

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

**For The Year Ended August 31, 2008**





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

**BOARD OF TRUSTEES**

Dr. Carol Fletcher  
President

Ms. Elva Gladney  
Vice-President

Dr. Cynthia Graves  
Member

Mr. James Hamann  
Member

Mr. Jimmy Don Havins  
Member

Mr. Paul J. King  
Member

Mrs. Vernagene Mott  
Secretary

**ADMINISTRATION**

Mr. Charles E. Dupre  
Superintendent of Schools

Mr. David Andersen  
Chief Financial Officer

Dr. Barbara Booth  
Executive Director of Instructional Support

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  
Chief Academic Officer

Mrs. Susan Oglesbee  
Assistant Superintendent of Curriculum and Instruction

Mr. Randy Reese  
Assistant Superintendent of Community Relations and Partnerships

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

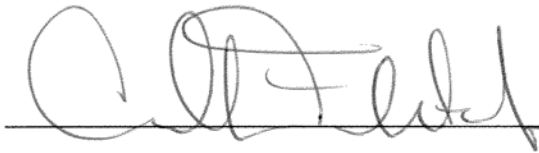
**CERTIFICATE OF THE BOARD**

Pflugerville Independent School District  
Name of School District

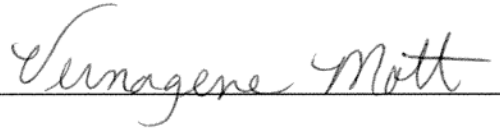
Travis  
County

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, 2008, at a meeting of the Board of Trustees of such school district on the 18<sup>th</sup> of December 2008.



President of the Board



Secretary of the Board







Mr. Charles E. Dupre  
*Superintendent of Schools*

David Andersen  
*Chief Financial Officer*

November 21, 2008

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, 2008 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 have been 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 Independent School District 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 Independent School District 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 20,410 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 Independent School District 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 40,003 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 to IH-10 providing easy access to both Houston and San Antonio, placing Pflugerville in a very strategic location. More than six 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, and the Austin Community College system. The economic condition and outlook of the city and county have exceeded the state and national trends as indicated by the 5.0% unemployment rate for Texas according to the Texas Workforce Commission for August 2008 and the 4.5% unemployment rate for

the Austin area for August 2008 according to the Texas Labor Market Index. There has been improvement in some parts of the economy in the United States, and the city's Economic Development Program continues to be active in attracting new businesses.

The taxable value for Dell Computer Corporation, the district's largest taxpayer, increased by over \$190 million in the last year. Overall district values continued to see a healthy increase, and revenue from the state also increased due to increases in student enrollment and due to the local tax compression passed by the state legislature.

The Pflugerville Community Development Council (PCDC) has been involved in several projects over the past year, and recently announced that development has begun on the Verde Springbrook Corporate Center, the first industrial park along the north corridor of the new State Highway 45. Upon completion, this master planned park will have one million square feet of high quality industrial facilities to accommodate a variety of corporate users. The first two buildings, which total 144,000 and 108,000 square feet, are complete and have three tenants including Span International occupying 138,000 square feet, PE Ceramics using 16,000 square feet and Sears using 30,000 square feet.

SPAN intends to begin operations in its new location with twenty full-time employees, with plans to grow staff to more than forty over time. SPAN International was founded in Toronto, Canada in 1981, and is a leading provider of value added logistics and manufacturing services to the electronics industry worldwide. With a network of ten facilities in the United States, Canada, and Mexico, the company supports the needs of a diversified customer base in the industrial, communications and automotive electronics industries.

Two similar projects are proposed along State Highway 45 that would add approximately another one million square feet of industrial space. Prospective tenants are tending to be more cautious of moving operations or expanding due to the current economic climate. However, the opening of the entrance and exit ramps on SH-45 has made the area more accessible and desirable to prospective tenants.

There are currently thirty-four ongoing housing developments and preliminary plats that have been approved for residential subdivisions. A total of over twenty-two thousand new homes have been platted and approved according to the district's demographers. In addition, there are twenty multi-family developments planned with a potential of 8,770 to 9,040 units in the next few years.

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
- Targeted Research and Development Credits
- 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 affluent consumers who want to work, live and shop close to home.

On July 23, 2008, the Chief Appraiser of the Travis County Appraisal District certified all taxable properties in the District subject to appraisals to be valued at \$7,076,128,242. Of this certified value, there is \$366,912,556 that reflects the estimated Chief Appraiser’s opinion of value for those properties still under protest. There is also an estimated taxable value of \$28,994,736 for those properties not under protest nor included on the certified appraisal roll. This value included taxable values of 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. At the present time, property taxes are comparable to surrounding school districts. The percentage of current tax collections increased 0.65%, i.e., from 98.40% to 99.05%. The percentage of total taxes collected in the current year, which includes delinquent tax collections, was 101.06%.

**FOR THE FUTURE** - The Board of Trustees adopted its mission, vision and values for the 2008-2009 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 Independent School District 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.

## **MAJOR INITIATIVES**

During the 2007-2008 school year, PISD undertook a process to review and revise the District's curriculum based upon the state framework of Texas Essential Knowledge and Skills (TEKS). Beginning with the TEKS and their associated Student Expectations, over 160 PISD teachers representing every Pflugerville ISD campus participated in a two-step curriculum development process:

- Vertical Alignment (articulation): 12th Grade-Kindergarten teachers met to determine specificity used to clarify grade level student expectations.
- Horizontal Alignment (coordination): Grade level teams met to determine timelines for delivery of student expectations and established three-week bundles.

On June 30, 2008 all of the curriculum documents were posted on the newly designed online curriculum home page. Items found on the online curriculum home page include:

**TEKS Introduction**—The introductory paragraphs from the Texas Essential Knowledge and Skills (TEKS) for each grade and course provide valuable information toward a better understanding of the state standards. These documents are necessary as they contain testable content and intent that may not be found within the grade level's knowledge and skill statements and student expectations.

**Vertical Alignment Documents**—these documents outline the Texas Essential Knowledge and Skills (TEKS) as they are taught across the grade levels, including specific content standards for each grade. These were developed by K-12 teachers in each content area who met together to determine the depth to which each student expectation should be taught at each grade level. Each grade level document includes the expectations for the grade before and the grade after to help teachers align their teaching from grade to grade. The vertical alignment documents were utilized to develop the curriculum bundles.

**Assurance Words**—these words have been identified as “key” words for the specific grade level and content they represent. Students are expected to master these words by the end of the assigned grade level. These do not represent all vocabulary students will learn, but provide a focus for explicit vocabulary instruction.

**Curriculum Bundles**—each of twelve bundle documents represent approximately 3-weeks of instruction. These were developed by K-12 teachers in each content area who met together to determine the curriculum scope and sequence. Each bundle contains a set of knowledge and skill statements, student expectations, district specificity/examples and suggested resources.

The curriculum documents were formally deployed before the start of school during district-wide campus-based professional development sessions lead by campus administrators and teacher leaders. The Curriculum Documents represent a large commitment of time, effort and collaboration on the

part of PISD teachers and PISD content area coordinators. The outstanding product is representative of their commitment to excellence.

The District continues to implement short-term and long-term technology goals as identified in the Pflugerville ISD Strategic Plan, District Improvement Plan and Technology Plan. These different plans are correlated to each other, the Texas Long Range Plan for Technology, No Child Left Behind and the Schools and Libraries Program of the Universal Service Fund, commonly known as “E-Rate”.

Pflugerville ISD provides a robust technological infrastructure. All sites are connected to a high speed, district-wide network that provides access to many instructional and administrative applications as well as access to the Internet. Computer workstations, both desktops and laptops, are available to students and staff at all of the district’s sites. Many other types of technology tools are also available including printers, scanners and digital cameras. Maintenance and support of the infrastructure is provided through a combination of District staff and third party maintenance providers. To keep pace with changing technology, computers are scheduled for replacement every four years. Other technology components such as network equipment and servers have a longer life cycle and are replaced on a regularly scheduled basis.

Pflugerville ISD utilizes the technology to provide resources to meet the needs of both students and staff. Students utilize the computers as a learning tool:

- To reinforce classroom learning;
- To demonstrate proficiency in word processing, database, spreadsheet, presentations and other technology applications;
- To gather research from the internet and other technology-related sources; and
- To access automated systems such as email, library resources, video streaming and other electronic instructional resources.

Technology is integrated into the curriculum at every grade level, from PreK through grade twelve. At every campus, students enjoy access to computers in the classrooms, computer labs, libraries and mobile labs. The state-required Technology Applications curriculum is integrated into the core academic content areas at the elementary and middle school levels. High schools offer technology-based courses under both the Technology Applications and Career and Technical Education umbrellas. These courses cover many different areas including business applications, web mastering, computer science, video technology and multimedia. Technology is also utilized to target specific needs for individual students through applications such as PLATO, Successmaker and Read 180.

Staff utilizes the computers and network to access instructional and administrative resources. Along with access to the electronic materials that support the curriculum, administrators and teachers have access to data that allows them to analyze student needs and weaknesses. Administrative applications include job applications, professional development management, employee leave and substitute management, food service, transportation, building access control, textbook management, library automation, employee evaluations, and purchase orders.

Significant funding has been acquired to enable the District to keep up with rapidly changing technology needs and to maintain equity and access. Pflugerville ISD utilizes funds from a variety of sources to meet the different technology needs. These sources include local funding (operating budget and bond program), state funding (State Technology Allotment) and federal funding (E-rate,

NCLB Title II Part D). Other programs such as the state High School Allotment and the federal Perkins Vocational and Technical Act are also used to fund technology aspects of their specific programs.

A comprehensive staff development plan that includes all campus and district professional and paraprofessional personnel is in place. The district has completed and continues to use the School Technology and Readiness (STaR) Chart (district, campus and teacher) to evaluate technology integration. Training opportunities are extensive and are designed to meet the level of expertise of the participants.

In addition to normal operational events, the 2007-08 school year contained the following highlights:

- The implementation of mobile laptop carts at all elementary and middle school campuses to increase student access to computers;
- The implementation of txGradebook to provide information regarding student academic performance;
- The implementation of Atomic Learning to provide “just in time” training on software applications for community members as well as students and staff, and;
- The implementation of the NetTrekker web searching tool which is designed to provide a “safe search” environment by directing students to reviewed web sites directly related to instructional needs.

## **ACHIEVEMENTS**

In 2007-2008, the District as a whole received a rating of “Academically Acceptable” from the Texas Education Agency. Timmerman Elementary received an “Exemplary Rating” from the Texas Education Agency. In addition, seven of the district’s campuses, Brookhollow Elementary, Dessau Elementary, Delco Primary, Northwest Elementary, Murchison Elementary, Rowe Lane Elementary, and Spring Hill Elementary, received a ”Recognized” rating; all other campuses received an “Academically Acceptable” rating.

Nineteen schools received Gold Performance Acknowledgements from the Texas Education Agency for 2008. Gold Performance has fourteen indicators and PISD received acknowledgements in two of those indicators: Commended Performance in Writing and Social Studies. Thirteen schools received recognition in more than one indicator. Descriptions of the indicators are as follows:

- 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 25% or more of its examinees scoring at or above the CP standard.

- 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%.

The nineteen PISD Campuses that received Gold Performance Acknowledgement are listed below.

- Connally High School: CI – Math
- Dessau Middle School: CP Reading; CP Social Studies
- Kelly Lane Middle School: Attendance Rate; CI – Reading; CP - Reading; CP - Social Studies
- Park Crest Middle School: Attendance Rate; CP - Reading; CP - Social Studies; CI – Reading
- Pflugerville Middle School: CP - Reading; CP - Writing; CP - Social Studies
- Westview Middle School: CP – Reading; CP – Social Studies
- Caldwell Elementary: Attendance Rate; CP – Math
- Copperfield Elementary: Attendance Rate
- Dessau Elementary: CP - Writing; CP – Math
- Highland Park Elementary: CI – Writing
- Murchison Elementary: CP - Writing; CP – Math; CP – Science
- Northwest Elementary: CI – Reading; CP – Science
- Parmer Lane Elementary: CP – Math
- Pflugerville Elementary: CP - Reading; CP - Writing; CP - Math; CI – Math
- River Oaks Elementary: CI – Reading
- Rowe Lane Elementary: CP – Reading; CP - Writing; CP - Math; CP - Science; CI – Reading
- Spring Hill Elementary: CP – Reading; CP- Writing; CP – Math; CP – Science; CI – Math
- Timmerman Elementary: CP – Reading; CP - Writing; CP – Math; CP – Science
- Wieland Elementary: CP – Writing

Under Federal Accountability, the District did not meet Adequate Yearly Progress (AYP) in Reading and Math Special Education performance. Seventeen of the twenty-four PISD campuses that were eligible to be rated met Adequate Yearly Progress (AYP) on all indicators of the No Child Left Behind (NCLB) Act. Wieland Elementary was a new school in 2007-2008, and therefore, not evaluated. Seven campuses consisting of Connally High School, Hendrickson High School, Pflugerville High School, Dessau Middle School, Park Crest Middle School, Pflugerville Middle School, and Westview Middle School received a rating of “Missed AYP”.

