,934	3,096,937	355,537,997	5.13%	17,162
2009	375,344,934	4,116,832	371,228,102	5.28%	18,255
2008	387,484,934	3,696,794	383,788,140	6.24%	19,702
2007	282,399,934	1,845,631	280,554,303	4.89%	15,093
2006	252,349,934	2,489,505	249,860,429	5.04%	14,182
2005	261,306,769	2,096,576	259,210,193	5.37%	15,617
2004	242,642,079	1,999,718	240,642,361	5.32%	15,323
2003	222,871,782	1,675,442	221,196,340	5.03%	14,769
2002	207,634,468	1,565,289	206,069,179	5.60%	14,289

(1) See Table 5 for assessed value data.

(2) See Table 16 for student enrollment data.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMPUTATION OF ESTIMATED DIRECT AND OVERLAPPING DEBT

Table 11

August 31, 2011

<u>Taxing Body</u>	<u>Net Debt Amount</u>	<u>Outstanding As of</u>	<u>Percent Overlapping</u>	<u>Share of Debt</u>
Overlapping:				
Austin, City of	\$ 1,104,567,994	08/31/11	3.66%	\$ 40,427,189
Austin Community College District	93,163,659	08/31/11	3.66%	3,409,790
Kelly Lane WCID #1	4,140,000	08/31/11	100.00%	4,140,000
Lakeside MUD #3	3,000,000	08/31/11	100.00%	3,000,000
Lakeside WCID #1	5,765,000	08/31/11	100.00%	5,765,000
Lakeside WCID #2-B	6,560,000	08/31/11	100.00%	6,560,000
Lakeside WCID #2-C	5,590,000	08/31/11	100.00%	5,590,000
Lakeside WCID #2-D	4,210,000	08/31/11	100.00%	4,210,000
Northeast Travis County UD	18,505,000	08/31/11	100.00%	18,505,000
Northtown MUD	24,590,000	08/31/11	100.00%	24,590,000
Pflugerville, City of	159,050,000	08/31/11	100.00%	159,050,000
Travis County	604,794,987	08/31/11	6.97%	42,154,211
Travis County Emergency Service #2	1,820,000	08/31/11	100.00%	1,820,000
Travis County MUD #15	7,010,000	08/31/11	100.00%	7,010,000
Wells Branch MUD	1,615,000	08/31/11	36.36%	587,214
Williamson County	813,584,942	08/31/11	0.02%	162,717
Williamson Co. Water, Sewer, Irrigation and DD #3	22,487,754	08/31/11	30.19%	<u>6,789,053</u>
Total Net Overlapping Debt				<u><u>333,770,174</u></u>
Direct:				
Pflugerville ISD	346,240,000	08/31/11	100.00%	<u>346,240,000</u>
Total Direct and Overlapping Debt				<u><u>\$ 680,010,174</u></u>

Source: "Texas Municipal Reports" published by the Municipal Advisory Council of Texas.

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 overlapping government.

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

Table 12

Fiscal Year	Residential Units (1)	Total Assessed Value of Residential Units (2)	Average Assessed Value Per Residential Unit	Average Daily Attendance (3)	Unemployment Rate (4)
2010-11	33,455	\$ 6,890,666,818	\$ 205,968	21,400	7.6%
2009-10	32,846	7,188,110,975	218,843	20,717	7.3%
2008-09	32,166	7,068,940,692	219,764	20,336	7.3%
2007-08	30,925	6,426,290,064	207,802	19,480	4.4%
2006-07	29,630	5,876,402,048	198,326	18,588	4.0%
2005-06	28,359	5,112,202,484	180,267	17,618	4.4%
2004-05	27,088	4,988,929,753	184,175	16,598	4.4%
2003-04	25,942	4,625,016,969	178,283	15,705	4.7%
2002-03	24,748	4,631,433,790	187,144	14,977	6.2%
2001-02	23,256	3,885,294,753	167,066	14,422	5.9%

(1) Source: Travis Central 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

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PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

