

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

For the Year Ended August 31, 2010

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

Dr. Carol Fletcher
President

Ms. Elva Gladney
Vice-President

Dr. Cynthia Graves
Secretary

Mr. James Hamann
Member

Mr. Jimmy Don Havins
Member

Mr. Mario Acosta
Member

Mrs. Vernagene Mott
Member

ADMINISTRATION

Mr. Charles E. Dupre
Superintendent of Schools

Mr. Keith McBurnett
Deputy Superintendent/Chief Academic Officer

Dr. Kenneth Adix
Chief Financial Officer

Dr. Terrence Eaton
Assistant Superintendent, HHS Learning Community

Dr. Lori Einfalt
Assistant Superintendent, CHS Learning Community

Mrs. Cindy Gee
Assistant Superintendent, PHS Learning Community

Dr. Barbara Gideon
Executive Director of Curriculum and Instruction

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

ADMINISTRATION (continued)

Mr. Bill Clayton
Executive Director of Facilities & Support Services

Mr. Darin Hathcock
Acting Executive Director of Human Resources

Mr. Victor Valdez
Executive Director of Technology and Planning

Ms. Amanda Brim
Director of Community Relations

CONSULTANTS AND ADVISORS

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

Vinson & Elkins, L.L.P.
Bond Counsel

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


CERTIFICATE OF THE BOARD

Pflugerville Independent School District
Name of School District

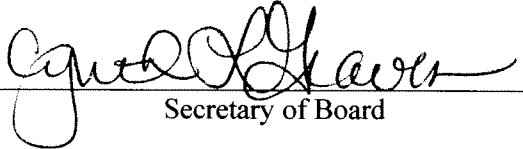
Travis
County

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, 2010, at a meeting of the Board of Trustees of such school district on January 13, 2011.



President of Board



Secretary of Board



January 13, 2011

Dr. Carol Fletcher, President and
Board of Trustee Members and Citizens of
Pflugerville Independent School District
1401 West Pecan
Pflugerville, Texas 78660

Dear Dr. Fletcher, 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, 2010.

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 22,064 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 9.6% in September 2010. At the state and local level employment rates were better as the Texas unemployment rate was 8.1% and the Austin area was at 6.8% 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.

There are currently thirty active housing developments which will add over 1,400 additional homes being tracked by Metrostudy. Further, 34 new developments are planned which, according to the district's demographer, will eventually include over 18,300 homes.

Many new businesses opened in Pflugerville during 2010. These included two Walgreen's, Pflugerville Nursing Home and Rehab, National Scooter Company, A+ Federal Credit Union, Express MD, several personal fitness training, insurance and financial planning businesses, Vintage 685, Office Depot, Pflugerville Dermatology, Panda Express, Nuernberg Brahaus and Speedpro Image. 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 2010, the Chief Appraiser of the Travis County Appraisal District certified all taxable properties in the District subject to appraisals to be valued at \$6,855,802,522. The total tax rate for the 2009-2010 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 2009-2010 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

In 2010, the District as a whole received a rating of “RECOGNIZED” from the Texas Education Agency. Timmerman Elementary, Rowe Lane Elementary, Murchison Elementary, Pflugerville Elementary, and Kelly Lane Middle received an Exemplary rating while Copperfield Elementary, Hendrickson High, Pflugerville High, Dessau Middle, Park Crest Middle, Pflugerville Middle, Brookhollow Elementary, Caldwell Elementary, Highland Park Elementary, Northwest Elementary, River Oaks Elementary, Spring Hill Elementary, Parmer Lane Elementary, Windermere Elementary, and Windermere Primary received a Recognized rating. All other campuses were Academically Acceptable. Twenty out of twenty-five campuses received Gold Performance Acknowledgments (GPA) from the Texas Education Agency for 2010.

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, 2010 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 \$6.4 million in revenue via the State Fiscal Stabilization Fund (SFSF). These funds were used to pay \$1.1 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 2009-10. In prior years, these expenses were paid with Fund 199.

RISK MANAGEMENT

During the 2009-2010 school year, the Pflugerville ISD continued to offer a fully-funded employee group health insurance plan and continued with a self-funded workers' compensation plan. The District increased its medical insurance contribution from \$285 to \$303 toward the total employee's cost for the medical plans that could include coverage for a spouse, child(ren) or family. There were no changes to the plan benefits for the 2009-2010 year and no changes in 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 2009-2010 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 \$480,583,308. 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

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, 2009. 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

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, 2009. 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.

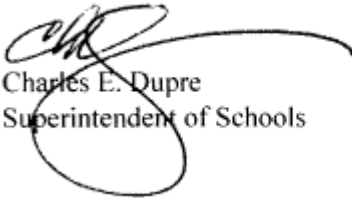
Acknowledgments

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.

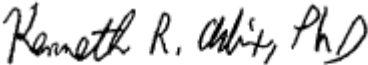
Special appreciation is also expressed to members of the business office staff for their assistance and effort in maintaining the financial records of the District. Individual recognition is directed to Mary Rabalais, Jo Zaneck, Craig Pruett, Jackie Porter, Janet Maluschka, Sue Holmes, Lisa Campbell, 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,

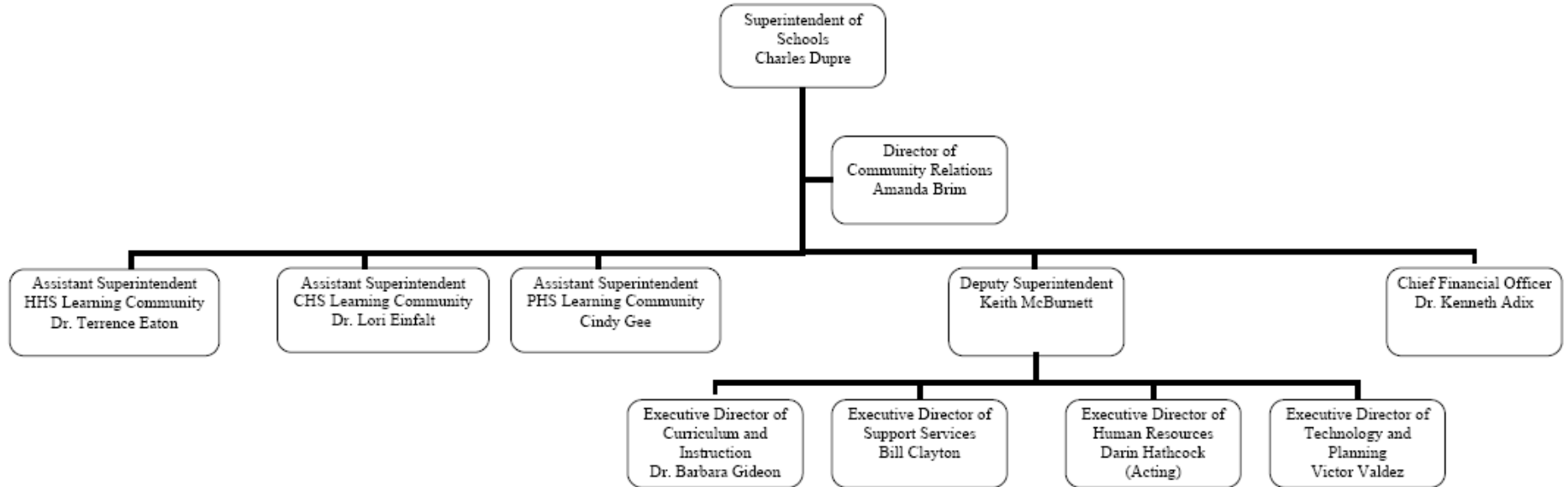


Charles E. Dupre
Superintendent of Schools



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, 2009

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.



President

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, 2009

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

Erin Green

President

John D. Quasar

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, 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, 2010, 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides 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, each major fund, and the aggregate remaining fund information of the District as of August 31, 2010, and the respective changes in financial position, and, where applicable, cash flows 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 6, 2011, 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, 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.

To the Board of Trustees
Pflugerville Independent School District
Pflugerville, Texas
Page 2

The management's discussion and analysis and budgetary comparison information on pages 5 through 15 and 57 through 58, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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, other supplementary information, Texas Education Agency required schedules and statistical section listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the District. 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 Local Governments and Non-Profit Organizations*, and in addition to the combining statements and schedules and the Texas Education Agency required schedules listed in the table of contents, are not a required part of the basic financial statements of the District. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

The Introductory Section and Statistical Section listed in the foregoing 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 on them.



Null-Lairson, PC
Texas City, Texas
January 6, 2011

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, 2010. 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

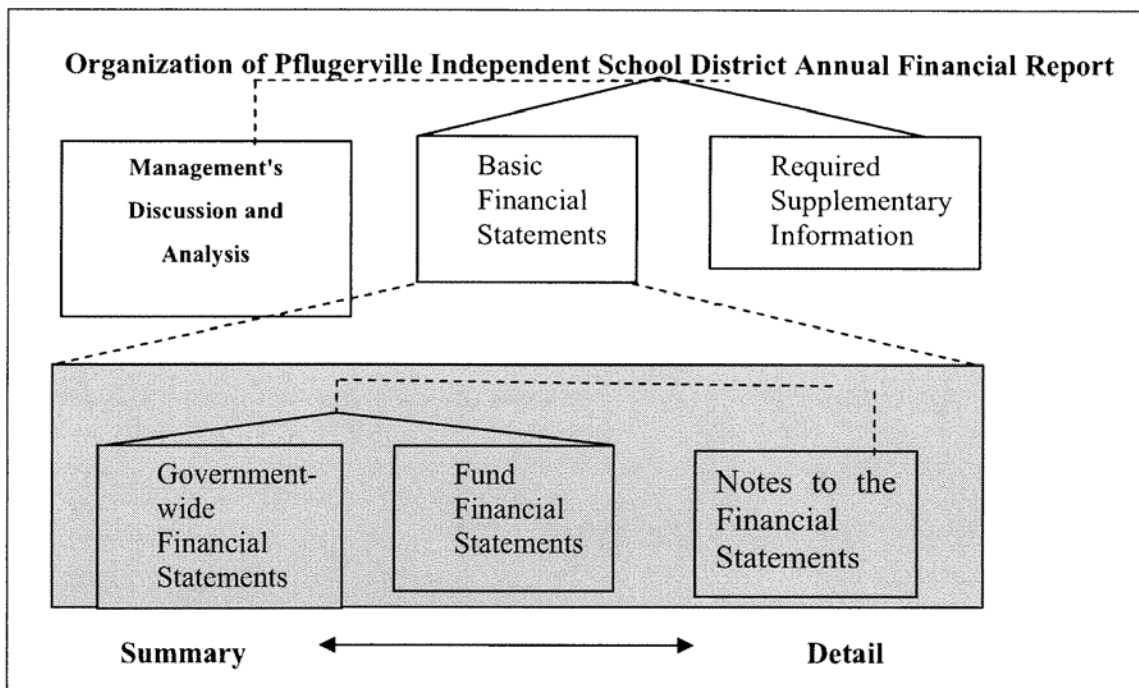
- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$54,135,037 (*net assets*). Of this amount, \$20,008,756 (*unrestricted net assets*) may be used to meet the District's ongoing obligations to students and creditors.
- Total net assets of the District's governmental activities increased by \$3,284,342 or about 6.46%.
- The total fund balance of the general fund was \$17,682,545 and was an increase of \$4,260,032 from the prior year. The undesignated, unreserved fund balance of the General Fund was \$16,625,462, or 11.47% of total Operating Fund expenditures and other financing uses.

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 has one internal service fund that accounts for a worker's compensation insurance program. This internal service fund profit has 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 for Governmental Activities were \$54,135,037 at August 31, 2010. The following table compares twelve months of operations for the 2008-2009 fiscal year to twelve months of operations for the 2009-2010 fiscal year.

Pflugerville Independent School District's Net Assets

	<u>2010</u>	<u>2009</u>
Current Assets		
Cash and temporary investments	\$ 116,146,387	\$ 114,173,496
Property taxes receivables, net	3,229,636	3,376,716
Due from other governments	4,121,741	2,867,300
Accrued interest	136,050	205,751
Internal balances	16,447	
Other receivables, net	316,797	48,129
Inventories	279,763	189,959
Deferred expenses	866,946	647,690
Capital bond and other debt issuance costs	2,138,210	2,048,260
Total current assets	<u>127,251,977</u>	<u>123,557,301</u>
Capital assets, net of depreciation	310,230,122	305,432,455
Long term investments		17,827,047
Total Assets	<u>437,482,099</u>	<u>446,816,803</u>
Liabilities		
Current Liabilities		
Accounts payable and interest payable	4,384,048	4,900,638
Accrued liabilities	2,218,469	1,985,739
Due to fiduciary funds, student groups and other governments	167,481	197,095
Accrued expenditures	1,126,868	880,646
Deferred revenue	4,798,410	2,383,539
Total current liabilities	<u>12,695,276</u>	<u>10,347,657</u>
Noncurrent Liabilities		
Due within one year	14,541,940	14,570,000
Due in more than one year	356,109,846	371,048,451
Total non-current liabilities	<u>370,651,786</u>	<u>385,618,451</u>
Total liabilities	<u>383,347,062</u>	<u>395,966,108</u>
Net Assets		
Invested in capital assets, net of related debt	30,170,927	32,247,876
Restricted for:		
Federal and State Programs		
Food Service	791,409	555,646
Debt service	3,163,945	4,211,088
Unrestricted	20,008,756	13,836,085
Total net assets	<u>\$ 54,135,037</u>	<u>\$ 50,850,695</u>

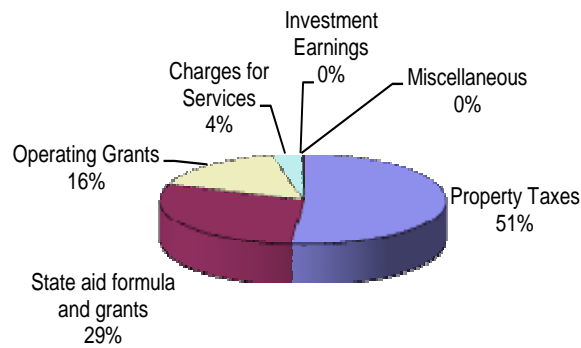
PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Changes in net assets

Net assets increased overall by \$3.3 million mainly due to the expenditures coming in less than revenue in the Food Service and General Fund and the local, state and federal revenue coming in higher than expected.

The District's total general revenues, charges for services, and operating grants and contributions were \$211,675,624. A significant portion, 51.26%, of the District's revenue comes from taxes. (See Figure A-3.) 45.30% comes from state aid formula and federal government grants, and 3.41% relates to investment earnings and charges for services. The total cost of all programs and services was \$208,391,282. Of these costs, 51.85% are related to instruction.

Figure A-3 District Sources of Revenue for Fiscal Year 2010



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

Change in Pflugerville Independent School District's Net Assets

	2010	2009
Program Revenues		
Charges for services	\$ 6,795,871	\$ 6,797,260
Operating grants	34,150,601	22,515,245
General Revenues		
Property taxes	108,512,607	104,748,463
State aid	61,748,632	63,547,951
Grants and contributions not restricted		22,211
Interest earnings	417,602	2,409,191
Other	50,311	171,723
Total Revenues	211,675,624	200,212,044
Expenses		
11 Instruction	108,060,717	103,394,889
12 Instructional resources and media services	3,188,391	3,705,657
13 Curriculum and staff development	6,051,164	5,482,628
21 Instructional leadership	2,557,375	2,027,673
23 School leadership	10,098,502	10,818,210
31 Guidance, counseling, and evaluation services	6,792,197	6,033,629
32 Social work services	441,736	441,932
33 Health services	1,594,137	1,597,561
34 Student transportation	7,139,172	7,008,750
35 Food service	10,620,252	9,830,910
36 Extracurricular activities	6,067,801	6,013,120
41 General administration	3,709,032	3,764,274
51 Facilities maintenance and operations	15,502,842	15,368,510
52 Security and monitoring services	2,137,943	2,325,743
53 Data processing services	3,851,350	3,246,828
61 Community services	136,274	125,400
72 Interest on long-term debt	17,507,086	18,422,579
81 Capital outlay		29,257
93 Payments related to shared services arrangements	2,379,337	2,881,565
Payments to Juvenile Justice Alternative Education		
95 Programs		19,987
99 Payments to Central Appraisal District	555,974	568,410
Total Expenses	208,391,282	203,107,512
Increase (Decrease) in Net Assets	3,284,342	(2,895,468)
Beginning net assets	50,850,695	53,746,163
Ending Net Assets	\$ 54,135,037	\$ 50,850,695

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

Governmental Activities

- Property tax rates for the 2009-2010 fiscal year remained at \$1.46 per \$100 of valuation. Taxable values for the 2010 fiscal year increased by 3.19%.

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 \$208.4 million.
- The amount that local taxpayers paid for these activities through property taxes was \$108.5 million.
- Those who directly benefited paid some of the cost from the programs, \$6.8 million, or by grants and contributions \$34.2 million.