- Connally High School did not make AYP due to performance in Grade 10:
  - Reading Economically Disadvantaged
  - Reading Limited English Proficient
  - Math African-American
  - Math Hispanic
  - Math Economically Disadvantaged
  - Math Limited English Proficient
  - Participation: Reading Hispanic and Reading LEP
- Hendrickson High School did not make AYP due to performance in Grade 10:
  - Math Hispanic
  - Math Economically Disadvantaged
- Pflugerville High School did not make AYP due to performance in Grade 10:
  - Reading Special Education



- Math Special Education
- Dessau Middle School did not make AYP due to performance in Grades 6–8:
  - Reading Special Education
  - Math Special Education
- Park Crest Middle School did not make AYP due to performance in Grades 6-8:
  - Reading Special Education
  - Math Special Education
- Pflugerville Middle School did not make AYP due to performance in Grades 6- 8:
  - Reading Special Education
  - Math Special Education
- Westview Middle School did not make AYP due to performance in Grades 6-8:
  - Reading Special Education
  - Math Special Education
  - Participation: Reading LEP

The District has appealed the Connally High School and Westview Middle School participation rates.

Twenty-one seventh grade middle school students qualified for State Recognition under the Duke University Talent Identification Program: two from Dessau Middle School, eight from Kelly Lane Middle School, two from Park Crest Middle School, six from Pflugerville Middle School, and three 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 2008 earned between \$9 and \$9.5 million in college credit through AP, Dual Credit, Articulated Credit, and scholarships. All three high schools offer Austin Community College (ACC) dual credit courses. Two classes are offered in the area of English/Language Arts, six in social studies, six in science, one in math, and forty-two classes in other areas. However, students must attend the classes on the ACC campus.

There were 2,147 Advance Placement exams administered in the Spring of 2008 compared to 408 in the Spring of 2001. Out of the 2,147 exams administered in 2008, 1,062 exams received a qualifying score of three or better for a 49% passing rate. Hendrickson High School administered 661 exams, with 321 receiving a qualifying score for a 49% passing rate, Connally High School administered 706 exams with 340 receiving a qualifying score for a 48% passing rate, and Pflugerville High School administered 780 exams with 401 receiving a qualifying score for a 51% passing rate.

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

Hendrickson High School Band:

- Lone Star Marching Preview – First Place AAAA, Outstanding General Effect, Fourth Place in Finals;
- University Interscholastic League (UIL) – First division ratings at AAAA Region 18 Marching contest;

- UIL AAAA Area Preliminary Marching Contest – Second Place finish;
- UIL AAAA Area Finals Marching Contest – First Place finish;
- UIL AAAA State Preliminary Marching contest – Second Place finish;
- UIL AAAA State Marching contest – Fifth Place finish;
- All-Region and All-District band – over forty students qualified;
- UIL Solo and Ensemble Contest – over sixty first division ratings;
- UIL Solo and Ensemble competitions – Fifty students earned a Superior rating; twelve soloists advanced to the state level competition; twelve chamber ensembles advanced to the state level competition;
- AAAA UIL Concert and Sight Reading Contest – First division ratings for the Wind Ensemble, the Symphonic Band and the Concert Band. First division Sight Reading ratings for the Wind Ensemble and Symphonic Band;
- Buccaneer Classic Music Festival – First Division ratings for three concert bands and the Outstanding Performance trophy was earned by the Wind Ensemble; and
- AAAA State Honor band taping was awarded the Regional Champion, Area Champion, and Fourth overall in State Honor band taping.

#### Pflugerville High School Band:

- USSBA Central Texas Preview – the band finished in third place and the color guard finished in second place;
- UIL Region Marching Festival – Superior Rating;
- Duncanville Marching Contest – Finalist participant;
- Region Orchestra audition results – four students earned a chair in the Region 18 orchestra;
- TMEA District/Region band auditions – thirty-six students earned a chair; thirteen students advanced to Area level competition;
- TMEA All-State Symphony Orchestra – one student earned a chair;
- UIL Solo and Ensemble competitions – sixty-five students earned a Superior rating; Thirteen soloists advanced to the state level competition; Eight chamber ensembles advanced to the state level competition; one outstanding soloist was selected at the Texas State Solo and Ensemble Competition; and
- AAAAA Concert and Sight Reading awards – the Symphonic Band earned Excellent Ratings in concert and Sight-Reading. The Honor Band earned Superior ratings in Sight Reading and Excellent ratings on their Concert performance; the Wind Ensemble earned a Superior rating in both Concert and Sight Reading.

#### Connally High School Band:

- USSBA Central Texas Preview – the band finished in second place in their division;
- Westlake Marching Festival – the band finished second in AAAA and 10<sup>th</sup> overall;
- UIL Region 18 Marching Contest – Superior ratings;
- UIL AAAA Area Preliminary Marching Contest – First Place finish;
- UIL AAAA Area Finals Marching Contest – Second Place finish;
- UIL AAAA State Preliminary Marching contest – Fifth Place finish;
- UIL AAAA State Marching contest – Second Place finish;
- TMEA Region Orchestra audition results – two students earned a chair in Region 18 orchestra;

- TMEA District/Region band auditions – thirty-eight students earned a chair; four students advanced to Area level competition;
- UIL Solo and Ensemble competitions – Forty students earned a Superior rating; Eight soloists advanced to the state level competition; Eight chamber ensembles advanced to the state level competition; and
- UIL Concert and sight-reading Contest – All three concert bands earned Superior ratings and Sweepstakes.

Dessau Middle School Band:

- UIL Concert and Sight Reading Contest – Sweepstakes for the Wind Ensemble;
- Schlitterbahn Waves Revue Music Festival – Superior ratings from all judges for the Beginning band.

Kelly Lane Middle School Band:

- UIL Sweepstakes for both bands;
- Beginner Band Festival – Superior ratings and “Best in Class”;
- Seventh and Eight Grade Bands Festival – Superior ratings.

Park Crest Middle School Band:

- District Band: 36 students qualified;
- Region Band: 23 students qualified;
- Region Orchestra: 3 students qualified;
- UIL Concert and Sight Reading Contest: Superior rating on stage and Excellent rating in Sight Reading for the Honor Band;
- UIL Concert and Sight Reading Contest: Sweepstakes for the Wind Ensemble;
- Texas State Capitol: Wind Ensemble performance in December (Holiday Community Performance);
- Austin Convention Center: Wind Ensemble, Texas Middle School Teacher's Association Conference-February 2008;
- Director's Choice Music Festival: Excellent rating for the Honor Band; Superior rating, Best in Class award, and runner up Best in Festival award for the Wind Ensemble;
- Sound Waves Music Festival: Superior rating and Best in Class award for the Beginner Band;
- Texas Lutheran University Music Festival: Superior rating for the Wind Ensemble;
- Solo & Ensemble: Over 100 medals presented to band students grades 6 through 8;
- National Wind Band Honors Competition-Outstanding Soloist Award presented to Rebecca Boyalapalli, Wind Ensemble Clarinetist.

Pflugerville Middle School Band:

- National Wind Band Honors Competition – Awarded to the top six bands in the nation with the Honor Band was awarded “Best in Class” for Pflugerville Middle School;
- Solo and Ensemble Competition – 79 Division I solos and 49 Division I ensembles.

Westview Middle School Band:

- UIL Concert and Sight Reading Contest – Sweepstakes for the Wind Ensemble;
- Six Flags Music Festival – Superior ratings from all judges for the Wind Ensemble and Excellent ratings from all judges for the Symphonic Band;
- Schlitterbahn Waves Revue Music Festival – Superior ratings from all judges for the Beginning band;
- Solo and Ensemble Contest – 98 students received Superior ratings and 17 students received Excellent ratings.

Westview Middle School Orchestra:

- UIL Orchestra Concert & Sight Reading Contest:
  - Sweepstakes winner
  - Concert – I
  - Sight-reading – I
- Alamo Showcase of Music Festival (San Antonio) – Division II Excellent rating
- Lone Star Showcase of Music Festival (Dallas) – Division I Superior rating
  - “Best in Class” trophy awarded
  - “Overall Outstanding Orchestra” trophy awarded
  - Outstanding soloist awards to Kenny Xu, cello (8th grade) and Rachel Kail, violin (8th grade)
- Pride of Texas Music Festival (Austin)
  - Division I Superior rating for Beginning Orchestra
  - Division I Superior rating for Youth Preparatory Orchestra
- Texas Music Educators Association All-Region Orchestra
  - Rachel Kail, violin (8th grade)
  - Erin Smith, viola (8th grade)
  - Kenny Xu, cello (8th grade)
  - Catherine Garcia, cello (6th grade)

District choir programs:

- Texas State Solo and Ensemble Contest – two students received Class I Superior ratings;
- Washington D.C. invitation – the Park Crest Middle School choir performed;
- UIL – the Treble Choir won Sweepstakes with a Superior rating in Concert and Sight Reading for Park Crest Middle School;
- Puma Pride Choir – Superior rating for Concert and “Best of Class” for Beginning sixth grade choirs for Park Crest Middle School;
- Puma Mixed Choir – Superior rating for Concert and “Best of Class” for Middle School Mixed Choirs for Park Crest Middle School;

- Treble Choir – Superior rating in Concert, “Best in Class” for Middle School Treble Choirs and Overall Outstanding Choir for Park Crest Middle School;
- UIL – Overall Superior rating in Concert for Westview Middle School;
- UIL – Overall Excellent rating in Sight Reading for Westview Middle School;
- Alamo Showcase of Music in San Antonio – Overall Superior rating in Concert and First Runner-Up in Concert for Westview Middle School.

Connally High School Orchestra Program:

- UIL Orchestra Concert & Sight Reading Contest:
  - Concert – II
  - Sight-reading – I
- Buccaneer Classic Music Festival (Corpus Christi):
  - Division I Superior rating
  - Outstanding soloist award – Veronica Guerra (11th grade)

Connally High School Theatre Department:

- Zone, District, and Area champions for the past four years in UIL One Act Play;
- 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;
- 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 Costume Design and Publicity Design at the Texas State Thespian festival in Nov. 2007, advancing on to the International Thespian Competition in June 2008; and
- Texas State Thespians' Outstanding Troupe Officer Award, 2008.

Connally High School STARS dance team:

- Leander Winter Dance Classic 2008: Division I for the pom routine; Division I for the military routine; Division I for the lyrical routine; 1st place in the high school military category; 2nd place in the high school lyrical category 3rd place in the high school pom category; and
- Nationals in Orlando, Florida 2008: Outstanding Sportsmanship; 1st place in the high school military category with an excellent rating; 1st place in the high school lyrical category with an excellent rating 1st place in the high school pom category with an excellent rating; Best in Class in the high school military category; Best in Class in the high school pom category.

All Pflugerville high schools had strong showings in the 2008 Career and Technical Education Competition events in FFA, Business Professionals of America, Health Occupations Student Association, Family Career Community Leaders of America, Technology Student Association, SkillsUSA, Texas Association of Future Educators, Capital Best Robotics, and Destination

Imagination in Construction. Two students represented PISD at the national level in their respective competitions, winning first place for Hendrickson High School's Business Professionals of America, and taking fifteenth place for Connally High School's SkillsUSA in Computer Maintenance.

The district athletic teams continued to post impressive results:

Hendrickson High School:

- State Qualifier in Cross Country - Cole Bessner;
- 2nd in State Girls Golf - Shannon Jungman;
- 7th in State 300 Meter Hurdles - Michael Reese;
- Girls 4 x 100 Relay - 7th in State;
- Girls 4 x 200 Relay - 7th in State;
- Boys Basketball - District Champs, Area Champions, Regional Quarter Finalists;
- Boys Soccer - Bi-District Finalist;
- Girls Soccer - Bi-District Champions, Area Finalists; and
- Softball - Bi-District Champions, Area Finalists.

Connally High School:

- Boys Track - Regional Champions - 8 State Qualifiers;
- Girls Track - Amanda VanDyke - State Champion Shot Put;
- Football - Bi-District Finalist;
- Volleyball - Bi-District Champions, Area Champions, Regional Quarter Finalists;
- Girls Soccer - Bi-District Finalist;
- Boys Soccer - District Champions, Area Champions, Regional Quarter Finalists;
- Boys Swimming - 5 Regional Qualifiers;
- Girls Swimming - 8 Regional Qualifiers;
- Boys Powerlifting - Regional Champions, 3 State Qualifiers;
- Girls Wrestling - 3 Regional Qualifiers;
- Girls Basketball - Bi-District Champions, Area Champions, Regional Quarter Finalists; and
- Boys Basketball - Bi-District Champions, Area Finalist.