Table 13

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

Employer	2011			2002		
	Employees	Rank	Percentage of Top Ten Employers	Employees	Rank	Percentage of Top Ten Employers
Pflugerville Independent School District	2,631	1	61.66%	1,905	1	62.56%
Wal-Mart (1)	298	2	6.98%			
City of Pflugerville (1)	282	3	6.61%	200	3	6.57%
HEB Grocery	215	4	5.04%	400	2	13.14%
Target	192	5	4.50%			
Avant Technologies	154	6	3.61%			
Flextronics	150	7	3.52%			
Austin Foam Plastics	137	8	3.21%	180	4	5.91%
Home Depot	106	9	2.48%			
Advanced Integration Technologies	102	10	2.39%			
Tinseltown				100	5	3.28%
Albertson's				100	6	3.28%
Pflugerville Care Center				75	7	2.46%
Co Com Cabling				35	8	1.15%
Beall's				30	9	0.99%
Goodwill Industries				20	10	0.66%
Total Employed	4,267		100.00%	3,045		100.00%

Source: Pflugerville Community Development Corp., PISD Business Office, Onco Economic Development Department
 (1) Updated data for 2011 unavailable. Number of employees from 2010 used.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

DEMOGRAPHIC STATISTICS

LAST TEN YEARS

Fiscal Year	(C) Estimated School District Population	(B) Area Population	(B) Personal Income	(B) Per Capita Personal Income	(A) Labor Force	(A) Employment
2011	116,118		\$	\$	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
2003	N/A	1,376,030	43,263,603,000	31,441	759,133	710,993
2002	N/A	1,347,822	42,085,349,000	31,225	751,836	707,213

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

(B) Bureau of Economic Analysis, Austin-Round Rock-San Marcos Metropolitan Statistical Area

Data for 2011 unavailable

(C) 2002 - 2010 data from U.S. Census Bureau, American Community Survey. 2011 data provided by Templeton Demographics, LLC

Table 14

(A)	(A) Percent	(A)	(A)	(A)	(A)
Unemployment	Unemployment	Construction	Manufacturing	Trades	Government
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
48,140	6.3%	36,600	59,400	110,900	146,600
44,623	5.9%	37,600	67,800	113,800	142,700

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

Position	2011	2010	2009	2008	2007
Teachers					
Teacher/Special Duty Teacher	1,508.2	1,450.2	1,458.0	1,379.3	1,256.0
Substitute Teacher	0.1				
Teacher Totals	1,508.3	1,450.2	1,458.0	1,379.3	1,256.0
Professional Support					
Counselor	49.5	40.4	45.1	49.6	36.2
Educational diagnostician	8.0	8.9	8.0	7.0	5.0
Librarian	25.0	24.4	25.7	24.0	24.0
Occupational Therapist	5.2	4.6	4.4	3.7	4.5
Orientation and Mobility Specialist	1.0	1.0	1.0	1.0	
Physical Therapist	2.0	4.0	4.0	3.5	3.0
Nurse	27.0	25.4	24.9	24.7	24.6
LSSP/Psychologist	19.0	18.1	20.0	20.0	20.0
Social Worker	7.0	5.5	6.5	6.5	4.0
Speech Language Pathologist	24.6	20.8	22.4	20.2	20.8
Truant Officer	1.0				
Teacher Facilitator	51.7	28.0	41.1	24.1	30.1
Athletic Trainer	4.9	4.8	3.9	1.0	1.0
Campus Professional Personnel	10.6	11.0	12.0	8.0	3.0
Non Campus Professional Personnel	56.6	37.0	34.0	26.0	22.0
Professional Support Totals	293.1	233.9	253.0	219.3	198.2
Campus Administration					
Assistant Principal	47.0	47.0	53.0	45.0	41.0
Executive Director/Program Director	6.0				
Principal	25.9				
Teacher Supervisor	20.6				
Athletic Director	5.8	24.4	27.0	27.0	24.9
Campus Administration Totals	105.3	71.4	80.0	72.0	65.9
Central Administration					
Assistant/Deputy Supt	4.0	1.0	4.0	1.0	1.0
Instructional Officer	27.0	23.0	26.9	14.4	14.0
Superintendent	1.0	1.0	1.0	1.0	1.6
Teacher Supervisor	3.0	4.5	5.0	5.0	6.0
Athletic Director	1.0				
Director of HR		1.0	1.0	2.0	1.0
Central Administration Totals	36.0	30.5	37.9	23.4	23.6
Educational Aides					
Aides	318.7	275.6	269.6	207.1	199.5
Educational Aides Totals	318.7	275.6	269.6	207.1	199.5
Auxiliary Support					
Includes Clerical, Secretarial, Grounds, Custodial, Maintenance	369.6	456.4	376.2	435.2	357.6
Auxiliary Support Totals	369.6	456.4	376.2	435.2	357.6
Total Employees	2,631.0	2,518.0	2,474.7	2,336.3	2,100.8