Net Cost of Selected District Functions

	Total Cost of Services		Percent Change	Net Cost of Services		Percent Change
	2010	2009		2010	2009	
Instruction	\$ 108,060,717	\$ 103,394,889	5%	\$ 92,938,471	\$ 89,889,252	3%
School Leadership	10,098,502	10,818,210	-7%	3,955,060	9,985,725	-60%
Facilities Maintenance & Operations	15,502,842	15,368,510	1%	14,738,936	14,668,922	0%
Debt Service - Interest	17,507,086	18,422,579	-5%	17,507,086	18,422,579	-5%

Financial Analysis of the District's Funds

Revenues from governmental fund types totaled \$212,143,093, an increase of 12.7 million from the preceding year. State aid decreased due to funding previously provided by the State was provided by the Federal government through the State Fiscal Stabilization Funding (Fund 266). The increase in federal revenues is primarily due to an increase in federal program revenue distributed through the Texas Education Agency and the Department of Human Services.

General Fund Budgetary Highlights

Over the course of the year, the District recommended and the Board approved several revisions to budgeted revenue and appropriations. With these adjustments, actual expenditures were \$2,214,709 less than final budgeted amounts. The most significant variances resulted from staffing.

Resources available were \$1,064,781 more than the final budgeted amount:

- Local tax collections for current and prior years were more than budgeted.
- Federal program revenues were slightly more than budgeted.

Bottom-line, the change in fund balance for the year of \$4,260,032 was \$3,271,041 better than the final budgeted net increase of \$988,991.

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

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 \$4,260,032, due to revenues exceeding expenditures in the current year. The Debt Service Fund balance decreased because of decreased state revenue and higher principal payments. 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:

Major Fund Balances			
Fund	2010	2009	Percent Change
General Fund	\$ 17,682,545	\$ 13,422,513	32%
Debt Services	3,096,937	4,116,832	-25%
Capital Projects	86,530,605	106,398,420	-19%

General Fund

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

Revenue Sources	2010	Percent Realized	2009	Increase (Decrease)	Percent Change
Local	\$ 79,117,346	53%	\$ 76,030,520	\$ 3,086,826	4%
State	68,801,978	46%	68,392,548	409,430	1%
Federal	1,436,457	1%	711,642	724,815	102%
Total	\$ 149,355,781	100%	\$ 145,134,710	\$ 4,221,071	

Local revenues, which are generated primarily from property taxes, increased by 4.1 percent relative to the 2008-2009 school year. State revenue increased by 0.6 percent. Federal revenues make up only 0.96 percent of total realized revenues. The amount of \$1,436,457 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 \$144,993,600 a decrease of 2.17% from last year.

Function	Expenditures 2010	Percent Expended	Expenditures 2009	Increase (Decrease)	Percent Change
Instruction	\$ 97,333,417	67%	\$ 96,055,218	\$ 1,278,199	1%
Instruction/Leadership	6,128,473	4%	11,985,951	(5,857,478)	-49%
Pupil Services	19,470,471	13%	18,538,860	931,611	5%
Admin. Support	3,630,132	3%	3,674,211	(44,079)	-1%
Support Services	15,601,156	11%	14,448,029	1,153,127	7.98%
Community Services	28,591	0%	33,992	(5,401)	-16%
Payments to Juvenile Justice		0%	19,987	(19,987)	-100%
Other Intergovernmental Charges	2,801,360	2%	3,449,975	(648,615)	-19%
Total	\$ 144,993,600	100.00%	\$ 148,206,223	\$ (3,212,623)	

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Instruction and instructional related expenditures increased by \$1,278,199 or 1.33 percent. This increase was largely due to additional staff and a salary increase for instructional staff. Instructional and school leadership expenditures decreased by \$5,857,478 or 48.87 percent. This decrease is largely due to moving salaries and benefits for principals, assistant principals and librarians to Fund 266 (State Fiscal Stabilization Fund). The increase of 5.03 percent or \$931,611 in Pupil Services was attributable to an increase in salaries for staff and additional staff.

Support Services, which includes facilities maintenance, utilities, security/monitoring, property insurance and data processing expenditures increased by \$1,153,127 or 7.98 percent.

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 \$5,965,325. Revenues exceeded expenditures and other uses in the school breakfast and lunch program by \$235,809.

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 operation of the workers' compensation program is accounted for in this fund. The District retains a partial risk on its workers' compensation program. Reinsurance is retained for individual claims of \$300,000. Net operating income for the workers' compensation program was \$45,593.

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, 2010, general governmental capital assets of the District amounted to \$310,230,122. Additional information is available in Note 4 to the financial statements.

Capital Assets and Debt Administration

Capital Assets

As of August 31, 2010, the District had a net value of \$310,230,122 in a broad range of capital assets, including land, equipment, buildings, and vehicles.

	2010	2009	Percent Change
Land	\$ 25,081,839	\$ 25,010,782	0%
Buildings & Equipment	277,108,433	263,563,054	5%
Construction in Progress	8,039,850	16,858,619	-52%
Net Capital Assets	<u>\$ 310,230,122</u>	<u>\$ 305,432,455</u>	

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

Capital Projects Fund

Interest earnings in the Capital Projects Fund for the 2009-2010 fiscal year was \$299,607.

Long Term Debt

At the end of the year, the District had \$358.6 million in bonds, which represents a 4.45 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) was upgraded to "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 \$1,019,895 resulting in a fund balance of \$3,096,937.

All bonds are direct obligations of the District payable from and secured by the proceeds of a continuing, direct annual ad valorem tax levied, subject to the Texas State Attorney General limits as to rate, against all taxable property within the District. Ten building and refunding bond issues (1999, 2001, 2003, 2004, 2004A, 2005, 2005A, 2006, 2008, and 2010) 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 2009/2010 school year.

Economic Factors and Next Year's Budgets and Rates

- The appraised Net Taxable Value used for the 2010-2011 budget preparation is \$6.9 billion or 2.7% less than the 2009-2010 values. The decreased values generated a decrease in the amount of local tax revenue in the 2010-2011 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 2009-2010.
- The District's student attendance was budgeted to increase by 487 students for a 2010-2011 total attendance of 21,199. The student attendance rate is budgeted at 95.3%.
- State aid increased by approximately \$5.4 million for the 2010-2011 General Fund budget. The District's state funding also increased, due to student attendance increasing and to offset the decrease in property tax revenue.
- General Fund spending per attending student for the 2010-2011 budget increased by \$145 or 2.1%.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

- Expenditures for the 2010-2011 General Fund budget increased overall by \$6.5 million primarily due to additional staff costs associated with student enrollment growth and pay increases.
- If 2010-2011 budget estimates are realized, the District's General Fund Balance is expected to increase slightly by the close of the budget year.

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, 2010

<u>Data Control Codes</u>		<u>Governmental Activities</u>
Assets		
1110	Cash and temporary investments	\$ 116,146,387
1225	Property taxes receivables, net	3,229,636
1240	Due from other governments	4,121,741
1250	Accrued interest	136,050
1267	Due from fiduciary funds	16,447
1290	Other receivables, net	316,797
1300	Inventories	279,763
1410	Deferred expenses	866,946
1420	Capital bond and other debt issuance costs	2,138,210
	Capital assets not subject to depreciation:	
1510	Land	25,081,839
1580	Construction in progress	8,039,850
	Capital assets net of depreciation:	
1520	Buildings and improvements, net	271,119,201
1530	Furniture and equipment, net	5,989,232
1000	Total Assets	<u>437,482,099</u>
Liabilities		
2110	Accounts payable	3,634,956
2140	Interest payable	749,092
2150	Payroll deductions and withholdings	1,766,164
2160	Accrued wages payable	452,305
2180	Due to other governments	165,581
2190	Due to student groups	1,900
2200	Accrued expenses payable	1,126,868
2300	Unearned revenues	4,798,410
	Noncurrent Liabilities:	
2501	Due within one year	14,541,940
2502	Due in more than one year	356,109,846
2000	Total Liabilities	<u>383,347,062</u>
Net Assets		
3200	Invested in capital assets, net of related debt	30,170,927
	Restricted for:	
3840	Food service	791,409
3850	Debt service	3,163,945
3900	Unrestricted	20,008,756
3000	Total net assets	<u>\$ 54,135,037</u>

See Notes to the Financial Statements

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PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended August 31, 2010

Exhibit B-1

Data Control Codes	Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Assets
		Expenses	Charges for Services	Operating Grants and Contributions	Primary Government
					Governmental Activities
Governmental activities:					
11	Instruction	\$ 108,060,717	\$ 886,652	\$ 14,235,594	\$ (92,938,471)
12	Instructional resources and media services	3,188,391	75,679	1,258,246	(1,854,466)
13	Curriculum and staff development	6,051,164	22,623	1,911,702	(4,116,839)
21	Instructional leadership	2,557,375	186	799,490	(1,757,699)
23	School leadership	10,098,502	180,892	5,962,550	(3,955,060)
31	Guidance, counseling, and evaluation services	6,792,197	99,983	1,127,144	(5,565,070)
32	Social work services	441,736	1,183	98,290	(342,263)
33	Health services	1,594,137	357	1,300,906	(292,874)
34	Student transportation	7,139,172		116,464	(7,022,708)
35	Food service	10,620,252	3,791,705	6,061,876	(766,671)
36	Extracurricular activities	6,067,801	1,319,423	152,678	(4,595,700)
41	General administration	3,709,032	1,275	401,960	(3,305,797)
51	Facilities maintenance and operations	15,502,842	401,936	361,970	(14,738,936)
52	Security and monitoring services	2,137,943	3,696	13,285	(2,120,962)
53	Data processing services	3,851,350		115,434	(3,735,916)
61	Community services	136,274	10,281	99,061	(26,932)
72	Interest on long-term debt	17,507,086			(17,507,086)
93	Payments related to shared services arrangements	2,379,337		133,951	(2,245,386)
99	Payments to Central Appraisal District	555,974			(555,974)
TG	Total governmental activities	<u>\$ 208,391,282</u>	<u>\$ 6,795,871</u>	<u>\$ 34,150,601</u>	<u>(167,444,810)</u>

Data Control Codes		
General revenues:		
Taxes:		
MT	Property taxes, levied for general purposes	77,282,606
DT	Property taxes, levied for debt service	31,230,001
SF	State-aid formula grants	61,748,632
IE	Investment earnings	417,602
MI	Miscellaneous	50,311
TR	Total general revenues, special items, and transfers	<u>170,729,152</u>
CN	Change in net assets	3,284,342
NB	Net assets - beginning	<u>50,850,695</u>
NE	Net assets - ending	<u>\$ 54,135,037</u>

See Notes to the Financial Statements

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

August 31, 2010

Data Control Codes	General Fund	Debt Service Funds	Capital Projects Fund
Assets			
1110 Cash and temporary investments	\$ 19,443,652	\$ 3,601,382	\$ 88,848,850
Receivables:			
1220 Delinquent Property taxes receivables	5,439,582	2,096,012	
1230 Allowance for uncollectible taxes (credit)	(3,122,023)	(1,183,935)	
1240 Receivables from other governments	1,989,016		
1250 Accrued interest	12,684		123,132
1260 Due from other funds	1,906,982	5,045	
1290 Other receivables	221,850	86,022	
1300 Inventories, at cost	279,763		
1410 Prepays	777,320		51,785
1000 Total Assets	\$ 26,948,826	\$ 4,604,526	\$ 89,023,767
Liabilities and Fund Balance			
Liabilities:			
2110 Accounts payable	\$ 962,658	\$	\$ 2,037,388
2150 Payroll deduction and withholdings	1,766,164		
2160 Accrued wages payable	429,969		
2170 Due to other funds	34,822		492
2180 Payable to other governments	58,012	26,605	
2190 Due to student and employee groups			
2200 Accrued expenses			455,282
2300 Deferred revenues	6,014,656	1,480,984	
2000 Total Liabilities	9,266,281	1,507,589	2,493,162
Fund Balance:			
Reserved for:			
3410 Investments in inventories	279,763		
3420 Retirement of long-term debt		3,096,937	
3430 Prepaid items	777,320		
3450 Food service operations			
Unreserved, Undesignated Reported in:			
3600 General fund	16,625,462		
3610 Special revenue funds			
3620 Capital projects funds			86,530,605
3000 Total fund balances	17,682,545	3,096,937	86,530,605
4000 Total Liabilities and Fund Balances	\$ 26,948,826	\$ 4,604,526	\$ 89,023,767

See Notes to the Financial Statements.

Exhibit C-1

Other Governmental Funds	Total Governmental Funds
\$ 3,405,475	\$ 115,299,359
	7,535,594
	(4,305,958)
2,080,004	4,069,020
	135,816
44,562	1,956,589
3,975	311,847
	279,763
89,624	918,729
<u>\$ 5,623,640</u>	<u>\$ 126,200,759</u>

\$ 616,303	\$ 3,616,349
	1,766,164
22,335	452,304
1,805,208	1,840,522
80,964	165,581
1,900	1,900
	455,282
198,773	7,694,413
<u>2,725,483</u>	<u>15,992,515</u>

	279,763
	3,096,937
13,398	790,718
778,632	778,632
	16,625,462
2,106,127	2,106,127
	86,530,605
<u>2,898,157</u>	<u>110,208,244</u>
<u>\$ 5,623,640</u>	<u>\$ 126,200,759</u>

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PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS TO
STATEMENT OF NET ASSETS
August 31, 2010

Exhibit C-2

<u>Data Control Codes</u>		
	Total fund balance, governmental funds	\$ 110,208,244
	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	310,230,122
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).	2,896,002
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.	2,138,210
	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	(358,634,934)
5	Premiums on issuance	(13,004,191)
6	Deferred loss on refunding	5,049,325
7	Accreted interest on premium compound interest bonds	(2,660,484)
8	Accrued compensated absences	(1,401,502)
9	Accrued interest payable	(749,092)
10	Addition of Internal Service fund net assets	<u>63,337</u>
19	Total net assets - governmental activities	<u><u>\$ 54,135,037</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, 2010

Data Control Codes		General Fund	Debt Service Funds	Capital Projects Fund
Revenues				
5700	Local, intermediate, and out-of-state	\$ 79,117,346	\$ 31,318,604	\$ 396,513
5800	State program revenues	68,801,978	158,713	
5900	Federal program revenues	1,436,457		
5020	Total revenues	<u>149,355,781</u>	<u>31,477,317</u>	<u>396,513</u>
Expenditures				
Current:				
0011	Instruction	91,484,259		3,579,318
0012	Instruction resources and media services	1,504,085		173,629
0013	Curriculum and instructional staff development	4,345,073		
0021	Instructional leadership	1,869,095		
0023	School leadership	4,259,378		3,387
0031	Guidance, counseling and evaluation services	5,727,838		375
0032	Social work services	362,951		
0033	Health services	1,563,346		3,909
0034	Student transportation	6,983,281		
0035	Food services	93,022		13,011
0036	Extracurricular activities	4,740,033		
0041	General administration	3,630,132		
0051	Facilities maintenance and operations	11,677,030		3,537,360
0052	Security and monitoring services	1,752,222		996,995
0053	Data processing services	2,171,904		1,853,437
0061	Community services	28,591		
Debt service:				
0071	Principal on long-term debt		14,870,000	
0072	Interest on long-term debt		17,624,815	
0073	Bond issuance costs and fees		210,049	
Capital outlay:				
0081	Facilities acquisition and construction			10,102,907
Intergovernmental:				
0093	Payments related to shared services arrangements	2,245,386		
0099	Payments to Central Appraisal District	555,974		
6030	Total Expenditures	<u>144,993,600</u>	<u>32,704,864</u>	<u>20,264,328</u>
1100	Excess (deficiency) of revenues over expenditures	<u>4,362,181</u>	<u>(1,227,547)</u>	<u>(19,867,815)</u>
Other Financing Sources (Uses)				
7911	Issuance of bonds		20,420,000	
7916	Premium or discount on issuance of bonds		2,413,495	
8949	Court mandated tax refunds	(63,245)		
8949	Payments to refunded bonds escrow agent		(22,625,843)	
7080	Total Other Financing Sources (Uses)	<u>(63,245)</u>	<u>207,652</u>	
Special Item				
8912	Special items (use)	(38,904)		
1200	Net change in fund balances	4,260,032	(1,019,895)	(19,867,815)
0100	Fund Balance - beginning	<u>13,422,513</u>	<u>4,116,832</u>	<u>106,398,420</u>
3000	Fund Balance - ending	<u>\$ 17,682,545</u>	<u>\$ 3,096,937</u>	<u>\$ 86,530,605</u>

See Notes to the Financial Statements.

