

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

For the Year Ended August 31, 2009



PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
TABLE OF CONTENTS

	Page	Exhibit
Introductory Section		
Principal Officials and Advisors	i	
Certificate of the Board	iii	
Transmittal Letter	v	
Organizational Chart	xxviii	
Financial Section		
Independent Auditors' Report	1	
Management's Discussion and Analysis	5	
Basic Financial Statements:		
Government-wide Financial Statements		
Statement of Net Assets	19	A-1
Statement of Activities	21	B-1
Fund Financial Statements		
Balance Sheet- Governmental Funds	22	C-1
Reconciliation of Balance Sheet for Governmental Funds to Statement of Net Assets	25	C-2
Statement of Revenues, Expenditures, and Changes In Fund Balance - Governmental Funds	26	C-3
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	29	C-4
Proprietary Fund Financial Statements		
Statement of Net Assets - Proprietary Funds	30	D-1
Statement of Revenues, Expenses, and Changes In Fund Net Assets - Proprietary Funds	31	D-2
Statement of Cash Flows - Proprietary Funds	32	D-3
Fiduciary Fund Financial Statements		
Statement of Fiduciary Net Assets	33	E-1
Statement of Changes In Fiduciary Net Assets	34	E-2
Notes To Financial Statements	35	E-3
Required Supplementary Information:		
Budgetary Comparison Schedule - General Fund	55	F-1
Notes to Required Supplementary Information	56	F-2
Other Supplementary Information:		
Combining Fund Statements:		
Non-major Governmental Funds		
Combining Balance Sheet	58	G-1
Combining Statement of Revenues, Expenditures, and Changes In Fund Balance	66	G-2
Schedule of Delinquent Taxes Receivable	74	H-1
Schedule of Expenditures For Computation of Indirect Costs For 2010-2011 (Unaudited)	76	H-2
Fund Balance and Cash Flow Calculation Schedule (Unaudited) - General Fund	77	H-3
Budgetary Comparison Schedule - Child Nutrition and Debt Service Funds	78	H-4

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

TABLE OF CONTENTS (Continued)

	Page	Table
Statistical Section		
Net Assets by Component, Last Eight Fiscal Years	84	1
Changes in Net Assets, Last Eight Fiscal Years	86	2
Fund Balances of Governmental Funds	90	3
Changes in Fund Balances - Governmental Funds	92	4
Assessed Value and Actual Value of Taxable Property	97	5
Property Tax Rates - Direct and Overlapping Governments	98	6
Principal Tax Payers	100	7
Property Tax Levies and Collections	101	8
Ratios of Outstanding Debt by Type	102	9
Ratios of Net General Obligation Bonded Debt Outstanding	103	10
Computation of Estimated Direct and Overlapping Debt	104	11
Demographic and Economic Statistics	105	12
Principal Employers	107	13
Full-Time Equivalent District Employees by Position	108	14
Operating Statistics	110	15
Teacher Base Salaries	113	16
School Building Information	114	17
Federal Awards Section		
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	123	
Independent Auditors' Report on Compliance with the Requirements Applicable to each Major Program and on Internal Control Over Compliance in Accordance with <i>OMB Circular A-133</i>	125	
Schedule of Findings and Questioned Costs	127	
Status of Prior Year Findings	131	
Corrective Action Plan	132	
Schedule of Expenditures of Federal Awards	133	
Notes to Schedule of Expenditures of Federal Awards	135	

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

BOARD OF TRUSTEES

Dr. Carol Fletcher
President

Ms. Elva Gladney
Vice-President

Dr. Cynthia Graves
Member

Mr. James Hamann
Member

Mr. Jimmy Don Havins
Member

Mr. Paul J. King
Secretary

Mrs. Vernagene Mott
Member

ADMINISTRATION

Mr. Charles E. Dupre
Superintendent of Schools

Dr. Kenneth Adix
Chief Financial Officer

Mr. Bill Clayton
Executive Director of Facilities & Support Services

Dr. Terrence Eaton
Executive Director of Secondary Education

Dr. Lori Einfalt
Executive Director of Human Resources

Mrs. Cindy Gee
Executive Director of Elementary School Instruction

Dr. Barbara Gideon
Executive Director of Curriculum, Instruction and Professional Development

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

ADMINISTRATION (continued)

Mr. Mark Kincaid
Executive Director of Career and College Readiness

Mr. Darin Hathcock
Director of Policy and Administrative Procedure

Mr. Keith McBurnett
Deputy Superintendent/Chief Academic Officer

Mr. Randy Wilbanks
Executive Director of Technology Services

CONSULTANTS AND ADVISORS

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

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

First Southwest Company
Houston, Texas - Financial Advisor

CERTIFICATE OF THE BOARD

Pflugerville Independent School District

Name of School District

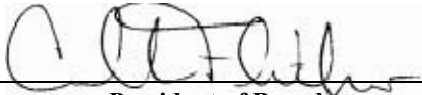
Travis

County

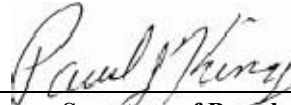
227-904

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, 2009, at a meeting of the Board of Trustees of such school district on January 21, 2010.



President of Board



Secretary of Board



January 5, 2010

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

Dear Dr. Fletcher and Members of the Board:

The Comprehensive Annual Financial Report of the Pflugerville Independent School District (Pflugerville ISD) for the year ended August 31, 2009 is hereby submitted. The District's business department prepared the report and 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.

REPORT ORGANIZATION

The comprehensive annual financial report is presented in four sections: Introductory, Financial, Other Supplementary Information and Statistical. The Introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. Management's discussion and analysis in the Financial section provides an overview of the financial position and results of operations for the year. The Financial section also includes the basic financial statements, the notes to the financial statements and other supplementary information. The Other Supplementary Information section includes the required audit reports on internal control and compliance testing. The Statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

Pflugerville ISD is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. This information, also required by the Texas Education Agency, includes a Schedule of Expenditures of Federal Awards, findings and questioned costs, status of prior findings and the auditors' reports on compliance with applicable laws and regulations and the District's internal control structure. All areas were deemed acceptable and the auditors' opinion(s) in this regard was unqualified.

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 21,250 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 47,417 and being strategically located a few miles north of Austin along the I-35 corridor and 20 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 as well as one of the highest per capita concentrations of technical jobs. Additionally, with the SH-130 toll road providing an alternate route to the I-35 gridlock, commercial traffic will eventually be diverted from north of Austin eventually to IH-10 providing easy access to both Houston and San Antonio, placing Pflugerville in a very strategic location. 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.

At the national level, this past year's economy was one of the worst we have experienced since the Great Depression. The U.S. unemployment rate was 9.7% in August 2009. At the state and local level employment rates were better as the Texas unemployment rate was 8.0% and the Austin area was at 7.2% in August according to the Bureau of Labor and Statistics. However, there is a growing hope that the worst is behind us and that 2010 will see positive steps being taken toward an economic recovery and improved employment opportunities. The District's property values continued to increase and total revenue increased due to increases in student enrollment.

There are currently thirty-three active housing developments which will add over 7,300 additional homes being tracked by Metrostudy. Further, 20 new developments are planned which, according to the district's demographer, will eventually include over 13,300 homes. Last year the demographer reported that the district could see an additional 8,770 to 9,040 multi-family units from twenty planned developments.

Verde Springbrook Corporate Center is Pflugerville's first large scale commercial development. Eventually encompassing 9 buildings on 63 acres, this 1 million square foot development will be built for flex, warehouse or light industrial uses. The buildings are located right off the recently completed SH-45 and SH-130.

The City of Pflugerville offers a wide variety of creative incentive programs for qualified new developments, corporate relocations and expansions that include:

- Tax Abatements
- Foreign Trade Zone
- Freeport Exemption
- Expedited Development Process
- Fee Waivers

Additionally, there are several incentives offered by the State of Texas:

- \$295 Million Enterprise Fund and Texas Economic Development Bank
- Emerging Technology Fund
- Texas Capital Fund
- Industrial Revenue Bonds
- Job Training Funds
- Franchise Tax Credits
- Low-interest Loans

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.

On September 1, 2009, the Chief Appraiser of the Travis County Appraisal District certified all taxable properties in the District subject to appraisals to be valued at \$7,552,314,718. This value included taxable values for disabled persons and over-65 homesteads with school tax ceilings. The total tax rate for the 2008-2009 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 2009, the District as a whole received a rating of "Academically Acceptable" from the Texas Education Agency. Timmerman Elementary, Pflugerville Elementary and Rowe Lane Elementary received an "Exemplary Rating" from the Texas Education Agency. In addition, ten of the district's campuses, Brookhollow Elementary, Highland Park Elementary, Northwest Elementary, Murchison Elementary, River Oaks Elementary, Windermere Elementary, Windermere Primary, Kelly Lane Middle, Pflugerville High and Hendrickson High received a "Recognized" rating. All other campuses received an "Academically Acceptable" rating.

Twenty-one out of twenty-five campuses received Gold Performance Acknowledgements (GPA) from the Texas Education Agency for 2009. PISD was evaluated in thirteen out of 15 possible indicators and received acknowledgement in one indicator: Commended Performance in Social Studies. Sixteen schools received recognition in more than one indicator. Descriptions of the indicators are as follows:

- Advanced Placement/International Baccalaureate (AP/IB) refers to the results of the College Board Advanced Placement (AP) examinations and the International Baccalaureate (IB) examinations taken by Texas public school students in a given school year. For acknowledgment on this indicator, the campus or district must have 15% or more of its non-special education 11th and 12th graders taking at least one AP or IB examination. Of those tested, 50% or more must score at or above the criterion score on at least one examination.
- Attendance rates are based on student attendance for the entire school year. The following is the standard for each level: District must be at least 96.0%, High School must be at least 95.0%, Middle School must be at least 96.0% and Elementary must be at least 97.0%.
- College-Ready Graduates means a graduate must have met or exceeded the college-ready criteria on the TAKS exit-level test or the SAT test or the ACT test. For acknowledgement, 35% of the class of 2008 graduates must have scored at or above the college-ready criteria for both ELA and mathematics.
- Comparable Improvement (CI) is a statistically measured amount of growth from one year to the next as compared to forty schools with like demographics. For a school to qualify for CI recognition, its students' average demonstrated growth on Texas Assessment of Knowledge and Skills (TAKS) must fall in the top quartile of the comparison group.
- Commended Performance (CP) is the highest performance level set by the State Board of Education on TAKS. Students who achieve CP have performed at a level that is considerably above the state passing standard and have shown a thorough understanding of the knowledge and skills at the grade level tested. For acknowledgement in this indicator, the campus must have 30% or more of its examinees scoring at or above the CP standard.

- Recommended High School Plan/Distinguished Achievement Plan (RHSP/DAP) shows the percent of graduates who were reported as having satisfied the course requirements for the Texas State Board of Education Recommended High School Program or Distinguished Achievement Program. In order to receive acknowledgement, 85% of all 2008 graduates reported must meet or exceed the requirements of the Recommended High School Program or Distinguished Program.
- Texas Success Initiative (TSI) – Higher Education Readiness Component: ELA shows the percent of grade 11 students who are considered ready to begin college-level work, based on their performance on the TAKS exit-level examination. For acknowledgment on this indicator the campus or district must have 60% or more of its examinees scoring at or above the TSI standard (scale score of 2200 for ELA with a score of 3 or higher on the essay).

The twenty-one PISD Campuses that received Gold Performance Acknowledgement are listed below:

- Pflugerville High School: AP/IB, College-Ready, CI Reading/ELA and CP Social Studies
- Connally High School: RHSP/DAP
- Hendrickson High School: CP Social Studies and TSI/ELA
- Park Crest Middle School: Attendance Rate, CI Math, CP Reading/ELA and CP Social Studies
- Dessau Middle School: CP Social Studies
- Kelly Lane Middle School: Attendance Rate
- Pflugerville Middle School: CI Math and CP Social Studies
- Westview Middle School: CI Reading/ELA, CP Reading/ELA and CP Social Studies
- Timmerman Elementary School: CI Reading/ELA, CP Reading/ELA, CP Math, CP Writing and CP Science
- Brookhollow Elementary School: CP Math, CP Writing and CP Science
- Caldwell Elementary School: Attendance Rate
- Dessau Elementary School: CI Reading/ELA and CP Writing
- Delco Primary School: CI Reading/ELA and CP Writing
- Highland Park Elementary School: CP Reading/ELA, CP Math and CP Science
- Murchison Elementary School: CI Reading/ELA, CP Math and CP Science
- Northwest Elementary School: CP Math, CP Writing and CP Science
- Parmer Lane Elementary School: CP Math and CP Writing
- Pflugerville Elementary School: CP Math and CP Science
- River Oaks Elementary School: CI Math and CP Science
- Rowe Lane Elementary School: CP Reading/ELA, CP Math, CP Writing and CP Science
- Spring Hill Elementary School: CP Science

Under Federal Accountability, the District met Adequate Yearly Progress (AYP). All twenty-five PISD campuses that were eligible to be rated met AYP on all indicators of the No Child Left Behind (NCLB) Act.

Twenty-five seventh grade middle school students qualified for State Recognition under the Duke University Talent Identification Program. Five were from Dessau Middle School, seven from Kelly Lane Middle School, one from Park Crest Middle School, eleven from Pflugerville Middle School and one from Westview Middle School. A student qualifying for State Recognition is in the top 25% of the Talent Search pool as they scored the minimum score in one of the following categories: a 21 on the ACT, 520 on the SAT Math, 510 on the SAT Critical Reading or a 510 on the SAT Math and 500 on the SAT Critical Reading. The pool itself is highly selective and the scores are ones that many high school students aspire to achieve, making this qualification a significant achievement.

PISD seniors of 2009 earned \$6,095,945 in scholarships, awards and grants.

Students took advantage of Early College Start dual credit courses on PISD campuses, as well as, on Austin Community College campuses. Thirteen dual credit courses were offered on PISD high school campuses. Total enrollment of PISD students in the Early College Start dual credit program was 561 students for the 2008-09 school year. This marked an increase of 211 students over the previous year and resulted in a total college tuition savings valued at \$255,816.

Through articulated credit with Austin Community College, 304 students collected credit at ACC. This marked an increase of 148 students over the previous year and resulted in a 1,183 college hours being collected with a tuition savings valued at \$179,816.

There were 2,138 College Board Advanced Placement exams administered in May 2009 at PISD high schools compared to 408 in the spring of 2001. Of the 2,138 exams administered in 2009, a qualifying score of three or better was received on 1,038 exams for a "passing" rate of 48.6%. This resulted in a total college tuition savings valued at \$473,328.

Additionally, 56 College Board Advanced Placement exams were administered in May 2009 at three PISD middle schools. A qualifying score of three or better was received on 27 exams for a "passing" rate of 48.2%. This resulted in a total college tuition savings valued at \$12,312.

Through Advanced Placement, dual credit, articulated credit and scholarships, the total college savings in the 2008-2009 school year was \$7,017,217.

The District Fine Arts' programs continued to shine at all competitions, including the following accolades:

Connally High School Theatre Department:

- Zone, District and Area champions in 2005, 2006, 2007 & 2008 in UIL One Act Play
- Zone champions, District finalists and alternate to Area in 2009
- Regional champions in 2005, 2006 and 2007 and regional finalists in 2008 in UIL One Act Play
- State finalists in 2005, 2006 and 2007 in UIL One Act Play and 3rd place bronze medalists at state in 2007
- Main stage performers at Texas State Thespian Festival in 2006
- Main state performers at the International Thespian Festival in 2007
- Chapter Select showcase performers at Texas State Thespian Festival in 2004, 2007 and 2008
- Numerous Best Actor, Best Actress, All Star Crew, All Star Cast and Honorable Mention All Star cast awards in acting and technical theatre at UIL One Act Play Zone, District, Area, Regional and State contests
- Superior ratings in Solo Pantomime (2005); Superior ratings in Costume Design and Duet Pantomime (2006); Superior ratings in Publicity Design and Costume Design (2007) and Superior ratings in Duet Acting and Costume Design (2008) at the Texas State Thespian festival, advancing on to the International Thespian Competition in June 2006, 2007, 2008 and 2009
- Winning student playwright at the Texas State Thespian Festival Playwriting competition in 2008
- Winning student film at the Texas State Thespian Festival Short Film competition in 2008
- Texas State Thespian Festival 2008 scholarship awarded to Connally High School Theatre student, Johnny Bender
- Represented the state of Texas in the Chapter Select Showcase at the International Thespian Festival in 2009
- April 2009 - Connally High School Theatre Department was selected to represent the United States and perform at the American High School Theatre Festival as part of the Edinburgh Fringe Festival in Scotland in August 2010.

Connally High School STARS dance team:

- Vista Ridge Dance Championship 2009: Division I for the pom routine; Division I for the military routine; Division I for the jazz routine; 1st place in the high school military category; 1st place in the high school pom category; 1st place in the high school jazz category; Outstanding Showmanship Award; Grand Champion overall in the high school division; \$250 cash award for winning Grand Champion.

Connally High School Band:

- USSBA Central Texas Preview – 1st Place in Class IV; Best Percussion, Best Music, Best Visual, Best General Effect
- Bands of America Regional (Arlington) – 7th Place in Prelims; 7th Place in Finals
- Westlake Marching Festival – 7th Place in Prelims, 6th Place in Finals
- UIL Region 18 Marching Contest – Superior ratings
- UIL AAAA Area Preliminary Marching Contest – Fifth Place Finish
- UIL AAAA Area Finals Marching Contest – Seventh Place Finish (1st Alternate to State)
- TMEA Region Orchestra audition results – three students earned a chair in Region 18 orchestra
- TMEA District/Region band auditions – twenty-seven students earned a chair and eight students advanced to Area level competition
- UIL Solo and Ensemble competitions – Forty-eight students earned a Superior rating, eleven soloists advanced to the state level competition and three chamber ensembles advanced to the state level competition
- UIL Concert and sight-reading Contest – JV Band and the Varsity Band earned Superior ratings and Sweepstakes
- Winter Park Ski & Music Festival – Varsity Band earned 1st Place in the 5A, 1st Concert Band division; the JV Band earned 2nd Place in the 5A, 2nd Concert Band division.

Hendrickson High School Theatre Department:

- Zone and District champions for 2004, 2006, 2007 and 2009 in UIL One Act Play
- Area champions in 2006 and 2009 and Area finalists in 2007 in UIL One Act Play
- State finalists in 2009 in UIL One Act Play with All Star cast and Honorable Mention All Star Cast awards at State in 2009
- Multiple Qualifiers for the Texas State Forensics Tournament Finals with students finishing in the top ten in Duet Acting and Dramatic Interpretation
- National Qualifiers for the National Forensics Tournaments in Dramatic and Humorous Interpretation with a 46th place finish out of an estimated 6,000 entries
- Named top 10% of high school forensic programs in the Nation in 2009
- Numerous Best Actor, Best Actress, All Star Crew, All Star Cast, and Honorable Mention All Star cast awards in acting and technical theatre at UIL One Act Play Zone, District, Area, Regional and State contests
- Superior ratings in Solo Musical Theatre and Publicity Design at the Texas State Thespian festival in November 2008, advancing on to the International Thespian Competition in June 2009 with additional Superior ratings in Solo Musical Theatre.