Source: PEIMS

(1) Detail data was not available for 2002

Table 15

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002 (1)</u>
1,174.9	1,082.1	1,028.7	1,019.0	1,025.3
<u>1,174.9</u>	<u>1,082.1</u>	<u>1,028.7</u>	<u>1,019.0</u>	<u>1,025.3</u>
35.1	32.5	32.5	32.1	
7.0	7.5	4.5	5.5	
22.0	20.0	19.8	18.0	
4.3	4.3	4.3	4.5	
0.8	0.5			
2.8	2.5	2.0	2.0	
22.9	20.7	21.0	20.0	
17.9	14.9	17.0	14.9	
4.0	6.8	3.0	2.9	
19.9	17.4	15.8	15.9	
21.5	13.5	9.3	5.2	
3.0	1.8	1.0	1.0	
20.0	20.0	18.3	17.3	
<u>181.2</u>	<u>162.4</u>	<u>148.5</u>	<u>139.3</u>	<u>120.3</u>
36.4	32.6	31.0	32.0	
22.0	22.0	22.0	21.0	
<u>58.4</u>	<u>54.6</u>	<u>53.0</u>	<u>53.0</u>	<u>52.6</u>
1.0	1.3	1.3	1.3	
16.8	15.4	17.3	12.0	
1.0		1.0	1.0	
			7.5	
	0.3		0.3	
<u>1.0</u>	<u>1.0</u>			
<u>19.8</u>	<u>18.0</u>	<u>19.6</u>	<u>22.1</u>	<u>19.7</u>
144.9	156.3	134.1	138.0	127.9
<u>144.9</u>	<u>156.3</u>	<u>134.1</u>	<u>138.0</u>	<u>127.9</u>
387.8	353.0	345.0	306.4	284.6
<u>387.8</u>	<u>353.0</u>	<u>345.0</u>	<u>306.4</u>	<u>284.6</u>
<u>1,967.0</u>	<u>1,826.4</u>	<u>1,728.9</u>	<u>1,677.8</u>	<u>1,630.4</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

OPERATING STATISTICS

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Average Daily Attendance</u>	<u>Operating Expenditures</u>	<u>Cost Per Student</u>	<u>Percentage Change</u>	<u>Government Wide Expenses</u>
2011	21,400	\$ 183,079,098	\$ 8,555	-4.57%	\$ 208,934,878
2010	20,717	185,725,395	8,965	3.32%	208,391,282
2009	20,336	176,455,787	8,677	5.40%	203,107,512
2008	19,480	160,365,317	8,232	7.26%	187,059,878
2007	18,588	142,666,234	7,675	3.65%	164,842,503
2006	17,618	130,453,817	7,405	5.79%	152,007,415
2005	16,598	116,174,589	6,999	3.62%	136,440,453
2004	15,705	106,088,902	6,755	-3.94%	123,959,735
2003	14,977	105,319,694	7,032	10.19%	122,776,482
2002	14,422	92,039,296	6,382	6.61%	109,925,694

(1) Teaching Staff includes Teachers and Teacher Assistants.

Source: Yearly audit "Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds Operating expenditures are total expenditures less debt service and capital outlay (to the extent capitalized for the government-wide statement of net assets) and expenditures for capitalized assets included within the functional expenditures categories.