Pflugerville High School:

- Baseball - Bi-District Finalist;
- Boys Basketball - District Champions, Area Champions, Regional Quarter Finalists;
- Girls Basketball - District Champions, Area Champions, Regional Finalists;
- Football - State Finalists;
- Swimming - 8 Regional Qualifiers (Boys), and 8 Regional Qualifiers (Girls);
- Girls Track - District Champions, Nneka Enemkpali State Qualifier 100 Meters; and
- Girls Wrestling - District Champions, 2 State Qualifiers.

## **EMPLOYEE BENEFITS**

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. During the 2008-2009 budget process, 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. The District has applied the compensation program to the available funds during the budget year. Teacher salaries are comparable to surrounding Districts, as well as with regional urban and suburban salary schedules.

In the budgeting process, funds available for the compensation program are identified. Available funds are first applied to the state mandated minimum teacher 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. Examples include \$2,500 per year for teachers in the critical area of bilingual education and \$500 for special education.

For those employees not on teacher pay tables, pay grades were analyzed according to the TASB salary study discussed earlier. This study addressed the number of employees outside the maximum, those above the midpoint and those below the midpoint. The recommended increases were consistent throughout all pay grades and job classifications. For all employees, raises were given based on the mid-point of their respective pay grades for the 2008-2009 school year. 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.

## **FACILITIES**

An updated facility plan for the District was completed prior to calling the 2007 bond election. The Board and administration worked together to address the future needs of the District. The projects identified included needed additions, renovations and new construction. The following is a list of the identified projects some of which have been completed or are in progress as of the close of the 2007-08 fiscal year.

- Construction of a new middle school and two new elementary schools
- Planning and design of a new high school
- Facilities improvements to support teaching and learning
- Technology improvements to support teaching and learning
- Safety and security renovations to support a safe learning environment
- Building renovations
- Technology infrastructure, and
- Future school sites

On November 6, 2007, \$125 million in bond monies were approved by voters to fund these identified projects. The timing of this election allowed the District to apply for state funding which was set aside by the Texas Legislature specifically to assist with the construction of instructional facilities. The bonds qualified for state funding through the Instructional Facilities Allotment for the 2008-2009 fiscal year. All \$125 million of the approved bonds were sold in June 2008 to fund the identified bond projects. The balance of the 2005 bond projects are in progress including the construction of Riojas Elementary School and the purchase of school sites.

The Existing Debt Allotment was created beginning with the 1999-2000 school year. This program matches up to a maximum of \$.29 of local debt service tax effort. The funding level for this program in the 2007-2008 fiscal year was \$35 per student in average daily attendance since funding was determined to be available at the state level.

The Instructional Facilities Allotment (IFA) Program was established by the Texas legislature with \$200 million (\$100 million each for fiscal years ending August 31, 1998 and 1999) for facilities projects made available for qualifying districts. Under the program, the state will fund a calculated percentage of the debt service (with overall limits) to be paid by the District each year for the entire term of the bonds. The District was eligible to receive approximately 10% of the annual debt service funding from the state for its 2005 \$70 million bond issue. The application for IFA funding for the newly issued 2007 bonds for \$125 million was submitted and funding has been approved for the 2008-09 budget. The percentage of funding will typically decline in proportion to increases in property wealth per student and was about 19% for the 2006-2007 fiscal year. Awards of funding were made on a first-come first-serve basis, with an application deadline of June 15, 2008. All applications received by the deadline were rank ordered by wealth, with funds being awarded to lower wealth districts first. The Pflugerville Independent School District was awarded funding for the 2007 bonds under this program.

A citizens' bond committee had recommended and the Board called a November 2007 bond election. The bond package included several projects:

- Building two new elementary schools and one new middle school
- Planning for the district's fourth high school
- Facility improvements
- Technology improvements



- Safety and security renovations
- Facility renovations
- Technology infrastructure
- Future school sites

The election date was November 6, 2007 and was approved by 59% of voting taxpayers.

In preparation for the 2007 bond election, the district took advantage of an opportunity to retire outstanding debt. The 1996 series of bonds were eligible to be retired and the Board approved a budget and tax rate to retire five million dollars in outstanding bonds. This early pay off of bonds will save the district almost two million dollars in interest expense over the remaining life of the 1996 bonds. This also put the district in a position where it would not have to increase the debt service tax rate to fund existing obligations unless state facilities funding is discontinued by the legislature. The \$.43 adopted debt service tax rate for 2007-2008, in conjunction with anticipated property value growth, was adequate to fund the 2007 bond debt amortization. The debt service was subsequently reduced to \$.42 for the 2008-09 budget.

## **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 have been 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](http://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 Web site.
- 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.
- Other recent publications include a dress code brochure, a communications brochure explaining to parents the various ways the District communicates information to them, as well as how they can communicate with us, and the yearly Facts brochure, which contains quick facts about the District, including demographics, financial information, special programs, and various other facts about the District. The department also produced a brochure for the District Board of Trustees containing biographical information on each trustee, in addition to information about board meetings and the operation of the board.
- The department is responsible for monitoring the District's Community Solution Seeking Feedback Form, which provides community members the opportunity to share comments, questions and concerns with District leaders. Stakeholders are also asked to propose a solution or desired outcome with their comment.
- Each week during the school year, an e-mail newsletter with links back to stories on the District Web site is distributed to subscribers. This increases traffic on the District site, and reminds subscribers to check the Web site 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.
- Since 2006, the Pflugerville Education Foundation has provided more than \$83,000 for teachers to implement innovative teaching grants on 22 campuses. The Foundation also supports the annual Employee Recognition Banquet, where the Campus and District Teachers of the Year and Humanitarians of the Year are recognized. In addition, the Foundation supports the KICKSTART Martial Arts program.

## **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.

### **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. Budgetary control

is more restrictive at the District level. District administrators are held responsible for maintaining and managing their budgets at the program and object level. All requested revisions require approval by the Board of Trustees.

## **CASH MANAGEMENT**

The District has an aggressive 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, invested in one of four local government investment pools pursuant to the Interlocal Cooperation Act of 1989, or invested in Federal Home Loan Bank or Federal National Mortgage Association or Federal Home Loan Mortgage Corporation notes. TexPool (one of the four pools) maintained an average yield during the fiscal year ended August 31, 2008 of 3.46%. The Local Government Investment Cooperative (LOGIC), Lone Star Investment Pool and MBIA maintained average yields of 3.73%, 3.53% and 3.67%, respectively. The Operating Fund earned a total of \$1,031,751 in interest from all sources. Interest earnings from Special Revenue, Debt Service and Proprietary Funds totaled \$574,296. The deposits with the local contract depository bank were in interest-bearing accounts that were secured at the balance sheet date by FDIC coverage and by pledged U.S. Government securities held by the Federal Reserve Bank in the name of the District. The deposits were deemed collateralized under Texas Law, and the Texas Education Agency maintains copies of all safekeeping receipts in the name of the District.

The District invested capital projects funds with investment pools and a flexible repurchase agreement. Capital Projects Funds earned interest in the fiscal year totaling \$1,554,929. All District funds are fully collateralized by securities with a fair market value greater than or equal to 102% of the value of the District's remaining investment. The Federal Reserve Bank held the collateral pledged. The Federal Reserve Bank provided fair market value reports and upon indication by these reports that the collateral pledged fell below the required 102%, it was immediately cured. Collateral pledged never dropped below 100%.

The District complies with the School Depository Act by executing a depository agreement with a banking institution for a period of two fiscal years. Local banks in the immediate surrounding area are given preference. Competitive bids are taken, although state law sets the general terms of the uniform bid form. The depository contract was due to expire on August 31, 2007. In the current contract, bank service charges are assessed on a "pay-as-you-go" basis for services rendered. A two-year option to extend the current depository contract was approved through August 31, 2009.

## **RISK MANAGEMENT**

During the 2007-2008 school year, the Pflugerville Independent School District 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 2007-2008 medical plans that could include coverage for a spouse, child(ren) or family. In addition, premiums paid by employees were increased in all of the four categories of coverage (single, employee/children, employee/spouse and employee/family) for the 2007-2008 school year. There was specific legislation provided for designated funding to be applied toward health-related expenses for the 2002-03 year in the amount of \$75 per month per participating employee. 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 carries a minimum annual aggregate limit of \$1,658,133 which is subject to audit. The stop loss carrier indemnifies the District against specific losses in excess of \$300,000. For the 2007-2008 fiscal year, the District has a financially sound reserve set aside to offset potential fund deficits in future years.

For property loss exposure, the District has a Texas Commercial Package Policy. The 2007-2008 policy provides blanket property coverage, including building and contents and auxiliary structures in the amount of \$433,937,891 with a \$100,000 deductible per occurrence provision written in the policy. The commercial general liability coverage has a \$500 deductible with a \$1,000,000 per occurrence and \$1,000,000 per location aggregate limit of liability. Electronic equipment coverage has a \$1,000,000 limit with a \$10,000 deductible per occurrence. Electronic equipment values in excess of \$1,000,000 are treated as ordinary contents under the blanket limit of \$433,937,891. Insurance coverage on boiler and machinery (Equipment Failure) has a \$433,937,891 limit of liability and a \$10,000 deductible. Musical instruments are included in the blanket amount of \$433,937,891 and carry a \$10,000 deductible.

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. All District-owned vehicles are insured by the District for bodily injury coverage of \$100,000 for each person, \$300,000 for each accident and a property damage limit of \$100,000.

An Educator's Legal Liability insurance plan covers all employees and Board of Trustee members with an annual limit of liability of \$1,000,000 and a per claim deductible of \$5,000. An employee dishonesty coverage policy is included in crime coverage and provides the District with blanket crime coverage covering employee dishonesty, loss inside and outside the premises for money, securities, and faithful bonded performance with a \$100,000 limit on all employees and a \$1,000 deductible.

## **OTHER INFORMATION**

### **Independent Audit**

Texas School Law requires an annual audit by an independent outside auditing firm of all funds and account groups of the District. All Pflugerville Independent School District funds and account groups have been audited. The auditors' opinion is included in this report.

### **Awards**

The Association of School Business Officials International (ASBO) and the Government Finance Officers Association (GFOA) award the Certificate of Excellence in Financial Reporting to districts for Comprehensive Annual Financial Reports (CAFR). Pursuant to ASBO and GFOA program requirements, governments may be awarded a Certificate of Excellence if the CAFR satisfies both generally accepted accounting principles and applicable legal requirements. The published financial report must also be efficiently organized and easy to read.

The Association of School Business Officials International (ASBO) awarded the Certificate of Excellence in Financial Reporting to Pflugerville Independent School District for the 2006-07 Comprehensive Annual Financial Report (CAFR).

Although a Certificate of Excellence is valid for a period of one year only, we believe that this Comprehensive Annual Financial Report meets Certificate of Excellence program requirements. For this reason, we will submit this CAFR to ASBO and GFOA to determine its certificate eligibility.

## 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 Newcomb, Jo Zaneck, Craig Pruett, Jackie Porter, Janet Maluschka, Lisa Casinelli, Lisa Campbell, Lisa Wagner, Paula Bowden, Candy Poduska, Rhonda Kitchens, 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, Assistant Superintendents Susan Oglesbee and Randy Reese; Executive Directors Dr. Barbara Booth, 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 Independent School District 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