Hendrickson High School Band

- 3rd Place Overall – Cap City Marching Contest
- BOA Pearland Finalist (top 10)
- UIL 4A Region Marching Contest Sweepstakes
- USSBA State Champion
- USSBA State Outstanding Guard
- USSBA State 2nd Place Percussion.

Pflugerville High School Band

- USSBA Central TX Preview- Gold Medalist in classification: Outstanding Percussion, Outstanding Color Guard, Best Visual Performance and Best Musical Performance
- Westlake Marching Festival- Finalists Participant
- Central TX Marching Showcase- Superior Rating, Outstanding Percussion
- UIL Region Marching Festival- Superior Rating
- UIL Area D Marching Festival participant
- Symphonic Band- Excellent Rating Stage, Excellent Sight Reading
- Honor Band - Superior Rating Stage, Superior Rating Sight Reading
- Wind Ensemble- Superior Rating Stage, Superior Rating Sight, Reading
- TMEA Region Orchestra- Four students
- TMEA Region Band- Twenty-eight students
- TMEA Area- Seven Students
- UIL Solo and Ensemble- One hundred and seventy-seven medalists.

The district athletic teams continued to post impressive results:

Pflugerville High School:

- Football Bi-District Finalist
- Volleyball Bi-District Finalist
- Girls Basketball State Semi-Finalist
- Boys Basketball Regional Quarterfinalist
- Boys Soccer Bi-District Finalist
- Girls Soccer Bi-District Finalist
- Girls Track District Champions
- Softball Area Finalist
- Baseball Bi-District Finalist
- LaTrece Moorer - 7th Place in State in Girls High Jump.

Connally High School:

- Girls Basketball Bi-District Finalist
- Boys Soccer District Champion and Regional Finalist
- Boys Track District Champions
- Baseball Bi-District Finalist
- Keith Benford - 2nd Place at State in Boys High Jump
- Brittany Roberts - State Qualifier in Girls Track
- Thomas Curry - State Qualifier in Powerlifting.

Hendrickson High School:

- Football State Quarterfinalist
- Volleyball Area Finalist
- Micaela Moncada - Swimming State Qualifier
- Boys Basketball Bi-District Finalist
- Boys Soccer District Champions and Regional Quarterfinalist
- Girls Soccer Regional Quarterfinalist
- Tiffany Thomas - 5th Place at State Powerlifting Meet
- Girls Track District Champions
- Natasha Masterson - Girls Class 4A State Champion in Pole Vault.

EMPLOYEE COMPENSATION

The salary plan being utilized by the District has two primary parts. The first part contains the state mandated teacher salary schedules with specific minimum salary requirements. The requirements are set by the state and govern teachers with 0-20 years of experience. The other area is the compensation program for all other employees of the District not identified on the state mandated teacher salary schedules. The District currently utilizes a pay grade structure in the compensation program. Job classifications have been identified for all job categories. Each family of jobs has a hierarchy of job worth with identified minimum, midpoint and maximum daily or hourly rates established. The midpoint is based upon the target market value of that classification of jobs and what the District can afford.

For 2008-2009, the District continued to use the job classifications and the results of surveys to determine market value for the job classifications as prepared by the Texas Association of School Boards (TASB). The results of this survey were utilized in the Board's decision on raises to be given to employees for the 2008-2009 year. The compensation program adopted by the Board had two goals. The first goal was to bring salary levels up to be competitive to neighboring school districts, especially in areas of high need for teachers. The second was to adopt benefits that are competitive at a reasonable cost to employees. Teacher salaries are comparable to surrounding Districts, as well as with regional urban and suburban salary schedules.

In an effort to attract qualified teachers for the 2008-2009 school year, the District maintained pay rates above the state minimum. Due to heavy competition with surrounding urban and suburban school districts, the District gave all teachers a step increase for years of experience ranging from \$300 to \$1,000 per year. All employees that are paid from the teacher pay scale were also approved for a bonus for continuous service in the district ranging from \$1,000 to \$2,250 or a relocation bonus of \$1,000 for new employees for any years of service outside of the district. In addition, the District conducted a stipend study to adjust all district stipends to a market value for the work being compensated.

All employees that are not on the teacher pay tables were provided an increase of 2.0% of the midpoint for their respective pay grade for administrators and 3.0% for auxiliary and paraprofessional staff. A consistent manner of compensation for supplemental pay and substitute pay has been continued from prior years. The District has continued procedures for placement of new hires, promotions, job reclassification and demotions. These procedures ensure consistent compensation strategies are utilized in every job category of the district.

COMMUNICATIONS, COMMUNITY RELATIONS AND PARTNERSHIPS

The primary responsibility of the Department of Community Relations and Partnerships is to foster positive relationships with District staff members, stakeholders and business leaders. Through proactive and purposeful communication and involvement with civic groups, service clubs and numerous business organizations, the department keeps the community informed and involved as PISD endeavors to prepare *Each Child for Their Future in Our World*.

The Department of Community Relations and Partnerships can be broken down into two main categories: Communications and Community Relations and Partnerships.

Communications

The Department of Community Relations and Partnerships is responsible for keeping staff members, parents and community members up-to-date on the latest PISD news. They work with members of the media to promote positive stories about PISD staff and students, as well as to manage potentially damaging stories about the District. The department utilizes numerous resources to effectively communicate, both internally and externally.

Internal

- The *Pflugerville Insider* is a monthly staff newsletter distributed to all staff members each payday during the school year. The Insider contains a message from the superintendent, important announcements for staff members, highlights of staff accomplishments and a Family Matters section, where staff members can announce weddings, engagements, births or other news they wish to share with their fellow PISD employees.
- Blast e-mails to all staff are utilized to communicate news such as changes in our insurance plan, announcements from the curriculum and instruction department, energy conservation tips and information about professional development opportunities. The system we use allows us to track how many staff members (and which staff members) have opened the e-mail and if they clicked on links contained in the e-mail.

External

- The District Web site, www.pflugervilleisd.net, is one of the department's main vehicles for promoting District and campus achievements. They are responsible for the content of the website.
- The department also distributes stories to the *Pflugerville Pflag*, *Austin American-Statesman*, and *Community Impact*, in addition to pitching unique story ideas to members of the local broadcast media. Pflugerville community access Channel 10 is also used for District announcements.
- *In Focus* is a print newsletter mailed to every address in the PISD attendance boundary, as well as to staff members who live outside PISD. This newsletter highlights student and staff accomplishments and District and campus news.
- Each week during the school year, an e-mail newsletter with links back to stories on the District website is distributed to subscribers. This increases traffic on the District site and reminds subscribers to check the website for the latest PISD news. As with the staff newsletter, they are able to track how many views the e-mail receives and which stories people click on to read.
- The department works with campuses across the District to ensure proper use of the campus e-mails newsletters, as well as use of campus marquees and other communication tools.
- The department often coordinates translation services for District-level publications and increasing the number of publications provided in English and Spanish is a department focus.

Community Relations and Partnerships

The Department of Community Relations and Partnerships is an active member of area civic and business organizations, ensuring community and business leaders maintain a positive view of the District, its leadership and its students. By forging relationships with these groups, the department provides opportunities for businesses, community groups and individuals to be involved with District activities and to enhance student success. The department is responsible for staff and student recognition events, as well as partner and volunteer appreciation activities. The Pflugerville Education Foundation also falls under the department's umbrella.

- The District encourages community members to volunteer in each of its schools. The department ensures each volunteer receives the proper training before working with students, and facilitates background checks of volunteers, as required by state law.
- The department works with campuses to develop and retain partnerships to meet stated campus and District goals.

- Volunteers are involved in many ways such as, reading buddies, mentors, chaperones, classroom helpers and guest speakers. The MEN in Education volunteers support the mission of the District, enhance the learning environment and support the schools through the active presence of MEN at each PISD campus and at school activities.
- The department puts on various special events during the year, including honoring students and staff members at board meetings and putting on the annual employee recognition events at the end of each school year.

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, 2009 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 in its 1998 Codification of Government Accounting and Financial Reporting Standards and subsequent statements and interpretations. 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 that 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 appropriated 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.

CASH MANAGEMENT

The District has a cash management program to maximize the use of its cash resources. The cash management policy of the District is to ensure the availability of cash to meet operational needs and to invest surplus cash in securities that foremost preserve and protect capital, but also provide adequate liquidity and earn a market rate of return. Surplus cash on hand was either deposited in a transaction bank account at our local depository (JPMorgan Chase), invested in one of four local government investment pools or invested in Federal Home Loan Bank (FHLB) or Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC) notes.

TexPool (one of the four pools) maintained an average yield during the fiscal year ended August 31, 2009 of 1.00%. The Local Government Investment Cooperative (LOGIC), Lone Star Investment Pool and MBIA maintained average yields of 1.27%, 0.98% and 1.01%, respectively. The Operating Fund earned a total of \$398,517 in interest from all sources. Capital Projects Funds earned interest in the fiscal year totaling \$2,545,139. Interest earnings from Special Revenue, Debt Service and Proprietary Funds totaled \$163,510. The deposits with the local contract depository bank were in interest-bearing accounts that were secured by FDIC coverage and by pledged U.S. Government securities held by the Federal Reserve Bank in the name of the District.

RISK MANAGEMENT

During the 2008-2009 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 contributed \$285 to the total employee's cost for the medical plans that could include coverage for a spouse, child(ren) or family. There were slight changes to the plan benefits for the 2008-2009 year with no increases and some decreases 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 2008-2009 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 in the past three years.

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.

OTHER INFORMATION

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.

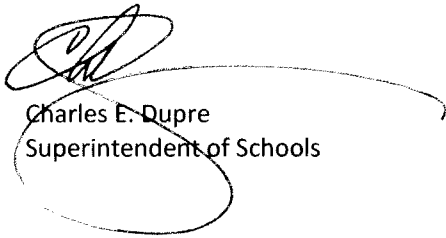
Acknowledgments

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.

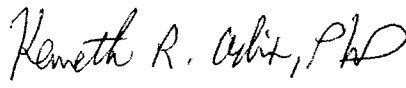
Special appreciation is also expressed to members of the business office staff for their assistance and effort in maintaining the financial records of the District. Individual recognition is directed to Mary Rabalais, Jo Zaneck, Craig Pruett, Jackie Porter, Janet Maluschka, Lisa Casinelli, Lisa Campbell, Lisa Wagner, Lorie Mills, Paula Bowden, Elizabeth Rehak, Brooke Greenfeder, Kristin Baum, Fiona Ellis, Cheryl Smith, Susan Simpson and Sue Holmes for their combined efforts in closing out the accounting records and assisting in preparing the various financial reports at year-end. Additional recognition is directed to Superintendent of Schools Charles E. Dupre; Chief Academic Officer Keith McBurnett; Executive Directors Bill Clayton, Dr. Terrence Eaton, Dr. Lori Einfalt, Cindy Gee, Dr. Barbara Gideon, Randy Wilbanks and Director Darin Hathcock for assistance in completing the year-end reports.

Pflugerville ISD publicly solicits the active involvement of all citizens and School District personnel in its financial affairs. Our financial records are available for public inspection and discussion at any reasonable time.

Respectfully submitted,

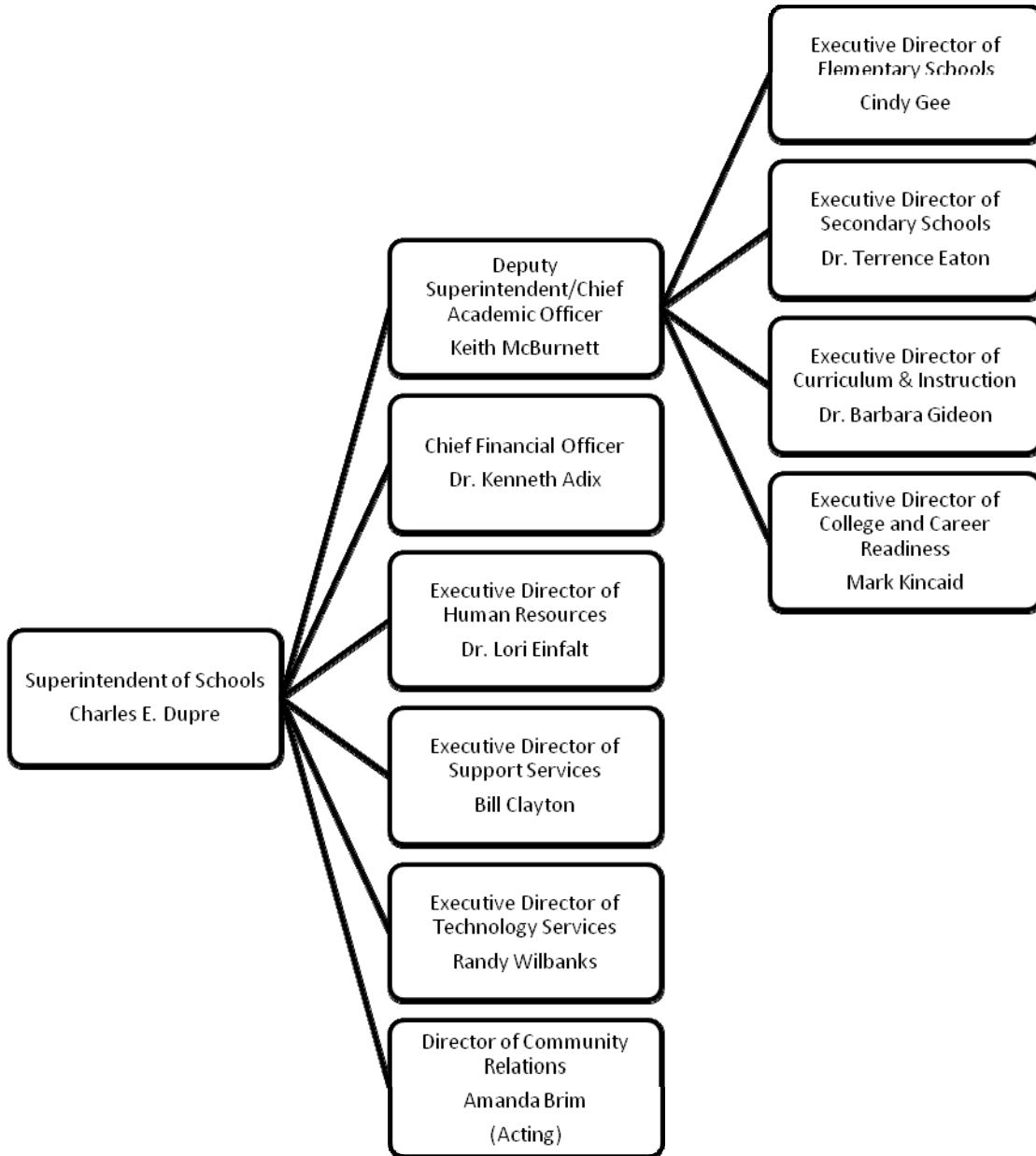


Charles E. Dupre
Superintendent of Schools



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

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
ORGANIZATIONAL CHART



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, 2009, 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, 2009, 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 14, 2010, 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 55 through 56, 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 combining and individual non-major fund financial statements, budget comparisons and the compliance schedules listed in the table of contents under Other Supplementary Information 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 is also 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.



Texas City, Texas
January 14, 2010

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, 2009. 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

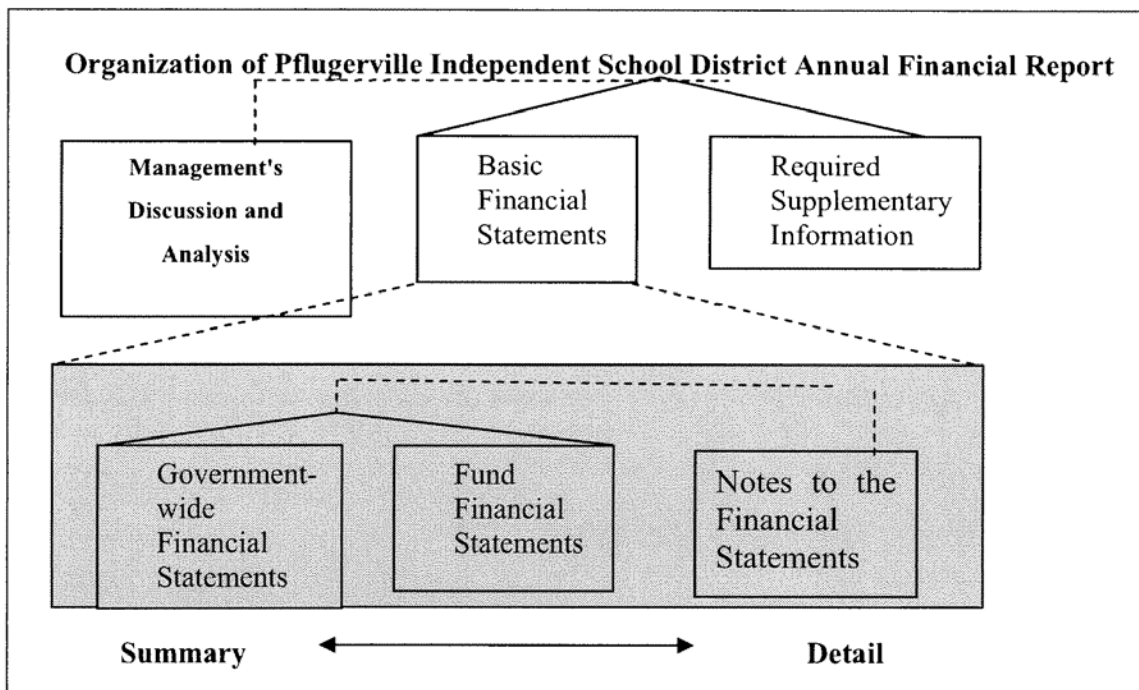
- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$50,850,695 (*net assets*). Of this amount, \$13,836,085 (*unrestricted net assets*) may be used to meet the District's ongoing obligations to students and creditors.
- Total net assets of the District's governmental activities decreased by \$2,895,468 or about 5.39%.
- The total fund balance of the general fund was \$13,422,513 and was a decrease of \$3,079,585 from the prior year. The undesignated, unreserved fund balance of the General Fund was \$12,633,020, or 8.52% 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 \$50,850,695 at August 31, 2009. The following table compares twelve months of operations for the 2007-2008 fiscal year to twelve months of operations for the 2008-2009 fiscal year.