Table 16

Cost Per Student	Percentage Change	Teaching Staff (1)	Student to Teacher Ratio	Percentage of Students in Free/Reduced Lunch Program
\$ 9,763	-2.94%	1,502	14.25	52.60%
10,059	0.71%	1,475	14.05	50.40%
9,988	4.01%	1,458	13.95	42.31%
9,603	8.28%	1,382	14.10	44.30%
8,868	2.78%	1,256	14.80	41.71%
8,628	4.96%	1,175	14.99	40.21%
8,220	4.15%	1,082	15.34	36.86%
7,893	-3.72%	1,029	15.26	33.76%
8,198	7.55%	1,019	14.70	29.34%
7,622	N/A	1,025	14.07	25.47%

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PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
TEACHER BASE SALARIES
LAST TEN FISCAL YEARS

Table 17

Fiscal Year	Minimum Salary (1)	Maximum Salary (1)	Region Average Salary (2)	Statewide Average Salary (2)
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
2003	33,000	47,500	39,047	39,974
2002	32,000	47,000	38,324	39,232

(1) Source: District records

(2) Source: Texas Education Agency website, AEIS report

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

Building:	2011	2010	2009	2008
HIGH SCHOOLS				
Pflugerville High School				
Square Footage	335,550	310,448	285,346	285,346
Capacity	2,550	2,475	2,400	2,400
Enrollment	2,237	2,244	2,290	2,219
Hendrickson High School				
Square Footage	380,130	380,130	380,130	380,130
Capacity	2,500	2,500	2,500	2,500
Enrollment	2,108	1,911	1,947	1,810
Connally High School				
Square Footage	314,876	298,333	281,790	281,790
Capacity	2,250	2,325	2,400	2,400
Enrollment	1,946	2,044	2,084	2,006
Opportunity Center				
Square Footage	19,691	19,691	19,691	19,691
Capacity	256	256	256	256
Enrollment	0			183
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	1,028	1,069	1,074	1,153
Westview Middle School				
Square Footage	112,245	112,245	112,245	112,245
Capacity	1,100	1,100	1,100	1,100
Enrollment	955	896	858	821
Park Crest Middle School				
Square Footage	116,800	116,800	116,800	116,800
Capacity	1,300	1,300	1,300	1,300
Enrollment	942	874	862	921
Dessau Middle School				
Square Footage	121,200	121,200	121,200	121,200
Capacity	1,300	1,300	1,300	1,300
Enrollment	995	1,007	1,029	1,033
Kelly Lane Middle School				
Square Footage	139,000	139,000	139,000	139,000
Capacity	1,250	1,250	1,250	1,250
Enrollment	1,106	1,029	1,022	861
Opportunity Center				
Square Footage				
Capacity				
Enrollment				21

Source: District Records

Table 18
Page 1 of 3

2007	2006	2005	2004	2003	2002
285,346	285,346	285,346	285,346	285,346	285,346
2,400	2,400	2,400	2,400	2,400	2,400
2,110	2,029	2,065	2,180	2,474	2,267
380,130	380,130	380,130	380,130	380,130	
2,500	2,500	2,500	2,500	2,500	
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
1,969	1,852	1,850	1,876	1,858	1,845
19,691					
256					
167	129	128	85	61	73
111,036	111,036	111,036	111,036	111,036	111,036
1,375	1,375	1,375	1,375	1,375	1,375
1,063	1,080	1,031	1,031	1,048	957
112,245	112,245	112,245	112,245	112,245	112,245
1,100	1,100	1,100	1,100	1,100	1,100
843	848	842	841	810	846
116,800	116,800	116,800	116,800	116,800	116,800
1,300	1,300	1,300	1,300	1,300	1,300
903	1,371	1,253	1,081	1,018	961
121,200	121,200	121,200	121,200	121,200	121,200
1,300	1,300	1,300	1,300	1,300	1,300
990	962	893	873	838	785
139,000	139,000				
1,250	1,250				
655					
13	18	23	7	12	15