David Andersen  
Chief Financial Officer

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL



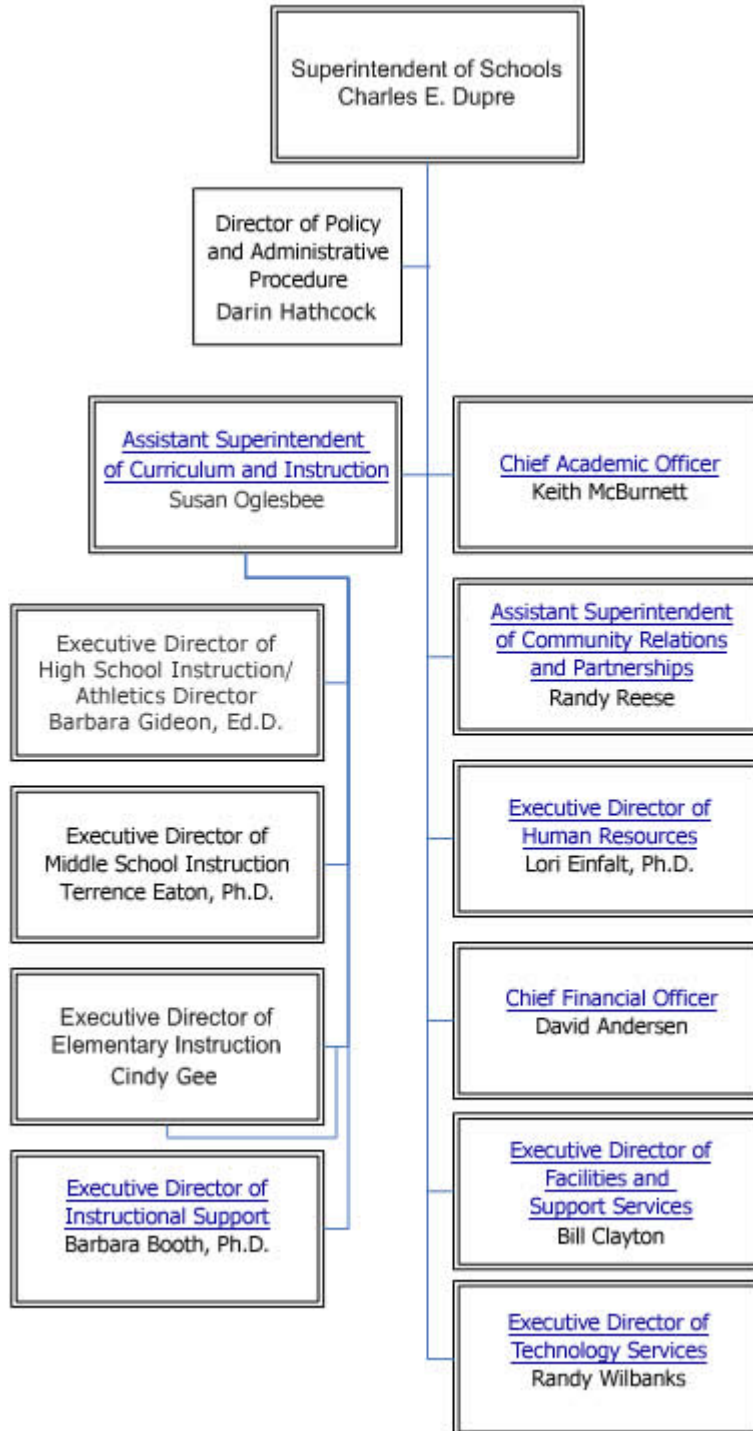
This Certificate of Excellence in Financial Reporting  
*is presented to*  
**Pflugerville Independent School District**

For its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2007  
upon recommendation of the Association's Panel of Review  
which has judged that the Report substantially conforms  
to principles and standards of ASBO's Certificate of Excellence Program

*John E. Brendel*  
President

*John D. Mease*  
Executive Director

# 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, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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, 2008, 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 December 18, 2008, 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.

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.

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

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 non-major fund 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. 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 are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the District. Such additional information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we express no opinion on them.

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

Texas City, Texas  
December 18, 2008

## **Management's Discussion and Analysis**

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**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, 2008. 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**

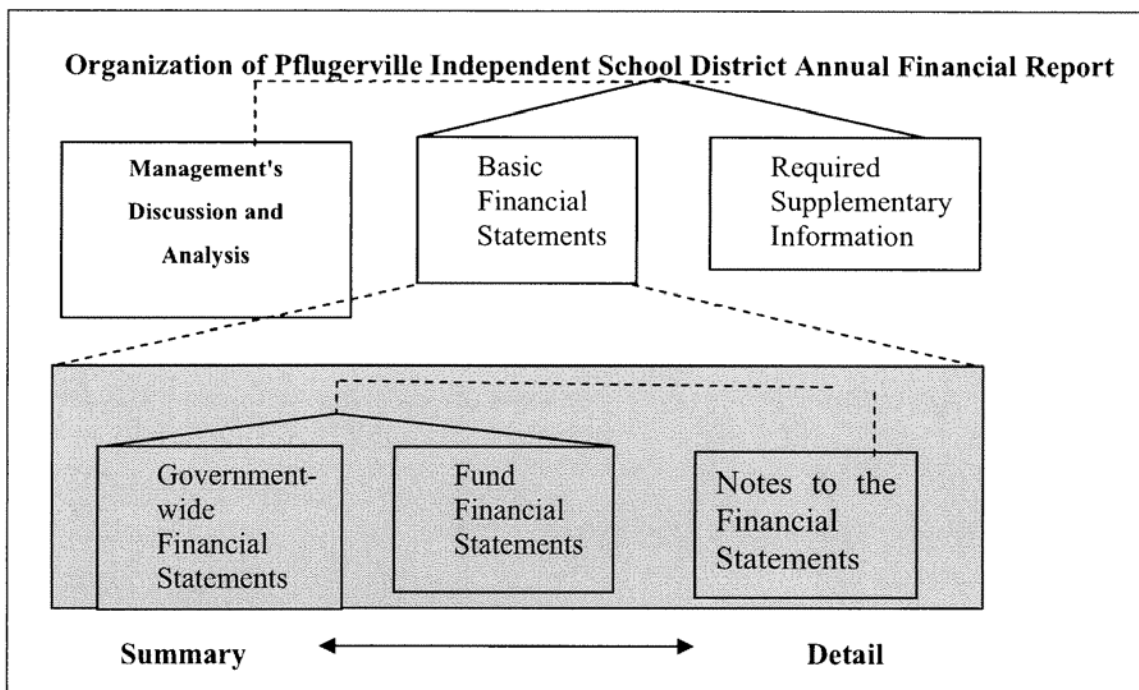
- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$53,746,163 (*net assets*). Of this amount, \$18,891,768 (*unrestricted net assets*) may be used to meet the District's ongoing obligations to students and creditors.
- Total net assets of the District's governmental activities increased by \$2,254,761 or about 4.38%.
- The total fund balance of the operating fund was \$16,502,098 and was a decrease of \$2,629,995 from the prior year. The undesignated, unreserved fund balance of the General Fund was \$16,174,252, or 11.34% of total Operating Fund expenditures and other financing uses.
- In June 2008 the District issued the balance of the 2007 bonds in the amount of \$121,715,000. The Bonds will mature annually through 2033.
- The Pflugerville Education Foundation donated \$20,548 for innovative classroom grants.

**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>	<b>Government-Wide</b>	<b>Governmental Funds</b>	<b>Proprietary Funds</b>	<b>Fiduciary Funds</b>
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"> <li>• Statement of net assets</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balance</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net assets</li> <li>• Statement of revenues, expenses, and changes in fund net assets</li> <li>• Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net assets</li> <li>• Statement of changes in fiduciary net assets</li> </ul>
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 \$53,746,163 at August 31, 2008. The following table compares twelve months of operations for the 2006-2007 fiscal year to twelve months of operations for the 2007-2008 fiscal year.

**Pflugerville Independent School District's Net Assets**

	<u>2008</u>	<u>2007</u>
<b>Current Assets</b>		
Cash and temporary investments	\$ 124,908,288	\$ 39,005,576
Property taxes receivables, net	3,093,392	5,817,187
Due from other governments	9,923,576	8,818,483
Accrued interest	474,515	4,089
Other receivables, net	50,440	106,053
Inventories	250,852	269,443
Deferred expenses	161,630	158,572
Capital bond and other debt issuance costs	2,156,038	1,302,112
<b>Total current assets</b>	<u>141,018,731</u>	<u>55,481,515</u>
Capital assets not subject to depreciation	289,527,023	289,661,474
Long term investments	29,584,007	
<b>Total Assets</b>	<u>460,129,761</u>	<u>345,142,989</u>
<b>Current Liabilities</b>		
Accounts payable, debt and interest payable	6,282,422	1,998,335
Accrued liabilities	2,086,183	1,993,445
Due to fiduciary funds and other governments	65,838	16,919
Accrued expenditures	465,648	902,549
Deferred revenue	52,691	76,888
<b>Total current liabilities</b>	<u>8,952,782</u>	<u>4,988,136</u>
<b>Noncurrent Liabilities</b>		
Due within one year	12,140,000	11,440,000
Due in more than one year	385,290,816	276,632,879
<b>Total non-current liabilities</b>	<u>397,430,816</u>	<u>288,072,879</u>
<b>Total liabilities</b>	<u>406,383,598</u>	<u>293,061,015</u>
<b>Net Assets</b>		
Invested in capital assets, net of related debt	31,191,545	22,719,417
Restricted for:		
Federal and State Programs	823,932	29,801
Food Service	491,502	705,340
Debt service	2,347,416	2,444,418
Unrestricted	18,891,768	25,592,424
<b>Total net assets</b>	<u>\$ 53,746,163</u>	<u>\$ 51,491,400</u>

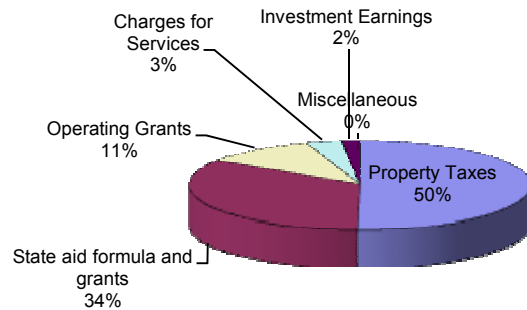
**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

The District's net assets include \$1,565,141 of interest earned during the fiscal year by investing bond proceeds remaining from the April 2005, November 2006 and from the 2007 bond issues. \$2,347,416 of the District's restricted net assets is for debt service, and \$491,502 is for the Food Service operations.

**Changes in net assets**

The District's total general revenues, transfers, charges for services, and operating grants and contributions were \$189,314,639. A significant portion, 50.24%, of the District's revenue comes from taxes. (See Figure A-3.) 44.64% comes from state aid formula and federal government grants, and 5.04% relates to investment earnings and charges for services. The total cost of all programs and services was \$187,059,878. Of these costs, 50.60% are related to instruction.

**Figure A-3 District Sources of Revenue for Fiscal Year 2008**



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

**Change in Pflugerville Independent School District's Net Assets**

	<b>2008</b>	<b>2007</b>
<b>Program Revenues</b>		
Charges for services	\$ 6,392,492	\$ 5,462,639
Operating grants	20,132,811	15,463,959
<b>General Revenues</b>		
Property taxes	95,104,991	101,728,256
State aid	63,915,202	43,064,029
Grants and contributions not restricted	454,740	1,536,777
Interest earnings	3,154,609	3,162,914
Other	159,794	135,298
<b>Total Revenues</b>	<b>189,314,639</b>	<b>170,553,872</b>
<b>Expenses</b>		
11 Instruction	94,650,337	85,939,489
12 Instructional resources and media services	3,471,299	3,820,581
13 Curriculum and staff development	4,088,992	3,303,276
21 Instructional leadership	1,672,599	1,162,792
23 School leadership	10,110,269	8,464,935
31 Guidance, counseling, and evaluation services	5,948,106	4,722,770
32 Social work services	423,094	264,432
33 Health services	1,479,424	1,440,727
34 Student transportation	6,875,115	5,916,371
35 Food service	9,108,389	7,486,650
36 Extracurricular activities	5,559,634	5,081,456
41 General administration	3,769,737	4,043,427
51 Plant, maintenance and operations	16,034,590	14,572,996
52 Security and monitoring services	1,202,334	829,415
53 Data processing services	3,051,548	3,428,639
61 Community services	113,423	90,737
72 Interest on long-term debt	14,791,698	13,817,715
81 Facilities acquisition and construction	4,181,777	453,026
Payments to Juvenile Justice Alternative Education		
95 Programs	14,141	3,068
99 Other governmental charges	513,372	
<b>Total Expenses</b>	<b>187,059,878</b>	<b>164,842,502</b>
Excess (deficiency) before special items and transfers	2,254,761	5,711,370
Special items		3,819,045
<b>Increase (Decrease) in Net Assets</b>	<b>2,254,761</b>	<b>9,530,415</b>
<b>Beginning net assets</b>	<b>51,491,402</b>	<b>41,960,987</b>
<b>Ending Net Assets</b>	<b>\$ 53,746,163</b>	<b>\$ 51,491,402</b>

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

**Governmental Activities**

- Property tax rates for the 2007-2008 fiscal year decreased by \$.21 with state mandates and an increase in local property values.

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 \$187.1 million.
- The amount that local taxpayers paid for these activities through property taxes was \$95.1 million.
- Those who directly benefited paid some of the cost from the programs, \$6.4 million, or by grants and contributions \$20.1 million.

**Net Cost of Selected District Functions**

	<b>Total Cost of Services</b>		<b>Percent Change</b>	<b>Net Cost of Services</b>		<b>Percent Change</b>
	<b>2008</b>	<b>2007</b>		<b>2008</b>	<b>2007</b>	
Instruction	\$ 94,650,337	\$ 85,939,489	10%	\$ 81,904,704	\$ 76,367,497	7%
School Leadership	10,110,269	8,464,935	19%	9,333,167	7,815,682	19%
Plant Maintenance & Operations	16,034,590	14,572,996	10%	15,232,478	13,976,876	9%
Debt Service - Interest	14,791,698	13,817,715	7%	14,791,698	13,817,715	7%

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

Revenues from governmental fund types totaled \$192,263,284, 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 \$28,315 more 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 \$634,747 more than the final budgeted amount:

- Federal program revenues were more than budgeted.
- State Program revenues were more than budgeted due to student attendance percentages and local tax collections.