Exhibit C-3

<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 5,571,992	\$ 116,404,455
1,474,337	70,435,028
23,867,153	25,303,610
<u>30,913,482</u>	<u>212,143,093</u>
9,310,475	104,374,052
1,199,961	2,877,675
1,711,233	6,056,306
694,797	2,563,892
5,600,782	9,863,547
905,029	6,633,242
78,717	441,668
29,057	1,596,312
110,741	7,094,022
9,617,936	9,723,969
921,020	5,661,053
1,178	3,631,310
100,456	15,314,846
3,415	2,752,632
43,943	4,069,284
107,683	136,274
	14,870,000
	17,624,815
	210,049
	10,102,907
133,951	2,379,337
	555,974
<u>30,570,374</u>	<u>228,533,166</u>
<u>343,108</u>	<u>(16,390,073)</u>
	20,420,000
	2,413,495
	(63,245)
	(22,625,843)
	<u>144,407</u>
	(38,904)
<u>343,108</u>	<u>(16,284,570)</u>
<u>2,555,049</u>	<u>126,492,814</u>
<u>\$ 2,898,157</u>	<u>\$ 110,208,244</u>

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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, 2010

**Data
Control
Codes**

	Net change in fund balances - total governmental funds (from C-3)	\$ (16,284,570)
	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.	12,811,298
	Depreciation expense taken to Statement of Activities.	(8,012,562)
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.	(1,067)
3	Property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(367,273)
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.	14,870,000
5	Payment to escrow agent for refunding.	22,625,843
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.	(20,420,000)
	Premium received from issuance of long-term debt	(2,413,495)
7	Bond issuance costs paid during the current year will be amortized over the life of the bonds.	206,070
	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:	
8	Decrease in interest payable not recognized in fund statements	34,355
9	Decrease in long-term portion of accrued compensated absences	100,844
10	Accreted interest on capital appreciation bonds and amortization of bond issuance costs	87,353
11	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-3).	47,546
	Change in net assets of governmental activities	<u><u>\$ 3,284,342</u></u>

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, 2010

<u>Data Control Codes</u>		<u>Governmental Activities - Internal Service Fund</u>
	Assets	
	Current assets:	
1110	Cash and cash equivalents	\$ 784,019
1120	Temporary investments, at fair value	63,008
	Receivables:	
1250	Accrued interest receivable	234
1290	Other receivables	5,886
1000	Total Assets	<u>\$ 853,147</u>
	 Liabilities	
	Current liabilities:	
2110	Accounts payable	\$ 17,795
2170	Due to other funds	99,618
2200	Accrued expenses	672,398
2000	Total Liabilities	<u>789,811</u>
	 Net Assets	
3900	Unrestricted net assets	63,336
3000	Total Net Assets	<u>\$ 63,336</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, 2010

Exhibit D-2

Data Control Codes		Governmental Activities - Internal Service Fund
	Operating Revenues	
5754	Interfund services provided and used	\$ 348,541
5749	Miscellaneous Revenue	4,528
5020	Total operating revenues	<u>353,069</u>
	Operating Expenses	
6200	Purchased and contracted services	36,467
6400	Claims expense and other operating expenses	271,009
6030	Total Operating Expenses	<u>307,476</u>
1200	Operating Income (Loss)	<u>45,593</u>
	Non-Operating Revenues (Expenses)	
7020	Earnings - temporary deposits and investments	1,953
	Total Nonoperating Revenues	<u>1,953</u>
1200	Change in Net Assets	47,546
0100	Net Assets - beginning	15,790
3300	Net Assets - ending	<u>\$ 63,336</u>

See Notes to the Financial Statements.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT*Exhibit D-3***STATEMENT OF CASH FLOWS****PROPRIETARY FUNDS***Year Ended August 31, 2010*

	Governmental Activities - Internal Service Fund
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities:	
Cash receipts from interfund services provided	\$ 342,655
Cash receipts from miscellaneous sources	4,528
Cash payments to suppliers for goods and services	(357,116)
Net Cash Provided by (Used for) Operating Activities	<u>(9,933)</u>
Cash Flows from Non-Capital Financing Activities:	
Cash payment to other fund	(130)
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>(130)</u>
Cash Flows from Investing Activities:	
Investment proceeds (net)	279,523
Interest on investments	1,719
Net Cash Provided by Investing Activities	<u>281,242</u>
Net Increase in Cash and Cash Equivalents	271,179
Cash and Cash Equivalents at Beginning of Year	512,840
Cash and Cash Equivalents at End of Year	<u>\$ 784,019</u>
Reconciliation to Balance Sheet	
Cash and Cash Equivalents Per Cash Flow	<u>\$ 784,019</u>
Cash and Cash Equivalents per Balance Sheet	<u>\$ 784,019</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income (Loss)	\$ 45,593
Change in Assets and Liabilities	
Decrease (increase) in Receivables	(5,886)
Increase (decrease) in Accounts Payable	2,962
Increase (decrease) in Accrued Expenses	(52,602)
Net Cash Provided by (Used for) Operating Activities	<u>\$ (9,933)</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT*Exhibit E-1***STATEMENT OF FIDUCIARY NET ASSETS***August 31, 2010*

<u>Data Control Codes</u>		<u>Private- Purpose Trust Fund</u>	<u>Agency Funds</u>
	Assets		
1110	Cash and cash equivalents	\$ 50,320	\$ 279,676
1120	Investments	239,897	
	Receivables:		
1260	Due from other Funds	100	776
	Total Assets	<u>290,317</u>	<u>\$ 280,452</u>
	Liabilities		
2170	Due to other funds		\$ 17,325
2190	Due to others		263,127
2000	Total Liabilities		<u>\$ 280,452</u>
	Net Assets		
3800	Restricted net assets	<u>\$ 290,317</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, 2010

	Private Purpose
	Trust Fund
Additions	
Gifts and contributions	\$ 50,415
Total contributions	<u>50,415</u>
Investment earnings	
Interest	588
Total net investment earnings	<u>588</u>
Total Additions	<u>51,003</u>
Deductions	
Miscellaneous expense	1,784
Total deductions	<u>1,784</u>
Change in net assets	49,219
Net assets - beginning of year	<u>241,098</u>
Net assets - end of year	<u><u>\$ 290,317</u></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* normally are supported by taxes and intergovernmental revenues.

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 fund* is used to account for the operations of the District's workers' compensation self-insurance fund inside the District on a cost reimbursement basis.

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.

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, 2010. 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.

Note 1 - Summary of Significant Accounting Policies (continued)

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 reserved 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.

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.

Effective with the 2001-2002 school year, 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.

Note 1 - Summary of Significant Accounting Policies (continued)

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.

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 reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

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 2010, the District invested in U.S. Government Agency securities, certificates of deposit, the State of Texas Texpool, LOGIC and Texas Association of School Boards Lone Star Investment Pool. TexPool and LOGIC operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. As such, TexPool, and LOGIC use amortized cost to report net assets and share prices, since those amounts approximate fair value. The investment activities of LOGIC are administered by Patterson & Associates and SW Capital Corporation. The net asset value of the District's investment in Lone Star approximates fair value. There is no regulatory oversight by the State of Texas over LOGIC, or Lone Star.

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

	<u>Carrying Value</u>	<u>Weighted Average Maturity (Days)</u>
Cash and deposits	\$ 47,147,179	N/A
Investments		
Certificates of Deposit	20,500,000	169
Local Government Investment Pools		
Lone Star	31,951,425	50
Local Government Investment Cooperative (LOGIC)	11,312	41
Texas CLASS Pool	259,572	39
Texpool	1,443,536	28
Investment Securities		
Federal Home Loan Mortgage Corporation	10,276,665	238
Federal Home Loan Bank	5,126,589	444
Total Investments	<u>69,569,099</u>	
Total Cash and Investments	<u>\$ 116,716,278</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 25 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, 2010, 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
Federal Home Loan Mortgage Corporation	\$ 10,276,665	\$ 10,276,665	\$ 10,276,665	\$
Federal Home Loan Bank	5,126,589	5,126,589		5,126,589
Total U.S. Agency Investments	15,403,254	15,403,254	10,276,665	5,126,589
Certificates of Deposit	20,500,000	20,500,000	20,000,000	500,000
Local Government Investment Pools				
Lone Star	31,951,425	31,951,425	31,951,425	
Local Government Investment Cooperative (LOGIC)	11,312	11,312	11,312	
Texas CLASS Pool	259,572	259,572	259,572	
Texpool	1,443,536	1,443,536	1,443,536	
	<u>\$ 69,569,099</u>	<u>\$ 69,569,099</u>	<u>\$ 63,942,510</u>	<u>\$ 5,626,589</u>

Note 2 - Deposits and Investments (continued)

Credit Risk

State law and the District's investment policy limits investments in all categories to top ratings issued by nationally recognized statistical rating organizations. As of August 31, 2010, the District's investments had the following ratings:

	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Rating</u>
Federal Home Loan Mortgage Corporation	\$ 10,276,665	\$ 10,276,665	AAA
Federal Home Loan Bank	5,126,589	5,126,589	AAA
Total U.S. Agency Investments	15,403,254	15,403,254	
Certificates of Deposit	20,500,000	20,500,000	Not Rated
Local Government Investment Pools			
Lone Star	31,951,425	31,951,425	AAA
Local Government Investment Cooperative (LOGIC)	11,312	11,312	AAA
Texas CLASS Pool	259,572	259,572	AAAm
Texas Local Government Investment Pool (TexPool)	1,443,536	1,443,536	AAAm
	<u>\$ 69,569,099</u>	<u>\$ 69,569,099</u>	

Custodial Credit Risk

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

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

As of August 31, 2010 the District's non-interest bearing accounts were fully insured by the FDIC. The District's depository institution participates in the Temporary Liquidity Guarantee Program (TLGP), which is designed to avoid or mitigate adverse effects on economic conditions or financial stability, has two primary components. The Debt Guarantee Program, by which the FDIC will guarantee the payment of certain newly issued senior unsecured debt, and the Transaction Account Guarantee Program, by which the FDIC will guarantee certain noninterest-bearing transaction accounts. As such, all non-interest bearing transactions accounts are fully insured by FDIC. In accordance with TRS Government Code 2257.022(2), collateralization is not required for deposits "reduced to the extent that the United States or an instrumentality of the United States insures the deposit."

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.

Note 2 - Deposits and Investments (continued)

Concentration of Credit Risk

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

Certificates of Deposit	25% (maximum)
U.S. Treasury Obligations	25% (maximum)
U.S. Government Securities	75% (maximum)
Repurchase Agreements	50% (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, 2010, the following was the composition of the District's investment portfolio:

U.S. Agency Investments	22%
Lone Star Investment Pool	46%
Local Government Investment Cooperative (LOGIC)	0%
Texas CLASS Pool	0%
Texas Local Government Investment Pool	2%
Certificates of Deposit	29%

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, 2010, is included in investment earnings as follows:

Investment earnings	\$ 441,284
Net increase (decrease) in investment values	(23,094)
Total Investment earnings	<u><u>\$ 418,190</u></u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

Exhibit E-3
(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	\$ 5,439,582	\$ 2,096,012	\$	\$	\$ 7,535,594
Due from other governments	1,989,016			2,652,820	4,641,836
Interest	12,684		123,132		135,816
Other	221,850	86,022		3,975	311,847
Gross Receivables	<u>7,663,132</u>	<u>2,182,034</u>	<u>123,132</u>	<u>2,656,795</u>	<u>12,625,093</u>
Less allowance for doubtful accounts	(3,122,023)	(1,183,935)			(4,305,958)
Net Total Receivables	<u><u>\$ 4,541,109</u></u>	<u><u>\$ 998,099</u></u>	<u><u>\$ 123,132</u></u>	<u><u>\$ 2,656,795</u></u>	<u><u>\$ 8,319,135</u></u>

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)	\$ 2,079,902	\$
Delinquent property taxes receivable (Debt Service Fund)	816,101	
Advanced collection of fees		4,599,637
Grant funds received prior to meeting all eligibility requirements		198,773
	<u><u>\$ 2,896,003</u></u>	<u><u>\$ 4,798,410</u></u>

Note 4 - Capital Assets

The District's capital asset activity for the year ended August 31, 2010 is as follows:

	Balance August 31, 2009	Additions	(Retirements) and Transfers	Balance August 31, 2010
Capital assets, not being depreciated:				
Land	\$ 25,010,782	\$ 71,057	\$	\$ 25,081,839
Construction in progress	16,858,619	10,014,699	(18,833,468)	8,039,850
Total Capital assets, not being depreciated	<u>41,869,401</u>	<u>10,085,756</u>	<u>(18,833,468)</u>	<u>33,121,689</u>
Capital assets, being depreciated:				
Buildings and improvements	323,302,779	43,610	18,833,467	342,179,856
Furniture and equipment	16,394,374	2,681,933	(496,669)	18,579,638
Total Capital assets, being depreciated	<u>339,697,153</u>	<u>2,725,543</u>	<u>18,336,798</u>	<u>360,759,494</u>
Less accumulated depreciation for:				
Buildings and improvements	(64,419,053)	(6,641,602)		(71,060,655)
Furniture and Equipment	(11,715,046)	(1,370,960)	495,600	(12,590,406)
Total Accumulated depreciation	<u>(76,134,099)</u>	<u>(8,012,562)</u>	<u>495,600</u>	<u>(83,651,061)</u>
Governmental Capital Assets	<u><u>\$ 305,432,455</u></u>	<u><u>\$ 4,798,737</u></u>	<u><u>\$ (1,070)</u></u>	<u><u>\$ 310,230,122</u></u>

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	\$ 4,068,737
Instructional resources and media services	321,914
School leadership	239,308
Guidance, counseling and evaluation services	173,509
Social work services	387
Student transportation	45,150
Food Services	625,633
Extracurricular activities	1,225,399
General administration	79,731
Plant maintenance and operations	453,030
Security and monitoring services	66,453
Data processing services	713,311
	<u>\$ 8,012,562</u>

Construction Commitments

The District has active construction projects as of August 31, 2010. 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>
PHS Band Hall & Renovations	\$ 8,743,049	\$ 1,211,995
PHS Architect	524,583	10,621
CHS Additions and Renovations	3,947,515	399,833
CHS Architect	276,326	56,887
Middle School #6 Architect	1,225,000	698,250
Middle School #6 Consultants	12,200	12,200
	<u>\$ 14,728,673</u>	<u>\$ 2,389,786</u>

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.

Note 5 - Interfund Receivables, Payables, and Transfers (continued)

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, 2010, is as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 1,906,982	\$ 34,822
Debt Service Funds	5,045	
Capital Projects Fund		492
Worker's Compensation Fund		99,618
Private Purpose Trust Fund	100	
Agency Fund	776	17,325
Nonmajor Funds	44,562	1,805,208
	<u>\$ 1,957,465</u>	<u>\$ 1,957,465</u>

Note 6 - Long-term Liabilities

Changes in Long-term Liabilities

Long-term liability activity for the year ended August 31, 2010, was as follows:

	<u>Balance August 31, 2009</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance August 31, 2010</u>	<u>Due Within One Year</u>
General obligation bonds	\$ 375,344,934	\$ 20,420,000	\$ (37,130,000)	\$ 358,634,934	\$ 11,704,934
Less deferred amounts:					
For issuance premiums/discounts	11,275,394	2,413,495	(684,698)	13,004,191	
Gain or loss on refunding bonds	(4,989,069)	(365,843)	305,587	(5,049,325)	
Accreted interest on premium					
compound interest bonds	2,484,846	175,638		2,660,484	2,660,484
Compensated absences payable	1,502,346	455,991	556,835	1,401,502	176,522
	<u>\$ 385,618,451</u>	<u>\$ 23,099,281</u>	<u>\$ (36,952,276)</u>	<u>\$ 370,651,786</u>	<u>\$ 14,541,940</u>

Compensated absences are generally liquidated by the General Fund.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

Exhibit E-3
(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 Refunding Bonds, Series 1999	54,849,934	4.35% to 5.13%	8/15/2019	\$ 1,059,934
Unlimited Tax School Building Bonds, Series 2001	59,560,000	4.00% to 5.00%	8/15/2026	31,280,000
Unlimited Tax School Building, Series 2003	20,000,000	3.00% to 5.25%	2/15/2028	16,270,000
Unlimited Tax School Building, Series 2004	25,915,000	3.00% to 5.00%	2/15/2029	23,000,000
Unlimited Tax Refunding Bonds, Series 2004A	14,090,000	2.00% to 5.00%	2/15/2017	10,665,000
Unlimited Tax Refunding Bonds, Series 2005	79,195,000	3.50% to 5.25%	8/15/2026	70,225,000
Unlimited Tax School Building Bonds, Series 2005A	28,670,000	3.13% to 5.25%	2/15/2030	26,880,000
Unlimited Tax School Building Bonds, Series 2006	40,000,000	4.00% to 5.00%	2/15/2031	39,165,000
Unlimited Tax School Building Bonds, Series 2008	121,715,000	3.00% to 5.00%	2/15/2033	119,970,000
Unlimited Tax Refunding Bonds, Series 2010	20,420,000	3.00% to 5.00%	2/15/2033	20,120,000
				<u>\$ 358,634,934</u>

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

Year Ending August 31,	Principal	Interest	Totals
2011	\$ 11,704,934	\$ 19,958,358	\$ 31,663,292
2012	15,380,000	16,686,331	32,066,331
2013	17,120,000	15,996,200	33,116,200
2014	18,010,000	15,108,559	33,118,559
2015	18,810,000	14,295,197	33,105,197
2016	19,335,000	13,407,422	32,742,422
2017	20,275,000	12,487,231	32,762,231
2018	17,445,000	11,563,627	29,008,627
2019	18,220,000	10,683,655	28,903,655
2020	14,845,000	9,753,813	24,598,813
2021	15,470,000	9,009,775	24,479,775
2022	16,210,000	8,228,444	24,438,444
2023	17,020,000	7,409,031	24,429,031
2024	17,890,000	6,550,781	24,440,781
2025	18,815,000	5,649,841	24,464,841
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	1,699,437	14,184,437
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>\$ 358,634,934</u>	<u>\$ 194,267,740</u>	<u>\$ 552,902,674</u>

Note 6 - Long-term Liabilities (continued)

General Obligation Bonds

In 2010, the District issued \$20,420,000 of refunding bonds. The proceeds of the refunding bonds were used to legally defease \$22,260,000 of previously issued District bonds in order to lower its overall debt service requirements. The reacquisition priced exceeded the net carrying value of the old debt by \$365,843. 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 \$2,423,093.