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

Building:	2011	2010	2009	2008
ELEMENTARY SCHOOLS				
Parmer Lane Elementary School				
Square Footage	63,634	63,634	63,634	63,634
Capacity	650	650	650	650
Enrollment	543	613	619	615
Timmerman Elementary School				
Square Footage	58,792	58,792	58,792	58,792
Capacity	550	550	550	550
Enrollment	574	530	524	516
Pflugerville Elementary School				
Square Footage	77,922	77,922	77,922	77,922
Capacity	600	600	600	600
Enrollment	520	519	530	538
Northwest Elementary School				
Square Footage	62,000	62,000	62,000	62,000
Capacity	600	600	600	600
Enrollment	623	599	584	528
Dessau Elementary School				
Square Footage	64,150	64,150	64,150	64,150
Capacity	650	650	650	650
Enrollment	623	588	586	525
Windermere Elementary School				
Square Footage	66,272	66,272	66,272	66,272
Capacity	750	750	750	750
Enrollment	488	477	481	492
River Oaks Elementary School				
Square Footage	66,512	66,512	66,512	66,512
Capacity	750	750	750	750
Enrollment	526	475	476	473
Brookhollow Elementary School				
Square Footage	66,512	66,512	66,512	66,512
Capacity	750	750	750	750
Enrollment	549	577	572	611
Spring Hill Elementary School				
Square Footage	68,600	68,600	68,600	68,600
Capacity	750	750	750	750
Enrollment	741	746	743	706
Windermere Primary School				
Square Footage	68,752	68,752	68,752	68,752
Capacity	750	750	750	750
Enrollment	612	642	650	565

Source: District Records

Table 18
Page 2 of 3

2007	2006	2005	2004	2003	2002
63,634	63,634	63,634	63,634	63,634	63,634
650	650	650	650	650	650
674	677	661	646	604	571
58,792	58,792	58,792	58,792	58,792	58,792
550	550	550	550	550	550
478	497	488	480	500	489
77,922	77,922	77,922	77,922	77,922	77,922
600	600	600	600	600	600
540	523	507	528	534	496
62,000	62,000	62,000	62,000	62,000	62,000
600	600	600	600	600	600
498	533	515	497	467	611
64,150	64,150	64,150	64,150	64,150	64,150
650	650	650	650	650	650
539	524	477	437	392	641
66,272	66,272	66,272	66,272	66,272	66,272
750	750	750	750	750	750
513	570	562	538	473	625
66,512	66,512	66,512	66,512	66,512	66,512
750	750	750	750	750	750
528	529	559	568	632	609
66,512	66,512	66,512	66,512	66,512	66,512
750	750	750	750	750	750
645	793	702	555	546	700
68,600	68,600	68,600	68,600	68,600	68,600
750	750	750	750	750	750
637	579	557	619	636	688
68,752	68,752	68,752	68,752	68,752	68,752
750	750	750	750	750	750
614	683	668	624	542	670

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

Building:	2011	2010	2009	2008
Copperfield Elementary School				
Square Footage	77,922	77,922	77,922	77,922
Capacity	850	850	850	850
Enrollment	600	621	613	630
Murchison Elementary School				
Square Footage	77,922	77,922	77,922	77,922
Capacity	850	850	850	850
Enrollment	834	861	860	798
Delco Primary School				
Square Footage	68,752	68,752	68,752	68,752
Capacity	750	750	750	750
Enrollment	701	649	630	625
Caldwell Elementary School				
Square Footage	73,007	73,007	73,007	73,007
Capacity	800	800	800	800
Enrollment	760	729	750	734
Rowe Lane Elementary School				
Square Footage	75,007	75,007	75,007	75,007
Capacity	750	750	750	750
Enrollment	728	726	698	681
Highland Park Elementary School				
Square Footage	75,007	75,007	75,007	75,007
Capacity	750	750	750	750
Enrollment	692	849	845	858
Wieland Elementary School				
Square Footage	75,490	75,490	75,490	75,490
Capacity	750	750	750	750
Enrollment	766	676	680	648
Riojas Elementary School				
Square Footage	71,624	71,624		
Capacity	700	700		
Enrollment	453			