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

**General Government Functions**

Overall, fund balances (fund equity) in the General Fund decreased due to expenses exceeding revenues in the current year. The Debt Service Fund balance increased because of good tax collections and state facilities funding. Fund balances and percent of increase (decrease) for the governmental funds are as follows:

<b>Major Fund Balances</b>				
<b>Fund</b>			<b>2007</b>	<b>Percent Change</b>
<b>Fund</b>	<b>2008</b>	<b>2007</b>		
General Fund	\$ 16,502,098	\$ 19,132,093	-14%	
Debt Services	3,696,794	1,845,631	100%	
Capital Projects	135,301,946	18,758,743	621%	

**General Fund**

This fund encompasses the general governmental functions of the district and all other functions not accounted for in other funds. The fund balance in the General Fund decreased by \$2,629,995. This decrease is a result of expenses exceeding revenues in the current year. The increase in the Debt Service Fund Balance was a result of local tax collections and state facilities funding in the current year. The increase in the Capital Projects Fund was due to the June 2008 bond issue.

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

<b>Revenue Sources</b>	<b>2008</b>	<b>Percent Realized</b>	<b>2007</b>	<b>Increase (Decrease)</b>	<b>Percent Change</b>
Local	\$ 72,291,773	52%	\$ 82,240,091	\$ (9,948,318)	-12%
State	67,364,567	48%	44,136,911	23,227,656	53%
Federal	452,693	0%	261,376	191,317	73%
<b>Total</b>	<b>\$ 140,109,033</b>	<b>100%</b>	<b>\$ 126,638,378</b>	<b>\$ 13,470,655</b>	

Local revenues, which are generated primarily from property taxes, decreased by 12.10% relative to the 2006-2007 school year. This was the result of legislative changes that shifted funding from local to state sources. Total taxes collected decreased from 99.51 percent to 99.05 percent in the current year compared to the prior year tax collections budget. State revenues represent 48.08% of total realized revenues. Utilizing an adjusted basic allotment of \$3,380 per average daily attendance, the state's regular block grant funding amounted to \$48,627,979 while special allotments of \$18,501,281 were earned and received. Special allotment allocations are based on weighted full time equivalent average daily attendance. In general, the increase of 52.61% in state revenue was due to the change in the state funding formula and an increase in student enrollment. The state-mandated reduction in the operating fund tax rate shifted a greater percentage of the total operating revenue to state resources. Pflugerville ISD earns approximately \$3,242 per student in average daily attendance through state entitlements. 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.

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

Expenditures for the General Fund totaled \$140,738,417 an increase of 13.74% from last year.

<b>Function</b>	<b>Expenditures 2008</b>	<b>Percent Expended</b>	<b>Expenditures 2007</b>	<b>Increase (Decrease)</b>	<b>Percent Change</b>
Instruction	\$ 89,564,909	64%	\$ 79,653,149	\$ 9,911,760	12%
Instruction/Leadership	10,986,353	8%	8,886,905	2,099,448	24%
Pupil Services	17,702,099	13%	15,225,921	2,476,178	16%
Admin. Support	3,670,682	3%	3,864,837	(194,155)	-5%
Support Services	18,269,463	13%	15,887,029	2,382,434	15%
Community Services	17,398	0%	8,963	8,435	94%
Payments to Juvenile Justice	14,141	0%	3,068	11,073	361%
Other Intergovernmental Charges	513,372	0%		513,372	
<b>Total</b>	<b>\$ 140,738,417</b>	<b>100.00%</b>	<b>\$ 123,529,872</b>	<b>\$ 17,208,545</b>	

Instruction and instructional related expenditures increased by \$9,911,760 or 12.44 percent. This increase was largely due a salary increase for instructional staff. Instructional and school leadership expenditures increased by \$2,099,448 or 23.62 percent. This increase is largely due to a salary increase for staff and additional staff. The increase of 16.26 percent or \$2,476,178 in Pupil Services was attributable to an increase in salaries for staff and additional staff. Administrative support expenditures decreased by 5.02 percent or \$194,155. This was largely due to a change in budget coding for property appraisals. Support Services, which includes plant maintenance, security/monitoring, property insurance and data processing expenditures increased by \$2,382,434 or 15.00 percent due to an increase in utilities cost and an increase in salaries for staff.

**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 \$4,697,151. Expenditures exceeded revenues and other sources in the school breakfast and lunch program by \$213,839.

**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 income (loss) before operating transfers for the workers' compensation program was 150,938.

**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, 2008, general governmental capital assets of the District amounted to \$289,527,023. Additional information is available in Note 4 to the financial statements.

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

**Capital Assets and Debt Administration**

**Capital Assets**

As of August 31, 2008 the District had a net value of \$289,527,023 in a broad range of capital assets, including land, equipment, buildings, and vehicles. (See Table A-4.)

	<u>2008</u>	<u>2007</u>	<u>Percent Change</u>
Land	\$ 17,773,568	\$ 12,469,661	43%
Buildings & Equipment	270,342,085	267,322,234	1%
Construction in Progress	1,411,370	9,869,579	-86%
Net Capital Assets	<u>\$ 289,527,023</u>	<u>\$ 289,661,474</u>	

**Capital Projects Fund**

Interest earnings in the Capital Projects Fund for the 2007-2008 fiscal year were \$1,534,467.

**Long Term Debt**

At the end of the year the District had \$387.5 million in bonds, which represents a 37 percent increase. The District's bonds presently carry "Aaa" ratings with underlying ratings as follows: 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 \$1,851,162 resulting in a fund balance of \$3,696,794. Bond obligations are considered to be net direct tax supported debt. Twelve building and refunding bond issues (1996, 1997, 1999, 2000, 2001, 2002, 2003, 2004, 2004A, 2005, 2005A, 2006, and 2007) remain outstanding and mature serially through the year 2033. The applicable debt service fund tax rate was \$.43/\$100 for the assessed valuation for the 2007/2008 school year. This debt service fund tax rate represents a decrease from the \$.35/\$100 assessed in the 2006/2007 school year. This rate was possible because of the state continuing new facilities funding for the 2007-2008 school year that provided districts funds to pay for "old" debt service and the continued growth in property values. This funding resulted in the District receiving approximately \$3.1 million in funds earmarked specifically for debt service.



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

General obligation bonds issued during the past seven fiscal years are as follows:

<b>Date of Issue</b>	<b>Amount</b>	<b>Average Life</b>	<b>Effective Interest Rate</b>
October, 2000	\$ 32,000,000	17 years	4.65% to %.75%
December, 2001	59,560,000	17 years	4.00% to 5.00% (refunded May 6, 2003)
February, 2003	20,000,000	15 years	2.00% to 5.25% (partially refunded 2005)
July, 2004	25,915,000	15 years	2.25% to 5.00%
April 2005A	28,670,000	15 years	3.13% to 5.25%
September, 2006	40,000,000	15 years	3.00% to 5.25%
June, 2008	121,715,000	26 years	3.00% to 5.00%

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. The Permanent School Fund of Texas guaranteed the payment of the refunding bond issue. In June, 2008 the District issued the remaining \$125 million of the bonds authorized in February 2005.

**Economic Factors and Next Year's Budgets and Rates**

- Appraised values used for the 2008-2009 budget preparation is \$7.1 billion, or 10.94%, greater than the 2007-2008 values. The increased values generated an increase in the amount of local tax revenue in the 2008-2009 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, as compared to a rate of \$1.04 in 2007-2008.
- The District's student attendance was budgeted to increase by 1,147 students for a 2008-2009 total enrollment of 21,801. The student attendance rate is budgeted at 94.20%.
- Prior to the most recent legislative session, state aid decreased when assessed valuation increased, and increased when student enrollment increased. Current legislation included hold-harmless provisions for the reduced tax rate. The net result for state aid for the 2008-2009 General Fund budget was an increase of approximately \$22.1 million.
- General Fund spending per student for the 2008-2009 budget increased by \$186, or 2.96%.
- Expenditures for the 2008-2009 General Fund budget increased overall by \$11.6 million primarily due to student enrollment growth and state funding. The District used the state funding as well as the increased assessed valuations to address compensation levels for all employees.
- If 2008-2009 budget estimates are realized, the District's General Fund balance is expected to increase slightly by the close of the budget year.
- In June, 2008, the District issued the newly authorized bonds in the amount of \$121,715,000 to begin the projects funded by the 2007 bond issue. The interest rate on the bonds range from 4.00% to 5.00% and the final maturity date is February 15, 2031.

**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

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## **Basic Financial Statements**

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**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**

*Exhibit A-1*

**STATEMENT OF NET ASSETS**

*August 31, 2008*

<b>Data Control Codes</b>		<b>Governmental Activities</b>
	<b>Assets</b>	
1110	Cash and temporary investments	\$ 124,908,288
1225	Property taxes receivables, net	3,093,392
1240	Due from other governments	9,923,576
1250	Accrued interest	474,515
1290	Other receivables, net	50,440
1300	Inventories	250,852
1410	Deferred expenses	161,630
1420	Capital bond and other debt issuance costs	2,156,038
	Capital assets not subject to depreciation:	
1510	Land	17,773,568
1580	Construction in progress	1,411,370
	Capital assets net of depreciation:	
1520	Buildings and improvements, net	264,413,676
1530	Furniture and equipment, net	5,928,409
1910	Long-term investments	29,584,007
1000	<b>Total Assets</b>	<u>460,129,761</u>
	<b>Liabilities</b>	
2110	Accounts payable	3,978,657
2140	Interest payable	2,303,765
2150	Payroll deductions and withholdings	1,804,871
2160	Accrued wages payable	281,312
2177	Due to fiduciary funds	3,285
2180	Due to other governments	62,553
2200	Accrued expenditures	465,648
2300	Deferred revenue	52,691
	Noncurrent Liabilities:	
2501	Due within one year	12,140,000
2502	Due in more than one year	385,290,816
2000	<b>Total Liabilities</b>	<u>406,383,598</u>
	<b>Net Assets</b>	
3200	Invested in capital assets, net of related debt	31,191,545
	Restricted for:	
3820	Federal and state programs	823,932
3840	Food service	491,502
3850	Debt service	2,347,416
3900	Unrestricted	18,891,768
	<b>Total net assets</b>	<u>\$ 53,746,163</u>

See Notes to Financial Statements

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**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES**  
*For the Year Ended August 31, 2008*

*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
	<b>Governmental activities:</b>				
11	Instruction	\$ 94,650,337	\$ 892,791	\$ 11,852,842	\$ (81,904,704)
12	Instructional resources and media services	3,471,299	67,166	163,947	(3,240,186)
13	Development	4,088,992	23,226	780,362	(3,285,404)
21	Instructional leadership	1,672,599	2,545	369,200	(1,300,854)
23	School leadership	10,110,269	259,326	517,776	(9,333,167)
	Guidance, counseling, and evaluation services	5,948,106	103,915	643,161	(5,201,030)
32	Social work services	423,094		188,766	(234,328)
33	Health services	1,479,424		79,651	(1,399,773)
34	Student transportation	6,875,115	2,466	61,733	(6,810,916)
35	Food service	9,108,389	3,568,350	4,759,110	(780,929)
36	Extracurricular activities	5,559,634	980,685	110,539	(4,468,410)
41	General administration	3,769,737	15,609	140,405	(3,613,723)
51	Plant, maintenance and operations	16,034,590	450,749	351,363	(15,232,478)
52	Security and monitoring services	1,202,334	12,194	11,245	(1,178,895)
53	Data processing services	3,051,548		53,240	(2,998,308)
61	Community services	113,423	13,470	49,471	(50,482)
72	Interest on long-term debt	14,791,698			(14,791,698)
81	Facilities acquisition and construction	4,181,777			(4,181,777)
95	Payments to Juvenile Justice Alternative Education Programs	14,141			(14,141)
99	Other governmental charges	513,372			(513,372)
<b>TG</b>	<b>Total governmental activities</b>	<u>\$ 187,059,878</u>	<u>\$ 6,392,492</u>	<u>\$ 20,132,811</u>	<u>(160,534,575)</u>
	<b>Data Control Codes</b>				
	<b>General revenues:</b>				
	Taxes:				
<b>MT</b>	Property taxes, levied for general purposes				67,412,374
<b>DT</b>	Property taxes, levied for debt service				27,692,617
<b>SF</b>	State-aid formula grants				63,915,202
<b>GC</b>	Grants and contributions not restricted				454,740
<b>IE</b>	Investment earnings				3,154,609
<b>MI</b>	Miscellaneous				159,794
<b>TR</b>	<b>Total general revenues, special items, and transfers</b>				<u>162,789,336</u>
<b>CN</b>	Change in net assets				2,254,761
<b>NB</b>	<b>Net assets - beginning</b>				<u>51,491,402</u>
<b>NE</b>	<b>Net assets - ending</b>				<u>\$ 53,746,163</u>