Prior Year Refunding of General Obligation Bonds

In 2005 and 2010, 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, 2010, \$72,145,600 of previously refunded bonds outstanding are considered defeased.

Accreted Interest on Premium Compound Interest Bonds

A portion of the bonds sold in the 1999 refunding bond issue were capital appreciation bonds commonly referred to as "premium compound interest bonds". The District annually records the appreciation of bond principal for the accreted value through maturity of the issue. The interest on these bond series will be paid at maturity. The following table summarizes the significant features of the individual bonds, by issue:

<u>Series</u>	<u>Accreted Value</u>	<u>Principal</u>	<u>Accreted Interest</u>	<u>Maturity Value</u>	<u>Maturity Dates</u>
1999	\$ 3,720,457	\$ 1,059,973	\$ 2,660,484	\$ 3,905,000	2011
	<u>\$ 3,720,457</u>	<u>\$ 1,059,973</u>	<u>\$ 2,660,484</u>	<u>\$ 3,905,000</u>	

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	\$ 77,588,277	\$ 31,291,603	\$	\$	\$ 108,879,880
Investment Income	85,608	27,001	299,607	3,433	415,649
Co-curricular student activities	340,058			1,263,010	1,603,068
Food Sales				3,783,474	3,783,474
Other	1,103,403		96,906	522,027	1,722,336
	<u>\$ 79,117,346</u>	<u>\$ 31,318,604</u>	<u>\$ 396,513</u>	<u>\$ 5,571,944</u>	<u>\$ 116,404,407</u>

Note 8 - Operating Leases

Commitments under operating lease agreements for copier equipment require minimum future rental payments as of August 31, 2010, as follows:

Year ending August 31:	
2010	\$ 1,437,488
Total minimum rentals	\$ 1,437,488

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 2010, 2009 and 2008, and a state contribution rate of 6.644% for fiscal years 2010 and 6.0% for fiscal year 2009 and 2008. 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 and 2008) 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 and 2008).

Note 9 - Pension Information (continued)

Contributions (continued)

Contributions made by the State, District and staff members to TRS for the years ended August 31, 2008, 2009 and 2010 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
2010	\$ 5,768,078	\$ 1,634,136	\$ 7,212,683
2009	5,762,463	1,120,434	7,011,045
2008	5,460,350	1,259,308	6,579,001

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

During the year ended August 31, 2010, District employees were covered by health insurance under Blue Cross/Blue Shield. The District contributed \$297 per month, per employee. All contributions were paid to licensed insurers. The following disclosure pertains to group health insurance as required by HB 3342, 77th Texas Legislature.

The District purchases commercial insurance for Property with limits of \$480,583,308 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.

Note 10 - Risk Management (continued)

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 2008, 2009 and 2010 were as follows:

<u>Fiscal Year</u>	<u>Beginning of Year Accrual</u>	<u>Current Year Estimates</u>	<u>Claims Payments</u>	<u>End of Year Accrual</u>
2008	\$ 577,022	\$ 181,963	\$ 324,817	\$ 434,168
2009	434,168	506,681	215,849	725,000
2010	725,000	154,275	206,877	672,398

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.

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 2010, 2009, and 2008. 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%.

Note 11 - Retiree Health Plan (continued)

Contributions

Contributions made by the State, District, and staff members for the years ended August 31, 2010, 2009 and 2008 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
2010	\$ 1,068,442	\$ 678,436	\$ 732,555
2009	875,754	630,035	712,050
2008	829,848	596,534	668,180

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, 2010, 2009, and 2008, the subsidy payments received by TRS-Care on-behalf of the District were \$277,402, \$246,178, and \$235,307, 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.

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, 2010.

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	\$ 45,022	\$	\$ 45,022
Pflugerville ISD	159,629	14,650	174,279
KIPP Austin Public Schools	66,340	12,239	78,579
Bastrop ISD	58,994	1,363	60,357
San Marcos CISD	22,514	1,350	23,864
Round Rock ISD	102,263	94,607	196,869
Leander ISD	55,487	2,725	58,212
Univ. of Texas Elementary School	54,785	7,017	61,802
Total Expenditures	\$ 565,033	\$ 133,951	698,984
Indirect Costs			14,993
Total TEA Payments			\$ 713,977

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	\$ 2,245,386
5700 Local revenue from member districts	<u>\$ 2,245,386</u>
Expenditures	\$ 2,245,386
6200 Contracted services	<u>\$ 2,245,386</u>

Required Supplementary Information

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PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended August 31, 2010

Exhibit G-1

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts, Budgetary Basis	
Revenues				
5700 Local revenues	\$ 77,440,000	\$ 78,642,000	\$ 79,117,346	\$ 475,346
5800 State program revenues	76,511,000	68,243,000	68,801,978	558,978
5900 Federal program revenues	1,025,000	1,406,000	1,436,457	30,457
5020 Total revenues	154,976,000	148,291,000	149,355,781	1,064,781
Expenditures				
Current:				
0011 Instruction	92,314,318	92,355,671	91,484,259	871,412
0012 Instructional resources and media services	2,669,232	1,568,827	1,504,085	64,742
0013 Curriculum and staff development	4,570,363	4,436,445	4,345,073	91,372
0021 Instructional leadership	1,886,393	1,943,930	1,869,095	74,835
0023 School leadership	9,318,464	4,378,006	4,259,378	118,628
0031 Guidance, counseling and evaluation services	5,822,001	5,788,375	5,727,838	60,537
0032 Social work services	373,788	373,788	362,951	10,837
0033 Health services	1,570,708	1,573,002	1,563,346	9,656
0034 Student transportation	7,107,482	7,008,982	6,983,281	25,701
0035 Food services	70,893	145,893	93,022	52,871
0036 Extracurricular activities	4,107,440	4,744,669	4,740,033	4,636
0041 General administration	4,279,283	3,766,883	3,630,132	136,751
0051 Facilities maintenance and operations	13,063,202	12,018,588	11,677,030	341,558
0052 Security and monitoring services	1,822,865	1,898,402	1,752,222	146,180
0053 Data processing services	2,266,084	2,266,084	2,171,904	94,180
0061 Community services	19,234	32,514	28,591	3,923
0093 Payments related to shared services arrangements	2,800,000	2,300,000	2,245,386	54,614
0095 Payments to Juvenile Justice Alt. Ed. Prgm.	20,000	20,000		20,000
0099 Other intergovernmental charges	588,250	588,250	555,974	32,276
6030 Total Expenditures	154,670,000	147,208,309	144,993,600	2,214,709
1100 Excess (deficiency) of revenues over expenditures	306,000	1,082,691	4,362,181	3,279,490
Other Financing Sources (Uses)				
7912 Sale of real or personal property		5,700		(5,700)
7989 Restitution for damages		7,000		(7,000)
8949 Court mandated tax refunds		(62,300)	(63,245)	(945)
7080 Total other financing sources and uses		(49,600)	(63,245)	(13,645)
Special Item				
8912 Special items (use)		(44,100)	(38,904)	5,196
1200 Net change in fund balances	306,000	988,991	4,260,032	3,271,041
0100 Fund balances - beginning	13,422,513	13,422,513	13,422,513	
3000 Fund balances - ending	\$ 13,728,513	\$ 14,411,504	\$ 17,682,545	\$ 3,271,041

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, 2010.

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 20, 2009. 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

Spec

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.

Texas Support for the Homeless (TEXSHEP)

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 used to enable schools 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 for all children.

IDEA - Part B, Formula

Funds granted to operate educational programs for children with disabilities.

IDEA - Part B, Preschool

Funds granted for preschool children with disabilities.

National School Breakfast and Lunch Program(Child Nutrition)

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

Capital Area College Tech Prep

Funds granted to purchase equipment, textbooks and other curriculum needs to support articulated courses.

Carl D. Perkins Basic Grant - CATE

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

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

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

Nonmajor Governmental Funds (continued)

Special Revenue Funds (continued)

Title II, Part D, Subpart I - Enhancing Education through Technology

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

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

Funds 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 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 SFSF - ARRA

The State Fiscal Stabilization Fund (SFSF funds) are a new, one-time appropriation of approximately \$3.9 billion that the U.S. Department of Education (USDE) will award to Texas to help stabilize state and local budgets in order to minimize and avoid reductions in education and other essential services in exchange for a state's commitment to advance essential education reform in four areas.

Medicaid Administrative Claiming Program

Funds used to reimburse administrative expenses for this project and also to improve access to health-related services for clients.

Title II, D Technology - ARRA

Additional funding for effectively using technology to improve student academic achievement.

Title II, D - Disc Grants - ARRA (T3) - Shared Service Arrangement

Funds to improve student achievement, including technology literacy, and improve capacity of teachers to integrate technology into curricula & instruction through the use of advanced technology. PISD 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.

Texas Homeless Education - ARRA (TXHEARRA)

Funds to improve academic outcomes, & provide increased access to transportation for students in homeless situations.

Smaller Learning Communities

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

Nonmajor Governmental Funds (continued)

Special Revenue Funds (continued)

IDEA-B, Formula - ARRA

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

IDEA-B, Preschool - ARRA

Additional funds granted for preschool children with disabilities.

Title I, Part A - ARRA/Stimulus

Additional funds used to enable schools 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 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.

Summer School LEP

Funds to provide summer school instruction for LEP students.

Visually Impaired

Funds to provide services to students with visual impairments.

Noneducation Services Grant

Funds to provide noneducation support services for students with disabilities who would 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.

Optional Extended Year Program

Funds to provide academic enrichment for students in kindergarten through Grade 11 who are unlikely to be promoted to the next grade, or students in Grade 12 who are unlikely to graduate.

Student Success Initiative - Accelerated Reading/Accelerated Math

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.

Nonmajor Governmental Funds (continued)

Special Revenue Funds (continued)

State Textbook Fund

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

State Technology

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.

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.

Pre-Kindergarten Early Start Tier 2

Funding to prepare students to enter kindergarten on or above grade level. This funding is intended to expand the state's capacity to provide high-quality Pre-K services to a greater number of eligible preschool students.

Preschool LRE Initiative

Additional funding to meet the needs of preschool students.

Texas Parks & Wildlife

Westview Middle School Outdoor Education Recreation Program funding to serve 783 students. Activities to include camping, hiking, fishing and outdoor cooking at Texas State Parks or other TPWD approved facilities. The objective is to assist low-income minority students and their families in gaining an appreciation for the environment, physical fitness and quality time.

DATE (Educator Quality) Grant

Funding that is being used to provide the TAP(Teacher and Student Advancement Program) to PISD high school level campuses for the ninth grade student. Continuous staff development is part of the TAP program.

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.

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.

Nonmajor Governmental Funds (continued)

Special Revenue Funds (continued)

Campus Activity

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

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.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

ALL NONMAJOR GOVERNMENTAL FUNDS

August 31, 2010

Data Control Codes	204 Title IV Safe & Drug Free	206 ESEA, Title III, Subtitle B - Homeless Children and Youth	211 ESEA Title I Part A
Assets			
1110	\$	\$	\$
Receivables:			
1240	15,161	22,154	165,494
1260			
1290			
1410			
1000	\$ 15,161	\$ 22,154	\$ 165,494
Liabilities and Fund Balances			
Liabilities:			
Current Liabilities:			
2110	\$ 207	\$ 250	\$ 4,221
2160			
2170	14,954	21,904	161,273
2180			
2190			
2300			
2000	15,161	22,154	165,494
Fund Balance:			
Reserved for:			
3430			
3450			
Unreserved, Undesignated Reported in:			
3610			
3000	Total Fund Balances	Total Fund Balances	Total Fund Balances
4000	\$ 15,161	\$ 22,154	\$ 165,494

224	225	240	243	244	255	262
IDEA B Formula	IDEA B Preschool Grant	Child Nutrition	Vocational Education - Technical Preparation	Vocational Ed -Basic	ESEA Title II, Part A	Enhancing Ed Through Technology
\$	\$	\$ 931,900	\$	\$	\$	\$
301,284	5,962	181,939		16,264	48,234	5,102
		12,823				
<u>\$ 301,284</u>	<u>\$ 5,962</u>	<u>\$ 1,126,662</u>	<u>\$</u>	<u>\$ 16,264</u>	<u>\$ 48,234</u>	<u>\$ 5,102</u>
\$ 17,900	\$	\$ 332,654	\$	\$	\$	\$
283,384	5,962	2,553		16,264	48,234	5,102
<u>301,284</u>	<u>5,962</u>	<u>335,207</u>	<u></u>	<u>16,264</u>	<u>48,234</u>	<u>5,102</u>
		12,823				
		778,632				
		791,455				
<u>\$ 301,284</u>	<u>\$ 5,962</u>	<u>\$ 1,126,662</u>	<u>\$</u>	<u>\$ 16,264</u>	<u>\$ 48,234</u>	<u>\$ 5,102</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

ALL NONMAJOR GOVERNMENTAL FUNDS

August 31, 2010

	263	265	266
Data Control Codes	ESEA Title III	21st Century Grant	State Fiscal Stabilization Fund ARRA
Assets			
1110	Cash and temporary investments	\$	\$
Receivables:			
1240	Receivables from other governments	53,979	356,522
1260	Due from other funds	15,401	
1290	Other receivables		
1410	Prepays		
1000	Total Assets	<u>\$ 53,979</u>	<u>\$ 356,522</u>
Liabilities and Fund Balances			
Liabilities:			
Current Liabilities:			
2110	Accounts payable	\$ 279	\$ 26
2160	Accrued wages payable		
2170	Due to other funds	53,700	356,522
2180	Due to other governments		
2190	Due to student and employee groups		
2300	Deferred revenues		
2000	Total Liabilities	<u>53,979</u>	<u>356,522</u>
Fund Balance:			
Reserved for:			
3430	Prepaid items		
3450	Food service operations		
Unreserved, Undesignated Reported in:			
3610	Special revenue funds		
3000	Total Fund Balances	<u></u>	<u></u>
4000	Total Liabilities and Fund Balance	<u>\$ 53,979</u>	<u>\$ 356,522</u>

272	279	280	282	283	284	285
Medicaid Administrative Claiming Program	Title II, Part D ARRA	ESEA, Title X, Part C ARRA	Smaller Learning Communities	IDEA Part B Formula ARRA	IDEA Part B Preschool ARRA	Title I, Part A (ARRA)
\$ 34,043	\$	\$	\$ 5,137	\$	\$	\$
	6,153	14,946	12,579	328,979	11,938	176,304
<u>\$ 34,043</u>	<u>\$ 6,153</u>	<u>\$ 14,946</u>	<u>\$ 17,716</u>	<u>\$ 328,979</u>	<u>\$ 11,938</u>	<u>\$ 176,304</u>
\$ 300	\$ 330	\$ 39	\$ 633	\$ 54,738	\$ 6,486	\$ 7,976
	5,823	14,734	17,083	274,241	5,452	168,328
<u>33,743</u>						
<u>34,043</u>	<u>6,153</u>	<u>14,946</u>	<u>17,716</u>	<u>328,979</u>	<u>11,938</u>	<u>176,304</u>
<u>\$ 34,043</u>	<u>\$ 6,153</u>	<u>\$ 14,946</u>	<u>\$ 17,716</u>	<u>\$ 328,979</u>	<u>\$ 11,938</u>	<u>\$ 176,304</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

ALL NONMAJOR GOVERNMENTAL FUNDS

August 31, 2010

	287	288	289
<u>Data Control Codes</u>	<u>Regional Science Collaborative</u>	<u>Middle School AP Grant</u>	<u>LEP Summer School</u>
Assets			
1110	Cash and temporary investments	\$ 61	\$
Receivables:			
1240	Receivables from other governments		
1260	Due from other funds		
1290	Other receivables		
1410	Prepays		
1000	Total Assets	<u>\$ 61</u>	<u>\$</u>
Liabilities and Fund Balances			
Liabilities:			
Current Liabilities:			
2110	Accounts payable	\$	\$
2160	Accrued wages payable		
2170	Due to other funds		
2180	Due to other governments		
2190	Due to student and employee groups		
2300	Deferred revenues	61	
2000	Total Liabilities	<u>61</u>	
Fund Balance:			
Reserved for:			
3430	Prepaid items		
3450	Food service operations		
Unreserved, Undesignated Reported in:			
3610	Special revenue funds		
3000	Total Fund Balances		
4000	Total Liabilities and Fund Balance	<u>\$ 61</u>	<u>\$</u>