Source: District Records

Table 18
Page 3 of 3

2007	2006	2005	2004	2003	2002
77,922	77,922	77,922	77,922	77,922	77,922
850	850	850	850	850	850
783	742	705	746	682	692
77,922	77,922	77,922	77,922	77,922	77,922
850	850	850	850	850	850
598	557	874	784	725	653
68,752	68,752	68,752	68,752	68,752	68,752
750	750	750	750	750	750
648	635	539	458	435	
73,007	73,007	73,007	73,007	73,007	73,007
800	800	800	800	800	800
664	808	773	587	519	
75,007	75,007				
750	750				
550	488				
75,007	75,007				
750	750				
666					
75,490					
750					

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Federal Awards Section

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**Independent Auditors' Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards***

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Pflugerville Independent School District (the "District") as of and for the year ended August 31, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 12, 2012. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have 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*.

This report is intended solely for the information and use of the board of trustees, management, others within the entity, the Texas Education Agency and other applicable federal awarding agencies and pass-through entities and is not intended to be, and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Null-Lairson, PC". The signature is written in a cursive, flowing style.

Null-Lairson, PC
Houston, Texas
January 12, 2012

**Independent Auditors' Report on Compliance with Requirements that Could have a Direct and Material Effect on each Major Program and on Internal Control over Compliance
in Accordance with OMB Circular A-133**

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

Compliance

We have audited Pflugerville Independent School District's (the "District") compliance with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2011. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year end August 31, 2011.

Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the 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 for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Closing

This report is intended solely for the information and use of the board of trustees, management, others within the organization, the Texas Education Agency and other applicable federal awarding agencies and pass-through entities and is not intended to be, and should not be used by anyone other than these specified parties.



Null-Lairson, PC
Houston, Texas
January 12, 2012

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended August 31, 2011

I. Summary Of Auditors' Results

Financial Statements

Type of auditors' report issued	Unqualified
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?	None noted

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:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section .510(a) 2-7 of OMB Circular A-133	None

Identification of Major Programs:

CFDA Numbers	Name of Federal Program or Cluster:
	<u>Title I, Part A Cluster:</u>
84.010A	ESEA Title I - Improving Basic Programs
84.389A	ESEA Title I - Improving Basic Programs ARRA
	<u>Special Education Cluster:</u>
84.027A	IDEA Part B – Formula
84.173A	IDEA Part B – Preschool
84.027A	IDEA Part B – Discretionary (High Cost Funds)
84.391A	IDEA Part B – Formula ARRA
84.392A	IDEA Part B – Preschool ARRA
	<u>Title II, Part D Cluster:</u>
84.318X	ESEA Title II, Part D Enhancing Education through Technology
84.386A	ESEA Title II, Part D Enhancing Education through Technology ARRA
84.394A	Title XIV SFSF ARRA

Dollar threshold used to distinguish between type A and type B federal programs \$706,791

Auditee qualified as a low-risk auditee Yes

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
For The Year Ended August 31, 2011

II. Financial Statement Findings

None noted

II. Federal Awards Findings and Questioned Costs

None noted

IV. Status of Prior Year Findings

Finding #10-01 **Resolved.** The District's investment officers attended the required amount of
Investment training to comply with PFIA requirements.
Officer Training