Pflugerville Independent School District's Net Assets

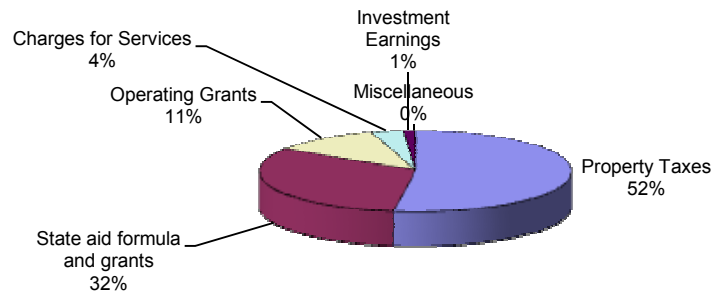
	<u>2009</u>	<u>2008</u>
Current Assets		
Cash and temporary investments	\$ 114,173,496	\$ 124,908,288
Property taxes receivables, net	3,376,716	3,093,392
Due from other governments	2,867,300	9,923,576
Accrued interest	205,751	474,515
Internal balances		
Other receivables, net	48,129	50,440
Inventories	189,959	250,852
Deferred expenses	647,690	161,630
Capital bond and other debt issuance costs	2,048,260	2,156,038
Total current assets	<u>123,557,301</u>	<u>141,018,731</u>
Capital assets, net of depreciation	305,432,455	289,527,023
Long term investments	17,827,047	29,584,007
Total Assets	<u>446,816,803</u>	<u>460,129,761</u>
Liabilities		
Current Liabilities		
Accounts payable and interest payable	4,900,638	6,282,422
Accrued liabilities	1,985,739	2,086,183
Due to fiduciary funds, student groups and other governments	197,095	65,838
Accrued expenditures	880,646	465,648
Deferred revenue	2,383,539	52,691
Total current liabilities	<u>10,347,657</u>	<u>8,952,782</u>
Noncurrent Liabilities		
Due within one year	14,570,000	12,140,000
Due in more than one year	371,048,451	385,290,816
Total non-current liabilities	<u>385,618,451</u>	<u>397,430,816</u>
Total liabilities	<u>395,966,108</u>	<u>406,383,598</u>
Net Assets		
Invested in capital assets, net of related debt	32,247,876	31,191,545
Restricted for:		
Federal and State Programs		823,932
Food Service	555,646	491,502
Debt service	4,211,088	2,347,416
Unrestricted	13,836,085	18,891,768
Total net assets	<u>\$ 50,850,695</u>	<u>\$ 53,746,163</u>

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

Changes in net assets

The District's total general revenues, transfers, charges for services, and operating grants and contributions were \$200,212,044. A significant portion, 52.32%, of the District's revenue comes from taxes. (See Figure A-3.) 43.00% comes from state aid formula and federal government grants, and 4.60% relates to investment earnings and charges for services. The total cost of all programs and services was \$203,107,512. Of these costs, 50.91% are related to instruction.

Figure A-3 District Sources of Revenue for Fiscal Year 2009



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

Change in Pflugerville Independent School District's Net Assets

	2009	2008
Program Revenues		
Charges for services	\$ 6,797,260	\$ 6,392,492
Operating grants	22,515,245	20,132,811
General Revenues		
Property taxes	104,748,463	95,104,991
State aid	63,547,951	63,915,202
Grants and contributions not restricted	22,211	454,740
Interest earnings	2,409,191	3,154,609
Other	171,723	159,794
Total Revenues	200,212,044	189,314,639
Expenses		
11 Instruction	103,394,889	94,650,337
12 Instructional resources and media services	3,705,657	3,471,299
13 Curriculum and staff development	5,482,628	4,088,992
21 Instructional leadership	2,027,673	1,672,599
23 School leadership	10,818,210	10,110,269
31 Guidance, counseling, and evaluation services	6,033,629	5,948,106
32 Social work services	441,932	423,094
33 Health services	1,597,561	1,479,424
34 Student transportation	7,008,750	6,875,115
35 Food service	9,830,910	9,108,389
36 Extracurricular activities	6,013,120	5,559,634
41 General administration	3,764,274	3,769,737
51 Plant, maintenance and operations	15,368,510	16,034,590
52 Security and monitoring services	2,325,743	1,202,334
53 Data processing services	3,246,828	3,051,548
61 Community services	125,400	113,423
72 Interest on long-term debt	18,422,579	14,791,698
81 Facilities acquisition and construction	29,257	4,181,777
Payments to Juvenile Justice Alternative Education		
95 Programs	19,987	14,141
99 Payments to Central Appraisal District	568,410	513,372
Total Expenses	203,107,512	187,059,878
Excess (deficiency) before special items and transfers	(2,895,468)	2,254,761
Special items		
Transfers		
Increase (Decrease) in Net Assets	(2,895,468)	2,254,761
Beginning net assets	53,746,163	51,491,402
Ending Net Assets	\$ 50,850,695	\$ 53,746,163

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

Governmental Activities

- Property tax rates for the 2008-2009 fiscal year decreased by \$0.01 to \$1.46 per \$100 of valuation. Taxable values for the 2009 fiscal year increased by 4.22%.

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 \$203.1 million.
- The amount that local taxpayers paid for these activities through property taxes was \$104.7 million.
- Those who directly benefited paid some of the cost from the programs, \$6.8 million, or by grants and contributions \$22.5 million.

Net Cost of Selected District Functions

	Total Cost of Services		Percent Change	Net Cost of Services		Percent Change
	2009	2008		2009	2008	
Instruction	\$ 103,394,889	\$ 94,650,337	9%	\$ 89,889,252	\$ 81,904,704	10%
School Leadership	10,818,210	10,110,269	7%	9,985,725	9,333,167	7%
Plant Maintenance & Operations	15,368,510	16,034,590	-4%	14,668,922	15,232,478	-4%
Debt Service - Interest	18,422,579	14,791,698	25%	18,422,579	14,791,698	25%

Financial Analysis of the District's Funds

Revenues from governmental fund types totaled \$199,477,514, an increase from the preceding year. The increase in local property values and an increase in student enrollment resulted in an increase in state revenues. 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 \$1,393,654 less than final budgeted amounts. The most significant variances resulted from staffing. In regards to staffing, budget amounts for vacant positions throughout the year are not eligible for budget revisions.

Resources available were \$480,167 less than the final budgeted amount:

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

Bottom-line, the actual loss for the year of (\$3,071,513) was \$913,487 better than the final budgeted loss of (\$3,985,000).

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 decreased by \$3,079,585, due to expenses exceeding revenues in the current year. The Debt Service Fund balance increased because of increased property tax revenue. The Capital Projects Fund balance decreased mainly due to capital outlay for future school sites, equipment purchases and facility renovations. Fund balances and percent of increase (decrease) for the governmental funds are as follows:

Major Fund Balances			
Fund	2009	2008	Percent Change
General Fund	\$ 13,422,513	\$ 16,502,098	-19%
Debt Services	4,116,832	3,696,794	11%
Capital Projects	106,398,420	135,301,945	-21%

General Fund

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

Revenue Sources	2009	Percent Realized	2008	Increase (Decrease)	Percent Change
Local	\$ 76,030,520	52%	\$ 72,291,773	\$ 3,738,747	5%
State	68,392,548	47%	67,364,567	1,027,981	2%
Federal	711,642	0%	452,693	258,949	57%
Total	\$ 145,134,710	100%	\$ 140,109,033	\$ 5,025,677	

Local revenues, which are generated primarily from property taxes, increased by 5.2 percent relative to the 2008-2009 school year, due to increased property values. State revenue increased by 1.5 percent. Federal revenues make up only 0.32 percent of total realized revenues. The amount of \$452,693 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 \$148,206,223 an increase of 5.04% from last year.

Function	Expenditures 2009	Percent Expended	Expenditures 2008	Increase (Decrease)	Percent Change
Instruction	\$ 96,055,218	65%	\$ 89,564,909	\$ 6,490,309	7%
Instruction/Leadership	11,985,951	8%	10,986,353	999,598	9%
Pupil Services	18,538,860	13%	17,702,099	836,761	5%
Admin. Support	3,674,211	2%	3,670,682	3,529	0%
Support Services	14,448,029	10%	18,269,463	(3,821,434)	-21%
Community Services	33,992	0%	17,398	16,594	95%
Payments to Juvenile Justice	19,987	0%	14,141	5,846	41%
Other Intergovernmental Charges	3,449,975	2%	513,372	2,936,603	572%
Total	\$ 148,206,223	100.00%	\$ 140,738,417	\$ 7,467,806	

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

Instruction and instructional related expenditures increased by \$6,490,309 or 7.25 percent. This increase was largely due to additional staff and a salary increase for instructional staff. Instructional and school leadership expenditures increased by \$999,598 or 9.1 percent. This increase is largely due to a salary increase for staff and additional staff. The increase of 4.73 percent or \$836,761 in Pupil Services was attributable to an increase in salaries for staff and additional staff.

Support Services, which includes plant maintenance, utilities, security/monitoring, property insurance and data processing expenditures decreased by \$3,821,434 or 20.9 percent. \$2,881,565 of this decrease is due to most of the District's electricity now being purchased through Energy For Schools which is coded to Payments Related to Shared Service Arrangements (Function 93), instead of Support Services (Function 51). There was also a concerted effort to reduce Support Services costs as much as possible, due to the budgeted shortfall.

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 an annual budget. Revenue from federal sources for the breakfast and lunch program was \$5,245,590. Revenues exceeded expenditures and other uses in the school breakfast and lunch program by \$64,144.

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 loss before operating transfers for the workers' compensation program was \$262,287.

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, 2009, general governmental capital assets of the District amounted to \$305,432,455. Additional information is available in Note 4 to the financial statements.

Capital Assets and Debt Administration

Capital Assets

As of August 31, 2009 the District had a net value of \$305,432,455 in a broad range of capital assets, including land, equipment, buildings, and vehicles. (See Table A-4.)

	<u>2009</u>	<u>2008</u>	<u>Percent Change</u>
Land	\$ 25,010,782	\$ 17,773,568	41%
Buildings & Equipment	263,563,054	270,342,085	-3%
Construction in Progress	16,858,619	1,411,370	1094%
Net Capital Assets	<u>\$ 305,432,455</u>	<u>\$ 289,527,023</u>	

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

Capital Projects Fund

Interest earnings in the Capital Projects Fund for the 2008-2009 fiscal year was \$2,025,380.

Long Term Debt

At the end of the year, the District had \$375.3 million in bonds, which represents a 3.1 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) are: Moody's Investor Services "A1" and Standard & Poor's "A+." More detailed information about the District's debt is presented in Note 6 to the Financial Statements.

Debt Administration

The Debt Service Fund is used to account for the accumulation of resources to pay principal and interest on general long-term debt. Revenue sources for this fund include receipts from property taxes and state funds. The Debt Service Fund contains fund balance reserves and interest earnings on those reserves. An excess of revenues and other sources over expenditures and other uses for the year amounted to \$420,038 resulting in a fund balance of \$4,116,832.

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. Eleven building and refunding bond issues (1997, 1999, 2000, 2001, 2003, 2004, 2004A, 2005, 2005A, 2006 and 2008) remain outstanding and mature serially through the year 2033.

The applicable debt service fund tax rate was \$0.42/\$100 for the assessed valuation for the 2008/2009 school year. This debt service fund tax rate represents a decrease from the \$0.43/\$100 assessed in the 2007/2008 school year. This lower rate was possible because of the continued growth in property values.

Economic Factors and Next Year's Budgets and Rates

- The appraised Net Taxable Value used for the 2009-2010 budget preparation is \$7.56 billion or 4.3% greater than the 2008-2009 values. The increased values generated an increase in the amount of local tax revenue in the 2009-2010 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 2008-2009.
- The District's student attendance was budgeted to increase by 513 students for a 2009-2010 total attendance of 20,849. The student attendance rate is budgeted at 95.7%.
- State aid increased by approximately \$8.1 million for the 2009-2010 General Fund budget. \$6.4 million of this increase is from State Fiscal Stabilization Funds (SFSF) that the District applied for and received. SFSF funding originated from House Bill 3646 in 2009. The District's state funding also increased, due to student attendance increasing.
- General Fund spending per attending student for the 2009-2010 budget increased by \$131 or 1.8%.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

- Expenditures for the 2009-2010 General Fund budget increased overall by \$6.5 million primarily due to costs associated with student enrollment growth and state mandated pay increases for staff whose wages are tied to a step-schedule (i.e. teachers, librarians, nurses, counselors and speech pathologists).
- If 2009-2010 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 Office of the Chief Financial Officer, Pflugerville ISD, 1401 West Pecan Street, Pflugerville, Texas 78660.

(This page intentionally left blank.)

Basic Financial Statements

(This Page Intentionally Left Blank)

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

Exhibit A-1

STATEMENT OF NET ASSETS

August 31, 2009

Data Control Codes		Governmental Activities
	Assets	
1110	Cash and temporary investments	\$ 114,173,496
1225	Property taxes receivables, net	3,376,716
1240	Due from other governments	2,867,300
1250	Accrued interest	205,751
1290	Other receivables, net	48,129
1300	Inventories	189,959
1410	Deferred expenses	647,690
1420	Capital bond and other debt issuance costs	2,048,260
	Capital assets not subject to depreciation:	
1510	Land	25,010,782
1580	Construction in progress	16,858,619
	Capital assets net of depreciation:	
1520	Buildings and improvements, net	258,883,726
1530	Furniture and equipment, net	4,679,328
1910	Long-term investments	17,827,047
1000	Total Assets	446,816,803
	Liabilities	
2110	Accounts payable	4,117,191
2140	Interest payable	783,447
2150	Payroll deductions and withholdings	1,734,508
2160	Accrued wages payable	251,231
2177	Due to fiduciary funds	21,722
2180	Due to other governments	173,784
2190	Due to student groups	1,589
2200	Accrued expenditures	880,646
2300	Deferred revenue	2,383,539
	Noncurrent Liabilities:	
2501	Due within one year	14,570,000
2502	Due in more than one year	371,048,451
2000	Total Liabilities	395,966,108
	Net Assets	
3200	Invested in capital assets, net of related debt	32,247,876
	Restricted for:	
3840	Food service	555,646
3850	Debt service	4,211,088
3900	Unrestricted	13,836,085
	Total net assets	\$ 50,850,695

See Notes to Financial Statements

(This Page Intentionally Left Blank)

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended August 31, 2009

Exhibit B-1

Data Control Codes	Functions/Programs	Expenses	Program Revenue		Net (Expense) Revenue and Changes in Net Assets
			Charges for Services	Operating Grants and Contributions	Primary Government
					Governmental Activities
	Governmental activities:				
11	Instruction	\$ 103,394,889	\$ 1,056,284	\$ 12,449,353	\$ (89,889,252)
12	Instructional resources and media services	3,705,657	75,091	156,525	(3,474,041)
13	Development	5,482,628	14,791	1,159,721	(4,308,116)
21	Instructional leadership	2,027,673	7,876	400,382	(1,619,415)
23	School leadership	10,818,210	247,434	585,051	(9,985,725)
31	Guidance, counseling, and evaluation services	6,033,629	109,067	554,871	(5,369,691)
32	Social work services	441,932		189,566	(252,366)
33	Health services	1,597,561		618,330	(979,231)
34	Student transportation	7,008,750	4,821	100,738	(6,903,191)
35	Food service	9,830,910	3,904,617	5,306,867	(619,426)
36	Extracurricular activities	6,013,120	992,532	135,257	(4,885,331)
41	General administration	3,764,274	19,964	289,398	(3,454,912)
51	Plant, maintenance and operations	15,368,510	345,475	354,113	(14,668,922)
52	Security and monitoring services	2,325,743	5,365	12,734	(2,307,644)
53	Data processing services	3,246,828		123,082	(3,123,746)
61	Community services	125,400	13,943	79,257	(32,200)
72	Interest on long-term debt	18,422,579			(18,422,579)
81	Facilities acquisition and construction	29,257			(29,257)
93	Payments related to shared services arrangements	2,881,565			(2,881,565)
95	Payments to Juvenile Justice Alternative Education Programs	19,987			(19,987)
99	Payments to Central Appraisal District	568,410			(568,410)
TG	Total governmental activities	<u>\$ 203,107,512</u>	<u>\$ 6,797,260</u>	<u>\$ 22,515,245</u>	<u>(173,795,007)</u>

Data Control Codes		
	General revenues:	
	Taxes:	
MT	Property taxes, levied for general purposes	74,503,421
DT	Property taxes, levied for debt service	30,245,042
SF	State-aid formula grants	63,547,951
GC	Grants and contributions not restricted	22,211
IE	Investment earnings	2,409,191
MI	Miscellaneous	171,723
TR	Total general revenues, special items, and transfers	<u>170,899,539</u>
CN	Change in net assets	(2,895,468)
NB	Net assets - beginning	<u>53,746,163</u>
NE	Net assets - ending	<u>\$ 50,850,695</u>

See Notes to Financial Statements

BALANCE SHEET
GOVERNMENTAL FUNDS
August 31, 2009

Data Control Codes	General Fund	Debt Service Funds	Capital Projects Fund
Assets			
1110 Cash and temporary investments	\$ 14,923,363	\$ 4,383,116	\$ 90,765,272
Receivables:			
1220 Property taxes - delinquent	5,203,314	2,035,309	
1230 Allowance for uncollectible taxes (credit)	(2,736,934)	(1,124,973)	
1240 Receivables from other governments	1,830,695		
1250 Accrued interest	1,910		203,841
1260 Due from other funds	1,106,756	11,755	682,198
1290 Other receivables	32,365		
1300 Inventories, at cost	118,398		
1410 Prepaid expenses	618,129		
1900 Other assets			17,827,047
Total Assets	\$ 21,097,996	\$ 5,305,207	\$ 109,478,358
Liabilities and Fund Balance			
Liabilities:			
2110 Accounts payable	\$ 915,926	\$	\$ 2,792,275
2150 Payroll deduction and withholdings payable	1,734,508		
2160 Accrued wages payable	245,237		
2170 Due to other funds	743,272		131,216
2180 Payable to other governments	58,012	26,605	
2190 Due to student and employee groups	458		
2200 Accrued expenses			156,447
2300 Deferred revenues	3,978,070	1,161,770	
2000 Total Liabilities	7,675,483	1,188,375	3,079,938
Fund Balance:			
Reserved for:			
3410 Investments in inventories	118,398		
3420 Retirement of funded indebtedness		4,116,832	
3430 Prepaid items	618,129		
3440 Encumbrances	52,966		
3450 Food service operations			
Unreserved, Undesignated Reported in:			
3600 General fund	12,633,020		
3610 Special revenue funds			
3620 Capital projects funds			106,398,420
3000 Total fund balances	13,422,513	4,116,832	106,398,420
4000 Total Liabilities and Fund Balances	\$ 21,097,996	\$ 5,305,207	\$ 109,478,358

See Notes to Financial Statements.