See Notes to Financial Statements

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**

**BALANCE SHEET**

**GOVERNMENTAL FUNDS**

August 31, 2008

<u>Data Control Codes</u>		<u>General Fund</u>	<u>Debt Service Funds</u>	<u>Capital Projects Fund</u>
<b>Assets</b>				
1110	Cash and temporary investments	\$ 7,858,196	\$ 3,988,445	\$ 108,669,179
<b>Receivables:</b>				
1220	Property taxes - delinquent	5,005,762	1,630,408	
1230	Allowance for uncollectible taxes (credit)	(2,599,588)	(943,190)	
1240	Receivables from other governments	9,061,418		
1250	Accrued interest	1,910		468,662
1260	Due from other funds	2,471,329	11,755	
1290	Other receivables	39,122	7,748	
1300	Inventories, at cost	162,937		
1410	Prepaid expenses	161,630		
1900	Other assets			29,584,007
	<b>Total Assets</b>	<u>\$ 22,162,716</u>	<u>\$ 4,695,166</u>	<u>\$ 138,721,848</u>
<b>Liabilities and Fund Balance</b>				
<b>Liabilities:</b>				
2110	Accounts payable	\$ 1,527,101	\$	\$ 1,858,970
2140	Interest payable		430,678	
2150	Payroll deduction and withholdings payable	1,804,871		
2160	Accrued wages payable	274,304		
2170	Due to other funds	43,632		1,521,529
2180	Payable to other governments			
2200	Accrued expenses			39,403
2300	Deferred revenues	2,010,710	567,694	
2000	<b>Total Liabilities</b>	<u>5,660,618</u>	<u>998,372</u>	<u>3,419,902</u>
<b>Fund Balance:</b>				
<b>Reserved for:</b>				
3410	Investments in inventories	162,937		
3420	Retirement of funded indebtedness		3,696,794	
3430	Prepaid items	161,630		
3440	Encumbrances	3,279		139,230
3450	Food service operations			
<b>Unreserved, Designated for:</b>				
3510	Construction, repairs, renovation			
3530	Capital expenditures for equipment			
3590	Other purposes			
<b>Unreserved, Undesignated Reported in:</b>				
3600	General fund	16,174,252		
3610	Special revenue funds			
3620	Capital projects funds			135,162,716
3000	<b>Total fund balances</b>	<u>16,502,098</u>	<u>3,696,794</u>	<u>135,301,946</u>
4000	<b>Total Liabilities and Fund Balances</b>	<u>\$ 22,162,716</u>	<u>\$ 4,695,166</u>	<u>\$ 138,721,848</u>

See Notes to Financial Statements.



*Exhibit C-1*

<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 3,580,734	\$ 124,096,554
	6,636,170
	(3,542,778)
862,158	9,923,576
	470,572
39,195	2,522,279
3,570	50,440
87,915	250,852
	161,630
	29,584,007
<u>\$ 4,573,572</u>	<u>\$ 170,153,302</u>
\$ 575,751	\$ 3,961,822
	430,678
	1,804,871
7,977	282,281
864,018	2,429,179
62,553	62,553
	39,403
8,705	2,587,109
<u>1,519,004</u>	<u>11,597,896</u>
	162,937
	3,696,794
	161,630
14,918	157,427
460,832	460,832
30,670	30,670
	16,174,252
2,548,148	2,548,148
	135,162,716
<u>3,054,568</u>	<u>158,555,406</u>
<u>\$ 4,573,572</u>	<u>\$ 170,153,302</u>

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**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**  
**RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS TO**  
**STATEMENT OF NET ASSETS**  
*August 31, 2008*

*Exhibit C-2*

<u>Data Control Codes</u>		
	<b>Total fund balance, governmental funds</b>	\$ 158,555,406
	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	289,527,023
2	Property taxes receivable have been levied and are due this year, but are not available soon enough to pay for the current period's expenditures, these property taxes and related penalty and interest amounts (net of allowance for uncollectible accounts).	2,534,417
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.	2,156,038
	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	(387,484,934)
5	Premiums on issuance	(11,862,391)
6	Deferred loss on refunding	5,279,846
7	Accreted interest on premium compound interest bonds	(2,316,982)
8	Accrued compensated absences	(1,046,355)
9	Accrued interest payable	(1,873,087)
10	Addition of Internal Service fund net assets	<u>277,182</u>
	<b>Total net assets - governmental activities</b>	<u><u>\$ 53,746,163</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, 2008**

<b>Data Control Codes</b>		<b>General Fund</b>	<b>Debt Service Funds</b>	<b>Capital Projects Fund</b>
<b>Revenues</b>				
5700	Local, intermediate, and out-of-state	\$ 72,291,773	\$ 28,826,723	\$ 1,534,467
5800	State program revenues	67,364,567	3,097,444	
5900	Federal program revenues	452,693		
5020	<b>Total revenues</b>	<u>140,109,033</u>	<u>31,924,167</u>	<u>1,534,467</u>
<b>Expenditures</b>				
<b>Current:</b>				
0011	Instruction	83,098,027		8,857
0012	Instruction resources and media services	3,055,953		
0013	Curriculum and instructional staff development	3,410,929		
0021	Instructional leadership	1,367,748		
0023	School leadership	9,618,605		
0031	Guidance, counseling and evaluation services	5,344,033		
0032	Social work services	201,254		
0033	Health services	1,473,756		
0034	Student transportation	6,805,139		
0035	Food services	55,528		
0036	Extracurricular activities	3,822,389		
0041	General administration	3,670,682		
0051	Plant maintenance and operations	15,466,888		88,755
0052	Security and monitoring services	1,073,222		38,095
0053	Data processing services	1,729,353		39,644
0061	Community services	17,398		
<b>Debt service:</b>				
0071	Principal on long-term debt		16,630,000	935,319
0072	Interest on long-term debt		13,436,105	
0073	Bond issuance costs and fees		6,900	
<b>Capital outlay:</b>				
0081	Capital outlay			11,881,210
<b>Intergovernmental:</b>				
0095	Payments to Juvenile Justice Alt. Ed. Prgm.	14,141		
0099	Other intergovernmental charges	513,372		
6030	<b>Total Expenditures</b>	<u>140,738,417</u>	<u>30,073,005</u>	<u>12,991,880</u>
1100	Excess (deficiency) of revenues over expenditures	<u>(629,384)</u>	<u>1,851,162</u>	<u>(11,457,413)</u>
<b>Other Financing Sources (Uses)</b>				
7911	Capital-related debt issued (regular bonds)			121,715,000
7912	Sale of real or personal property	55,912		
7915	Transfers in			2,065,297
7916	Premium or discount on issuance of bonds			4,220,319
7949	Other resources	2,327		
7989	Other non-operating revenues	6,447		
8911	Transfers out	(2,065,297)		
7080	<b>Total other financing sources and uses</b>	<u>(2,000,611)</u>		<u>128,000,616</u>
1200	Net change in fund balances	(2,629,995)	1,851,162	116,543,203
0100	<b>Fund Balance - September 1 (Beginning)</b>	<u>19,132,093</u>	<u>1,845,632</u>	<u>18,758,743</u>
3000	<b>Fund Balance - August 31 (Ending)</b>	<u>\$ 16,502,098</u>	<u>\$ 3,696,794</u>	<u>\$ 135,301,946</u>

*Exhibit C-3*

<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 5,280,622	\$ 107,933,585
2,633,738	73,095,749
10,781,257	11,233,950
<u>18,695,617</u>	<u>192,263,284</u>
7,935,554	91,042,438
105,933	3,161,886
674,099	4,085,028
303,903	1,671,651
275,746	9,894,351
574,162	5,918,195
221,299	422,553
4,360	1,478,116
56,936	6,862,075
8,547,499	8,603,027
591,514	4,413,903
15,771	3,686,453
34,623	15,590,266
14,125	1,125,442
	1,768,997
96,025	113,423
	17,565,319
	13,436,105
	6,900
	11,881,210
	14,141
	513,372
<u>19,451,549</u>	<u>203,254,851</u>
<u>(755,932)</u>	<u>(10,991,567)</u>
	121,715,000
	55,912
	2,065,297
	4,220,319
	2,327
	6,447
	(2,065,297)
	<u>126,000,005</u>
(755,932)	115,008,438
<u>3,810,500</u>	<u>43,546,968</u>
<u>\$ 3,054,568</u>	<u>\$ 158,555,406</u>

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**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
*For the Year Ended August 31, 2008*

*Exhibit C-4*

<u>Data Control Codes</u>		
	Net change in fund balances - total governmental funds (from C-3)	\$ 115,008,438
	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.	(172,633)
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.	64,469
3	Property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(2,983,641)
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.	16,630,000
5	Proceeds from issuance of long-term debt is reported as an other financing source in the governmental funds. In the government-wide financial statements, proceeds are treated as an increase in long-term liabilities.	(125,935,319)
6	Bond issuance costs paid during the current year will be amortized over the life of the bonds.	935,319
7	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: Increase in interest payable not recognized in fund statements	(1,282,512)
8	Increase in long-term portion of accrued compensated absences	(67,830)
9	Accreted interest on capital appreciation bonds and amortization of bond issuance costs	(66,181)
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.	124,651
	<b>Change in net assets of governmental activities</b>	<u><u>\$ 2,254,761</u></u>

See Notes to Financial Statements.

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
*For the Year Ended August 31, 2008*

*Exhibit D-1*

<u>Data Control Codes</u>		<u>Governmental Activities - Internal Service Fund</u>
	<b>Assets</b>	
	<b>Current assets:</b>	
1110	Cash and cash equivalents	\$ 250,180
1176-89	Temporary investments, at fair value	561,554
	<b>Receivables:</b>	
1250	Accrued interest receivable	3,943
1000	<b>Total Assets</b>	<u>\$ 815,677</u>
	 <b>Liabilities</b>	
	Current liabilities:	
2110	Accounts payable	\$ 7,942
2170	Due to other funds	96,385
2200	Accrued expenses	434,168
2000	<b>Total Liabilities</b>	<u>538,495</u>
	 <b>Net Assets</b>	
3300	Unrestricted net assets	277,182
3000	<b>Total Net Assets</b>	<u>277,182</u>
4000	<b>Total Liabilities and Net Assets</b>	<u>\$ 815,677</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, 2008*

*Exhibit D-2*

<u>Data Control Codes</u>		<u>Governmental Activities - Internal Service Fund</u>
	<b>Operating Revenues</b>	
5754	Quasi-external interfund transactions	\$ 300,000
5020	<b>Total operating revenues</b>	<u>300,000</u>
	<b>Operating Expenses</b>	
6200	Purchased and contracted services	46,974
6400	Claims expense and other operating expenses	128,375
6030	<b>Total Operating Expenses</b>	<u>175,349</u>
1200	Operating Income (Loss)	<u>124,651</u>
	<b>Non-Operating Revenues (Expenses)</b>	
7020	Earnings - temporary deposits and investments	26,287
	<b>Total Nonoperating Revenues</b>	<u>26,287</u>
1200	Change in Net Assets	150,938
0100	<b>Net Assets - September 1 (Beginning)</b>	<u>126,244</u>
3300	<b>Net Assets - August 31 (Ending)</b>	<u>\$ 277,182</u>

See Notes to Financial Statements.

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**

*Exhibit D-3*

**STATEMENT OF CASH FLOWS**

**PROPRIETARY FUNDS**

*Year Ended August 31, 2008*

	<b>Governmental Activities - Internal Service Fund</b>
	<u>                    </u>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	
<b>Cash Flows from Operating Activities:</b>	
Cash receipts from quasi-external operating activities with other funds	\$ 300,000
Cash payments to suppliers for goods and services	(330,624)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u>(30,624)</u>
<b>Cash Flows from Non-Capital Financing Activities:</b>	
Advances from other funds	96,385
<b>Net Cash Provided by (Used for) Non-Capital     Financing Activities</b>	<u>96,385</u>
<b>Cash Flows from Investing Activities:</b>	
Investment proceeds (net)	70,722
Interest on investments	26,286
<b>Net Cash Provided by Investing Activities</b>	<u>97,008</u>
Net Increase in Cash and Cash Equivalents	162,769
<b>Cash and Cash Equivalents at Beginning of Year</b>	87,411
<b>Cash and Cash Equivalents at End of Year</b>	<u>\$ 250,180</u>
<b>Reconciliation to Balance Sheet</b>	
Cash and Cash Equivalents Per Cash Flow	<u>\$ 250,180</u>
Cash and Cash Equivalents per Balance Sheet	<u>\$ 250,180</u>
<b>Reconciliation of Operating Income to Net Cash     Provided by Operating Activities</b>	
Operating Income (Loss)	\$ 124,651
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Change in Assets and Liabilities	
Increase (decrease) in Accounts Payable	(12,421)
Increase (decrease) in Accrued Expenses	(142,854)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u>\$ (30,624)</u>

See Notes to Financial Statements.