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2011

Exhibit K-1

(2A)	(1)	(2)	(3)
Pass-Through Entity Identifying Number	Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Federal Expenditures
	U.S. Department of Agriculture		
	Passed Through State Department of Education:		
	Cash Assistance:		
71401101	School Breakfast Program*	10.553	\$ 1,606,732
71301101	National School Lunch Program*	10.555	4,695,230
	Total Passed Through the State Department of Education		<u>6,301,962</u>
	Passed Through Texas Department of Agriculture:		
	Noncash assistance:		
3000801	National School Lunch Program - USDA Commodities*	10.555	456,030
	Total Department of Agriculture		<u>6,757,992</u>
	U.S. Department of Education		
	Direct:		
S515L060191	Smaller Learning Communities	84.215L	136,425
	Total Smaller Learning Communities		<u>136,425</u>
	Pass Through State Department of Education:		
10691001227904	ESEA Title IV - Safe and Drug Free Schools	84.186A	9,966
	Total ESEA Title IV - Safe and Drug Free Schools		<u>9,966</u>
10610101227904	ESEA Title I - Improving Basic Programs**	84.010A	77,081
11610101227904	ESEA Title I - Improving Basic Programs**	84.010A	1,949,475
12610101227904	ESEA Title I - Improving Basic Programs**	84.010A	116,234
	Total ESEA Title I - Improving Basic Programs		<u>2,142,790</u>
116600012279046600	IDEA Part B - Formula***	84.027A	3,178,507
126600012279046600	IDEA Part B - Formula***	84.027A	249,983
	Total IDEA Part B Formula		<u>3,428,490</u>
116610012279046610	IDEA Part B - Preschool***	84.173A	41,814
126610012279046610	IDEA Part B - Preschool***	84.173A	4,714
	Total IDEA Part B Preschool		<u>46,528</u>
11420006227904	Vocational Education - Carl D. Perkins	84.048A	175,457
	Total Vocational Education - Carl D. Perkins		<u>175,457</u>
11694501227904	ESEA Title II, Part A - Teacher and Principal Training	84.367A	356,468
12694501227904	ESEA Title II, Part A - Teacher and Principal Training	84.367A	25,815
	Total ESEA Title II, Part A - Teacher and Principal Training		<u>382,283</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2011

Exhibit K-1
(continued)

(2A)	(1)	(2)	(3)
Pass-Through Entity Identifying Number	Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Federal Expenditures
	U.S. Department of Education (continued)		
11630001227904	<i>ESEA Title II, Part D - Enhancing Education through Technology****</i>	84.318X	\$ 7,486
	Total ESEA Title II, Part D - Enhancing Education through Technology		<u>7,486</u>
11671001227904	<i>ESEA Title III, Part A - English Language Acquisition</i>	84.365A	435,073
12671001227904	<i>ESEA Title III, Part A - English Language Acquisition</i>	84.365A	27,731
	Total ESEA Title III, Part A - English Language Acquisition		<u>462,804</u>
106950137110044	<i>Texas 21st Community Learning Centers</i>	84.287C	1,090,554
126950177110044	<i>Texas 21st Community Learning Centers</i>	84.287C	35,197
	Total Texas 21st Community Learning Centers		<u>1,125,751</u>
11557001227904	<i>Title XIV SFSF ARRA</i>	84.394A	6,165,405
	Total Title XIV SFSF ARRA		<u>6,165,405</u>
10553001227904	<i>ESEA Title II, Part D - Enhancing Education through Technology ARRA****</i>	84.386A	69,565
105530027110022	<i>ESEA Title II, Part D - Enhancing Education through Technology ARRA - SSA****</i>	84.386A	221,559
	Total ESEA Title II, Part D - Enhancing Education through Technology ARRA		<u>291,124</u>
10554001227904	<i>IDEA Part B - Formula ARRA***</i>	84.391A	1,743,990
	Total IDEA Part B Formula ARRA		<u>1,743,990</u>
10555001227904	<i>IDEA Part B - Preschool ARRA***</i>	84.392A	31,863
	Total IDEA Part B Preschool ARRA		<u>31,863</u>
10551001227904	<i>ESEA Title I - Improving Basic Programs ARRA**</i>	84.389A	423,764
	Total ESEA Title I - Improving Basic Programs ARRA		<u>423,764</u>
69551002	<i>LEP Summer School Program</i>	84.369A	19,338
	Total LEP Summer School Program		<u>19,338</u>
11660006227904	<i>IDEA Part B - Discretionary (High Cost Funds)</i>	84.027A	31,914
	Total IDEA Part B - Discretionary (High Cost Funds)		<u>31,914</u>
	Total Pass-Through Texas Education Agency		<u>16,488,953</u>
	Pass-Through Education Service Center Region X:		
00-028	<i>Texas Support for Homeless Education Program (TEXSHEP)</i>	84.196	42,267
A09-006	<i>Texas Support for Homeless Education Program (TEXSHEP) ARRA</i>	84.387	7,330
	Total Passed Through Region X Education Service Center		<u>49,597</u>
	Passed Through Region XIII Education Service Center:		
00-006	<i>Texas Support for Homeless Education Program (TEXSHEP)</i>	84.196	4,000
0551030271213	<i>Texas Placement Spanish Language Middle School Program</i>	84.330C	61
S385A100176	<i>Teacher Incentive Fund - ARRA</i>	84.385A	77,936
	Total Passed Through Region XIII Education Service Center		<u>81,997</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2011