Exhibit C-1

Other Governmental Funds	Total Governmental Funds
\$ 3,246,374	\$ 113,318,125
	7,238,623
	(3,861,907)
1,036,605	2,867,300
	205,751
58,117	1,858,826
15,764	48,129
71,561	189,959
29,561	647,690
	<u>17,827,047</u>
<u>\$ 4,457,982</u>	<u>\$ 140,339,543</u>

\$ 393,356	\$ 4,101,557
	1,734,508
5,994	251,231
906,311	1,780,799
89,167	173,784
1,131	1,589
	156,447
506,974	5,646,814
<u>1,902,933</u>	<u>13,846,729</u>

	118,398
	4,116,832
	618,129
	52,966
555,646	555,646
	12,633,020
1,999,403	1,999,403
	<u>106,398,420</u>
<u>2,555,049</u>	<u>126,492,814</u>
<u>\$ 4,457,982</u>	<u>\$ 140,339,543</u>

(This Page Intentionally Left Blank)

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS TO
STATEMENT OF NET ASSETS
August 31, 2009

Exhibit C-2

<u>Data Control Codes</u>		
	Total fund balance, governmental funds	\$ 126,492,814
	Amounts reported for governmental <i>activities</i> in the statement of net assets 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	305,432,455
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).	3,263,275
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.	2,048,260
	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	(375,344,934)
5	Premiums on issuance	(11,275,394)
6	Deferred loss on refunding	4,989,069
7	Accreted interest on premium compound interest bonds	(2,484,846)
8	Accrued compensated absences	(1,502,346)
9	Accrued interest payable	(783,447)
10	Addition of Internal Service fund net assets	<u>15,789</u>
	Total net assets - governmental activities	<u><u>\$ 50,850,695</u></u>

See Notes to Financial Statements.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS
For the Year Ended August 31, 2009

Data Control Codes		General Fund	Debt Service Funds	Capital Projects Fund
	Revenues			
5700	Local, intermediate, and out-of-state	\$ 76,030,520	\$ 30,031,153	\$ 2,025,830
5800	State program revenues	68,392,548	2,061,682	
5900	Federal program revenues	711,642		
5020	Total revenues	<u>145,134,710</u>	<u>32,092,835</u>	<u>2,025,830</u>
	Expenditures			
	Current:			
0011	Instruction	88,603,763		2,236,603
0012	Instruction resources and media services	3,042,806		271,543
0013	Curriculum and instructional staff development	4,408,649		
0021	Instructional leadership	1,664,570		7,914
0023	School leadership	10,321,381		
0031	Guidance, counseling and evaluation services	5,496,215		
0032	Social work services	206,717		
0033	Health services	1,556,565		
0034	Student transportation	6,868,125		
0035	Food services	74,008		
0036	Extracurricular activities	4,337,230		
0041	General administration	3,674,211		
0051	Plant maintenance and operations	11,088,571		3,788,386
0052	Security and monitoring services	1,467,059		788,864
0053	Data processing services	1,892,399		375,952
0061	Community services	33,992		
	Debt service:			
0071	Principal on long-term debt		12,140,000	
0072	Interest on long-term debt		19,528,347	
0073	Bond issuance costs and fees		4,450	
	Capital outlay:			
0081	Capital outlay			23,460,093
	Intergovernmental:			
0093	Payments related to shared services arrangements	2,881,565		
0095	Payments to Juvenile Justice Alt. Ed. Prgm.	19,987		
0099	Other intergovernmental charges	568,410		
6030	Total Expenditures	<u>148,206,223</u>	<u>31,672,797</u>	<u>30,929,355</u>
1100	Excess (deficiency) of revenues over expenditures	<u>(3,071,513)</u>	<u>420,038</u>	<u>(28,903,525)</u>
	Other Financing Sources (Uses)			
7912	Sale of real or personal property	43,440		
7915	Transfers in			
7989	Other non-operating revenues	5,138		
8911	Transfers out	(56,650)		
7080	Total Other Financing Sources (Uses)	<u>(8,072)</u>		
1200	Net change in fund balances	(3,079,585)	420,038	(28,903,525)
0100	Fund Balance - September 1 (Beginning)	<u>16,502,098</u>	<u>3,696,794</u>	<u>135,301,945</u>
3000	Fund Balance - August 31 (Ending)	<u>\$ 13,422,513</u>	<u>\$ 4,116,832</u>	<u>\$ 106,398,420</u>

See Notes to Financial Statements.

Exhibit C-3

<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 5,339,418	\$ 113,426,921
2,927,086	73,381,316
11,957,635	12,669,277
<u>20,224,139</u>	<u>199,477,514</u>
8,406,627	99,246,993
76,311	3,390,660
1,064,035	5,472,684
343,758	2,016,242
254,953	10,576,334
473,124	5,969,339
234,567	441,284
28,846	1,585,411
95,475	6,963,600
9,148,645	9,222,653
515,082	4,852,312
18,521	3,692,732
23,973	14,900,930
4,977	2,260,900
	2,268,351
91,408	125,400
	12,140,000
	19,528,347
	4,450
	23,460,093
	2,881,565
	19,987
	568,410
<u>20,780,302</u>	<u>231,588,677</u>
<u>(556,163)</u>	<u>(32,111,163)</u>
	43,440
56,650	56,650
	5,138
	(56,650)
<u>56,650</u>	<u>48,578</u>
(499,513)	(32,062,585)
<u>3,054,562</u>	<u>158,555,399</u>
<u>\$ 2,555,049</u>	<u>\$ 126,492,814</u>

(This Page Intentionally Left Blank)

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, 2009

<u>Data Control Codes</u>		
	Net change in fund balances - total governmental funds (from C-3)	\$ (32,062,585)
	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 depreciation exceeded capital outlays.	15,914,634
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.	(9,204)
3	Property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	728,854
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.	12,140,000
	Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:	
7	Decrease in interest payable not recognized in fund statements	1,089,640
8	Increase in long-term portion of accrued compensated absences	(455,991)
9	Accreted interest on capital appreciation bonds and amortization of bond issuance costs	20,578
10	Internal service funds are used by management to charge the costs of certain activities, such as insurance and printing, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental funds.	(261,394)
	Change in net assets of governmental activities	<u><u>\$ (2,895,468)</u></u>

See Notes to Financial Statements.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
For the Year Ended August 31, 2009

Exhibit D-1

<u>Data Control Codes</u>		<u>Governmental Activities - Internal Service Fund</u>
	Assets	
	Current assets:	
1110	Cash and cash equivalents	\$ 512,840
1120	Temporary investments, at fair value	342,531
1000	Total Assets	<u>\$ 855,371</u>
	Liabilities	
	Current liabilities:	
2110	Accounts payable	\$ 14,833
2170	Due to other funds	99,749
2200	Accrued expenses	725,000
2000	Total Liabilities	<u>839,582</u>
	Net Assets	
3900	Unrestricted net assets	15,789
3000	Total Net Assets	<u>\$ 15,789</u>

See Notes to Financial Statements.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended August 31, 2009

Exhibit D-2

<u>Data Control Codes</u>		<u>Governmental Activities - Internal Service Fund</u>
	Operating Revenues	
5754	Quasi-external interfund transactions	\$ 350,000
5020	Total operating revenues	<u>350,000</u>
	Operating Expenses	
6200	Purchased and contracted services	35,234
6400	Claims expense and other operating expenses	577,053
6030	Total Operating Expenses	<u>612,287</u>
1200	Operating Income (Loss)	<u>(262,287)</u>
	Non-Operating Revenues (Expenses)	
7020	Earnings - temporary deposits and investments	893
	Total Nonoperating Revenues	<u>893</u>
1200	Change in Net Assets	(261,394)
0100	Net Assets - September 1 (Beginning)	<u>277,183</u>
3300	Net Assets - August 31 (Ending)	<u>\$ 15,789</u>

See Notes to Financial Statements.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended August 31, 2009

Exhibit D-3

	Governmental Activities - Internal Service Fund
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities:	
Cash receipts from quasi-external operating activities with other funds	\$ 350,000
Cash payments to suppliers for goods and services	(314,564)
Net Cash Provided by (Used for) Operating Activities	<u>35,436</u>
Cash Flows from Non-Capital Financing Activities:	
Advances from other funds	3,364
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>3,364</u>
Cash Flows from Investing Activities:	
Investment proceeds (net)	219,025
Interest on investments	4,835
Net Cash Provided by Investing Activities	<u>223,860</u>
Net Increase in Cash and Cash Equivalents	262,660
Cash and Cash Equivalents at Beginning of Year	250,180
Cash and Cash Equivalents at End of Year	<u><u>\$ 512,840</u></u>
Reconciliation to Balance Sheet	
Cash and Cash Equivalents Per Cash Flow	<u>\$ 512,840</u>
Cash and Cash Equivalents per Balance Sheet	<u><u>\$ 512,840</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income (Loss)	\$ (262,287)
Change in Assets and Liabilities	
Increase (decrease) in Accounts Payable	6,891
Increase (decrease) in Accrued Expenses	290,832
Net Cash Provided by (Used for) Operating Activities	<u><u>\$ 35,436</u></u>

See Notes to Financial Statements.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

Exhibit E-1

STATEMENT OF FIDUCIARY NET ASSETS

August 31, 2009

<u>Data Control Codes</u>		<u>Private- Purpose Trust Fund</u>	<u>Agency Funds</u>
	Assets		
1110	Cash and cash equivalents	\$ 31,689	\$ 186,056
1120	Investments	209,309	
	Receivables:		
1260	Due from other Funds	100	21,622
	Total Assets	<u>241,098</u>	<u>\$ 207,678</u>
	Liabilities		
2190	Due to others		\$ 207,678
2000	Total Liabilities		<u>\$ 207,678</u>
	Net Assets		
3800	Restricted net assets	<u>\$ 241,098</u>	

See Notes to Financial Statements.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

Exhibit E-2

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

For the Year Ended August 31, 2009

	Private Purpose Trust Fund
Additions	
Gifts and contributions	\$ 2,870
Total contributions	<u>2,870</u>
Investment earnings	
Interest	2,420
Total net investment earnings	<u>2,420</u>
Total Additions	<u>5,290</u>
Deductions	
Miscellaneous expense	36,350
Total deductions	<u>36,350</u>
Change in net assets	(31,060)
Net assets beginning of year	<u>272,158</u>
Net assets end of year	<u>\$ 241,098</u>

See Notes to 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, 2009. 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

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 of governmental 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.

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 leave 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 2009, the District invested in U.S. Government Agency securities, the State of Texas Texpool, LOGIC, MBIA and Texas Association of School Boards Lone Star Investment Pool. TexPool, LOGIC and MBIA operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. As such, TexPool, LOGIC and MBIA 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 investment activities of MBIA are administered by MBIA Municipal Investors Service 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, MBIA, or Lone Star.

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

	Carrying Value	Weighted Average Maturity (Days)
Cash and deposits	<u>16,913,888</u>	N/A
Investments		
Local Government Investment Pools		
Lone Star	95,890,023	52
Local Government Investment Cooperative (LOGIC)	97,260	51
Texas CLASS Pool	258,893	29
Texpool	1,440,485	48
Investment Securities		
Federal Home Loan Mortgage Corporation	9,015,111	394
Federal Home Loan Bank	<u>8,811,936</u>	18
Total Investments	<u>115,513,708</u>	
Total Cash and Investments	<u>\$ 132,427,596</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, 2009, 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	\$ 9,015,111	\$ 9,015,111	\$ 2,977,671	\$ 6,037,440
Federal Home Loan Bank	8,811,936	8,811,936	8,811,936	-
Total U.S. Agency Investments	17,827,047	17,827,047	11,789,607	6,037,440
Local Government Investment Pools				
Lone Star	95,890,023	95,890,023	95,890,023	
Local Government Investment Cooperative (LOGIC)	97,260	97,260	97,260	
Texas CLASS Pool	258,893	258,893	258,893	
Texpool	1,440,485	1,440,485	1,440,485	
	\$ 115,513,708	\$ 115,513,708	\$ 109,476,268	\$ 6,037,440

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, 2009, the District’s investments had the following ratings:

	<u>Carrying</u> <u>Value</u>	<u>Fair</u> <u>Value</u>	<u>Rating</u>
Federal Home Loan Mortgage Corporation	\$ 9,015,111	\$ 9,015,111	AAA
Federal Home Loan Bank	8,811,936	8,811,936	AAA
Total U.S. Agency Investments	<u>17,827,047</u>	<u>17,827,047</u>	
Local Government Investment Pools			
Lone Star	95,890,023	95,890,023	AAA
Local Government Investment Cooperative (LOGIC)	97,260	97,260	AAA
Texas CLASS Pool	258,893	258,893	AAAm
Texas Local Government Investment Pool (TexPool)	1,440,485	1,440,485	AAAm
	<u>\$ 115,513,708</u>	<u>\$ 115,513,708</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. In addition, the fair value of the securities underlying the repurchase agreement exceeded the cost of the repurchase agreement.

As of August 31, 2009 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 DFIC will guarantee certain noninterest-bearing transaction accounts. As a 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, 2009, the following was the composition of the District's investment portfolio:

U.S. Agency Investments	15%
Lone Star Investment Pool	83%
Local Government Investment Cooperative (LOGIC)	0%
Texas CLASS Pool	0%
Texas Local Government Investment Pool	1%

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, 2009, is included in investment earnings as follows:

Investment earnings	\$ 2,469,617
Net increase (decrease) in investment values	<u>(58,006)</u>
Total Investment earnings	<u><u>2,411,611</u></u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO 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	\$ 5,203,314	\$ 2,035,309	\$	\$	\$ 7,238,623
Due from other governments	1,830,695			1,036,605	2,867,300
Interest	1,910		203,841		205,751
Other	32,365			15,764	48,129
Gross Receivables	<u>7,068,284</u>	<u>2,035,309</u>	<u>203,841</u>	<u>1,052,369</u>	<u>10,359,803</u>
Less allowance for doubtful accounts	(2,736,934)	(1,124,973)			(3,861,907)
Net Total Receivables	<u>\$ 4,331,350</u>	<u>\$ 910,336</u>	<u>\$ 203,841</u>	<u>\$ 1,052,369</u>	<u>\$ 6,497,896</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)	\$ 2,385,572	\$
Delinquent property taxes receivable (Debt Service Fund)	877,703	
Advanced collection of fees		1,876,565
Grant funds received prior to meeting all eligibility requirements		506,974
	<u>\$ 3,263,275</u>	<u>\$ 2,383,539</u>

Note 4 - Capital Assets

The District's capital asset activity for the year ended August 31, 2009 is as follows:

	Balance August 31, 2008	Additions	(Retirements) and Transfers	Balance August 31, 2009
Capital assets, not being depreciated:				
Land	\$ 17,773,568	\$ 7,237,214	\$	\$ 25,010,782
Construction in progress	1,411,370	15,736,381	(289,132)	16,858,619
Total Capital assets, not being depreciated	<u>19,184,938</u>	<u>22,973,595</u>	<u>(289,132)</u>	<u>41,869,401</u>
Capital assets, being depreciated:				
Buildings and improvements	322,543,878	469,768	289,133	323,302,779
Furniture and equipment	17,264,019	397,654	(1,267,299)	16,394,374
Total Capital assets, being depreciated	<u>339,807,897</u>	<u>867,422</u>	<u>(978,166)</u>	<u>339,697,153</u>
Less accumulated depreciation for:				
Buildings and improvements	(58,130,202)	(6,288,851)		(64,419,053)
Furniture and Equipment	(11,335,610)	(1,637,532)	1,258,096	(11,715,046)
Total Accumulated depreciation	<u>(69,465,812)</u>	<u>(7,926,383)</u>	<u>1,258,096</u>	<u>(76,134,099)</u>
Governmental Capital Assets	<u>\$ 289,527,023</u>	<u>\$ 15,914,634</u>	<u>\$ (9,202)</u>	<u>\$ 305,432,455</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	\$ 3,825,776
Instructional resources and media services	306,863
School leadership	214,447
Guidance, counseling and evaluation services	33,172
Social work services	387
Student transportation	45,150
Food Services	599,006
Extracurricular activities	1,170,709
General administration	79,731
Plant maintenance and operations	432,248
Security and monitoring services	88,712
Data processing services	1,130,182
	<u>\$ 7,926,383</u>

Construction Commitments

The District has active construction projects as of August 31, 2009. 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>
Riojas Elementary	\$ 11,852,215	\$ 93,711
PHS Band Hall & Renovations	8,743,049	6,778,595
PHS Architect	524,583	73,442
CHS Tennis Court Locker Facility	931,150	143,206
HHS Agricultural Center	299,977	14,239
PES Annex Renovation	408,002	48,129
CHS Additions and Renovations	3,947,515	3,947,515
CHS Architect	276,326	13,756
	<u>\$ 26,982,817</u>	<u>\$ 11,112,593</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)

The composition of interfund balances as of August 31, 2009, is as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 1,106,756	\$ 743,272
Debt Service Funds	11,755	
Capital Projects Fund	682,198	131,216
Worker's Compensation Fund		99,749
Private Purpose Trust Fund	100	
Agency Fund	21,622	
Nonmajor Funds	58,117	906,311
	<u>\$ 1,880,548</u>	<u>\$ 1,880,548</u>

Interfund transfers are defined as “flows of assets without equivalent flow of assets in return and without a requirement for repayment.” The following is a summary of the District’s transfers for the year ended August 31, 2009:

<u>Transfer Out</u>	<u>Transfer In</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 56,650
		<u>\$ 56,650</u>

The district transferred funds to the special revenue funds to reimburse for prior year expenditures.

Note 6 - Long-term Liabilities

Changes in Long-term Liabilities

Long-term liability activity for the year ended August 31, 2009, was as follows:

	<u>Balance August 31, 2008</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance August 31, 2009</u>	<u>Due Within One Year</u>
General obligation bonds	\$ 387,484,934	\$	\$ (12,140,000)	\$ 375,344,934	\$ 14,570,000
Less deferred amounts:					
For issuance premiums/discounts	11,862,391		(586,997)	11,275,394	
Gain or loss on refunding bonds	(5,279,846)		290,777	(4,989,069)	
Accreted interest on premium compound interest bonds	2,316,982	167,864		2,484,846	
Compensated absences payable	1,046,355	455,991		1,502,346	
	<u>\$ 397,430,816</u>	<u>\$ 623,855</u>	<u>\$ (12,436,220)</u>	<u>\$ 385,618,451</u>	<u>\$ 14,570,000</u>

Note 6 - Long-term Liabilities (Continued)

General Obligation Bonds

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

Issue	Original Issuance Amount	Interest Rate (%)	Maturity Date	Debt Outstanding
Unlimited Tax School Building and Refunding Bonds, Series 1997	\$ 22,000,000	4.55% to 5.75%	8/15/2017	\$ 7,985,000
Unlimited Tax School Building and Refunding Bonds, Series 1999	54,849,973	4.35% to 5.13%	8/15/2019	19,284,934
Unlimited Tax School Building Bonds, Series 2000	32,000,000	4.90% to 5.00%	8/15/2010	675,000
Unlimited Tax School Building Bonds, Series 2001	59,560,000	4.00% to 5.00%	8/15/2026	33,410,000
Unlimited Tax School Building, Series 2003	20,000,000	3.00% to 5.25%	2/15/2028	16,850,000
Unlimited Tax School Building, Series 2004	25,915,000	3.00% to 5.00%	2/15/2029	23,590,000
Unlimited Tax Refunding Bonds, Series 2004A	14,090,000	2.00% to 5.00%	2/15/2017	11,975,000
Unlimited Tax Refunding Bonds, Series 2005	79,195,000	3.50% to 5.25%	8/15/2026	72,455,000
Unlimited Tax School Building Bonds, Series 2005A	28,670,000	3.13% to 5.25%	2/15/2030	27,670,000
Unlimited Tax School Building Bonds, Series 2006	40,000,000	4.00% to 5.00%	2/15/2031	39,735,000
Unlimited Tax School Building Bonds, Series 2008	121,715,000	3.00% to 5.00%	2/15/2033	121,715,000
				<u>\$ 375,344,934</u>

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

Year Ending August 31,	Principal	Interest	Totals
2010	\$ 14,570,000	\$ 17,927,671	\$ 32,497,671
2011	12,994,934	20,121,506	33,116,440
2012	16,330,000	16,789,483	33,119,483
2013	17,085,000	16,032,083	33,117,083
2014	17,965,000	15,154,289	33,119,289
2015	18,785,000	14,320,847	33,105,847
2016	19,340,000	13,406,565	32,746,565
2017	20,275,000	12,487,232	32,762,232
2018	17,445,000	11,563,626	29,008,626
2019	18,220,000	10,683,655	28,903,655
2020	14,845,000	9,753,814	24,598,814
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	1,699,438	14,184,438
2031	10,935,000	1,128,275	12,063,275
2032	8,405,000	652,125	9,057,125
2033	8,840,000	221,000	9,061,000
	<u>\$ 375,344,934</u>	<u>\$ 212,568,119</u>	<u>\$ 587,913,053</u>

Note 6 - Long-term Liabilities (Continued)

Prior Year Refunding of General Obligation Bonds

In 2005, 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, 2009, \$49,885,000 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	\$ 3,544,819	\$ 1,059,973	\$ 2,484,846	\$ 3,905,000	2011
	\$ 3,544,819	\$ 1,059,973	\$ 2,484,846	\$ 3,905,000	

Note 7 - Deficit Fund Balances

The Student Success Initiative grant fund had a deficit fund balance of \$56 at August 31, 2009. The District plans to eliminate this deficit through future operations.