361	385	392	397	401	404	410
SSA - Title II Part D ARRA	State Supplemental Visually Impaired	Non- Educational Community Based	Advanced Placement Incentive	Optional Extended Year	Student Success Initiative	State Textbook Fund
\$	\$	\$ 1,401	\$ 50,843	\$	\$ 56	\$
86,233				55,716	10,606	
	936				(125)	
<u>\$ 86,233</u>	<u>\$ 936</u>	<u>\$ 1,401</u>	<u>\$ 50,843</u>	<u>\$ 55,716</u>	<u>\$ 10,537</u>	<u>\$</u>
\$ 18,454	\$	\$ 1,401	\$ 387	\$	\$ (250)	\$
67,779	936			55,716	10,585	
<u>86,233</u>	<u>936</u>	<u>1,401</u>	<u>50,456</u> <u>50,843</u>	<u>55,716</u>	<u>10,537</u>	<u></u>
<u>\$ 86,233</u>	<u>\$ 936</u>	<u>\$ 1,401</u>	<u>\$ 50,843</u>	<u>\$ 55,716</u>	<u>\$ 10,537</u>	<u>\$</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

ALL NONMAJOR GOVERNMENTAL FUNDS

August 31, 2010

Data Control Codes	411	415	422
	Technology	Kindergarten and Pre-K Grants	Read to Succeed
Assets			
1110	Cash and temporary investments	\$ 50,316	\$
Receivables:			
1240	Receivables from other governments		112,496
1260	Due from other funds		
1290	Other receivables		
1410	Prepays	76,226	
1000	Total Assets	<u>\$ 126,542</u>	<u>\$ 112,496</u>
Liabilities and Fund Balances			
Liabilities:			
Current Liabilities:			
2110	Accounts payable	\$ 12,029	\$ 50,772
2160	Accrued wages payable		17,440
2170	Due to other funds		44,284
2180	Due to other governments		
2190	Due to student and employee groups		
2300	Deferred revenues	114,513	
2000	Total Liabilities	<u>126,542</u>	<u>112,496</u>
Fund Balance:			
Reserved for:			
3430	Prepaid items		
3450	Food service operations		
Unreserved, Undesignated Reported in:			
3610	Special revenue funds		
3000	Total Fund Balances		
4000	Total Liabilities and Fund Balance	<u>\$ 126,542</u>	<u>\$ 112,496</u>

423	425	427	429	461	481
Preschool LRE Program	Texas Parks & Wildlife	Texas I Can	Texas Fitness Now	Campus Activity Funds	Special Projects
\$ 577	\$	\$	\$ 129	\$ 1,131,912	\$ 1,199,100
	34,777			29,146	15
				3,164	
				575	
<u>\$ 577</u>	<u>\$ 34,777</u>	<u>\$</u>	<u>\$ 129</u>	<u>\$ 1,164,797</u>	<u>\$ 1,199,115</u>
\$ 577	\$	\$	\$	\$ 106,894	\$
	34,777		129	2,456	2,064
				3,515	76,500
				63,881	
				1,900	
<u>577</u>	<u>34,777</u>	<u></u>	<u>129</u>	<u>178,646</u>	<u>78,564</u>
				575	
				985,576	1,120,551
				986,151	1,120,551
<u>\$ 577</u>	<u>\$ 34,777</u>	<u>\$</u>	<u>\$ 129</u>	<u>\$ 1,164,797</u>	<u>\$ 1,199,115</u>

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PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
August 31, 2010

Exhibit H-1
Page 5 of 5

Data Control Codes	482	484	
	After the Bell Program	BTIM Math Science Grant	Total Nonmajor Governmental Funds
Assets			
1110 Cash and temporary investments	\$	\$	\$ 3,405,475
Receivables:			
1240 Receivables from other governments		1,354	2,080,004
1260 Due from other funds			44,562
1290 Other receivables			3,975
1410 Prepaids			89,624
1000 Total Assets	<u>\$</u>	<u>\$ 1,354</u>	<u>\$ 5,623,640</u>
Liabilities and Fund Balances			
Liabilities:			
Current Liabilities:			
2110 Accounts payable	\$	\$	\$ 616,303
2160 Accrued wages payable			22,335
2170 Due to other funds		1,354	1,805,208
2180 Due to other governments			80,964
2190 Due to student and employee groups			1,900
2300 Deferred revenues			198,773
2000 Total Liabilities		<u>1,354</u>	<u>2,725,483</u>
Fund Balance:			
Reserved for:			
3430 Prepaid items			13,398
3450 Food service operations			778,632
Unreserved, Undesignated Reported in:			
3610 Special revenue funds			2,106,127
3000 Total Fund Balances			<u>2,898,157</u>
4000 Total Liabilities and Fund Balance	<u>\$</u>	<u>\$ 1,354</u>	<u>\$ 5,623,640</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, 2010

<u>Data Control Codes</u>	204	206 ESEA, Title III, Subtitle B - Homeless Children and Youth	211 ESEA Title I Part A
Revenues			
5700 Local, intermediate, and out-of-state	\$	\$	\$
5800 State program revenues			
5900 Federal program revenues	39,856	34,690	1,608,977
5020 Total revenues	<u>39,856</u>	<u>34,690</u>	<u>1,608,977</u>
Expenditures			
Current:			
0011 Instruction	6,406	6,040	1,515,387
0012 Instruction resources and media services			1,667
0013 Curriculum and instructional staff development	2,652		42,477
0021 Instructional leadership		430	29,308
0023 School leadership			1,405
0031 Guidance, counseling and evaluation services	15,458		
0032 Social work services	10,423	27,796	
0033 Health services			
0034 Student transportation			
0035 Food service			4,606
0036 Extracurricular activities			
0041 General administration			
0051 Facilities maintenance and operations			
0052 Security and monitoring services			
0053 Data processing services			
0061 Community services	4,917	424	14,127
Intergovernmental:			
0093 Payments related to shared services arrangement			
6030 Total Expenditures	<u>39,856</u>	<u>34,690</u>	<u>1,608,977</u>
1200 Net change in fund balances			
0100 Fund balance - beginning	<u> </u>	<u> </u>	<u> </u>
3000 Fund balance - ending	<u>\$ </u>	<u>\$ </u>	<u>\$ </u>

224	225	240	243	244	255	262
<u>IDEA B Formula</u>	<u>IDEA B Preschool Grant</u>	<u>Child Nutrition</u>	<u>Vocational Education - Technical Preparation</u>	<u>Vocational Ed -Basic</u>	<u>ESEA Title II, Part A</u>	<u>Enhancing Ed Through Technology</u>
\$	\$	\$ 3,791,869 62,056	\$	\$	\$	\$
3,387,623	48,048	5,965,325	5,115	165,752	386,561	15,429
<u>3,387,623</u>	<u>48,048</u>	<u>9,819,250</u>	<u>5,115</u>	<u>165,752</u>	<u>386,561</u>	<u>15,429</u>
3,369,234	48,048		4,515	156,006	353,448	9,000
8,224			600	5,561 849	28,579	6,429
10,165				3,336	4,534	
		9,583,441				
<u>3,387,623</u>	<u>48,048</u>	<u>9,583,441</u>	<u>5,115</u>	<u>165,752</u>	<u>386,561</u>	<u>15,429</u>
		235,809				
		555,646				
<u>\$</u>	<u>\$</u>	<u>\$ 791,455</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, 2010

Data Control Codes		263	265	266
		ESEA Title III	21st Century Grant	State Fiscal Stabilization Fund ARRA
Revenues				
5700	Local, intermediate, and out-of-state	\$	\$	\$
5800	State program revenues			
5900	Federal program revenues	374,340	1,019,047	6,364,158
5020	Total revenues	<u>374,340</u>	<u>1,019,047</u>	<u>6,364,158</u>
Expenditures				
Current:				
0011	Instruction	39,365	424,725	
0012	Instruction resources and media services		177	1,072,158
0013	Curriculum and instructional staff development	317,055		
0021	Instructional leadership		483,484	
0023	School leadership			5,292,000
0031	Guidance, counseling and evaluation services			
0032	Social work services			
0033	Health services		219	
0034	Student transportation		109,480	
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	17,920	962	
Intergovernmental:				
0093	Payments related to shared services arrangement			
6030	Total Expenditures	<u>374,340</u>	<u>1,019,047</u>	<u>6,364,158</u>
1200	Net change in fund balances			
0100	Fund balance - beginning			
3000	Fund balance - ending	<u>\$</u>	<u>\$</u>	<u>\$</u>

272	279	280	282	283	284	285
Medicaid Administrative Claiming Program	Title II, Part D ARRA	ESEA, Title X, Part C ARRA	Smaller Learning Communities	IDEA Part B Formula ARRA	IDEA Part B Preschool ARRA	Title I, Part A (ARRA)
\$	\$	\$	\$	\$	\$	\$
25,958	23,123	45,729	172,660	2,320,383	74,797	1,028,034
25,958	23,123	45,729	172,660	2,320,383	74,797	1,028,034
	863	4,412	8,693	1,248,709	38,877	334,307
	16,652	516	64,501	385,168	21,457	403,805
		1,357	84,995			22,546
	3,700		12,717			106,814
			1,576	652,878	13,622	103,441
25,958		39,405				
	1,908			33,628	841	7,566
		39	178			49,555
25,958	23,123	45,729	172,660	2,320,383	74,797	1,028,034
\$	\$	\$	\$	\$	\$	\$

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended August 31, 2010

Data Control Codes	287	288	289
Regional Science Collaborative	Regional Science Collaborative	Middle School AP Grant	LEP Summer School
Revenues			
5700 Local, intermediate, and out-of-state	\$	\$	\$
5800 State program revenues			
5900 Federal program revenues	35,050		22,583
5020 Total revenues	<u>35,050</u>	<u></u>	<u>22,583</u>
Expenditures			
Current:			
0011 Instruction	17,419		22,583
0012 Instruction resources and media services			
0013 Curriculum and instructional staff development	17,631		
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			
0061 Community services			
Intergovernmental:			
0093 Payments related to shared services arrangement			
6030 Total Expenditures	<u>35,050</u>	<u></u>	<u>22,583</u>
1200 Net change in fund balances			
0100 Fund balance - beginning	<u></u>	<u></u>	<u></u>
3000 Fund balance - ending	<u>\$</u>	<u>\$</u>	<u>\$</u>

361	385	392	397	401	404	410
SSA - Title II Part D ARRA	State Supplemental Visually Impaired	Non- Educational Community Based	Advanced Placement Incentive	Optional Extended Year	Student Success Initiative	State Textbook Fund
\$	\$	\$	\$	\$	\$	\$
	7,794	8,349	49,434	55,716	169,705	3,098
698,984						
<u>698,984</u>	<u>7,794</u>	<u>8,349</u>	<u>49,434</u>	<u>55,716</u>	<u>169,705</u>	<u>3,098</u>
486,511	7,794		16,792	55,716	156,724	3,098
34,772			32,439		203	
43,750						
			175		11,994	
					728	
		8,349	28			
133,951						
<u>698,984</u>	<u>7,794</u>	<u>8,349</u>	<u>49,434</u>	<u>55,716</u>	<u>169,649</u>	<u>3,098</u>
					56	
					(56)	
<u>\$</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, 2010

Data Control Codes		411	415	422
		Technology	Kindergarten and Pre-K Grants	Read to Succeed
	Revenues			
5700	Local, intermediate, and out-of-state	\$	\$	\$
5800	State program revenues	598,913	411,665	334
5900	Federal program revenues			
5020	Total revenues	<u>598,913</u>	<u>411,665</u>	<u>334</u>
	Expenditures			
	Current:			
0011	Instruction	374,135	244,026	
0012	Instruction resources and media services	55,570		334
0013	Curriculum and instructional staff development	169,208	97,641	
0021	Instructional leadership		23,775	
0023	School leadership		12,468	
0031	Guidance, counseling and evaluation services			
0032	Social work services			
0033	Health services		2,550	
0034	Student transportation			
0035	Food service		29,889	
0036	Extracurricular activities			
0041	General administration			
0051	Facilities maintenance and operations			
0052	Security and monitoring services			
0053	Data processing services			
0061	Community services		1,316	
	Intergovernmental:			
0093	Payments related to shared services arrangement			
6030	Total Expenditures	<u>598,913</u>	<u>411,665</u>	<u>334</u>
1200	Net change in fund balances			
0100	Fund balance - beginning	<u> </u>	<u> </u>	<u> </u>
3000	Fund balance - ending	<u>\$ </u>	<u>\$ </u>	<u>\$ </u>

423	425	427	429	461	481
Preschool LRE Program	Texas Parks & Wildlife	Texas I Can	Texas Fitness Now	Campus Activity Funds	Special Projects
\$ 8,184	\$ 44,541	\$ 4,931	\$ 54,548	\$ 1,617,516	\$ 35,913
<u>8,184</u>	<u>44,541</u>	<u>4,931</u>	<u>54,548</u>	<u>1,617,516</u>	<u>35,913</u>
6,781	34,805	4,931	54,420	121,940	35,639
1,035	9,203		128	69,927	
				20,904	1,037
				172	
				167,144	
				92,384	
				1,093	
				330	
	533				
				921,020	
				1,178	
				100,456	
				3,415	
368				9,500	
<u>8,184</u>	<u>44,541</u>	<u>4,931</u>	<u>54,548</u>	<u>1,509,463</u>	<u>36,676</u>
				108,053	(763)
				878,098	1,121,314
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 986,151</u>	<u>\$ 1,120,551</u>

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PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended August 31, 2010

Exhibit H-2
Page 5 of 5

Data Control Codes		482	484	Total-Other Governmental Funds
		After the Bell Program	BTIM Math Science Grant	
	Revenues			
5700	Local, intermediate, and out-of-state	\$ 103,210	\$ 23,484	\$ 5,571,992
5800	State program revenues			1,474,337
5900	Federal program revenues			23,867,153
5020	Total revenues	<u>103,210</u>	<u>23,484</u>	<u>30,913,482</u>
	Expenditures			
	Current:			
0011	Instruction	99,126		9,310,475
0012	Instruction resources and media services			1,199,961
0013	Curriculum and instructional staff development		23,484	1,711,233
0021	Instructional leadership	4,131		694,797
0023	School leadership			5,600,782
0031	Guidance, counseling and evaluation services			905,029
0032	Social work services			78,717
0033	Health services			29,057
0034	Student transportation			110,741
0035	Food service			9,617,936
0036	Extracurricular activities			921,020
0041	General administration			1,178
0051	Facilities maintenance and operations			100,456
0052	Security and monitoring services			3,415
0053	Data processing services			43,943
0061	Community services			107,683
	Intergovernmental:			
0093	Payments related to shared services arrangement			133,951
6030	Total Expenditures	<u>103,257</u>	<u>23,484</u>	<u>30,570,374</u>
1200	Net change in fund balances	(47)		343,108
0100	Fund balance - beginning	<u>47</u>		<u>2,555,049</u>
3000	Fund balance - ending	<u>\$</u>	<u>\$</u>	<u>\$ 2,898,157</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF DELINQUENT TAXES RECEIVABLE

For the Year Ended August 31, 2010

<u>Last Ten Fiscal Years</u>	<u>Tax Rates</u>		<u>Net Assessed/Appraised Value For School Tax Purposes</u>	<u>Beginning Balance 08/31/09</u>
	<u>Maintenance</u>	<u>Debt Service</u>		
	<u>1</u>	<u>2</u>		
2001 and prior	Various	Various	Various	\$ 969,865
2002	1.235000	0.235000	3,915,669,825	125,494
2003	1.392500	0.297500	4,644,517,007	246,232
2004	1.500000	0.350000	4,574,180,513	289,225
2005	1.490000	0.340000	4,943,934,802	195,839
2006	1.500000	0.350000	5,248,037,564	197,278
2007	1.360000	0.320000	5,878,350,774	306,875
2008	1.040000	0.430000	6,602,774,490	360,008
2009	1.040000	0.420000	7,230,322,945	1,339,685
2010	1.040000	0.420000	7,460,985,822	
1000 Totals				<u><u>\$4,030,501</u></u>
9000	Portion of Row 1000 for Taxes Paid into Tax Increment Zone Under Chapter 311, Tax Code (Funciton 97)			<u> </u>

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 08/31/10
\$	\$ 3,762	\$ 1,920	\$ 20,316	\$ 984,499
	4,518	860	2,962	123,078
	8,797	1,469	2,650	238,616
	36,810	5,767	15,701	262,349
	46,547	9,944	20,501	159,849
	23,400	5,460	(3,972)	164,446
	(22,850)	(5,214)	(81,647)	253,292
	(61,072)	(14,250)	(168,073)	267,257
	386,796	159,925	(271,345)	521,619
<u>108,930,393</u>	<u>76,333,511</u>	<u>30,826,995</u>	<u>(678,670)</u>	<u>1,091,217</u>
<u>\$ 108,930,393</u>	<u>\$ 76,760,219</u>	<u>\$ 30,992,876</u>	<u>\$ (1,141,577)</u>	4,066,222
				<u>3,469,372</u>
				<u>\$ 7,535,594</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES FOR COMPUTATION OF
INDIRECT COSTS FOR 2011-2012
GENERAL AND SPECIAL REVENUE FUNDS
For the Year Ended August 31, 2010