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**

*Exhibit E-1*

**STATEMENT OF FIDUCIARY NET ASSETS**

*August 31, 2008*

<u>Data Control Codes</u>		<u>Private- Purpose Trust Fund</u>	<u>Agency Funds</u>
	<b>Assets</b>		
1110	Cash and cash equivalents	\$ 65,169	\$ 295,700
1120	Investments	206,889	
	Receivables:		
1260	Due from other Funds		3,285
1290	Other receivables	100	
	<b>Total Assets</b>	<u>272,158</u>	<u>\$ 298,985</u>
	<b>Liabilities</b>		
2190	Due to others		\$ 298,985
2000	<b>Total Liabilities</b>		<u>\$ 298,985</u>
	<b>Net Assets</b>		
3590	Reserved - other	<u>\$ 272,158</u>	

See Notes to Financial Statements.

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
*For the Year Ended August 31, 2008*

*Exhibit E-2*

	<u>Private Purpose Trust Fund</u>
<b>Additions</b>	
Gifts and contributions	\$ 71,285
<b>Total contributions</b>	<u>71,285</u>
<b>Investment earnings</b>	
Interest	7,502
<b>Total net investment earnings</b>	<u>7,502</u>
<b>Total Additions</b>	<u>78,787</u>
<b>Deductions</b>	
Miscellaneous expense	2,544
<b>Total deductions</b>	<u>2,544</u>
Change in net assets	76,243
<b>Net assets beginning of year</b>	<u>195,915</u>
<b>Net assets end of year</b>	<u><u>\$ 272,158</u></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, 2008. 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 insure 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 2008, 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 CLASS operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. As such, TexPool, LOGIC and CLASS 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 CLASS 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, CLASS, or Lone Star.

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

	<b>Carrying Value</b>	<b>Weighted Average Maturity (Days)</b>
Cash and deposits	<u>\$ 7,696,192</u>	N/A
<b>Investments</b>		
Local Government Investment Pools		
Lone Star	86,249,998	39
Local Government Investment Cooperative (LOGIC)	96,031	42
Texas CLASS Pool	256,301	42
Texpool	1,426,477	42
Investment Securities		
Farmer Mac	7,948,337	164
Federal Home Loan Mortgage Corporation	10,925,504	279
Federal Home Loan Bank	26,727,537	299
Federal National Mortgage Association	13,733,676	244
<b>Total Investments</b>	<u>147,363,861</u>	
<b>Total Cash and Investments</b>	<u>\$ 155,060,053</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, 2008, 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
Farmer Mac	\$ 7,948,337	\$ 7,948,337	\$ 7,948,337	\$
Federal Home Loan Mortgage Corporation	10,925,504	10,924,474	7,936,770	2,988,734
Federal Home Loan Bank	26,727,537	26,726,357	17,831,218	8,896,319
Federal National Mortgage Association	13,733,676	13,733,676	13,733,676	
<b>Total U.S. Agency Investments</b>	<b>59,335,054</b>	<b>59,332,844</b>	<b>47,450,001</b>	<b>11,885,053</b>
Local Government Investment Pools				
Lone Star	86,249,998	86,249,998	86,249,998	
Local Government Investment Cooperative (LOGIC)	96,031	96,031	96,031	
Texas CLASS Pool	256,301	256,301	256,301	
Texpool	1,426,477	1,426,477	1,426,477	
	<u>\$ 147,363,861</u>	<u>\$ 147,361,651</u>	<u>\$ 135,478,808</u>	<u>\$ 11,885,053</u>

**Note 2 - Deposits and Investments (Continued)**

**Credit Risk**

State law and the District's investment policy limits investments in all categories to top ratings issued by nationally recognized statistical rating organizations. As of August 31, 2008, the District's investments had the following ratings:

	<b>Carrying Value</b>	<b>Fair Value</b>	<b>Rating</b>
Farmer Mac	\$ 7,948,337	\$ 7,948,337	AAA
Federal Home Loan Mortgage Corporation	10,925,504	10,924,474	AAA
Federal Home Loan Bank	26,727,537	26,726,357	AAA
Federal National Mortgage Association	13,733,676	13,733,676	AAA
<b>Total U.S. Agency Investments</b>	<b>59,335,054</b>	<b>59,332,844</b>	
Local Government Investment Pools			
Lone Star	86,249,998	86,249,998	AAAm
Local Government Investment Cooperative (LOGIC)	96,031	96,031	AAAm
Texas CLASS Pool	256,301	256,301	AAA
Texas Local Government Investment Pool (TexPool)	1,426,477	1,426,477	AAAm
	<u>\$ 147,363,861</u>	<u>\$ 147,361,651</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.

All District cash deposits at the depository bank were covered at all times by pledge securities held as collateral at a third party bank.

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 five pools for diversification and security reasons.

As of August 31, 2008, the following was the composition of the District's investment portfolio:

U.S. Agency Investments	35%
Lone Star Investment Pool	59%
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, 2008, is included in investment earnings as follows:

Investment earnings	\$ 2,479,481
Net increase (decrease) in investment values	(59,108)
<b>Total Investment earnings</b>	<u><u>\$ 2,420,373</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:

	<u>General Fund</u>	<u>Debt Service Funds</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>
Property Taxes	\$ 5,005,762	\$ 1,630,408	\$	\$
Due from other governments	9,061,418			862,158
Interest	1,910		468,662	468,662
Other	39,122	7,748		3,570
Gross Receivables	<u>14,108,212</u>	<u>1,638,156</u>	<u>468,662</u>	<u>1,334,390</u>
Less allowance for doubtful accounts	(2,599,588)	(943,190)		
<b>Net Total Receivables</b>	<u><u>\$ 11,508,624</u></u>	<u><u>\$ 694,966</u></u>	<u><u>\$ 468,662</u></u>	<u><u>\$ 1,334,390</u></u>

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

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable (General Fund)	\$ 2,010,709	\$
Delinquent property taxes receivable (Debt Service Fund)	523,709	
Advanced collection of fees		43,986
Grant funds received prior to meeting all eligibility requirements		8,705
	<u><u>\$ 2,534,418</u></u>	<u><u>\$ 52,691</u></u>

**Note 4 - Capital Assets**

The District's capital asset activity for the year ended August 31, 2008 is as follows:

	<u>Balance August 31, 2007</u>	<u>Additions</u>	<u>(Retirements and Transfers)</u>	<u>Balance August 31, 2008</u>
Capital assets, not being depreciated				
Land	\$ 12,469,661	\$ 5,302,527	\$ 1,380	\$ 17,773,568
Construction in progress	9,869,579	1,943,832	(10,402,041)	1,411,370
<b>Total Capital assets, not being depreciated</b>	<u>22,339,240</u>	<u>7,246,359</u>	<u>(10,400,661)</u>	<u>19,184,938</u>
Capital assets, being depreciated				
Buildings and improvements	311,858,049	197,982	10,487,847	322,543,878
Furniture and equipment	17,472,289	727,738	(936,008)	17,264,019
<b>Total Capital assets, being depreciated</b>	<u>329,330,338</u>	<u>925,720</u>	<u>9,551,839</u>	<u>339,807,897</u>
Less accumulated depreciation for:				
Buildings and improvements	(51,808,021)	(6,232,100)	(90,081)	(58,130,202)
Furniture and Equipment	(10,200,083)	(2,112,612)	977,085	(11,335,610)
<b>Total Accumulated depreciation</b>	<u>(62,008,104)</u>	<u>(8,344,712)</u>	<u>887,004</u>	<u>(69,465,812)</u>
<b>Governmental Capital Assets</b>	<u><u>\$ 289,661,474</u></u>	<u><u>\$ (172,633)</u></u>	<u><u>\$ 38,182</u></u>	<u><u>\$ 289,527,023</u></u>

**Note 4 - Capital Assets (Continued)**

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

<u>Function</u>	<u>Depreciation Expense</u>
Instruction	\$ 3,790,125
Instructional resources and media services	306,844
School leadership	215,138
Guidance, counseling and evaluation services	33,206
Social work services	387
Student transportation	44,570
Food Services	591,425
Extracurricular activities	1,145,187
General administration	79,942
Plant maintenance and operations	685,467
Security and monitoring services	76,892
Data processing services	1,375,529
	<u>\$ 8,344,712</u>

**Construction Commitments**

The District has active construction projects as of August 31, 2008. 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	\$ 13,350,183	\$ 12,191,130
	<u>\$ 13,350,183</u>	<u>\$ 12,191,130</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, 2008, is as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 2,471,329	\$ 43,632
Debt Service Funds	11,755	
Capital Projects Fund		1,521,529
Worker's Compensation Fund		96,385
Agency Fund	3,285	
Nonmajor Funds	39,195	864,018
	<u>\$ 2,525,564</u>	<u>\$ 2,525,564</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, 2008:

<u>Transfer Out</u>	<u>Transfer In</u>	<u>Amount</u>
General Fund	Capital Projects	\$ 2,065,297
		<u>\$ 2,065,297</u>

The district transferred funds to the capital projects fund for the acquisition of land to be used as a location for a future school facility.

**Note 6 - Long-term Liabilities**

**Changes in Long-term Liabilities**

Long-term liability activity for the year ended August 31, 2008, was as follows:

	<u>Balance August 31, 2007</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance August 31, 2008</u>	<u>Due Within One Year</u>
General obligation bonds	\$ 282,399,934	\$ 121,715,000	\$ 16,630,000	\$ 387,484,934	\$ 12,140,000
Less deferred amounts:					
For issuance premiums/discounts	8,108,450	4,220,319	466,378	11,862,391	
Gain or loss on refunding bonds	(5,571,422)		(291,576)	(5,279,846)	
Accreted interest on premium					
compound interest bonds	2,157,392	159,590		2,316,982	
Compensated absences payable	978,525	123,951	56,121	1,046,355	
	<u>\$ 288,072,879</u>	<u>\$ 126,218,860</u>	<u>\$ 16,860,923</u>	<u>\$ 397,430,816</u>	<u>\$ 12,140,000</u>

In June 2008, the District issued Unlimited Tax School Building Bonds, Series 2008 in the amount of \$121,715,000 for the purpose of construction, acquisition and equipment of school buildings in the District. The bonds were issued at a premium of \$4,220,319 with \$429,599 in accrued interest. The District paid \$935,319 in issuance costs. Principal payments are due annually on February 15<sup>th</sup>. Interest is payable semiannually on August 15 and February 15 of each year until the bonds are mature on February 15, 2033.



**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

*Exhibit E-3*  
*(Continued)*

**Note 6 - Long-term Liabilities (Continued)**

**General Obligation Bonds**

The District issues general obligation bonds to provide funds for the acquisition and construction of school buildings 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			Debt Outstanding
	Issuance Amount	Interest Rate (%)	Maturity Date	
Refunding Bonds, Series 1997 Unlimited Tax School Building and Refunding Bonds, Series 1999	\$ 32,594,979	4.25% to 5.75%	8/15/2017	\$ 9,255,000
Unlimited Tax School Building Bonds, Series 2000	54,849,973	3.00% to 5.13%	8/15/2019	21,799,934
Unlimited Tax School Building Bonds, Series 2001	32,000,000	4.65% to 5.75%	8/15/2010	1,490,000
Unlimited Tax School Building Bonds, Series 2001	59,560,000	4.00% to 5.00%	8/15/2026	34,560,000
Unlimited Tax Refunding Bonds, Series 2002	10,184,988	4.65% to 5.75%	2/15/2007	
Unlimited Tax School Building, Series 2003	20,000,000	2.00% to 5.25%	2/15/2028	17,410,000
Unlimited Tax School Building, Series 2004	25,915,000	2.25% to 5.00%	2/15/2029	23,960,000
Unlimited Tax Refunding Bonds, Series 2004A	14,090,000	2.00% to 5.00%	2/15/2017	12,455,000
Unlimited Tax Refunding Bonds, Series 2005	79,195,000	5.25%	8/15/2026	76,550,000
Unlimited Tax School Building Bonds, Series 2005A	28,670,000	3.13% to 5.25%	2/15/2030	28,355,000
Unlimited Tax School Building Bonds, Series 2006	40,000,000	4.00% to 5.00%	2/15/2031	39,935,000
Unlimited Tax School Building Bonds, Series 2008	121,715,000	3.00% to 5.00%	2/15/2033	121,715,000
				<u>\$ 387,484,934</u>

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

Year Ending August 31,	Principal	Interest	Totals
2008	\$ 12,140,000	\$ 19,959,025	\$ 32,099,025
2009	14,570,000	17,927,671	32,497,671
2010	12,994,934	20,121,506	33,116,440
2011	16,330,000	16,789,483	33,119,483
2012	17,085,000	16,032,083	33,117,083
2013	17,965,000	15,154,289	33,119,289
2014	18,785,000	14,320,847	33,105,847
2015	19,340,000	13,406,565	32,746,565
2016	20,275,000	12,487,232	32,762,232
2017	17,445,000	11,563,626	29,008,626
2018	18,220,000	10,683,655	28,903,655
2019	14,845,000	9,753,814	24,598,814
2020	15,470,000	9,009,775	24,479,775
2021	16,210,000	8,228,444	24,438,444
2022	17,020,000	7,409,031	24,429,031
2023	17,890,000	6,550,781	24,440,781
2024	18,815,000	5,649,841	24,464,841
2025	19,775,000	4,703,244	24,478,244
2026	13,625,000	3,709,406	17,334,406
2027	14,335,000	3,025,938	17,360,938
2028	13,685,000	2,340,050	16,025,050
2029	12,485,000	1,699,438	14,184,438
2030	10,935,000	1,128,275	12,063,275
2031	8,405,000	652,125	9,057,125
2032	8,840,000	221,000	9,061,000
	<u>\$ 387,484,934</u>	<u>\$ 232,527,144</u>	<u>\$ 620,012,078</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, 2008, \$49,885,000 of previously refunded bonds outstanding are considered defeased.