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

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

	<u>General Fund</u>	<u>Debt Service Funds</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Property Taxes	\$ 74,128,558	\$ 29,891,048	\$	\$	\$ 104,019,606
Investment Income	255,636	112,710	2,025,830	14,122	2,408,298
Co-curricular student activities	437,330			780,262	1,217,592
Food Sales				3,813,515	3,813,515
Other	1,208,996	27,395		731,519	1,967,910
	\$ 76,030,520	\$ 30,031,153	\$ 2,025,830	\$ 5,339,418	\$ 113,426,921

Note 9 - Operating Leases

Commitments under operating lease agreements for copier equipment require minimum future rental payments as of August 31, 2009, as follows:

Year ending August 31:	
2009	\$ 462,359
Total minimum rentals	\$ 462,359

Note 10 - 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 2009, 2008 and 2007, and a state contribution rate of 6.58% for fiscal years 2009 and 2008 and 6.0% for fiscal year 2007. In certain instances, the reporting district is required to make all or a portion of the state's 6.58% contribution for fiscal years 2009 and 2008 and 6.00% for fiscal year 2007. 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 6.58% (6.0% for fiscal year 2007) 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 6.58% (6.00% for fiscal year 2007).

Contributions made by the State, District and staff members to TRS for the years ended August 31, 2007, 2008 and 2009 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
2009	\$ 5,762,463	\$ 1,120,434	\$ 7,011,045
2008	5,460,350	1,259,308	6,579,001
2007	3,961,788	974,824	5,728,866

Note 11 - Risk Management

Property/Liability

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

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

Insurance Coverage

During the year ended August 31, 2009, District employees were covered by health insurance under United Healthcare (September 1, 2008 to December 31, 2008) and Blue Cross/Blue Shield (January 1, 2009 to August 31, 2009). The District contributed \$285 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. For 2009, the District's maintenance of effort was \$5,874,648 for the District's payment of health insurance.

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.

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 2007, 2008 and 2009 were as follows:

Fiscal Year	Beginning of Year Accrual	Current Year Estimates	Claims Payments	End of Year Accrual
2007	\$ 577,022	\$ 325,703	\$ 325,703	\$ 577,022
2008	577,022	181,963	324,817	434,168
2009	434,168	506,681	215,849	725,000

Note 12 - Retiree Health Plan

Plan Description

The Pflugerville Independent School District contributes to the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple-employer defined benefit 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 2009, 2008, and 2007. 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%.

Contributions

Contributions made by the State, District, and staff members for the years ended August 31, 2009, 2008 and 2007 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
2009	\$ 875,754	\$ 630,035	\$ 712,050
2008	829,848	596,534	668,180
2007	660,298	514,507	581,838

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.

Note 12 - Retiree Health Plan (continued)

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, 2009, 2008, and 2007, the subsidy payments received by TRS-Care on behalf of the District were \$246,178, \$235,307, and \$184,244, respectively. These payments are recorded as equal revenues and expenditures in the governmental funds financial statements of the District.

Note 13 - 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 14 - Arbitrage

In accordance with the provisions of Section 148(f) of the Internal Revenue Code of 1986, as amended, bonds must satisfy certain arbitrage rebate requirements. Positive arbitrage is the excess of: (1) the amount earned on investments purchased with bond proceeds, or (2) the amount that such investments would have earned had such investments been invested at a rate equal to the yield on the bond issue. In order to comply with the arbitrage rebate requirements, positive arbitrage must be paid to the U.S. Treasury at the end of each five-year anniversary date of the bond issue. The District has estimated that it has no arbitrage liability as of August 31, 2009.

Required Supplementary Information

(This page intentionally left blank.)

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended August 31, 2009

Exhibit F-1

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
5700 Local revenues	\$ 74,863,450	\$ 76,881,950	\$ 76,030,520	\$ (851,430)
5800 State program revenues	66,142,029	68,000,000	68,392,548	392,548
5900 Federal program revenues	135,850	732,927	711,642	(21,285)
Total revenues	141,141,329	145,614,877	145,134,710	(480,167)
Expenditures				
Current:				
0011 Instruction	85,446,538	88,540,106	88,603,763	(63,657)
0012 Instruction resources and media services	3,175,393	3,134,303	3,042,806	91,497
0013 Curriculum and instructional staff development	3,715,157	4,491,870	4,408,649	83,221
0021 Instructional leadership	1,422,983	1,723,349	1,664,570	58,779
0023 School leadership	9,377,986	10,493,471	10,321,381	172,090
0031 Guidance, counseling and evaluation services	5,448,444	5,669,027	5,496,215	172,812
0032 Social work services	267,931	210,941	206,717	4,224
0033 Health services	1,499,576	1,603,070	1,556,565	46,505
0034 Student transportation	4,904,096	6,988,979	6,868,125	120,854
0035 Food services	93,500	94,686	74,008	20,678
0036 Extracurricular activities	4,361,522	4,364,070	4,337,230	26,840
0041 General administration	3,539,115	3,718,703	3,674,211	44,492
0051 Plant maintenance and operations	10,053,143	11,026,480	11,088,571	(62,091)
0052 Security and monitoring services	1,461,768	1,615,543	1,467,059	148,484
0053 Data processing services	2,113,547	1,919,791	1,892,399	27,392
0061 Community services	16,630	35,543	33,992	1,551
0093 Payments related to shared services arrangements	3,400,000	3,381,548	2,881,565	499,983
0095 Payments to Juvenile Justice Alt. Ed. Prgm.	10,000	19,987	19,987	
0099 Other intergovernmental charges	525,000	568,410	568,410	
Total Expenditures	140,832,329	149,599,877	148,206,223	1,393,654
1100 Excess (deficiency) of revenues over expenditures	309,000	(3,985,000)	(3,071,513)	913,487
Other Financing Sources (Uses)				
7912 Sale of land			43,440	43,440
7989 Restitution for damages			5,138	5,138
8911 Transfers out			(56,650)	(56,650)
Total other financing sources and uses			(8,072)	(8,072)
Net change in fund balances	309,000	(3,985,000)	(3,079,585)	905,415
Fund balances - beginning	16,502,098	16,502,098	16,502,098	
Fund balances - ending	\$ 16,811,098	\$ 12,517,098	\$ 13,422,513	\$ 905,415

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Exhibit F-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, 2009.

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, 2008. 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.

For the year ended August 31, 2009, the District exceeded its budget in the following general fund functions:

<u>Function</u>	<u>Amount</u>
11 Instruction	\$ 63,657
51 Plant maintenance and operations	62,091

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

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

ALL NONMAJOR GOVERNMENTAL FUNDS

August 31, 2009

Data Control Codes	204	206	211
	Title IV Safe & Drug Free	ESEA, Title III, Subtitle B - Homeless Children and Youth	ESEA Title I Part A
Assets			
1110	\$	\$	\$
Receivables:			
1240	1,362	39,590	127,587
1260			
1290		112	
1310			
1410			
1000	Total Assets		
	<u>\$ 1,362</u>	<u>\$ 39,702</u>	<u>\$ 127,587</u>
Liabilities and Fund Balances			
Liabilities:			
Current Liabilities:			
2110	\$ 1,362	\$ 999	\$ (210)
2160			
2170		38,703	127,797
2180			
2190			
2300			
2000	Total Liabilities		
	<u>1,362</u>	<u>39,702</u>	<u>127,587</u>
Fund Balance:			
Reserved for:			
3450			
Unreserved, Undesignated Reported in:			
3610			
3000	Total Fund Balances		
4000	Total Liabilities and Fund Balance		
	<u>\$ 1,362</u>	<u>\$ 39,702</u>	<u>\$ 127,587</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>
\$	\$	\$ 569,222	\$	\$	\$	\$
235,479	5,718	116,091 34,091 199 71,561			32,525	
<u>\$ 235,479</u>	<u>\$ 5,718</u>	<u>\$ 791,164</u>	<u>\$</u>	<u>\$</u>	<u>\$ 32,525</u>	<u>\$</u>
\$	\$	\$ 230,121	\$	\$	\$	\$
235,479	5,718	5,397			32,525	
<u>235,479</u>	<u>5,718</u>	<u>235,518</u>	<u></u>	<u></u>	<u>32,525</u>	<u></u>
		555,646				
		555,646				
<u>\$ 235,479</u>	<u>\$ 5,718</u>	<u>\$ 791,164</u>	<u>\$</u>	<u>\$</u>	<u>\$ 32,525</u>	<u>\$</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

ALL NONMAJOR GOVERNMENTAL FUNDS

August 31, 2009

<u>Data Control Codes</u>	263	265	272
	<u>ESEA Title III</u>	<u>21st Century Grant</u>	<u>Medicaid Administrative Claiming Program</u>
Assets			
1110	Cash and temporary investments	\$	\$ 10,223
Receivables:			
1240	Receivables from other governments	22,139	54,319
1260	Due from other funds		15,401
1290	Other receivables		
1310	Inventories, at cost		
1410	Prepaid expenses		
1000	Total Assets	\$ 22,139	\$ 69,720
Liabilities and Fund Balances			
Liabilities:			
Current Liabilities:			
2110	Accounts payable	\$	\$
2160	Accrued wages payable		
2170	Due to other funds	22,139	69,720
2180	Due to other governments		
2190	Due to student and employee groups		
2300	Deferred revenues		10,223
2000	Total Liabilities	22,139	10,223
Fund Balance:			
Reserved for:			
3450	Food service operations		
Unreserved, Undesignated Reported in:			
3610	Special revenue funds		
3000	Total Fund Balances		
4000	Total Liabilities and Fund Balance	\$ 22,139	\$ 10,223

282	285	287	288	289	385	392
Smaller Learning Communities	Title I, Part A (ARRA)	Regional Science Collaborative	Middle School AP Grant	LEP Summer School	State Supplemental Visually Impaired	Non- Educational Community Based
\$ 74	\$	\$	\$ 61	\$	\$	\$ 11,604
953	39,200	1,350				
<u>\$ 1,027</u>	<u>\$ 39,200</u>	<u>\$ 1,350</u>	<u>\$ 61</u>	<u>\$</u>	<u>\$</u>	<u>\$ 11,604</u>
\$ 80	\$	\$ 1,350	\$	\$	\$	\$ 7,642
55	39,200					3,962
892			61			
<u>1,027</u>	<u>39,200</u>	<u>1,350</u>	<u>61</u>	<u></u>	<u></u>	<u>11,604</u>
<u>\$ 1,027</u>	<u>\$ 39,200</u>	<u>\$ 1,350</u>	<u>\$ 61</u>	<u>\$</u>	<u>\$</u>	<u>\$ 11,604</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

ALL NONMAJOR GOVERNMENTAL FUNDS

August 31, 2009

Data Control Codes	397	401	404
Data Control Codes	Advanced Placement Incentive	Optional Extended Year	Student Succ. Init- Acc REA
Assets			
1110	\$ 59,033	\$	\$
Receivables:			
1240		92,188	248,726
1260			
1290			
1310			
1410			
1000	<u>\$ 59,033</u>	<u>\$ 92,188</u>	<u>\$ 248,726</u>
Liabilities and Fund Balances			
Liabilities:			
Current Liabilities:			
2110	\$	\$	\$ 34,434
2160			
2170		92,188	214,348
2180			
2190			
2300	59,033		
2000	<u>59,033</u>	<u>92,188</u>	<u>248,782</u>
Fund Balance:			
Reserved for:			
3450			
Unreserved, Undesignated Reported in:			
3610			(56)
3000			(56)
4000	<u>\$ 59,033</u>	<u>\$ 92,188</u>	<u>\$ 248,726</u>

411	415	422	423	425	427	428
Technology	Kindergarten and Pre-K Grants	Matching Funds - Library	Preschool LRE Program	Texas Parks & Wildlife	TEEG Grant	High School Allotment
\$ 88,093	\$	\$	\$ 1,124	\$	\$	\$ 347,961
				8,867		
						595
29,561						
<u>\$ 117,654</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,124</u>	<u>\$ 8,867</u>	<u>\$</u>	<u>\$ 348,556</u>
\$ 29,561	\$	\$	\$ 476	\$	\$	\$ 532
				8,867		
88,093			648			348,024
<u>117,654</u>	<u></u>	<u></u>	<u>1,124</u>	<u>8,867</u>	<u></u>	<u>348,556</u>
<u>\$ 117,654</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,124</u>	<u>\$ 8,867</u>	<u>\$</u>	<u>\$ 348,556</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

ALL NONMAJOR GOVERNMENTAL FUNDS

August 31, 2009

Data Control Codes	Secondary Teacher Mentor Grant	Campus Activity Funds	Special Projects
	429	461	481
Assets			
1110	\$	\$ 1,036,812	\$ 1,122,167
Receivables:			
1240			
1260		7,672	
1290		14,858	
1310			
1410			
1000	\$	\$ 1,059,342	\$ 1,122,167
Liabilities and Fund Balances			
Liabilities:			
Current Liabilities:			
2110	\$	\$ 87,009	\$
2160		2,032	
2170		1,905	853
2180		89,167	
2190		1,131	
2300			
2000	\$	181,244	853
Fund Balance:			
Reserved for:			
3450			
Unreserved, Undesignated Reported in:			
3610		878,098	1,121,314
3000	\$	878,098	1,121,314
4000	\$	\$ 1,059,342	\$ 1,122,167

Exhibit G-1
Page 4 of 4

482	491	
After the Bell Program	AP Incentives Grant	Total Nonmajor Governmental Funds
\$	\$	\$ 3,246,374
11,464		1,036,605
		58,117
		15,764
		71,561
		29,561
\$ 11,464	\$	\$ 4,457,982
\$	\$	\$ 393,356
		5,994
11,417		906,311
		89,167
		1,131
		506,974
11,417	\$	1,902,933
		555,646
47	\$	1,999,403
47	\$	2,555,049
\$ 11,464	\$	\$ 4,457,982

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended August 31, 2009

Data Control Codes		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	40,125	104,412	1,383,715
5020	Total revenues	40,125	104,412	1,383,715
	Expenditures			
	Current:			
0011	Instruction	4,300	17,276	1,271,297
0012	Instruction resources and media services			5,428
0013	Curriculum and instructional staff development		10	27,135
0021	Instructional leadership		18,186	17,193
0023	School leadership			11,791
0031	Guidance, counseling and evaluation services	23,529	585	
0032	Social work services	6,407	66,008	
0033	Health services		1,399	3,672
0034	Student transportation			29,463
0035	Food service			
0036	Extracurricular activities			
0041	General administration			
0051	Plant maintenance and operations			
0052	Security and monitoring services			
0061	Community services	5,889	948	17,736
6030	Total Expenditures	40,125	104,412	1,383,715
1100	Excess (deficiency) of revenues over expenditures			
	Other Financing Sources (Uses)			
7915	Transfers in			
7080	Total other financing sources and uses			
1200	Net change in fund balances			
0100	Fund balance - September 1 (beginning)			
3000	Fund balance - August 31 (ending)	\$	\$	\$

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
\$	\$	\$ 3,905,922 61,277	\$	\$	\$	\$
3,422,946	49,125	5,245,590	4,994	146,770	349,729	14,099
<u>3,422,946</u>	<u>49,125</u>	<u>9,212,789</u>	<u>4,994</u>	<u>146,770</u>	<u>349,729</u>	<u>14,099</u>
3,418,926	49,125		4,994	125,611	290,430	6,676
4,020				3,590 3,399	59,299	7,423
				14,170		
		9,148,645				
<u>3,422,946</u>	<u>49,125</u>	<u>9,148,645</u>	<u>4,994</u>	<u>146,770</u>	<u>349,729</u>	<u>14,099</u>
		64,144				
		64,144				
		491,502				
<u>\$</u>	<u>\$</u>	<u>\$ 555,646</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, 2009

Data Control Codes		263	265	272
		ESEA Title III	21st Century Grant	Medicaid Administrative Claiming Program
Revenues				
5700	Local, intermediate, and out-of-state	\$	\$	\$
5800	State program revenues			
5900	Federal program revenues	364,259	531,859	36,169
5020	Total revenues	<u>364,259</u>	<u>531,859</u>	<u>36,169</u>
Expenditures				
Current:				
0011	Instruction	60,102	327,157	
0012	Instruction resources and media services		751	
0013	Curriculum and instructional staff development	285,853	258	
0021	Instructional leadership		138,783	
0023	School leadership			
0031	Guidance, counseling and evaluation services			16,867
0032	Social work services			
0033	Health services			19,302
0034	Student transportation		64,910	
0035	Food service			
0036	Extracurricular activities			
0041	General administration			
0051	Plant maintenance and operations			
0052	Security and monitoring services			
0061	Community services	18,304		
6030	Total Expenditures	<u>364,259</u>	<u>531,859</u>	<u>36,169</u>
1100	Excess (deficiency) of revenues over expenditures			
Other Financing Sources (Uses)				
7915	Transfers in		49	
7080	Total other financing sources and uses		<u>49</u>	
1200	Net change in fund balances		49	
0100	Fund balance - September 1 (beginning)		<u>(49)</u>	
3000	Fund balance - August 31 (ending)	<u>\$</u>	<u>\$</u>	<u>\$</u>

282	285	287	288	289	385	392
Smaller Learning Communities	Title I, Part A (ARRA)	Regional Science Collaborative	Middle School AP Grant	LEP Summer School	State Supplemental Visually Impaired	Non-Educational Community Based
\$	\$	\$	\$	\$	\$	\$
					2,220	32,511
169,552	39,200	34,095	38	20,958		
169,552	39,200	34,095	38	20,958	2,220	32,511
15,904		18,872		20,958	2,220	
59,285	36,170	15,223				
88,642	3,030					
5,174						
547						32,511
169,552	39,200	34,095		20,958	2,220	32,511
			38			
			38			
			(38)			
\$	\$	\$	\$	\$	\$	\$

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended August 31, 2009

Data Control Codes	397	401	404
Data Control Codes	Advanced Placement Incentive	Optional Extended Year	Student Succ. Init-Acc REA
Revenues			
5700	\$	\$	\$
5800	34,809	92,188	471,452
5900			
5020	Total revenues	92,188	471,452
Expenditures			
Current:			
0011	13,101	92,188	463,522
0012	291		
0013	21,417		7,930
0021			
0023			
0031			
0032			
0033			
0034			
0035			
0036			
0041			
0051			
0052			
0061			
6030	Total Expenditures	92,188	471,452
1100	Excess (deficiency) of revenues over expenditures		
Other Financing Sources (Uses)			
7915		7,688	
7080	Total other financing sources and uses		
1200		7,688	
0100	Fund balance - September 1 (beginning)		
		(7,688)	(56)
3000	Fund balance - August 31 (ending)		
	\$	\$	\$ (56)