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		\$ 263,989	\$ 2,334,325			\$ 2,629,712
6149	Fringe Benefits (Unused Leave for Separating Employees in Function 41 and Related 53)							
6149	Fringe Benefits (Unused Leave for Separating Employees in all Functions except Function 41 and Related 53)							
6211	Legal Services			53,561				53,561
6212	Audit Services				77,500			77,500
6213	(Appraisal district costs only from function 99)		597,794					597,794
6214	Lobbying							
621X	Other Prof. Services				3,140			3,140
6220	Tuition and Transfer Payments							
6230	Education Service Centers	50			230,132	1,250		231,432
6240	Contr. Maint. and Repair					501		501
6250	Utilities							
6260	Rentals				32,966			32,966
6290	Miscellaneous Contr.	76,021			189,839			265,860
6320	Textbooks and Reading	228		308	1,871			2,407
6330	Testing Materials							
63XX	Other Supplies Materials	914		1,492	115,663			118,069
6410	Travel, Subsistence, Stipends	4,200		5,746	28,636	471.00		39,053
6420	Ins. and Bonding Costs							
6430	Election Costs	21,335						21,335
6490	Miscellaneous Operating	1,463		8,439	330,332			340,234
6500	Debt Service							
6600	Capital Outlay							
6000	TOTAL	\$ 135,609	\$ 597,794	\$ 333,535	\$ 3,344,404	\$ 2,222	\$ -	\$ 4,413,564

Total expenditures/expenses for General and Special Revenue Funds
 (plus Food Service Enterprise Fund if present) 9 \$ 175,563,974

Less: Deductions of Unallowable Costs

Fiscal Year	
Total Capital Outlay (6600)	10 \$ 1,020,866
Total Debt & Lease (6500)	11
Plant Maintenance (Function 51, 6100-6400)	12 15,043,556
Food (Function 35, 6341 and 6499)	13
Stipends (6413)	14
Column 4 (above) - Total Indirect Cost	3,344,404
Subtotal:	19,408,826
Net Allowed Direct Cost	\$ 156,155,148

Cumulative

Total Cost of Buildings before Depreciation (1520)	15 \$ 331,999,723
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 17,654,389
Historical Cost of Furniture & Equipment over 16 years old	19 56,275
Amount of Federal Money in Furniture & Equipment (Net of #19)	20 1,304,131

(8) Note A - \$ 226,282 in Function 53 expenditures are included in this report on administrative costs.
 \$ 555,974 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, 2010

Exhibit J-3

Data Control Code	Explanation	Amount
1.	Total General Fund Balance 8-31-10 (Exhibit C-1 object 3000 for the General Fund only)	\$ 17,682,545
2.	Total Reserved Fund Balance 8-31-10 (from Exhibit C-1 - total of object 3400s for the General Fund only)	1,057,083
3.	Total Designated Fund Balance (from Exhibit C-1 - total of object 3500s for the General Fund only)	
4.	Estimated amount needed to cover fall cash flow deficits in General Fund (net of borrowed funds and funds representing deferred revenues)	
5.	Estimate of two month's average cash disbursements during the regular school session (9-1-09 to 5-31-10)	24,165,600
6.	Estimate of delayed payments from state sources (58xx) including August payment delays	
7.	Estimate of underpayment from state sources equal to variance between Legislative Payment Estimate (LPE) and District Planning Estimate (DPE) or District's calculated	
8.	Estimate of delayed payments from federal sources (59xx)	
9.	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).	
10.	Adjustment to meet Board Policy	
11.	General Fund Optimum Fund Balance and Cash Flow (2+3+4+5+6+7+8+9+10)	<u>25,222,683</u>
12.	Excess or Deficit Undesignated Unreserved General Fund Fund Balance (1-10)	<u><u>\$ (7,540,138)</u></u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

Exhibit J-4

BUDGETARY COMPARISON SCHEDULE

CHILD NUTRITION FUND

For the Year Ended August 31, 2010

Data Control Codes		Food Service			
		Budget			Variance with Final Budget
		Original	Final	Actual	
Revenues					
5700	Local, Intermediate, and Out-of-State	\$ 4,319,247	\$ 4,234,247	\$ 3,791,869	\$ (442,378)
5800	State Program Revenues	63,526	63,526	62,056	(1,470)
5900	Federal Program Revenues	5,798,704	5,798,704	5,965,325	166,621
5020	Total Revenues	<u>10,181,477</u>	<u>10,096,477</u>	<u>9,819,250</u>	<u>(277,227)</u>
Expenditures					
Current:					
0035	Food Services	10,181,427	10,096,427	9,583,441	512,986
6030	Total Expenditures	<u>10,181,427</u>	<u>10,096,427</u>	<u>9,583,441</u>	<u>512,986</u>
1200	Increase (Decrease) in Fund Balance	50	50	235,809	235,759
0100	Fund Balance - beginning	<u>555,646</u>	<u>555,646</u>	<u>555,646</u>	
3000	Fund Balance - ending	<u>\$ 555,696</u>	<u>\$ 555,696</u>	<u>\$ 791,455</u>	<u>\$ 235,759</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

Exhibit J-5

BUDGETARY COMPARISON SCHEDULE

DEBT SERVICE FUND

For the Year Ended August 31, 2010

Data Control Codes	Debt Service Fund				
	Budget			Variance with Final Budget	
	Original	Final	Actual		
Revenues					
5700	Local, Intermediate, and Out-of-State	\$ 30,977,387	\$ 31,087,387	\$ 31,318,604	\$ 231,217
5800	State Program Revenues	1,523,284	539,528	158,713	(380,815)
5900	Federal Program Revenues				
5020	Total Revenues	<u>32,500,671</u>	<u>31,626,915</u>	<u>31,477,317</u>	<u>(149,598)</u>
Expenditures					
Current:					
0035	Food Services				
Debt Service:					
0071	Principal on long-term debt	14,570,000	14,870,000	14,870,000	
0072	Interest on long-term debt	17,927,671	17,694,892	17,624,815	70,077
0073	Bond issuance costs and fees	3,000	210,000	210,049	(49)
6030	Total Expenditures	<u>32,500,671</u>	<u>32,774,892</u>	<u>32,704,864</u>	<u>70,028</u>
1100	Excess (Deficiency) Revenues Over Expenditures		(1,147,977)	(1,227,547)	(79,570)
Other Financing Sources (Uses)					
7911	Capital-related debt issued (regular bonds)		20,420,000	20,420,000	
7916	Premium or discount on issuance of bonds		2,413,495	2,413,495	
8949	Other Financing (Uses)		(22,625,843)	(22,625,843)	
	Total Other Financing Sources (Uses)		<u>207,652</u>	<u>207,652</u>	
1200	Increase (Decrease) in Fund Balance		(940,325)	(1,019,895)	(79,570)
0100	Fund Balance - beginning	<u>4,116,832</u>	<u>4,116,832</u>	<u>4,116,832</u>	
3000	Fund Balance - ending	<u>\$ 4,116,832</u>	<u>\$ 3,176,507</u>	<u>\$ 3,096,937</u>	<u>\$ (79,570)</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	96
These schedules contain trend information to show how the District’s financial performance and position have changed over time	
Revenue Capacity	109
These schedules contain information to help assess the factors affecting the District’s most significant local revenue source, the property tax.	
Debt Capacity	114
These schedules present information to help assess the affordability of the District’s current debt burden and its ability to issue additional debt in the future	
Demographic and Economic Information	117
These schedules provide demographic and economic indicators to help in understanding the environment in which the District operates and to facilitate in comparisons over time.	
Operating Information	122
These schedules provide information about the District’s operations and resources to assist in using the financial statement information to better understand and assess the District’s economic condition.	

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

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

NET ASSETS BY COMPONENT

LAST NINE FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

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

* Ten year comparative data has been omitted prior to the implementation of GASB Statement No. 34 in the fiscal year ended August 31, 2002.

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
25,592,424	9,135,897	19,282,881	9,893,995	11,877,546	12,223,939
<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 NINE FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

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

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
164,842,503	152,007,415	136,440,453	123,959,735	122,776,482	109,925,694
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
20,926,598	21,674,996	17,943,436	15,669,604	16,387,621	13,361,689
\$ (143,915,905)	\$ (130,332,419)	\$ (118,497,017)	\$ (108,290,131)	\$ (106,388,861)	\$ (96,564,005)

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

CHANGES IN NET ASSETS

LAST NINE FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

	<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	\$ 77,282,606	\$ 74,503,421	\$ 67,412,374
Property Taxes, Levied for Debt Service	31,230,001	30,245,042	27,692,617
Investment Earnings	417,602	2,409,191	3,154,609
State Aid - Formula Grants - Unrestricted	61,748,632	63,547,951	63,915,202
Grants and Contributions Not Restricted to Specific Programs		22,211	454,740
Miscellaneous	50,311	171,723	159,794
Special item - gain on sale of asset			
Total Primary Government General Revenues	<u>170,729,152</u>	<u>170,899,539</u>	<u>162,789,336</u>
 Change in Net Assets			
Total Primary Government	<u>\$ 3,284,342</u>	<u>\$ (2,895,468)</u>	<u>\$ 2,254,761</u>

* Ten year comparative data has been omitted prior to the implementation of GASB Statement No. 34 in the fiscal year ended August 31, 2002.

<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>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Fund				
Reserved	\$ 1,057,083	\$ 789,493	\$ 327,846	\$ 540,772
Unreserved	<u>16,625,462</u>	<u>12,633,020</u>	<u>16,174,252</u>	<u>18,591,321</u>
Total General Fund	<u><u>\$ 17,682,545</u></u>	<u><u>\$ 13,422,513</u></u>	<u><u>\$ 16,502,098</u></u>	<u><u>\$ 19,132,093</u></u>
All Other Governmental Funds				
Reserved	\$ 3,888,967	\$ 4,672,478	\$ 4,311,774	\$ 2,858,163
Unreserved, Reported in:				
Capital Projects Funds	86,530,605	106,398,420	135,162,716	18,420,881
Special Revenue Funds	<u>2,106,127</u>	<u>1,999,403</u>	<u>2,578,818</u>	<u>3,135,829</u>
Total All Other Governmental Funds	<u><u>\$ 92,525,699</u></u>	<u><u>\$ 113,070,301</u></u>	<u><u>\$142,053,308</u></u>	<u><u>\$ 24,414,873</u></u>

Table 3

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$ 230,335	\$ 169,602	\$ 167,912	\$ 679,080	\$ 586,183	\$ 424,406
<u>11,612,955</u>	<u>8,061,046</u>	<u>4,918,014</u>	<u>6,920,960</u>	<u>5,122,022</u>	<u>6,795,834</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>	<u>\$ 7,220,240</u>
\$ 3,676,016	\$ 30,579,685	\$ 2,368,619	\$ 2,702,469	\$ 1,860,860	\$ 2,653,142
(7,325,544)		25,441,721	11,642,238	17,576,694	12,733,305
<u>2,586,900</u>	<u>2,153,011</u>	<u>2,025,636</u>		<u>279,690</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>	<u>\$15,386,447</u>

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Revenues				
Local, Intermediate, and Out-of-State	\$ 116,404,455	\$ 113,426,921	\$ 107,933,585	\$ 107,849,751
State Programs	70,435,028	73,381,316	73,095,749	50,877,181
Federal Programs	25,303,610	12,669,277	11,233,950	8,995,786
Total Revenues	<u>212,143,093</u>	<u>199,477,514</u>	<u>192,263,284</u>	<u>167,722,718</u>
Expenditures				
Current:				
Instruction	104,374,052	99,246,993	91,042,438	82,344,130
Instructional Resources and Media Services	2,877,675	3,390,660	3,161,886	3,524,940
Curriculum and Instructional Staff Development	6,056,306	5,472,684	4,085,028	3,298,576
Instructional Leadership	2,563,892	2,016,242	1,671,651	1,161,885
School Leadership	9,863,547	10,576,334	9,894,351	8,220,585
Guidance, Counseling, and Evaluation Services	6,633,242	5,969,339	5,918,195	4,685,561
Social Work Services	441,668	441,284	422,553	265,076
Health Services	1,596,312	1,585,411	1,478,116	1,438,394
Student Transportation	7,094,022	6,963,600	6,862,075	5,871,150
Food Services	9,723,969	9,222,653	8,603,027	7,092,533
Cocurricular/Extracurricular Activities	5,661,053	4,852,312	4,413,903	4,037,054
General Administration	3,631,310	3,692,732	3,686,453	3,951,122
Facilities Maintenance and Operations	15,314,846	14,900,930	15,590,266	14,139,174
Security and Monitoring Services	2,752,632	2,260,900	1,125,442	960,688
Data Processing Services	4,069,284	2,268,351	1,768,997	1,599,842
Community Services	136,274	125,400	113,423	62,456
Principal on Long-term Debt	14,870,000	12,140,000	17,565,319	9,950,000
Interest on Long-term Debt	17,624,815	19,528,347	13,436,105	14,321,841
Bond Issuance Costs and Fees	210,049	4,450	6,900	5,616
Facilities Acquisition and Construction	10,102,907	23,460,093	11,881,210	12,134,341
Payments related to shared services arrangements	2,379,337	2,881,565		
Payments to Juvenile Justice Alt. Ed. Prgm.		19,987	14,141	3,068
Other Intergovernmental Charges	555,974	568,410	513,372	
Total Expenditures	<u>228,533,166</u>	<u>231,588,677</u>	<u>203,254,851</u>	<u>179,068,032</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(16,390,073)</u>	<u>(32,111,163)</u>	<u>(10,991,567)</u>	<u>(11,345,314)</u>

Table 4
Page 1 of 2

2006	2005	2004	2003	2002	2001
\$ 106,355,368	\$ 98,199,466	\$ 88,588,856	\$ 82,986,724	\$ 63,086,657	\$ 49,470,526
36,262,538	33,038,480	26,870,932	31,492,650	38,393,348	42,825,349
9,598,405	7,816,368	5,645,983	4,927,806	3,879,467	2,810,832
<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>	<u>95,106,707</u>
74,274,567	65,614,093	59,918,270	62,181,147	55,360,972	49,538,195
3,241,542	2,877,924	2,518,545	2,388,229	1,859,793	1,662,267
2,576,041	2,265,606	1,625,403	1,982,018	1,676,236	1,371,791
1,020,874	881,600	790,986	682,074	603,147	526,241
7,355,922	6,810,296	6,160,037	6,205,979	5,548,397	4,972,222
4,283,200	3,934,529	3,620,811	3,434,237	3,070,798	2,716,861
172,198	197,332	174,691	136,427		
1,164,311	1,108,736	1,113,034	1,005,511	837,993	1,032,409
5,698,488	5,190,783	4,726,043	4,246,125	3,595,890	2,683,272
6,725,532	5,739,430	4,880,059	4,638,974	3,980,283	3,500,708
4,073,224	3,621,513	3,650,957	3,409,359	2,956,438	2,771,345
3,577,837	3,319,737	2,854,169	2,509,975	2,555,886	2,120,963
13,627,565	12,516,801	12,750,846	11,448,132	9,143,461	9,206,361
1,079,581	1,075,320	362,873	203,591	172,019	115,349
1,482,856	963,767	856,635	802,467	639,064	454,322
96,539	51,930	77,047	41,968	35,438	90,827
8,956,835	9,215,278	6,144,703	4,762,689	2,471,167	2,360,758
13,830,485	12,847,738	12,754,534	12,714,356	13,672,396	11,428,780
11,642					5,239
29,500,286	26,032,431	9,161,594	20,338,305	54,349,158	21,471,182
3,540	5,192	8,496	3,481	3,481	
<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>118,029,092</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>	<u>(22,922,385)</u>

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Other Financing Sources (Uses)				
Refunding Bonds Issued	\$ 20,420,000	\$	\$	\$
Issuance of Capital Related Debt (Regular Bonds)			121,715,000	40,000,000
Premium/Discount from Issuance of Bonds	2,413,495		4,220,319	1,867
Other Resources				
Sale of Real and Personal Property		43,440	55,912	4,106,574
Other Sources (Uses)	(63,245)	5,138	8,774	3,177
Transfers In		56,650		
Transfers Out		(56,650)		
Payment to Refunded Bond Escrow Agent	(22,625,843)			
Total Other Financing Sources (Uses)	<u>144,407</u>	<u>48,578</u>	<u>126,000,005</u>	<u>44,111,618</u>
Special items	<u>(38,904)</u>			
Net Change in Fund Balances	<u>\$ (16,284,570)</u>	<u>\$ (32,062,585)</u>	<u>\$ 115,008,438</u>	<u>\$ 32,766,304</u>
Debt Service as a Percentage of Noncapital Expenditures	15.16%	15.25%	15.89%	14.55%

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$	\$ 101,253,912	\$	\$	\$ 10,422,316	\$
	30,281,476	25,915,000	20,013,053	59,560,000	32,000,000
		80,000		24,331	106,223
100	2,394	15,741	214,809	414,865	42,470
	111,836	10,376	23,800		
78,378	35,062				699,996
(78,378)	(35,062)				(923,139)
	(100,392,454)			(10,570,606)	
100	31,257,164	26,021,117	20,251,662	59,850,906	31,925,550
<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>	<u>\$ 9,003,165</u>
14.95%	16.05%	15.21%	14.26%	14.94%	14.37%

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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	Net Taxable Value			Total Direct Rate (2)
	Travis County	Williamson County (1)	Total	
2010	\$ 7,453,409,517	\$ 7,576,305	\$ 7,460,985,822	\$ 1.4600
2009	7,230,322,945	6,723,142	7,237,046,087	1.4600
2008	7,245,761,994	7,187,550	7,252,949,544	1.4700
2007	6,597,304,953		6,597,304,953	1.6800
2006	5,876,402,048		5,876,402,048	1.8500
2005	5,112,202,484		5,112,202,484	1.8300
2004	4,988,929,753		4,988,929,753	1.8500
2003	4,625,016,969		4,625,016,969	1.6900
2002	4,631,433,790		4,631,433,790	1.4700
2001	3,885,294,753		3,885,294,753	1.3875

(1) Williamson County values are before freeze. Prior to 2008, tax information maintained by and included in Travis County totals.