Exhibit K-1
(continued)

(2A)	(1)	(2)	(3)
Pass-Through Entity Identifying Number	Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Federal Expenditures
	U.S. Department of Education (continued)		
	Passed through Austin Community College:		
31-4-91132-6580-00	<i>Regional Science Collaborative</i>	84.366B	\$ 7,148
111704.19	<i>Vocational Education - Tech Prep</i>	84.243	4,597
	Total Passed Through Austin Community College		<u>11,745</u>
	Total U.S. Department of Education		<u>16,768,717</u>
	U.S. Department of Health and Human Services		
	Passed through University of Texas:		
UTA09-000790	<i>I-CAN Grant Program</i>	93.865	<u>2,993</u>
	Total U.S. Department of Health and Human Services		<u>2,993</u>
	U.S. Department of Energy		
	Direct:		
DEFG2607NP43205	<i>State Energy Program</i>	81.041	<u>30,000</u>
	Total U.S. Department of Energy		<u>30,000</u>
	Total Expenditures of Federal Awards		<u><u>\$ 23,559,702</u></u>

- * Child Nutrition Cluster
- ** Title I, Part A Cluster
- *** Special Education Cluster
- **** Title II, Part D - Enhancing Education Through Technology Cluster

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 deferred 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, 2011. 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 assets or cash flows of the District.

Note 3 - Reconciliation of Basic Financial Statements

Federal Program Revenues (Per Exhibit C-3)	\$ 24,618,084
SHARS	(1,000,294)
JROTC	(58,088)
	<u>\$ 23,559,702</u>

Note 4 - Subrecipients

Of the federal expenditures presented in the schedule, the District provided federal awards to subrecipients as follows:

<u>CFDA Number</u>	<u>Program Name</u>	<u>Amount Provided to Subrecipients</u>
84.386A	ESEA Title II, Part D - Enhancing Education through Technology (ARRA) SSA	\$ 181,436

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)

Exhibit K-2

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, 2011, are as follows:

<u>Program or Source</u>	<u>CFDA Number</u>	<u>Amount</u>
SHARS		\$ 1,000,294
JROTC		58,088
Indirect Costs:		
ESEA Title I - Improving Basic Programs	84.010A	42,352
ESEA Title I - Improving Basic Programs ARRA	84.389A	4,478
IDEA Part B - Formula	84.027A	67,667
IDEA Part B - Formula ARRA	84.391A	32,801
IDEA Part B - Preschool	84.173A	924
IDEA Part B - Preschool ARRA	84.392A	637
Vocational Education - Carl D. Perkins	84.048A	3,520
ESEA Title IV - Safe and Drug Free Schools	84.186A	198
ESEA Title II, Part A - Teacher and Principal Training	84.367A	7,571
ESEA Title III, Part A - English Language Acquisition	84.365A	8,953
ESEA Title II, Part D - Enhancing Education through Technology	84.318X	140
ESEA Title II, Part D - Enhancing Education through Technology ARRA - SSA	84.386A	5,058
Texas Support for Homeless Education Program (TEXSHEP)	84.196	815
Texas Support for Homeless Education Program ARRA	84.387	146
Smaller Learning Communities	84.215L	2,816
Texas 21st Community Learning Centers	84.287C	22,260
Total		<u><u>\$ 1,258,718</u></u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
August 31, 2011

Exhibit L-1

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 unqualified 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	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end	<u>\$ -</u>

DO NOT PRINT