411	415	422	423	425	427	428
<u>Technology</u>	<u>Kindergarten and Pre-K Grants</u>	<u>Matching Funds - Library</u>	<u>Preschool LRE Program</u>	<u>Texas Parks & Wildlife</u>	<u>TEEG Grant</u>	<u>High School Allotment</u>
\$ 522,226	\$ 22,387	\$ 176	\$ 14,650	\$ 34,390	\$ 119,958	\$ 1,434,346
<u>522,226</u>	<u>22,387</u>	<u>176</u>	<u>14,650</u>	<u>34,390</u>	<u>119,958</u>	<u>1,434,346</u>
486,177	22,387	176	11,316	33,468	44,986	1,283,819
29,281			1,840		69,639	365,098
					5,333	57,249
						3,101
						315,894
						161,820
				922		
			137			
			1,357			77
<u>515,458</u>	<u>22,387</u>	<u>176</u>	<u>14,650</u>	<u>34,390</u>	<u>119,958</u>	<u>2,187,058</u>
<u>6,768</u>						<u>(752,712)</u>
<u>6,768</u>						<u>(752,712)</u>
<u>(6,768)</u>						<u>752,712</u>
<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, 2009

Data Control Codes		429	461	481
		Secondary Teacher Mentor Grant	Campus Activity Funds	Special Projects
	Revenues			
5700	Local, intermediate, and out-of-state	\$	\$ 1,288,327	\$ 45,872
5800	State program revenues	84,496		
5900	Federal program revenues			
5020	Total revenues	<u>84,496</u>	<u>1,288,327</u>	<u>45,872</u>
	Expenditures			
	Current:			
0011	Instruction		192,007	36,897
0012	Instruction resources and media services		69,665	
0013	Curriculum and instructional staff development	56,670	13,722	
0021	Instructional leadership	3,827	7,307	
0023	School leadership		229,554	
0031	Guidance, counseling and evaluation services		101,186	893
0032	Social work services		332	
0033	Health services		4,473	
0034	Student transportation			180
0035	Food service			
0036	Extracurricular activities		515,082	
0041	General administration		18,521	
0051	Plant maintenance and operations		23,836	
0052	Security and monitoring services		4,977	
0061	Community services		12,936	1,078
6030	Total Expenditures	<u>60,497</u>	<u>1,193,598</u>	<u>39,048</u>
1100	Excess (deficiency) of revenues over expenditures	<u>23,999</u>	<u>94,729</u>	<u>6,824</u>
	Other Financing Sources (Uses)			
7915	Transfers in			
7080	Total other financing sources and uses			
1200	Net change in fund balances	<u>23,999</u>	<u>94,729</u>	<u>6,824</u>
0100	Fund balance - September 1 (beginning)	<u>(23,999)</u>	<u>783,369</u>	<u>1,114,490</u>
3000	Fund balance - August 31 (ending)	<u>\$</u>	<u>\$ 878,098</u>	<u>\$ 1,121,314</u>

Exhibit G-2
Page 4 of 4

482	491	
After the Bell Program	AP Incentives Grant	Total-Other Governmental Funds
\$ 99,297	\$	\$ 5,339,418
		2,927,086
		11,957,635
<u>99,297</u>		<u>20,224,139</u>
92,911		8,406,627
		76,311
172		1,064,035
6,142		343,758
		254,953
		473,124
		234,567
		28,846
		95,475
		9,148,645
		515,082
		18,521
		23,973
		4,977
25		91,408
<u>99,250</u>		<u>20,780,302</u>
<u>47</u>		<u>(556,163)</u>
	48,913	56,650
	<u>48,913</u>	<u>56,650</u>
47	48,913	(499,513)
	<u>(48,913)</u>	<u>3,054,562</u>
<u>\$ 47</u>	<u>\$</u>	<u>\$ 2,555,049</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF DELINQUENT TAXES RECEIVABLE

For the Year Ended August 31, 2009

Last Ten Fiscal Years	1		2	3	10
	Tax Rates		Net Assessed/Appraised Value For School Tax Purposes	Beginning Balance 08/31/08	
	Maintenance	Debt Service			
2000 and prior	Various	Various	Various	\$ 842,674	
2001	1.155000	0.232500	3,055,197,069	135,806	
2002	1.235000	0.235000	3,915,669,825	150,327	
2003	1.392500	0.297500	4,644,517,007	281,110	
2004	1.500000	0.350000	4,574,180,513	325,279	
2005	1.490000	0.340000	4,943,934,802	245,998	
2006	1.500000	0.350000	5,248,037,564	260,033	
2007	1.360000	0.320000	5,878,350,774	501,117	
2008	1.040000	0.430000	6,602,774,490	907,937	
2009	1.040000	0.420000	7,230,322,945		
1000 Totals				<u><u>\$3,650,281</u></u>	

20	30	30a	40	50
<u>Current Year's Total Levy</u>	<u>Maintenance Total Collections</u>	<u>Debt Service Total Collections</u>	<u>Entire Year's Adjustments</u>	<u>Ending Balance 08/31/09</u>
\$	\$ 3,762	\$ 1,406	\$ (1,254)	\$ 836,252
	1,826	367		133,613
	19,184	3,611	(2,038)	125,494
	47,014	7,934	20,070	246,232
	51,044	10,905	25,895	289,225
	42,645	9,951	2,437	195,839
	49,706	11,342	(1,707)	197,278
	(23,010)	(5,369)	(222,621)	306,875
	73,993	30,593	(443,343)	360,008
<u>105,562,715</u>	<u>73,631,813</u>	<u>29,735,924</u>	<u>(855,293)</u>	<u>1,339,685</u>
<u>\$ 105,562,715</u>	<u>\$ 73,897,977</u>	<u>\$ 29,806,664</u>	<u>\$ (1,477,854)</u>	4,030,501
				<u>Penalty and interest receivable on taxes</u>
				3,208,122
				<u>Total taxes receivable per Governmental Fund Balance Sheet</u>
				<u>\$ 7,238,623</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES FOR COMPUTATION OF
INDIRECT COSTS FOR 2010-2011 (UNAUDITED)
GENERAL AND SPECIAL REVENUE FUNDS
For the Year Ended August 31, 2009

Exhibit H-2

Account Number	(1) 701	(2) 702	(3) 703	(4) 720	(5) 750	(6) (other)	(7)
	Supt's Office	School Board	Tax Collection	Direct Cost	Indirect Cost	Misc.	Total
6100 Payroll Costs	\$ 249,671	\$ 47,337	\$	\$	\$2,460,494	\$	\$ 2,757,502
6149 Fringe Benefits (unused leave for separating employees in function 41 and related 53)					7,500		7,500
6211 Legal Services	68,926						68,926
6212 Audit Services					77,980		77,980
6213 Tax Appraisal / Collection Other Professional Services	2,252		607,978	11,000	55,954		607,978
621X			5,000				74,206
6230 Education Service Centers					213,929		213,929
6240 Maintenance and Repairs				1,350			1,350
6260 Rentals				60,545			60,545
6290 Miscellaneous Contracts		1,150		37,951	58,316		97,417
63XX Other Supplies	3,395	1,180			141,234		145,809
6410 Travel, Subsistence and Stipends	8,034	19,692			33,788		61,514
6490 Miscellaneous Operating	5,161	475			294,776		300,412
Total	<u>\$ 337,439</u>	<u>\$ 69,834</u>	<u>\$ 612,978</u>	<u>\$110,846</u>	<u>\$3,343,971</u>	<u>\$</u>	<u>\$ 4,475,068</u>

Other Information:

Total expenditures for General and Special Revenue Funds (Exhibit C-3)	(9)	\$168,986,525
LESS: Deductions of Unallowable Costs:		
FISCAL YEAR		
Total Capital Outlay (6600)	(10)	\$ 81,572
Total Debt & Lease (6500)	(11)	
Plant Maintenance (Function 51, 6100-6400)	(12)	11,080,999
Food (Function 35, 6341 and 6499)	(13)	8,752,378
Stipends (6413)	(14)	
Column 5 above - Total Indirect Cost		<u>3,343,971</u>
Subtotal		<u>23,258,920</u>
Net Allowable Direct Cost		<u>\$145,727,605</u>
Cumulative		
Total Cost of Buildings before Depreciation (1520)	(15)	\$314,069,802
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)	16,394,373
Historical Cost of Furniture & Equipment over 16 years old	(19)	56,275
Amount of Federal Money in Furniture & Equipment (Net of #19)	(20)	216,502

(8) Note A - \$213,926 in function 53 expenditures are included in this report on administrative costs.
 \$568,410 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, 2009

Exhibit H-3

1.	Total General Fund Balance 8-31-09 (Exhibit C-1 object 3000 for the General Fund only)	\$ 13,422,513
2.	Total Reserved Fund Balance 8-31-09 (from Exhibit C-1 - total of object 3400s for the General Fund only)	789,493
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 deflicts in General Fund (net of borrowed funds and funds representing deferred revenues)	
5.	Estimate of one month average cash disbursements during the regular school session (9-1-08 to 5-31-09)	11,736,027
6.	Estimate of delayed payments from state sources (58xx) including August payment delays	8,631,632
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.	General Fund Optimum Fund Balance and Cash Flow (2+3+4+5+6+7+8+9)	<u>21,157,152</u>
11.	Excess or Deficit Undesignated Unreserved General Fund Fund Balance (1-10)	<u>\$ (7,734,639)</u>

The District's Administration will continue to monitor the General Fund Balance in the following budgetary cycles to maintain a fund balance level within District policy and State guidelines.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
CHILD NUTRITION AND DEBT SERVICE FUNDS
For the Year Ended August 31, 2009

Data Control Codes		Food Service			Variance Favorable (Unfavorable)
		Budget			
		Original	Final	Actual	
	Revenues				
5700	Local, Intermediate, and Out-of-State	\$ 3,801,265	\$ 3,954,306	\$ 3,905,922	\$ (48,384)
5800	State Program Revenues	65,000	65,000	61,277	(3,723)
5900	Federal Program Revenues	4,474,484	5,337,959	5,245,590	(92,369)
5030	Total Revenues	<u>8,340,749</u>	<u>9,357,265</u>	<u>9,212,789</u>	<u>(144,476)</u>
	Expenditures				
	Current:				
0035	Food Services	8,212,463	9,346,979	9,148,645	198,334
	Debt Service:				
0071	Principal				
0072	Interest and Fiscal Agent Fees				
0073	Bond issuance costs and fees				
6030	Total Expenditures	<u>8,212,463</u>	<u>9,346,979</u>	<u>9,148,645</u>	<u>198,334</u>
1200	Increase (Decrease) in Fund Balance	128,286	10,286	64,144	53,858
0100	Fund Balance - September 1 (Beginning)	<u>491,502</u>	<u>491,502</u>	<u>491,502</u>	
3000	Fund Balance - August 31 (Ending)	<u>\$ 619,788</u>	<u>\$ 501,788</u>	<u>\$ 555,646</u>	<u>\$ 53,858</u>

Exhibit H-4

Debt Service Fund			
Budget			Variance Favorable (Unfavorable)
Original	Final	Actual	
\$ 29,742,668	\$ 29,742,668	\$ 30,031,153	\$ 288,485
2,376,332	2,376,332	2,061,682	(314,650)
<u>32,119,000</u>	<u>32,119,000</u>	<u>32,092,835</u>	<u>(26,165)</u>
12,140,000	12,140,000	12,140,000	
19,959,024	19,959,024	19,528,347	430,677
19,976	19,976	4,450	15,526
<u>32,119,000</u>	<u>32,119,000</u>	<u>31,672,797</u>	<u>446,203</u>
		420,038	420,038
<u>3,696,794</u>	<u>3,696,794</u>	<u>3,696,794</u>	
<u>\$ 3,696,794</u>	<u>\$ 3,696,794</u>	<u>\$ 4,116,832</u>	<u>\$ 420,038</u>

(This page intentionally left blank.)

Statistical Section
(Unaudited)

(This page intentionally left blank.)

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
STATISTICAL SECTION

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

	<u>Page</u>
Financial Trends	84
These schedules contain trend information to show how the District’s financial performance and position have changed over time	
Revenue Capacity	97
These schedules contain information to help assess the factors affecting the District’s most significant local revenue source, the property tax.	
Debt Capacity	102
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	105
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	108
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 EIGHT FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Governmental Activities			
Invested in Capital Assets, Net of Related Debt	\$ 32,247,876	\$ 31,191,545	\$ 22,719,417
Restricted	4,766,734	3,662,850	3,179,559
Unrestricted	13,836,085	18,891,768	25,592,424
Total Primary Government Net Assets	<u>\$ 50,850,695</u>	<u>\$ 53,746,163</u>	<u>\$ 51,491,400</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>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$29,806,066	\$21,382,098	\$27,207,288	\$28,677,231	\$32,374,012
3,019,023	1,074,704	2,390,721	1,378,302	1,860,860
9,135,897	19,282,881	9,893,995	11,877,546	12,223,939
<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 EIGHT FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

	2009	2008	2007
Expenses			
Governmental Activities:			
Instruction	\$ 103,394,889	\$ 94,650,337	\$ 85,939,489
Instructional Resources and Media Services	3,705,657	3,471,299	3,820,581
Curriculum and Instructional Staff Development	5,482,628	4,088,992	3,303,276
Instructional Leadership	2,027,673	1,672,599	1,162,792
School Leadership	10,818,210	10,110,269	8,464,935
Guidance, Counseling, and Evaluation Services	6,033,629	5,948,106	4,722,770
Social Work Services	441,932	423,094	264,432
Health Services	1,597,561	1,479,424	1,440,727
Student Transportation	7,008,750	6,875,115	5,916,371
Food Services	9,830,910	9,108,389	7,486,650
Cocurricular/Extracurricular Activities	6,013,120	5,559,634	5,081,456
General Administration	3,764,274	3,769,737	4,043,427
Plant Maintenance and Operations	15,368,510	16,034,590	14,572,997
Security and Monitoring Services	2,325,743	1,202,334	829,415
Data Processing Services	3,246,828	3,051,548	3,428,639
Community Services	125,400	113,423	90,737
Interest on Long-term Debt	18,422,579	14,791,698	13,817,715
Facilities Acquisition and Construction	29,257	4,181,777	453,026
Payments to Fiscal Agent/Member Districts of SSAs	2,881,565		
Payments to Juvenile Justice Alternative Ed. Prog.	19,987	14,141	3,068
Other Government Charges	568,410	513,372	
Total Primary Government Expenses	203,107,512	187,059,878	164,842,503
Program Revenues			
Governmental Activities:			
Charges for Services:			
Instruction	1,056,284	892,791	643,611
Instructional resources and media services	75,091	67,166	70,740
Curriculum and staff development	14,791	23,226	11,144
Instructional leadership	7,876	2,545	2,237
School leadership	247,434	259,326	257,417
Guidance, counseling, and evaluation svc.	109,067	103,915	75,382
Student Transportation	4,821	2,466	1,590
Food Services	3,904,617	3,568,350	3,211,394
Cocurricular/Extracurricular Activities	992,532	980,685	874,388
General administration	19,964	15,609	25,398
Plant and Maintenance	345,475	450,749	264,901
Security and monitoring	5,365	12,194	12,918
Data processing services			
Community services	13,943	13,470	11,519
Operating Grants and Contributions	22,515,245	20,132,811	15,463,959
Capital Grants and contributions			
Total Primary Government Program Revenues	29,312,505	26,525,303	20,926,598
Net (Expense)/Revenue			
Total Primary Government Net Expense	\$ (173,795,007)	\$(160,534,575)	\$ (143,915,905)

Table 2
Page 1 of 2

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

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Revenues and Other Changes in Net Assets			
Governmental Activities:			
Property Taxes, Levied for General Purposes	\$ 74,503,421	\$ 67,412,374	\$ 82,211,619
Property Taxes, Levied for Debt Service	30,245,042	27,692,617	19,516,637
Investment Earnings	2,409,191	3,154,609	3,162,914
State Aid - Formula Grants - Unrestricted	63,547,951	63,915,202	43,064,029
Grants and Contributions Not Restricted to Specific Programs	22,211	454,740	1,536,777
Miscellaneous	171,723	159,794	135,298
Special item - gain on sale of asset			3,819,045
Total Primary Government General Revenues	<u>170,899,539</u>	<u>162,789,336</u>	<u>153,446,319</u>
 Change in Net Assets			
Total Primary Government	<u>\$ (2,895,468)</u>	<u>\$ 2,254,761</u>	<u>\$ 9,530,414</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 2
Page 2 of 2

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

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Fund				
Reserved	\$ 789,493	\$ 327,846	\$ 540,772	\$ 230,335
Unreserved	12,633,020	16,174,252	18,591,321	11,612,955
Total General Fund	<u>\$ 13,422,513</u>	<u>\$ 16,502,098</u>	<u>\$19,132,093</u>	<u>\$ 11,843,290</u>
 All Other Governmental Funds				
Reserved	\$ 4,672,478	\$ 4,311,774	\$ 2,858,163	\$ 3,676,016
Unreserved, Reported in:				
Capital Projects Funds	106,398,420	135,162,716	18,420,881	(7,325,544)
Special Revenue Funds	1,999,403	2,578,818	3,135,829	2,586,900
Total All Other Governmental Funds	<u>\$ 113,070,301</u>	<u>\$ 142,053,308</u>	<u>\$24,414,873</u>	<u>\$ (1,062,628)</u>

Table 3

<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
\$ 169,602	\$ 167,912	\$ 679,080	\$ 586,183	\$ 424,406	\$ 375,876
<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>9,337,578</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>	<u>\$ 9,713,454</u>
\$30,579,685	\$ 2,368,619	\$ 2,702,469	\$ 1,860,860	\$ 2,653,142	\$ 3,503,221
	25,441,721	11,642,238	17,576,694	12,733,305	386,846
<u>2,153,011</u>	<u>2,025,636</u>		<u>279,690</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>	<u>\$ 3,890,067</u>

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Revenues				
Local, Intermediate, and Out-of-State	\$ 113,426,921	\$ 107,933,585	\$ 107,849,751	\$ 106,355,368
State Programs	73,381,316	73,095,749	50,877,181	36,262,538
Federal Programs	12,669,277	11,233,950	8,995,786	9,598,405
Total Revenues	<u>199,477,514</u>	<u>192,263,284</u>	<u>167,722,718</u>	<u>152,216,311</u>
Expenditures				
Current:				
Instruction	99,246,993	91,042,438	82,344,130	74,274,567
Instructional Resources and Media Services	3,390,660	3,161,886	3,524,940	3,241,542
Curriculum and Instructional Staff Development	5,472,684	4,085,028	3,298,576	2,576,041
Instructional Leadership	2,016,242	1,671,651	1,161,885	1,020,874
School Leadership	10,576,334	9,894,351	8,220,585	7,355,922
Guidance, Counseling, and Evaluation Services	5,969,339	5,918,195	4,685,561	4,283,200
Social Work Services	441,284	422,553	265,076	172,198
Health Services	1,585,411	1,478,116	1,438,394	1,164,311
Student Transportation	6,963,600	6,862,075	5,871,150	5,698,488
Food Services	9,222,653	8,603,027	7,092,533	6,725,532
Cocurricular/Extracurricular Activities	4,852,312	4,413,903	4,037,054	4,073,224
General Administration	3,692,732	3,686,453	3,951,122	3,577,837
Plant Maintenance and Operations	14,900,930	15,590,266	14,139,174	13,627,565
Security and Monitoring Services	2,260,900	1,125,442	960,688	1,079,581
Data Processing Services	2,268,351	1,768,997	1,599,842	1,482,856
Community Services	125,400	113,423	62,456	96,539
Principal on Long-term Debt	12,140,000	17,565,319	9,950,000	8,956,835
Interest on Long-term Debt	19,528,347	13,436,105	14,321,841	13,830,485
Bond Issuance Costs and Fees	4,450	6,900	5,616	11,642
Facilities Acquisition and Construction	23,460,093	11,881,210	12,134,341	29,500,286
Payments related to shared services arrangements	2,881,565			
Payments to Juvenile Justice Alt. Ed. Prgm.	19,987	14,141	3,068	3,540
Other Intergovernmental Charges	568,410	513,372		
Total Expenditures	<u>231,588,677</u>	<u>203,254,851</u>	<u>179,068,032</u>	<u>182,753,065</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(32,111,163)</u>	<u>(10,991,567)</u>	<u>(11,345,314)</u>	<u>(30,536,754)</u>