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

Source: Travis Central Appraisal District provides the District's tax office with appraised values for properties within the District's taxing authority. Appraised value less exemptions equal taxable assessed value. Taxable value times the tax rate set by the District's Board of Trustees.

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

Taxing Authority	2010	2009 ⁽⁵⁾	2008	2007
Overlapping Rates:				
Austin, City of	\$ 0.4571	\$ 0.4209	\$ 0.4012	\$ 0.4126
Kelly Lane WCID #1	0.9500	0.9500		
Lakeside MUD #3	0.9000	0.9000		
Lakeside MUD #2D	0.9700			
Lakeside WCID #1	0.9000	0.8500	0.8500	0.8700
Lakeside WCID #2-B	0.9700	0.9700	0.9700	0.8700
Lakeside WCID #2-C	0.9700	0.9400	0.9000	1.3800
Northeast Travis County UD	0.8993	0.8993	0.8993	0.9300
Northtown MUD	0.7500	0.7500	0.7500	0.7500
Pflugerville, City of	0.6040	0.6090	0.6140	0.6240
Travis County	0.4215	0.4215	0.4122	0.4499
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	0.8500
Total Overlapping Rates	\$ 10.9694	\$ 9.4128	\$ 7.4322	\$ 7.9665
District Direct Rates:				
Pflugerville ISD				
Maintenance and Operations	\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.3600
Debt Service	0.4200	0.4200	0.4300	0.3200
Total District Direct Rates	\$ 1.4600	\$ 1.4600	\$ 1.4700	\$ 1.6800

Source: The Municipal Advisory Council of Texas

(1) Data for Lakeside WCID #2-C not available prior to 2004

(2) Data for Northeast Travis County UD not available prior to 2003

(3) Data for Lakeside WCID #2-B and Travis County MUD #5 not available prior to 2002

(4) Data for Williamson Co. Water, Sewer, Irrigation and DD 3# not available prior to 2005

(5) Data for Kelly Lane WC & ID #1 and Lakeside MUD #3 not available prior to 2009.

Table 6

<u>2006</u>	<u>2005⁽⁴⁾</u>	<u>2004⁽¹⁾</u>	<u>2003⁽²⁾</u>	<u>2002⁽³⁾</u>	<u>2001</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	0.4460
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
0.8800	0.8500				
<u>\$ 7.4365</u>	<u>\$ 7.5273</u>	<u>\$ 6.9342</u>	<u>\$ 6.2963</u>	<u>\$ 5.2006</u>	<u>\$ 3.6756</u>
\$ 1.5000	\$ 1.4900	\$ 1.5000	\$ 1.3925	\$ 1.2350	\$ 1.1550
0.3500	0.3400	0.3500	0.2975	0.2350	0.2325
<u>\$ 1.8500</u>	<u>\$ 1.8300</u>	<u>\$ 1.8500</u>	<u>\$ 1.6900</u>	<u>\$ 1.4700</u>	<u>\$ 1.3875</u>

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

Table 7

Taxpayer	2010			2001		
	Assessed Value	Rank	Percentage of Total Assessed Value	Assessed Value	Rank	Percentage of Total Assessed Value
Dell USA LP	\$ 143,838,188	1	2.10%	\$		
Dell Inc.	86,021,371	2	1.25%			
Oracle USA Inc	69,135,710	3	1.01%			
A-S 93 SH 130-SH 45 LP	48,119,739	4	0.70%			
AMB/TR Four 2001 Ltd.	45,304,599	5	0.66%			
Target Corporation	38,141,675	6	0.56%			
Oncor Electric Delivery Co	35,478,490	7	0.52%			
DDR DB Tech Ventures, LP	34,999,699	8	0.51%			
Zavala Properties II, Inc.	30,861,965	9	0.45%			
MBS - Sage Creek Ltd.	25,922,702	10	0.38%			
State Street Bank & Trust Comp.				149,108,649	1	3.84%
Applied Materials				128,593,581	2	3.31%
Dell Computer Corp.				69,640,803	3	1.79%
GoWest 98 Ltd				33,787,500	4	0.87%
Societe Generale Financial Corp.				32,686,252	5	0.84%
TXU Electric				26,130,320	6	0.67%
Southwestern Bell Telephone Co.				24,814,980	7	0.64%
AMB/TR Three 2000 Ltd.				23,173,962	8	0.60%
Chardonay at Wells Branch Assoc.				21,548,000	9	0.55%
TR Section Four Ltd.				20,841,662	10	0.54%
Totals	<u>\$ 557,824,138</u>		<u>8.14%</u>	<u>\$ 530,325,709</u>		<u>13.65%</u>
Total Assessed Value	<u>\$6,863,378,827</u>			<u>\$3,885,294,753</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
2010	\$ 108,251,723	\$ 107,041,100	98.88%	\$	\$ 107,041,100	98.88%
2009	104,436,077	103,367,737	98.98%	546,721	103,914,458	99.50%
2008	95,860,385	95,563,864	99.69%	29,264	95,593,128	99.72%
2007	98,065,810	97,306,560	99.23%	505,958	97,812,518	99.74%
2006	96,867,345	95,756,426	98.85%	946,473	96,702,899	99.83%
2005	89,643,687	88,400,947	98.61%	1,082,891	89,483,838	99.82%
2004	84,213,550	82,763,360	98.28%	1,187,842	83,951,202	99.69%
2003	76,213,874	75,813,609	99.47%	161,649	75,975,258	99.69%
2002	56,675,339	56,085,127	98.96%	467,135	56,552,262	99.78%
2001	42,234,802	41,330,882	97.86%	771,887	42,102,769	99.69%

(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		
2010	\$ 358,634,934	\$ 358,634,934	4.81%	\$ 17,311
2009	375,344,934	375,344,934	5.19%	18,457
2008	387,484,934	387,484,934	5.34%	19,891
2007	282,399,934	282,399,934	4.28%	15,193
2006	252,349,934	252,349,934	4.29%	14,323
2005	261,306,769	261,306,769	5.11%	15,743
2004	242,642,079	242,642,079	4.86%	15,450
2003	222,871,782	222,871,782	4.82%	14,881
2002	207,634,468	207,634,468	4.48%	14,397
2001	150,545,648	150,545,648	3.87%	10,889

(1) See Table 5 for assessed value data.

(2) See Table 15 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)
2010	\$ 358,634,934	\$ 3,096,937	\$ 355,537,997	4.77%	\$ 17,162
2009	375,344,934	4,116,832	371,228,102	5.13%	18,255
2008	387,484,934	3,696,794	383,788,140	5.29%	19,702
2007	282,399,934	1,845,631	280,554,303	4.25%	15,093
2006	252,349,934	2,489,505	249,860,429	4.25%	14,182
2005	261,306,769	2,096,576	259,210,193	5.07%	15,617
2004	242,642,079	1,999,718	240,642,361	4.82%	15,323
2003	222,871,782	1,675,442	221,196,340	4.78%	14,769
2,002	207,634,468	1,565,289	206,069,179	4.45%	14,289
2001	150,545,648	2,361,235	148,184,413	3.81%	10,718

(1) See Table 5 for assessed value data.

(2) See Table 15 for student enrollment data.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMPUTATION OF ESTIMATED DIRECT AND OVERLAPPING DEBT
 August 31, 2010

Table 11

<u>Taxing Body</u>	<u>Net Debt Amount</u>	<u>Outstanding As of</u>	<u>Percent Overlapping</u>	<u>Share of Debt</u>
<i>Overlapping:</i>				
Austin, City of	\$ 1,053,409,994	08/31/10	3.66%	\$ 38,554,806
Kelly Lane WCID #1	4,220,000	08/31/10	100.00%	4,220,000
Lakeside MUD #3	3,000,000	08/31/10	100.00%	3,000,000
Lakeside WCID #1	5,975,000	08/31/10	100.00%	5,975,000
Lakeside WCID #2-B	6,770,000	08/31/10	100.00%	6,770,000
Lakeside WCID #2-C	4,485,000	08/31/10	100.00%	4,485,000
Lakeside WCID #2-D	2,765,000	08/31/10	100.00%	2,765,000
Northeast Travis County UD	16,910,000	08/31/10	100.00%	16,910,000
Northtown MUD	25,535,000	08/31/10	100.00%	25,535,000
Pflugerville, City of	156,040,000	08/31/10	100.00%	156,040,000
Travis County	605,679,987	08/31/10	6.96%	42,155,327
Travis County Emergency Service #2	2,110,000	08/31/10	100.00%	2,110,000
Travis County MUD #15	5,570,000	08/31/10	100.00%	5,570,000
Wells Branch MUD	1,885,000	08/31/10	36.36%	685,386
Williamson County	760,919,942	08/31/10	0.02%	152,184
Williamson Co. Water, Sewer, Irrigation and DD #3	20,960,000	08/31/10	30.19%	6,327,824
Total Net Overlapping Debt				<u>321,255,527</u>
<i>Direct:</i>				
Pflugerville ISD	358,634,934	08/31/10	100.00%	358,634,934
Total Direct and Overlapping Debt				<u>\$ 679,890,461</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)
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%
2000-01	21,148	3,060,280,629	144,708	13,826	4.5%

(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	2010			2001		
	Employees	Rank	Percentage of Top Ten Employers	Employees	Rank	Percentage of Top Ten Employers
Pflugerville Independent School District	2,518	1	61.97%	1,500	1	42.41%
Walmart	298	2	7.34%			
City of Pflugerville	282	3	6.95%			
HEB Grocery	200	4	4.92%	225	5	6.36%
Target	200	5	4.92%			
Avant Technologies	133	6	3.27%			
Home Depot	125	7	3.08%			
Austin Foam Plastics	124	8	3.05%			
Air Craft Inc.	100	9	2.46%			
Advanced Integration Technologies	83	10	2.04%			
Tandem Computers				600	2	16.97%
Radian Corporation				420	3	11.87%
Rolm Industries				300	4	8.48%
Tremetrics				150	6	4.24%
Albertson's Grocery				116	7	3.28%
Pflugerville Care Center				85	8	2.40%
Austron				71	9	2.01%
Syntec Corporation				70	10	1.98%
Total Employed	4,063		100.00%	3,537		100.00%

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

DEMOGRAPHIC STATISTICS

LAST TEN YEARS

Fiscal Year	(A) Estimated School District Population	(B) Personal Income	(C) Per Capita Personal Income	(A) Labor Force	(A) Employment	(A) Unemployment
2010	109,722	\$ 1,270,941,183	25,282	902,915	834,432	68,483
2009	103,039	1,120,841,628	30,033	869,525	813,212	56,313
2008	107,298	933,553,567	26,269	853,810	818,843	34,967
2007	94,978	688,592,112	24,459	831,964	798,734	33,230
2006	97,288	652,248,036	25,999	803,219	766,878	36,341
2005	N/A	599,340,107	N/A	787,187	747,924	39,263
2004	N/A	562,981,686	N/A	770,615	726,194	44,421
2003	N/A	498,964,239	N/A	759,133	710,993	48,140
2002	N/A	458,887,343	N/A	751,836	707,213	44,623
2001	N/A	374,946,216	N/A	745,677	722,147	23,530

(A) Texas Workforce Commission

(B) City of Pflugerville, CAFR, fiscal year ended September 30, 2009.

Updated data for 2010 unavailable from either U.S. Census Bureau or City of Pflugerville.

(C) U.S. Census Bureau, American Community Survey

Table 14

(A) Percent	(A) Construction	(A) Manufacturing	(A) Trades	(A) Government
7.6%	39,500	46,500	129,800	166,300
6.5%	42,400	50,700	136,900	164,600
4.1%	48,000	58,800	138,400	160,000
4.0%	45,700	59,200	131,900	154,000
4.5%	41,200	57,300	123,200	149,400
5.0%	37,800	57,300	117,800	146,900
5.8%	35,900	56,500	113,500	143,700
6.3%	36,600	59,400	110,900	146,600
5.9%	37,600	67,800	113,800	142,700
3.2%	40,400	84,600	118,600	136,600

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

Position	2010	2009	2008	2007	2006
Teachers					
Teacher/Special Duty Teacher	1,450.2	1,458.0	1,379.3	1,256.0	1,174.9
Teacher Totals	1,450.2	1,458.0	1,379.3	1,256.0	1,174.9
Professional Support					
Counselor	40.4	45.1	49.6	36.2	35.1
Educational diagnostician	8.9	8.0	7.0	5.0	7.0
Librarian	24.4	25.7	24.0	24.0	22.0
Occupational Therapist	4.6	4.4	3.7	4.5	4.3
Orientation and Mobility Specialist	1.0	1.0	1.0		0.8
Physical Therapist	4.0	4.0	3.5	3.0	2.8
Nurse	25.4	24.9	24.7	24.6	22.9
LSSP/Psychologist	18.1	20.0	20.0	20.0	17.9
Social Worker	5.5	6.5	6.5	4.0	4.0
Speech Language Pathologist	20.8	22.4	20.2	20.8	19.9
Teacher Facilitator	28.0	41.1	24.1	30.1	21.5
Athletic Trainer	4.8	3.9	1.0	1.0	
Campus Professional Personnel	11.0	12.0	8.0	3.0	3.0
Non Campus Professional Personnel	37.0	34.0	26.0	22.0	20.0
Professional Support Totals	233.9	253.0	219.3	198.2	181.2
Campus Administration					
Assistant Principal	47.0	53.0	45.0	41.0	36.4
Principal	24.4	27.0	27.0	24.9	22.0
Campus Administration Totals	71.4	80.0	72.0	65.9	58.4
Central Administration					
Assistant/Deputy Supt	1.0	4.0	1.0	1.0	1.0
Instructional Officer	23.0	26.9	14.4	14.0	16.8
Superintendent	1.0	1.0	1.0	1.6	1.0
Teacher Supervisor	4.5	5.0	5.0	6.0	
Athletic Director					
Director of HR	1.0	1.0	2.0	1.0	1.0
Central Administration Totals	30.5	37.9	23.4	23.6	19.8
Educational Aides					
Aides	275.6	269.6	207.1	199.5	144.9
Educational Aides Totals	275.6	269.6	207.1	199.5	144.9
Auxiliary Support					
Includes Clerical, Secretarial, Grounds, Custodial, Maintenance	456.4	376.2	435.2	357.6	387.8
Auxiliary Support Totals	456.4	376.2	435.2	357.6	387.8
Total Employees	2,518.0	2,474.7	2,336.3	2,100.8	1,967.0

Source: PEIMS

(1) Detail data was not available for 2002 and 2001.