Table 4
Page 1 of 2

2005	2004	2003	2002	2001	2000
\$ 98,199,466	\$ 88,588,856	\$ 82,986,724	\$ 63,086,657	\$ 49,470,526	\$ 43,609,561
33,038,480	26,870,932	31,492,650	38,393,348	42,825,349	39,318,506
7,816,368	5,645,983	4,927,806	3,879,467	2,810,832	3,020,652
<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>	<u>85,948,719</u>
65,614,093	59,918,270	62,181,147	55,360,972	49,538,195	43,481,615
2,877,924	2,518,545	2,388,229	1,859,793	1,662,267	1,476,365
2,265,606	1,625,403	1,982,018	1,676,236	1,371,791	1,114,936
881,600	790,986	682,074	603,147	526,241	412,561
6,810,296	6,160,037	6,205,979	5,548,397	4,972,222	4,287,693
3,934,529	3,620,811	3,434,237	3,070,798	2,716,861	1,942,837
197,332	174,691	136,427			59,637
1,108,736	1,113,034	1,005,511	837,993	1,032,409	2,705,691
5,190,783	4,726,043	4,246,125	3,595,890	2,683,272	1,894,652
5,739,430	4,880,059	4,638,974	3,980,283	3,500,708	2,651,373
3,621,513	3,650,957	3,409,359	2,956,438	2,771,345	1,537,217
3,319,737	2,854,169	2,509,975	2,555,886	2,120,963	1,983,697
12,516,801	12,750,846	11,448,132	9,143,461	9,206,361	7,442,088
1,075,320	362,873	203,591	172,019	115,349	82,403
963,767	856,635	802,467	639,064	454,322	485,855
51,930	77,047	41,968	35,438	90,827	45,351
9,215,278	6,144,703	4,762,689	2,471,167	2,360,758	3,082,919
12,847,738	12,754,534	12,714,356	13,672,396	11,428,780	8,395,372
				5,239	5,023
26,032,431	9,161,594	20,338,305	54,349,158	21,471,182	20,007,100
5,192	8,496	3,481	3,481		3,304
<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>103,097,689</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>	<u>(17,148,970)</u>

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Other Financing Sources (Uses)				
Refunding Bonds Issued	\$	\$	\$	\$
Issuance of Capital Related Debt (Regular Bonds)		121,715,000	40,000,000	
Premium/Discount from Issuance of Bonds		4,220,319	1,867	
Other Resources				
Sale of Real and Personal Property	43,440	55,912	4,106,574	100
Other Sources (Uses)	5,138	8,774	3,177	
Transfers In	56,650			78,378
Transfers Out	(56,650)			(78,378)
Payment to Refunded Bond Escrow Agent				
Total Other Financing Sources (Uses)	<u>48,578</u>	<u>126,000,005</u>	<u>44,111,618</u>	<u>100</u>
Net Change in Fund Balances	<u>\$ (32,062,585)</u>	<u>\$ 115,008,438</u>	<u>\$ 32,766,304</u>	<u>\$ (30,536,654)</u>
 Debt Service as a Percentage of Noncapital Expenditures	 13.68%	 14.80%	 13.56%	 12.48%

Table 4
Page 2 of 2

<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</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	171,362
2,394	15,741	214,809	414,865	42,470	
111,836	10,376	23,800			(59,379)
35,062				699,996	2,275,000
(35,062)				(923,139)	(2,275,000)
<u>(100,392,454)</u>			<u>(10,570,606)</u>		
<u>31,257,164</u>	<u>26,021,117</u>	<u>20,251,662</u>	<u>59,850,906</u>	<u>31,925,550</u>	<u>111,983</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>	<u>\$ (17,036,987)</u>
13.43%	14.09%	12.21%	9.93%	11.69%	11.14%

(This page is intentionally left blank.)

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

Table 5

Fiscal Year Ended August 31	Net Taxable Value			Total Direct Rate (2)
	Travis County	Williamson County (1)	Total	
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
2000	3,060,280,629		3,060,280,629	1.5200

(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	2009	2008	2007	2006
Overlapping Rates:				
Austin, City of	\$ 0.4209	\$ 0.4012	\$ 0.4126	\$ 0.4126
Kelly Lane WCID #1	0.9500			
Lakeside MUD #3	0.9000			
Lakeside WCID #1	0.8500	0.8500	0.8700	0.8700
Lakeside WCID #2-B	0.9700	0.9700	0.8700	0.8700
Lakeside WCID #2-C	0.9400	0.9000	1.3800	0.8200
Northeast Travis County UD	0.8993	0.8993	0.9300	0.9300
Northtown MUD	0.7500	0.7500	0.7500	0.7500
Pflugerville, City of	0.6090	0.6140	0.6240	0.6240
Travis County	0.4215	0.4122	0.4499	0.4499
Travis County Emergency Service #2	0.0997	0.1000	0.1000	0.1000
Travis County MUD #15	0.3325	0.2925	0.2500	0.2500
Wells Branch MUD	0.4700	0.4700	0.4800	0.4800
Williamson Co. Water, Sewer, Irrigation and DD #3	0.7999	0.7730	0.8500	0.8800
Total Overlapping Rates	\$ 9.4128	\$ 7.4322	\$ 7.9665	\$ 7.4365
District Direct Rates:				
Pflugerville ISD				
Maintenance and Operations	\$ 1.0400	\$ 1.0400	\$ 1.3600	\$ 1.5000
Debt Service	0.4200	0.4300	0.3200	0.3500
Total District Direct Rates	\$ 1.4600	\$ 1.4700	\$ 1.6800	\$ 1.8500

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 not available prior to 2002

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

Table 6

<u>2005</u>	<u>2004 (1)</u>	<u>2003 (2)</u>	<u>2002 (3)</u>	<u>2001</u>	<u>2000</u>
\$ 0.4430	\$ 0.4430	\$ 0.4928	\$ 0.4597	\$ 0.4597	\$ 0.4663
0.8700	0.8700	0.8700	0.8700	0.8700	0.8700
0.8700	0.8700	0.8700	0.8700		
0.8700	0.8700				
0.9300	0.9300	0.9300			
0.7500	0.7500	0.7500	0.6500	0.6500	0.6400
0.6350	0.6400	0.6417	0.6299	0.6299	0.6424
0.4993	0.4872	0.4918	0.4660	0.4460	0.4670
0.1000	0.1000	0.1000	0.1000	0.1000	0.0975
0.2300	0.4940	0.6500	0.6500		
0.4800	0.4800	0.5000	0.5050	0.5200	0.4905
0.8500					
<u>\$ 7.5273</u>	<u>\$ 6.9342</u>	<u>\$ 6.2963</u>	<u>\$ 5.2006</u>	<u>\$ 3.6756</u>	<u>\$ 3.6737</u>
\$ 1.4900	\$ 1.5000	\$ 1.3925	\$ 1.2350	\$ 1.1550	\$ 1.200
0.3400	0.3500	0.2975	0.2350	0.2325	0.3200
<u>\$ 1.8300</u>	<u>\$ 1.8500</u>	<u>\$ 1.6900</u>	<u>\$ 1.4700</u>	<u>\$ 1.3875</u>	<u>\$ 1.5200</u>

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

Table 7

Taxpayer	2009			2000		
	Assessed Value	Rank	Percentage of Total Assessed Value	Assessed Value	Rank	Percentage of Total Assessed Value
Dell USA LP	\$ 160,855,231	1	25.89%	\$		0.00%
Dell Inc.	107,391,340	2	17.28%			0.00%
Oracle USA Inc	91,478,170	3	14.72%			0.00%
AMB/TR Four 2001 Ltd.	57,606,372	4	9.27%			0.00%
DDR DB Tech Ventures, LP	46,765,441	5	7.53%			0.00%
Oncor Electric Delivery Co	37,121,420	6	5.97%			0.00%
Target Corporation	33,008,903	7	5.31%			0.00%
Zavala Properties II, Inc.	31,911,499	8	5.14%			0.00%
MBS - Sage Creek Ltd.	27,932,576	9	4.50%			0.00%
Tech Ridge Phase I, LP	27,312,738	10	4.40%			0.00%
State Street Bank & Trust Comp.				54,517,734	1	20.99%
Dell Computer Corp.				41,964,489	2	16.16%
State Street Bank & Trust				27,121,825	3	10.44%
Centerstate 99 Ltd.				22,487,270	4	8.66%
Chardonnay at Wells Branch				21,420,000	5	8.25%
S/W Bell Telephone Co.				21,038,590	6	8.10%
TXU Electric				20,837,560	7	8.02%
Crow-Gottesman Hill #12				17,387,540	8	6.70%
Knickerbocker Properties, Inc.				17,112,000	9	6.59%
GoWest 98 Ltd.				15,810,000	10	6.09%
Totals	<u>\$ 621,383,690</u>		<u>100.00%</u>	<u>\$ 259,697,008</u>		<u>100.00%</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
2009	\$ 104,707,422	\$ 103,367,737	98.72%	\$	\$ 103,367,737	98.72%
2008	96,028,458	95,563,864	99.52%	104,586	95,668,450	99.63%
2007	98,147,457	97,306,560	99.14%	534,022	97,840,582	99.69%
2006	96,871,317	95,756,426	98.85%	917,613	96,674,039	99.80%
2005	89,623,186	88,400,947	98.64%	1,026,400	89,427,347	99.78%
2004	84,197,849	82,763,360	98.30%	1,145,265	83,908,625	99.66%
2003	76,211,224	75,813,609	99.48%	151,383	75,964,992	99.68%
2002	56,672,377	56,085,127	98.96%	461,757	56,546,884	99.78%
2001	42,235,051	41,330,882	97.86%	770,557	42,101,439	99.68%
2000	36,773,883	36,130,399	98.25%	533,658	36,664,057	99.70%

(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 Trustess 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		
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
2000	120,906,412	120,906,412	3.95%	9,406

(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)
2009	\$ 375,344,934	\$ 4,116,832	\$ 371,228,102	5.13%	\$ 18,255
2008	387,484,934	3,696,794	383,788,140	5.46%	19,702
2007	282,399,934	1,845,631	280,554,303	4.56%	15,084
2006	252,349,934	2,489,505	249,860,429	4.35%	14,182
2005	261,306,769	2,096,576	259,210,193	5.23%	15,617
2004	242,642,079	1,999,718	240,642,361	4.99%	15,323
2003	222,871,782	1,675,442	221,196,340	4.89%	14,769
2,002	207,634,468	1,565,289	206,069,179	4.69%	14,289
2001	150,545,648	2,361,235	148,184,413	4.02%	10,718
2000	120,906,412	3,033,135	117,873,277	3.99%	9,170

(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, 2009

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	\$997,815,000	08/31/09	4.23%	\$ 42,207,575
Kelly Lane WCID #1	2,000,000	08/31/09	100.00%	2,000,000
Lakeside MUD #3	1,675,000	08/31/09	100.00%	1,675,000
Lakeside WCID #1	6,175,000	08/31/09	100.00%	6,175,000
Lakeside WCID #2-B	6,975,000	08/31/09	100.00%	6,975,000
Lakeside WCID #2-C	4,575,000	08/31/09	100.00%	4,575,000
Northeast Travis County UD	17,300,000	08/31/09	100.00%	17,300,000
Northtown MUD	26,435,000	08/31/09	100.00%	26,435,000
Pflugerville, City of	138,435,000	08/31/09	100.00%	138,435,000
Travis County	522,989,987	08/31/09	7.36%	38,492,063
Travis County Emergency Service #2	2,390,000	08/31/09	100.00%	2,390,000
Travis County MUD #15	3,610,000	08/31/09	100.00%	3,610,000
Wells Branch MUD	2,140,000	08/31/09	34.93%	747,502
Williamson Co. Water, Sewer, Irrigation and DD #3	15,225,000	08/31/09	28.01%	4,264,523
Total Net Overlapping Debt				<u>295,281,663</u>
<i>Direct:</i>				
Pflugerville ISD	375,344,934	08/31/08	100.00%	375,344,934
Total Direct and Overlapping Debt				<u>\$ 670,626,597</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

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)
2008-09	32,166	\$ 7,068,940,692	\$ 219,764	20,336	7.2%
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%
1999-00	19,100	2,446,875,950	128,109	12,854	2.1%

(1) Source: Travis Central Appraisal District, Certified Totals, October supplement

(2) Source: Travis Central Appraisal District

(3) Source: Texas Education Agency.

(4) Source: Bureau of Labor Statistics

(This page intentionally left blank.)

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

Table 13

PRINCIPAL EMPLOYERS

CURRENT YEAR AND TEN YEARS AGO

Employer	2009			1999		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Pflugerville Independent School District	1,905	1	51.63%	1,728	2	16.17%
HEB Grocery	400	2	10.84%	230	7	2.15%
Walmart	325	3	8.81%			
Austin Foam Plastics	250	4	6.78%	180	8	1.68%
Target	200	5	5.42%			
City of Pflugerville	200	6	5.42%			
Home Depot	125	7	3.39%			
GoCom	125	8	3.39%			
Integrated Flow Systems	85	9	2.30%			
Pflugerville Care Center	75	10	2.03%			
Dell Computer Corp.				4,800	1	44.92%
Abbott Laboratories				1,400	3	13.10%
Samsung				1,000	4	9.36%
Compaq Computers				700	5	6.55%
Rolm Industries				470	6	4.40%
Albertson's Grocery				90	9	0.84%
Austron				87	10	0.81%
Total Employed	3,690		100.00%	10,685		100.00%

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

Position	2009	2008	2007	2006	2005
Teachers					
Teacher/Special Duty Teacher	1,458.0	1,379.3	1,256.0	1,174.9	1,082.1
Teacher Totals	1,458.0	1,379.3	1,256.0	1,174.9	1,082.1
Professional Support					
Counselor	45.1	49.6	36.2	35.1	32.5
Educational diagnostician	8.0	7.0	5.0	7.0	7.5
Librarian	25.7	24.0	24.0	22.0	20.0
Occupational Therapist	4.4	3.7	4.5	4.3	4.3
Orientation and Mobility Specialist	1.0	1.0		0.8	0.5
Physical Therapist	4.0	3.5	3.0	2.8	2.5
Nurse	24.9	24.7	24.6	22.9	20.7
LSSP/Psychologist	20.0	20.0	20.0	17.9	14.9
Social Worker	6.5	6.5	4.0	4.0	6.8
Speech Language Pathologist	22.4	20.2	20.8	19.9	17.4
Teacher Facilitator	41.1	24.1	30.1	21.5	13.5
Athletic Trainer	3.9	1.0	1.0		
Campus Professional Personnel	12.0	8.0	3.0	3.0	1.8
Non Campus Professional Personnel	34.0	26.0	22.0	20.0	20.0
Professional Support Totals	253.0	219.3	198.2	181.2	162.4
Campus Administration					
Assistant Principal	53.0	45.0	41.0	36.4	32.6
Principal	27.0	27.0	24.9	22.0	22.0
Campus Administration Totals	80.0	72.0	65.9	58.4	54.6
Central Administration					
Assistant/Deputy Supt	4.0	1.0	1.0	1.0	1.3
Instructional Officer	26.9	14.4	14.0	16.8	15.4
Superintendent	1.0	1.0	1.6	1.0	
Teacher Supervisor	5.0	5.0	6.0		
Athletic Director					0.3
Director of HR	1.0	2.0	1.0	1.0	1.0
Central Administration Totals	37.9	23.4	23.6	19.8	18.0
Educational Aides					
Aides	269.6	207.1	199.5	144.9	156.3
Educational Aides Totals	269.6	207.1	199.5	144.9	156.3
Auxiliary Support					
Includes Clerical, Secretarial, Grounds, Custodial, Maintenance	376.2	435.2	357.6	387.8	353.0
Auxiliary Support Totals	376.2	435.2	357.6	387.8	353.0
Total Employees	2,474.7	2,336.3	2,100.8	1,967.0	1,826.4

Source: PEIMS

Data prior to 2001 was not available.

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

Table 14

<u>2004</u>	<u>2003</u>	<u>2002 (1)</u>	<u>2001 (1)</u>
<u>1,028.7</u>	<u>1,019.0</u>	<u>1,025.3</u>	<u>940.6</u>
1,028.7	1,019.0	1,025.3	940.6
32.5	32.1		
4.5	5.5		
19.8	18.0		
4.3	4.5		
2.0	2.0		
21.0	20.0		
17.0	14.9		
3.0	2.9		
15.8	15.9		
9.3	5.2		
1.0	1.0		
<u>18.3</u>	<u>17.3</u>		
148.5	139.3	120.3	115.6
31.0	32.0		
<u>22.0</u>	<u>21.0</u>		
53.0	53.0	52.6	48.4
1.3	1.3		
17.3	12.0		
1.0	1.0		
	7.5		
	0.3		
<u>19.6</u>	<u>22.1</u>	<u>19.7</u>	<u>13.7</u>
134.1	138.0	127.9	142.0
<u>134.1</u>	<u>138.0</u>	<u>127.9</u>	<u>142.0</u>
345.0	306.4	284.6	246.8
<u>345.0</u>	<u>306.4</u>	<u>284.6</u>	<u>246.8</u>
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
2009	20,336	\$ 176,455,787	\$ 8,677	4.05%	\$ 203,108,509
2008	19,480	162,450,998	8,339	8.65%	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	7.45%	N/A
2000	12,854	71,607,275	5,571	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 15

Cost Per Student	Percentage Change	Teaching Staff (1)	Student to Teacher Ratio	Percentage of Students in Free/Reduced Lunch Program
\$ 10,427	3.74%	1,458	13.95	42.31%
10,051	7.42%	1,382	14.10	44.30%
9,356	2.17%	1,273	14.60	41.71%
9,158	5.42%	1,175	14.99	40.21%
8,688	4.97%	1,082	15.34	36.86%
8,277	-2.78%	1,029	15.26	33.76%
8,513	N/A	1,019	14.70	29.34%
N/A	N/A	1,025	14.07	25.47%
N/A	N/A	941	14.69	20.71%
N/A	N/A	869	14.79	20.43%

(This page is intentionally left blank.)