Table 15

<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002 (1)</u>	<u>2001 (1)</u>
<u>1,082.1</u>	<u>1,028.7</u>	<u>1,019.0</u>	<u>1,025.3</u>	<u>940.6</u>
1,082.1	1,028.7	1,019.0	1,025.3	940.6
32.5	32.5	32.1		
7.5	4.5	5.5		
20.0	19.8	18.0		
4.3	4.3	4.5		
0.5				
2.5	2.0	2.0		
20.7	21.0	20.0		
14.9	17.0	14.9		
6.8	3.0	2.9		
17.4	15.8	15.9		
13.5	9.3	5.2		
1.8	1.0	1.0		
<u>20.0</u>	<u>18.3</u>	<u>17.3</u>		
162.4	148.5	139.3	120.3	115.6
32.6	31.0	32.0		
<u>22.0</u>	<u>22.0</u>	<u>21.0</u>		
54.6	53.0	53.0	52.6	48.4
1.3	1.3	1.3		
15.4	17.3	12.0		
	1.0	1.0		
		7.5		
0.3		0.3		
<u>1.0</u>				
18.0	19.6	22.1	19.7	13.7
<u>156.3</u>	<u>134.1</u>	<u>138.0</u>	<u>127.9</u>	<u>142.0</u>
156.3	134.1	138.0	127.9	142.0
<u>353.0</u>	<u>345.0</u>	<u>306.4</u>	<u>284.6</u>	<u>246.8</u>
353.0	345.0	306.4	284.6	246.8
1,826.4	1,728.9	1,677.8	1,630.4	1,507.1

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

OPERATING STATISTICS

LAST TEN FISCAL YEARS

Fiscal Year	Average Daily Attendance	Operating Expenditures	Cost Per Student	Percentage Change	Government Wide Expenses
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
2001	13,826	82,763,133	5,986	N/A	N/A

(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
\$ 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%
N/A	N/A	941	14.69	20.71%

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

Fiscal Year	Minimum Salary (1)	Maximum Salary (1)	Region Average Salary (2)	Statewide Average Salary (2)
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
2001	30,500	46,000	37,318	38,361

(1) Source: District records

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

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

Building:	2010	2009	2008	2007
HIGH SCHOOLS				
Pflugerville High School				
Square Footage	310,448	285,346	285,346	285,346
Capacity	2,475	2,400	2,400	2,400
Enrollment	2,244	2,290	2,219	2,110
Hendrickson High School				
Square Footage	380,130	380,130	380,130	380,130
Capacity	2,500	2,500	2,500	2,500
Enrollment	1,911	1,947	1,810	1,436
Connally High School				
Square Footage	298,333	281,790	281,790	281,790
Capacity	2,325	2,400	2,400	2,400
Enrollment	2,044	2,084	2,006	1,969
Opportunity Center				
Square Footage	19,691	19,691	19,691	19,691
Capacity	256	256	256	256
Enrollment			183	167
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	1,069	1,074	1,153	1,063
Westview Middle School				
Square Footage	112,245	112,245	112,245	112,245
Capacity	1,100	1,100	1,100	1,100
Enrollment	896	858	821	843
Park Crest Middle School				
Square Footage	116,800	116,800	116,800	116,800
Capacity	1,300	1,300	1,300	1,300
Enrollment	874	862	921	903
Dessau Middle School				
Square Footage	121,200	121,200	121,200	121,200
Capacity	1,300	1,300	1,300	1,300
Enrollment	1,007	1,029	1,033	990
Kelly Lane Middle School				
Square Footage	139,000	139,000	139,000	139,000
Capacity	1,250	1,250	1,250	1,250
Enrollment	1,029	1,022	861	655
Opportunity Center				
Square Footage				
Capacity				
Enrollment			21	13

Table 18
Page 1 of 3

2006	2005	2004	2003	2002	2001
285,346	285,346	285,346	285,346	285,346	285,346
2,400	2,400	2,400	2,400	2,400	2,400
2,029	2,065	2,180	2,474	2,267	2,175
380,130	380,130	380,130	380,130		
2,500	2,500	2,500	2,500		
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
1,852	1,850	1,876	1,858	1,845	1,827
129	128	85	61	73	86
111,036	111,036	111,036	111,036	111,036	111,036
1,375	1,375	1,375	1,375	1,375	1,375
1,080	1,031	1,031	1,048	957	837
112,245	112,245	112,245	112,245	112,245	112,245
1,100	1,100	1,100	1,100	1,100	1,100
848	842	841	810	846	866
116,800	116,800	116,800	116,800	116,800	116,800
1,300	1,300	1,300	1,300	1,300	1,300
1,371	1,253	1,081	1,018	961	939
121,200	121,200	121,200	121,200	121,200	121,200
1,300	1,300	1,300	1,300	1,300	1,300
962	893	873	838	785	696
139,000					
1,250					
18	23	7	12	15	4

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

Building:	2010	2009	2008	2007
ELEMENTARY SCHOOLS				
Parmer Lane Elementary School				
Square Footage	63,634	63,634	63,634	63,634
Capacity	650	650	650	650
Enrollment	613	619	615	674
Timmerman Elementary School				
Square Footage	58,792	58,792	58,792	58,792
Capacity	550	550	550	550
Enrollment	530	524	516	478
Pflugerville Elementary School				
Square Footage	77,922	77,922	77,922	77,922
Capacity	600	600	600	600
Enrollment	519	530	538	540
Northwest Elementary School				
Square Footage	62,000	62,000	62,000	62,000
Capacity	600	600	600	600
Enrollment	599	584	528	498
Dessau Elementary School				
Square Footage	64,150	64,150	64,150	64,150
Capacity	650	650	650	650
Enrollment	588	586	525	539
Windermere Elementary School				
Square Footage	66,272	66,272	66,272	66,272
Capacity	750	750	750	750
Enrollment	477	481	492	513
River Oaks Elementary School				
Square Footage	66,512	66,512	66,512	66,512
Capacity	750	750	750	750
Enrollment	475	476	473	528
Brookhollow Elementary School				
Square Footage	66,512	66,512	66,512	66,512
Capacity	750	750	750	750
Enrollment	577	572	611	645
Spring Hill Elementary School				
Square Footage	68,600	68,600	68,600	68,600
Capacity	750	750	750	750
Enrollment	746	743	706	637
Windermere Primary School				
Square Footage	68,752	68,752	68,752	68,752
Capacity	750	750	750	750
Enrollment	642	650	565	614

Table 18
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<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
63,634	63,634	63,634	63,634	63,634	63,634
650	650	650	650	650	650
677	661	646	604	571	576
58,792	58,792	58,792	58,792	58,792	58,792
550	550	550	550	550	550
497	488	480	500	489	475
77,922	77,922	77,922	77,922	77,922	77,922
600	600	600	600	600	600
523	507	528	534	496	476
62,000	62,000	62,000	62,000	62,000	62,000
600	600	600	600	600	600
533	515	497	467	611	614
64,150	64,150	64,150	64,150	64,150	64,150
650	650	650	650	650	650
524	477	437	392	641	651
66,272	66,272	66,272	66,272	66,272	66,272
750	750	750	750	750	750
570	562	538	473	625	553
66,512	66,512	66,512	66,512	66,512	66,512
750	750	750	750	750	750
529	559	568	632	609	623
66,512	66,512	66,512	66,512	66,512	66,512
750	750	750	750	750	750
793	702	555	546	700	644
68,600	68,600	68,600	68,600	68,600	68,600
750	750	750	750	750	750
579	557	619	636	688	672
68,752	68,752	68,752	68,752	68,752	68,752
750	750	750	750	750	750
683	668	624	542	670	600

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

Building:	2010	2009	2008	2007
Copperfield Elementary School				
Square Footage	77,922	77,922	77,922	77,922
Capacity	850	850	850	850
Enrollment	621	613	630	783
Murchison Elementary School				
Square Footage	77,922	77,922	77,922	77,922
Capacity	850	850	850	850
Enrollment	861	860	798	598
Delco Primary School				
Square Footage	68,752	68,752	68,752	68,752
Capacity	750	750	750	750
Enrollment	649	630	625	648
Caldwell Elementary School				
Square Footage	73,007	73,007	73,007	73,007
Capacity	800	800	800	800
Enrollment	729	750	734	664
Rowe Lane Elementary School				
Square Footage	75,007	75,007	75,007	75,007
Capacity	750	750	750	750
Enrollment	726	698	681	550
Highland Park Elementary School				
Square Footage	75,007	75,007	75,007	75,007
Capacity	750	750	750	750
Enrollment	849	845	858	666
Wieland Elementary School				
Square Footage	75,490	75,490	75,490	75,490
Capacity	750	750	750	750
Enrollment	676	680	648	
Riojas Elementary School				
Square Footage	71,624			
Capacity	700			

Table 18
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<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
77,922	77,922	77,922	77,922	77,922	77,922
850	850	850	850	850	850
742	705	746	682	692	628
77,922	77,922	77,922	77,922	77,922	77,922
850	850	850	850	850	850
557	874	784	725	653	583
68,752	68,752	68,752	68,752	68,752	
750	750	750	750	750	
635	539	458	435		
73,007	73,007	73,007	73,007	73,007	
800	800	800	800	800	
808	773	587	519		
75,007					
750					
488					
75,007					
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, 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, 2010, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 6, 2011. 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 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 a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item #10-01.

The District's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the District's response and, accordingly, we express no opinion on it.

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
Texas City, Texas
January 6, 2011

**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, 2010. 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 ended August 31, 2010.

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

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.

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 a 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.

This report is intended solely for the information and use of the board of trustees, the audit committee, management, others within the organization and 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
Texas City, Texas
January 6, 2011

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended August 31, 2010

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
84.391A	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
	<u>Child Nutrition Cluster:</u>
10.553	School Breakfast Program
10.555	National School Lunch Program
84.369A	Title XIV SFSF ARRA

Dollar threshold used to distinguish between type A and type B federal programs	\$723,241
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, 2010

II. Financial Statement Findings

Finding #10-01 Investment Officer Training

Criteria: The Public Funds Investment Act (“PFIA”) requires that each of the newly appointed Investment Officers attend 10 hours of training within 12 months of assuming their duties. Subsequently, the Investment Officer must receive 10 hours of training every 2 years.

Condition: One of the District’s Investment Officers did not complete the 10 hours of training within 12 months of becoming an Investment Officer.

Effect: The District is not in technical compliance with the Public Funds Investment Act’s Investment Officer training requirements.

Cause: Unknown

Recommendation: The District should establish procedures to track the Investment Officers’ hours of training to meet the PFIA requirements.

III. Federal Awards Findings and Questioned Costs

None noted

IV. Status of Prior Year Findings

Finding #09-01 Segregation of Duties in Accounts Payable **Resolved.** Accounts Payable personnel no longer have computer access to fields necessary to add or delete vendors.

Finding #09-02 Network User Account Security **Resolved.** The District has established procedures to notify the Technology Department anytime an employee is inactivated or changes positions.

Finding #09-03 PEIMS Data Submission **Resolved.** The District has established procedures to reconcile the PEIMS data to the audit report prior to submission to the Texas Education Agency.

Finding #09-04 Investment Policy **Resolved.** The District has implemented procedures to keep investments diversified in accordance with the District’s local investment policy.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
For The Year Ended August 31, 2010

V. Corrective Action Plan

Finding #10-01 **Description:** The District will implement procedures to monitor the Investment Officers' training hours. The Investment Officers will receive the training required by the Public Funds Investment Act.

Responsible Party: Director of Business Services

Estimated Completion Date: June 30, 2011

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

Exhibit K-1

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended August 31, 2010

(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:			
71401001	<i>School Breakfast Program*</i>	10.553	\$ 1,515,109
71301001	<i>National School Lunch Program*</i>	10.555	4,273,209
Total Passed Through the State Department of Education			<u>5,788,318</u>
Passed Through Texas Department of Agriculture:			
Noncash assistance:			
3000801	<i>National School Lunch Program - USDA Commodities*</i>	10.555	177,007
Total Department of Agriculture			<u>5,965,325</u>
U.S. Department of Education			
Direct:			
S515L060191	<i>Smaller Learning Communities</i>	84.215L	176,271
Total Smaller Learning Communities			<u>176,271</u>
Pass Through State Department of Education:			
10691001227904	<i>ESEA Title IV - Safe and Drug Free Schools</i>	84.186A	40,699
Total ESEA Title IV - Safe and Drug Free Schools			<u>40,699</u>
10610101227904	<i>ESEA Title I - Improving Basic Programs**</i>	84.010A	1,554,968
11610101227904	<i>ESEA Title I - Improving Basic Programs**</i>	84.010A	91,273
Total ESEA Title I - Improving Basic Programs			<u>1,646,241</u>
106600012279046600	<i>IDEA Part B - Formula***</i>	84.027A	3,202,207
116600012279046600	<i>IDEA Part B - Formula***</i>	84.027A	263,142
Total IDEA Part B Formula			<u>3,465,349</u>
106610012279046610	<i>IDEA Part B - Preschool***</i>	84.173A	43,244
116610012279046610	<i>IDEA Part B - Preschool***</i>	84.173A	5,962
Total IDEA Part B Preschool			<u>49,206</u>
10420006227904	<i>Vocational Education - Carl D. Perkins</i>	84.048A	169,346
Total Vocational Education - Carl D. Perkins			<u>169,346</u>
10694501227904	<i>ESEA Title II, Part A - Teacher and Principal Training</i>	84.367A	364,374
11694501227904	<i>ESEA Title II, Part A - Teacher and Principal Training</i>	84.367A	31,201
Total ESEA Title II, Part A - Teacher and Principal Training			<u>395,575</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2010

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)		
10630001227904	<i>ESEA Title II, Part D - Enhancing Education through Technology****</i>	84.318X	\$ 15,757
	Total ESEA Title II, Part D - Enhancing Education through Technology		<u>15,757</u>
10671001227904	<i>ESEA Title III, Part A - English Language Acquisition</i>	84.365A	354,351
11671001227904	<i>ESEA Title III, Part A - English Language Acquisition</i>	84.365A	27,919
	Total ESEA Title III, Part A - English Language Acquisition		<u>382,270</u>
096950137110030	<i>Texas 21st Community Learning Centers</i>	84.287C	1,006,532
106950137110044	<i>Texas 21st Community Learning Centers</i>	84.287C	34,409
	Total Texas 21st Community Learning Centers		<u>1,040,941</u>
10557001227904	<i>Title XIV SFSF ARRA</i>	84.394A	6,364,158
	Total Title XIV SFSF ARRA		<u>6,364,158</u>
10553001227904	<i>ESEA Title II, Part D - Enhancing Education through Technology ARRA ****</i>	84.386A	23,300
105530027110022	<i>ESEA Title II, Part D - Enhancing Education through Technology ARRA - SSA****</i>	84.386A	713,977
	Total ESEA Title II, Part D - Enhancing Education through Technology ARRA		<u>737,277</u>
10554001227904	<i>IDEA Part B - Formula ARRA***</i>	84.391A	2,355,550
	Total IDEA Part B Formula ARRA		<u>2,355,550</u>
10555001227904	<i>IDEA Part B - Preschool ARRA***</i>	84.392A	76,163
	Total IDEA Part B Preschool ARRA		<u>76,163</u>
10551001227904	<i>ESEA Title I - Improving Basic Programs ARRA**</i>	84.389A	1,051,754
	Total ESEA Title I - Improving Basic Programs ARRA		<u>1,051,754</u>
69550902	<i>LEP Summer School Program</i>	84.369A	22,583
	Total LEP Summer School Program		<u>22,583</u>
	Total Pass-Through Texas Education Agency		<u>17,812,869</u>
	Pass-Through Education Service Center Region X:		
00-028	<i>Texas Support for Homeless Education Program (TEXSHEP)</i>	84.196	\$ 30,118
A09-006	<i>Texas Support for Homeless Education Program (TEXSHEP) ARRA</i>	84.387	46,711
	Total Passed Through Region X Education Service Center		<u>76,829</u>
	Passed Through Region XIII Education Service Center:		
	<i>Texas Support for Homeless Education Program (TEXSHEP)</i>	84.196	5,200
	<i>IDEA-B Discretionary ****</i>	84.027	490
	Total Passed Through Region XIII Education Service Center		<u>5,690</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2010

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:		
	<i>Regional Science Collaborative</i>	84.366B	\$ 35,050
	<i>Vocational Education - Tech Prep</i>	84.243	5,115
	Total Passed Through Austin Community College		<u>40,165</u>
	Total U.S. Department of Education		<u>18,111,824</u>
	Department of Health and Human Services		
	Passed Through the Texas Department of Health:		
	<i>Medicare "MAC" Funds</i>	93.778	25,958
	Total Passed Through the Texas Department of Health		<u>25,958</u>
	Passed through University of Texas:		
UTA09-000790	<i>I-CAN Grant Program</i>	93.865	4,931
	Total Passed Through University of Texas		<u>4,931</u>
	Total Department of Health and Human Services		<u>30,889</u>
	Total Expenditures of Federal Awards		<u>\$ 24,108,038</u>

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

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

Note 1 - Basis of Accounting

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

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

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and accordingly, when such funds are received, they are recorded as 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, 2010. 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)	\$ 25,303,610
SHARS	(1,185,427)
JROTC	(10,145)
	<u>\$ 24,108,038</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>
84.386	ESEA Title II, Part D - Enhancing Education through Technology (ARRA) SSA	\$ 684,334

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

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, 2010 are as follows:

<u>Program or Source</u>	<u>CFDA Number</u>	<u>Amount</u>
SHARS		\$ 1,185,427
IDEA Part B - Discretionary	84.027A	490
JROTC		10,145
Indirect Costs:		
ESEA Title I - Improving Basic Programs	84.010A	37,264
ESEA Title I - Improving Basic Programs ARRA	84.389A	23,720
IDEA Part B - Formula	84.027A	77,726
IDEA Part B - Formula ARRA	84.391A	35,167
IDEA Part B - Preschool	84.173A	1,159
IDEA Part B - Preschool ARRA	84.392A	1,366
Title I, Part C - Carl D. Perkins, Career and Technology	84.048A	3,594
ESEA Title IV - Safe and Drug Free Schools	84.186A	843
ESEA Title II, Part A - Teacher and Principal Training	84.367A	9,014
ESEA Title III, Part A - English Language Acquisition	84.365A	7,929
ESEA Title II, Part D - Enhancing Education through Technology	84.318X	328
ESEA Title II, Part D - Enhancing Education through Technology ARRA	84.386	15,169
Texas Support for Homeless Education Program	84.196	629
Texas Support for Homeless Education Program ARRA	84.387	982
Smaller Learning Communities	84.215L	3,611
Texas 21st Community Learning Centers:	84.287C	21,894
Total		<u>\$ 1,436,457</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
August 31, 2010

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?	Yes
SF10	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end	<u>\$ 2,660,484</u>

DO NOT PRINT