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT*Table 16***TEACHER BASE SALARIES****LAST TEN FISCAL YEARS**

Fiscal Year	Minimum Salary (1)	Maximum Salary (1)	Region Average Salary (2)	Statewide Average Salary (2)
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
2000	29,000	44,400	36,772	37,567

(1) Source: District records

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

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

Building:	2009	2008	2007	2006
HIGH SCHOOLS				
Pflugerville High School				
Square Footage	285,346	285,346	285,346	285,346
Capacity	2,400	2,400	2,400	2,400
Enrollment	2,290	2,219	2,110	2,029
Hendrickson High School				
Square Footage	380,130	380,130	380,130	380,130
Capacity	2,500	2,500	2,500	2,500
Enrollment	1,947	1,810	1,436	1,277
Connally High School				
Square Footage	281,790	281,790	281,790	281,790
Capacity	2,400	2,400	2,400	2,400
Enrollment	2,084	2,006	1,969	1,852
Opportunity Center				
Square Footage	19,691	19,691	19,691	
Capacity	256	256	256	*
Enrollment	-	183	167	129
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	1,074	1,153	1,063	1,080
Westview Middle School				
Square Footage	112,245	112,245	112,245	112,245
Capacity	1,100	1,100	1,100	1,100
Enrollment	858	821	843	848
Park Crest Middle School				
Square Footage	116,800	116,800	116,800	116,800
Capacity	1,300	1,300	1,300	1,300
Enrollment	862	921	903	1,371
Dessau Middle School				
Square Footage	121,200	121,200	121,200	121,200
Capacity	1,300	1,300	1,300	1,300
Enrollment	1,029	1,033	990	962
Kelly Lane Middle School				
Square Footage	139,000	139,000	139,000	139,000
Capacity	1,250	1,250	1,250	1,250
Enrollment	1,022	861	655	
Opportunity Center				
Square Footage				
Capacity				
Enrollment		21	13	18

Table 17
Page 1 of 3

2005	2004	2003	2002	2001	2000
285,346	285,346	285,346	285,346	285,346	285,346
2,400	2,400	2,400	2,400	2,400	2,400
2,065	2,180	2,474	2,267	2,175	1,966
380,130	380,130	380,130			
2,500	2,500	2,500			
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
1,850	1,876	1,858	1,845	1,827	1,692
128	85	61	73	86	69
111,036	111,036	111,036	111,036	111,036	111,036
1,375	1,375	1,375	1,375	1,375	1,375
1,031	1,031	1,048	957	837	956
112,245	112,245	112,245	112,245	112,245	112,245
1,100	1,100	1,100	1,100	1,100	1,100
842	841	810	846	866	1,004
116,800	116,800	116,800	116,800	116,800	116,800
1,300	1,300	1,300	1,300	1,300	1,300
1,253	1,081	1,018	961	939	1,184
121,200	121,200	121,200	121,200	121,200	121,200
1,300	1,300	1,300	1,300	1,300	1,300
893	873	838	785	696	
23	7	12	15	4	10

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

Building:	2009	2008	2007	2006
ELEMENTARY SCHOOLS				
Parmer Lane Elementary School				
Square Footage	63,634	63,634	63,634	63,634
Capacity	650	650	650	650
Enrollment	619	615	674	677
Timmerman Elementary School				
Square Footage	58,792	58,792	58,792	58,792
Capacity	550	550	550	550
Enrollment	524	516	478	497
Pflugerville Elementary School				
Square Footage	77,922	77,922	77,922	77,922
Capacity	600	600	600	600
Enrollment	530	538	540	523
Northwest Elementary School				
Square Footage	62,000	62,000	62,000	62,000
Capacity	600	600	600	600
Enrollment	584	528	498	533
Dessau Elementary School				
Square Footage	64,150	64,150	64,150	64,150
Capacity	650	650	650	650
Enrollment	586	525	539	524
Windermere Elementary School				
Square Footage	66,272	66,272	66,272	66,272
Capacity	750	750	750	750
Enrollment	481	492	513	570
River Oaks Elementary School				
Square Footage	66,512	66,512	66,512	66,512
Capacity	750	750	750	750
Enrollment	476	473	528	529
Brookhollow Elementary School				
Square Footage	66,512	66,512	66,512	66,512
Capacity	750	750	750	750
Enrollment	572	611	645	793
Spring Hill Elementary School				
Square Footage	68,600	68,600	68,600	68,600
Capacity	750	750	750	750
Enrollment	743	706	637	579
Windermere Primary School				
Square Footage	68,752	68,752	68,752	68,752
Capacity	750	750	750	750
Enrollment	650	565	614	683

Table 17
Page 2 of 3

<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
63,634	63,634	63,634	63,634	63,634	63,634
650	650	650	650	650	650
661	646	604	571	576	533
58,792	58,792	58,792	58,792	58,792	58,792
550	550	550	550	550	550
488	480	500	489	475	445
77,922	77,922	77,922	77,922	77,922	77,922
600	600	600	600	600	600
507	528	534	496	476	581
62,000	62,000	62,000	62,000	62,000	62,000
600	600	600	600	600	600
515	497	467	611	614	639
64,150	64,150	64,150	64,150	64,150	64,150
650	650	650	650	650	650
477	437	392	641	651	612
66,272	66,272	66,272	66,272	66,272	66,272
750	750	750	750	750	750
562	538	473	625	553	555
66,512	66,512	66,512	66,512	66,512	66,512
750	750	750	750	750	750
559	568	632	609	623	488
66,512	66,512	66,512	66,512	66,512	66,512
750	750	750	750	750	750
702	555	546	700	644	696
68,600	68,600	68,600	68,600	68,600	68,600
750	750	750	750	750	750
557	619	636	688	672	663
68,752	68,752	68,752	68,752	68,752	68,752
750	750	750	750	750	750
668	624	542	670	600	634

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

Building:	2009	2008	2007	2006
Copperfield Elementary School				
Square Footage	77,922	77,922	77,922	77,922
Capacity	850	850	850	850
Enrollment	613	630	783	742
Murchison Elementary School				
Square Footage	77,922	77,922	77,922	77,922
Capacity	850	850	850	850
Enrollment	860	798	598	557
Delco Primary School				
Square Footage	68,752	68,752	68,752	68,752
Capacity	750	750	750	750
Enrollment	630	625	648	635
Caldwell Elementary School				
Square Footage	73,007	73,007	73,007	73,007
Capacity	800	800	800	800
Enrollment	750	734	664	808
Rowe Lane Elementary School				
Square Footage	75,007	75,007	75,007	75,007
Capacity	750	750	750	750
Enrollment	698	681	550	488
Highland Park Elementary School				
Square Footage	75,007	75,007	75,007	75,007
Capacity	750	750	750	750
Enrollment	845	858	666	
Wieland Elementary School				
Square Footage	75,490	75,490	75,490	
Capacity	750	750	750	
Enrollment	680	648		

Source: District records

Table 17
Page 3 of 3

2005	2004	2003	2002	2001	2000
77,922	77,922	77,922	77,922	77,922	77,922
850	850	850	850	850	850
705	746	682	692	628	707
77,922	77,922	77,922	77,922	77,922	77,922
850	850	850	850	850	850
874	784	725	653	583	
68,752	68,752	68,752	68,752		
750	750	750	750		
539	458	435			
73,007	73,007	73,007	73,007		
800	800	800	800		
773	587	519			

(This page intentionally left blank.)

Federal Awards Section

(This page intentionally left blank.)

**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, 2009, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 14, 2010. 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 opinions 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A *control deficiency* 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting as items 09-01 and 09-02.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed 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 items 09-03 and 09-04.

The District's response to the findings identified in our audit is 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 entity, the Texas Education Agency and other applicable federal awarding agencies and pass-through entities and is not intended to be, and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "N. Larson, AC". The signature is written in a cursive, flowing style.

Texas City, Texas
January 14, 2010

**Independent Auditors' Report on Compliance
with the Requirements Applicable to 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 the compliance of Pflugerville Independent School District (the "District") with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended August 31, 2009. The District's major federal programs are identified in the summary of auditors' 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 on the District's compliance with those requirements.

In our opinion, Pflugerville Independent School District complied, in all material respects, with requirements referred to above that are applicable to each of its major federal programs for the year ended August 31, 2009.

Internal Control over Compliance

The 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 requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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

Internal Control over Compliance (Continued)

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program, that is more than inconsequential will not be prevented or detected by the District's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

Closing

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



Texas City, Texas
January 14, 2010

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended 2009

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?	Yes, Items #09-01 and #09-02
Noncompliance material to the financial statements noted?	Yes, Item #09-03 and #09-04

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
	US Department of Education
	<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>
84.027	IDEA Part B - Formula
84.173	IDEA Part B - Preschool
84.287C	Texas 21 st Community Learning Centers

Dollar threshold used to distinguish between type A and type B federal programs	\$362,917
Auditee qualified as a low-risk auditee	Yes

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
For The Year Ended 2009

II. Financial Statement Findings

Finding #09-01

- Criteria: A fundamental element of internal control is the segregation of certain key duties. No employee or group of employees perpetrate and to conceal errors or fraud in the normal course of their duties.
- Condition: Accounts Payable personnel are responsible for adding and editing vendor profiles in the financial software. Additions and changes to the vendor profiles are not approved prior to being made nor are they reviewed subsequently.
- Context: During our walkthrough of internal controls relating to expenditures and accounts payable, we noted a lack of segregation of duties.
- Effect: The effect of not having appropriate segregation of duties is the likelihood losses or errors could occur and not be detected by employees in the normal course of their duties.
- Cause: The financial software limits the District's ability to restrict Accounts Payable personnel's access to fields necessary to add and delete vendors.
- Recommendation: The District should develop procedures to ensure that all changes made to vendor profiles are reviewed by appropriate parties.

Finding #09-02

- Criteria: Physical security and access to programs and data should be appropriately controlled to prevent unauthorized use, disclosure, modification, damage, or loss of data.
- Condition: User accounts in the network, application, and database environments are not always set up and/or disabled in a timely manner.
- Context: During our walkthrough of internal controls relating to computer controls, we noted a lack of standard operating procedures for creating, editing, and deleting user accounts.
- Effect: The effect of not having effective computer controls is that the likelihood of unauthorized access and use of data could occur and not be detected by employees in the normal course of their duties.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
For The Year Ended 2009

II. Financial Statement Findings (continued)

Finding #09-02 (continued)

Cause: There is not a formal method or document to request, establish, issue, suspend, modify, or close user accounts.

Recommendation: User security privileges should be documented. In addition, the District should develop procedures to ensure that changes in security settings are provided to the Information Systems Coordinator in a timely manner.

Finding #09-03

Criteria: The collection of Public Education Information Management System (“PEIMS”) data is required of all school districts by TEC 42.006. School districts are responsible for submitting current, complete, and accurate data for all record groups required for each collection.

Condition: Financial data submitted to PEIMS in the 2008-09 Mid-Year Collection for fiscal year 2008 did not agree to the audited financial statements.

Context: During our review of the PEIMS submission of FY 2008 financial information, variances with amounts in the audited financial statement were noted.

Effect: Inaccurate financial data for the 2008 fiscal year was submitted to PEIMS and was not corrected prior to the independent auditors discovering the error.

Cause: Errors were made in posting the auditor prepared adjusting journal entries for the 2008 fiscal year to the general ledger.

Recommendation: The required information should be reviewed for accuracy and reconciled to the audited financial statements prior to the final submission to PEIMS.

Finding #09-04

Criteria: The District’s local policy for investments states that the District shall diversify its investments by security type and institution. Public funds investment pools can be 100% of the investment portfolio, but no one public funds investment pool shall comprise more than 75% of the District’s investment portfolio.

Condition: At August 31, 2009, the District had a total of \$96,099,466 invested with Lone Star Investment Pool. The District’s total investment portfolio at August 31, 2009 was \$115,157,689. Thus, the Lone Star Investment Pool comprised 83.45% of the District’s total portfolio.

Context: This condition was noted during our review of the District’s compliance with the Public Funds Investment Act.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
For The Year Ended 2009

II. Financial Statement Findings (continued)

Finding #09-04 (continued)

Effect: The District is not in compliance with its local policy under the Public Funds Investment Act.

Cause: Unknown

Recommendation The District should implement procedures to ensure that all investments comply with the District's local investment policy.

III. Federal Awards Findings and Questioned Costs

None noted

IV. Status of Prior Year Findings

Finding #08-01 Purchasing Procedures **Resolved:** Controls were implemented to ensure that all expenditures are reviewed by the appropriate parties before payment.

Finding #08-02 General Ledger Maintenance **Resolved:** Fiscal year end close procedures were implemented to ensure that financial statements are free of material misstatements.

Finding #08-03 Appropriations **Partially Resolved:** Significant improvements were noted in monitoring the closing procedures and the posting of year end accruals. However, the posting of correcting entries subsequent to year end resulted in some functional expenditure categories to be over spent.

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
For The Year Ended 2009

V. Corrective Action Plan

Finding #09-01 **Description:** We will pursue having a report written to create a listing from the ITCCS system of new vendors added so that they may be reviewed by the Director of Business Services on a monthly basis.

Responsible Party: Mary Rabalais, Director of Business Services

Estimated Completion Date: March 31, 2010

Finding #09-02 **Description:** We will inform all departments and campuses of the importance of informing the Technology Department of all changes in staff who have computer access to our system. We will work to create an information flow of new hires, terminations, retirements and resignations from the Human Resource Department to the Technology Department.

Responsible Party: Mary Rabalais, Director of Business Services

Estimated Completion Date: February 26, 2010

Finding #09-03 **Description:** The next submission of Mid-Year Collection will be compared and corrected, if necessary, so it agrees with the audited financial statements. Reports from the Edit + software will be printed and emailed to the auditors showing the accuracy of the PEIMS submission compared to the audited financial statements.

Responsible Party: Mary Rabalais, Director of Business Services

Estimated Completion Date: January 22, 2010

Finding #09-04 **Description:** Will discuss with Lisa Casinelli, who is responsible for the daily monitoring of our investment portfolio, the need to ensure that our investments never exceed 75% in any one public funds investment pool.

Responsible Party: Kenneth Adix, Chief Financial Officer

Estimated Completion Date: January 29, 2010

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

Exhibit K-1

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended August 31, 2009

Project Number	Federal Grantor/ Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Expenditures, Indirect Costs and Refunds
	U.S. Department of Education		
	Pass Through State Department of Education:		
	<i>Title I, Part A Cluster</i>		
10551001227904	<i>ESEA Title I - Improving Basic Programs (ARRA)</i>	84.389A	\$ 39,200
09610101227904	<i>ESEA Title I - Improving Basic Programs</i>	84.010A	1,411,844
	Total ESEA Title I - Improving Basic Programs		<u>1,451,044</u>
	<i>Special Education Cluster</i>		
096600012279046600	<i>IDEA Part B - Formula</i>	84.027	3,496,073
096610012279046610	<i>IDEA Part B - Preschool</i>	84.173	50,192
	Total Special Education Cluster		<u>3,546,265</u>
09420006227904	<i>Title I, Part C - Carl D. Perkins, Career and Technology</i>	84.048A	149,972
	Total Carl D. Perkins, Career and Technology		<u>149,972</u>
09691001227904	<i>ESEA Title IV - Safe and Drug Free Schools</i>	84.186A	41,003
	Total ESEA Title IV - Safe and Drug Free Schools and Communities		<u>41,003</u>
1620081	<i>Texas Placement Spanish Language Middle School Program</i>	84.330C	38
	Total Texas Placement Spanish Language Middle School Program		<u>38</u>
09694501227904	<i>ESEA Title II, Part A - Teacher and Principal Training</i>	84.367A	357,116
	Total ESEA Title II, Part A - Teacher and Principal Training		<u>357,116</u>
09671001227904	<i>ESEA Title III, Part A - English Language Acquisition</i>	84.365A	372,180
	Total ESEA Title III, Part A - English Language Acquisition		<u>372,180</u>
09630001227904	<i>ESEA Title II, Part D - Enhancing Education through Technology</i>	84.318X	14,407
	Total ESEA Title II, Part D - Enhancing Education through Technology		<u>14,407</u>
096950017110040	<i>Texas 21st Community Learning Centers:</i>	84.287C	543,457
	Total Texas 21st Community Learning Centers		<u>543,457</u>
	<i>Vocational Education - Tech Prep</i>	84.243	4,994
	Total Vocational Education - Tech Prep	84.243	<u>4,994</u>
69550802	<i>LEP Summer School Program</i>	84.369A	20,958
	Total LEP Summer School Program		<u>20,958</u>
	Total Passed Through the State Department of Education		<u>6,501,434</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2009

Exhibit K-1

(continued)

Project Number	Federal Grantor/ Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Expenditures, Indirect Costs and Refunds
	Passed Through Region X Education Service Center:		
99007	Texas Support for Homeless Education Program (TEXSHEP)	84.196	\$ 106,685
	Total Passed Through Region X Education Service Center		<u>106,685</u>
	Passed through Austin Community College:		
	Regional Science Collaborative	84.366B	34,095
	Total Passed Through Austin Community College		<u>34,095</u>
	Total Passed Through Programs		<u>6,642,214</u>
	U.S. Department of Education		
	Direct:		
S215L060191	Smaller Learning Communities	84.215L	173,249
	Total U.S. Department of Education - Direct		<u>173,249</u>
	Total Department of Education		<u>6,815,463</u>
	Department of Health and Human Services		
	Passed Through the Texas Department of Health:		
	Medicare "MAC" Funds	93.778	36,169
	Total Department of Health and Human Services		<u>36,169</u>
	U.S. Department of Agriculture		
	Passed Through State Department of Education:		
	Child Nutrition Cluster:		
	Cash Assistance:		
71400801	School Breakfast Program	10.553	1,355,574
71300801	National School Lunch Program	10.555	3,693,253
	Total Passed Through the State Department of Education		<u>5,048,827</u>
	Passed Through Texas Department of Agriculture:		
	Non Cash Assistance (Commodities):		
	National School Lunch Program	10.555	196,763
	Total Department of Agriculture		<u>5,245,590</u>
	Total Expenditures of Federal Awards		<u>\$ 12,097,222</u>

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 - Reconciliation of Basic Financial Statements

Federal Program Revenues (Per Exhibit C-3)	\$ 12,669,277
SHARS	(509,674)
E-rate Reimbursement	(62,381)
	<u>\$ 12,097,222</u>

Note 3 – 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, 2009 are as follows:

<u>Program or Source</u>	<u>CFDA Number</u>	<u>Amount</u>
SHARS		\$ 509,674
E-rate Reimbursement		62,381
Indirect Costs:		
ESEA Title I - Improving Basic Programs	84.010A	28,129
IDEA Part B - Formula	84.027	73,127
IDEA Part B - Preschool	84.173	1,067
Title I, Part C - Carl D. Perkins, Career and Technology	84.048A	3,202
ESEA Title IV - Safe and Drug Free Schools	84.186A	878
ESEA Title II, Part A - Teacher and Principal Training	84.367A	7,387
ESEA Title III, Part A - English Language Acquisition	84.365A	7,921
ESEA Title II, Part D - Enhancing Education through Technology	84.318X	308
Texas Support for Homeless Education Program	84.196	2,273
Smaller Learning Communities	84.215L	3,697
Texas 21st Community Learning Centers:	84.287C	11,598
Total		<u>\$ 711,642</u>

PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT
REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
August 31, 2009

Exhibit I-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>\$ 2,484,846</u> _____

DO NOT PRINT