**Note 7 - Deficit Fund Balances**

The 21<sup>st</sup> century grant fund had a deficit fund balance of \$49 at August 31, 2008. 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	\$ 69,728,758	\$ 28,359,874	\$	\$	\$ 98,088,632
Investment Income	1,053,349	466,849	1,534,467	73,657	3,128,322
Co-curricular student activities	395,233			789,362	1,184,595
Food Sales				3,547,382	3,547,382
Other	1,114,433			870,221	1,984,654
	<u>\$ 72,291,773</u>	<u>\$ 28,826,723</u>	<u>\$ 1,534,467</u>	<u>\$ 5,280,622</u>	<u>\$ 107,933,585</u>

**Note 9 - Operating Leases**

Commitments under operating lease agreements for copier equipment require minimum future rental payments as of August 31, 2008, as follows:

Year ending August 31:	
2009	\$ 281,376
<b>Total minimum rentals</b>	<u>\$ 281,376</u>

**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](http://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 2008, 2007 and 2006, and a state contribution rate of 6.58% for fiscal year 2008 and 6.0% for fiscal years 2007 and 2006. In certain instances, the reporting district is required to make all or a portion of the state's 6.58% contribution for fiscal year 2008 and 6.00% for fiscal years 2007 and 2006. 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 years 2007 and 2006) 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 years 2007 and 2006).

Contributions made by the State, District and staff members to TRS for the years ended August 31, 2006, 2007 and 2008 are as follows:

<b>For the Year Ended August 31</b>	<b>State TRS Contributions Made on Behalf Of the District</b>	<b>District Required Contributions To TRS</b>	<b>Staff Members' Contributions To TRS</b>
2008	\$ 5,460,350	\$ 1,259,308	\$ 6,579,001
2007	3,961,788	974,824	5,728,866
2006	3,674,407	754,052	5,020,946

**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, 2008, employees of the District were covered by health insurance under United Healthcare. The District contributed \$275 per month, per employee beginning in August 2007. All contributions were paid to licensed insurers. The following disclosure pertains to group health insurance as required by HB 3342, 77<sup>th</sup> Texas Legislature. For 2008, the District's maintenance of effort was \$5,839,117 for the District's payment of health insurance.

The District purchases commercial insurance for Property with limits of \$400,000,000 Loss Limit; lower sub-limits are provided for Computer Equipment, Musical Instruments/Uniforms, Audio, and Mobile Equipment; Flood limit of \$1,000,000 Earthquake limit of \$1,000,000. 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 Midwest Employers Casualty Company, 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 2006, 2007 and 2008 were as follows:

<b>Fiscal Year</b>	<b>Beginning of Year Accrual</b>	<b>Current Year Estimates</b>	<b>Claims Payments</b>	<b>End of Year Accrual</b>
2006	\$ 242,205	\$ 427,885	\$ 176,925	\$ 493,165
2007	493,165	409,660	325,703	577,022
2008	577,022	181,963	324,817	434,168

**Note 12 - Retiree Health Plan**

**Plan Description**

The Pflugerville Independent School District contributes to the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple-employer defined benefit postemployment health care plan administered by the Teacher Retirement System of Texas (TRS). 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](http://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 2008, 2007, and 2006. 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, 2006, 2007 and 2008 are as follows:

<b>For the Year Ended August 31</b>	<b>State TRS Care Contributions Made on Behalf Of the District</b>	<b>District Required Contributions To TRS Care</b>	<b>Staff Members' Contributions To TRS Care</b>
2008	\$ 829,848	\$ 596,534	\$ 668,180
2007	660,298	514,507	581,838
2006	612,401	451,628	509,939

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, 2008, 2007, and 2006, the subsidy payments received by TRS-Care on behalf of the District were \$235,307, \$184,244, and \$118,676, 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 June 30, 2008.

## **Required Supplementary Information**

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**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**

*Exhibit F-1*

**BUDGETARY COMPARISON SCHEDULE**

**GENERAL FUND**

For the Year Ended August 31, 2008

	<b>Budgeted Amounts</b>		<b>Actual Amounts, Budgetary Basis</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
5700 Local revenues	\$ 69,517,450	\$ 72,256,000	\$ 72,291,773	\$ 35,773
5800 State program revenues	64,891,836	67,082,436	67,364,567	282,131
5900 Federal program revenues	135,850	135,850	452,693	316,843
<b>Total revenues</b>	<b>134,545,136</b>	<b>139,474,286</b>	<b>140,109,033</b>	<b>634,747</b>
<b>Expenditures</b>				
<b>Current:</b>				
0011 Instruction	80,464,138	81,096,430	83,098,027	(2,001,597)
0012 Instruction resources and media services	3,237,103	3,223,103	3,055,953	167,150
0013 Curriculum and instructional staff development	3,031,501	3,053,416	3,410,929	(357,513)
0021 Instructional leadership	1,306,588	1,304,630	1,367,748	(63,118)
0023 School leadership	9,348,544	9,372,298	9,618,605	(246,307)
0031 Guidance, counseling and evaluation services	4,957,910	5,294,435	5,344,033	(49,598)
0032 Social work services	232,112	232,112	201,254	30,858
0033 Health services	1,568,759	1,569,455	1,473,756	95,699
0034 Student transportation	6,222,923	6,522,923	6,805,139	(282,216)
0035 Food services		93,500	55,528	37,972
0036 Extracurricular activities	3,565,002	3,960,604	3,822,389	138,215
0041 General administration	3,909,297	3,733,797	3,670,682	63,115
0051 Plant maintenance and operations	13,218,487	16,288,010	15,466,888	821,122
0052 Security and monitoring services	1,153,202	1,179,404	1,073,222	106,182
0053 Data processing services	1,796,865	1,796,865	1,729,353	67,512
0061 Community services	11,800	14,300	17,398	(3,098)
0081 Capital outlay		1,385,670		1,385,670
0095 Payments to Juvenile Justice Alt. Ed. Prgm.	10,000	14,150	14,141	9
0099 Other intergovernmental charges		575,000	513,372	61,628
<b>Total Expenditures</b>	<b>134,034,231</b>	<b>140,710,102</b>	<b>140,738,417</b>	<b>(28,315)</b>
1100 Excess (deficiency) of revenues over expenditures	510,905	(1,235,816)	(629,384)	606,432
<b>Other Financing Sources (Uses)</b>				
7912 Sale of land		1,385,670	55,912	(1,329,758)
7949 Other resources			2,327	2,327
7989 Restitution for damages			6,447	(6,447)
8911 Transfers out		(2,065,297)	(2,065,297)	
<b>Total other financing sources and uses</b>		<b>(679,627)</b>	<b>(2,000,611)</b>	<b>(1,333,878)</b>
Net change in fund balances	510,905	(1,915,443)	(2,629,995)	(714,552)
<b>Fund balances - beginning</b>	<b>19,132,093</b>	<b>19,132,093</b>	<b>19,132,093</b>	
<b>Fund balances - ending</b>	<b>\$ 19,642,998</b>	<b>\$ 17,216,650</b>	<b>\$ 16,502,098</b>	<b>\$ (714,552)</b>

**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, 2008.

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, 2007. 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, 2008, the District exceeded its budget in the following general fund functions:

<u>Function</u>	<u>Amount</u>
11 Instruction	\$ 2,001,597
13 Curriculum and instructional staff	357,513
21 Instructional leadership	63,118
23 School leadership	246,307
31 Guidance, counseling and evaluation services	49,598
34 Student transportation	282,216
61 Community services	3,098

In addition, in the food service fund, the District exceeded its budget in function 35 by \$220,916.

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, 2008*

<u>Data Control Codes</u>	204	206	211
	<u>Title IV Safe &amp; Drug Free</u>	<u>ESEA, Title III, Subtitle B - Homeless Children and Youth</u>	<u>ESEA Title I Part A</u>
<b>Assets</b>			
1110	\$	\$	\$
<b>Receivables:</b>			
1240	1,490	46,000	32,997
1260			
1290			
1310			
1000	<u>\$ 1,490</u>	<u>\$ 46,000</u>	<u>\$ 32,997</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities:</b>			
<b>Current Liabilities:</b>			
2110	\$ 158	\$ 4,695	\$
2160			
2170	1,332	41,305	32,997
2180			
2300			
2000	<u>1,490</u>	<u>46,000</u>	<u>32,997</u>
<b>Fund Balance:</b>			
<b>Reserved for:</b>			
3440			
3450			
<b>Unreserved, Designated for:</b>			
3590			
<b>Unreserved, Undesignated Reported in:</b>			
3610			
3000			
4000	<u>\$ 1,490</u>	<u>\$ 46,000</u>	<u>\$ 32,997</u>

224	225	226	240	243	244	255
<u>IDEA B Formula</u>	<u>IDEA B Preschool Grant</u>	<u>IDEA B- Discretionary</u>	<u>Child Nutrition</u>	<u>Vocational Education - Technical Preparation</u>	<u>Vocational Ed -Basic</u>	<u>ESEA Title II, Part A</u>
\$	\$	\$	\$ 581,793	\$	\$	\$
215,750	5,510		86,451 33,558			21,354
<u>\$ 215,750</u>	<u>\$ 5,510</u>	<u>\$</u>	<u>87,915</u> <u>\$ 789,717</u>	<u>\$</u>	<u>\$</u>	<u>\$ 21,354</u>
\$	\$	\$	\$ 294,663	\$	\$	\$
215,750	5,510		3,552			21,354
<u>215,750</u>	<u>5,510</u>	<u></u>	<u>298,215</u>	<u></u>	<u></u>	<u>21,354</u>
			460,832			
			30,670			
<u>\$ 215,750</u>	<u>\$ 5,510</u>	<u>\$</u>	<u>491,502</u> <u>\$ 789,717</u>	<u>\$</u>	<u>\$</u>	<u>\$ 21,354</u>

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**ALL NONMAJOR GOVERNMENTAL FUNDS**  
**August 31, 2008**

<u>Data Control Codes</u>	<b>262</b>	<b>263</b>	<b>265</b>
<u>Data Control Codes</u>	<u>Enhancing Ed Through Technology</u>	<u>ESEA Title III</u>	<u>21st Century Grant</u>
<b>Assets</b>			
1110	Cash and temporary investments	\$	\$
<b>Receivables:</b>			
1240	Receivables from other governments	20,903	131,443
1260	Due from other funds		
1290	Other receivables		
1310	Inventories, at cost		
1000	<b>Total Assets</b>	<u>\$ 20,903</u>	<u>\$ 131,443</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities:</b>			
<b>Current Liabilities:</b>			
2110	Accounts payable	\$	\$ 49,755
2160	Accrued wages payable		969
2170	Due to other funds	20,903	80,768
2180	Due to other governments		
2300	Deferred revenues		
2000	<b>Total Liabilities</b>	<u>20,903</u>	<u>131,492</u>
<b>Fund Balance:</b>			
<b>Reserved for:</b>			
3440	Encumbrances		
3450	Food service operations		
<b>Unreserved, Designated for:</b>			
3590	Other purposes		
<b>Unreserved, Undesignated Reported in:</b>			
3610	Special revenue funds		(49)
3000	<b>Total Fund Balances</b>		<u>(49)</u>
4000	<b>Total Liabilities and Fund Balance</b>	<u>\$ 20,903</u>	<u>\$ 131,443</u>

269	282	285	286	287	385	392
Title V, Part A	Smaller Learning Communities	AP Spanish MS Grant	LEP Summer School	Regional Science Collaborative	State Supplemental Visually Impaired	Non- Educational Community Based
\$	\$	\$ 61	\$	\$	\$	\$ 13,710
	17,589					
<u>\$</u>	<u>\$ 17,589</u>	<u>\$ 61</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 13,710</u>
\$	\$ 100	\$	\$	\$ 5,000	\$	\$ 11,590
	17,489					2,120
		99				
	<u>17,589</u>	<u>99</u>		<u>5,000</u>		<u>13,710</u>
		(38)		(5,000)		
		(38)		(5,000)		
<u>\$</u>	<u>\$ 17,589</u>	<u>\$ 61</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 13,710</u>

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**

**COMBINING BALANCE SHEET**

**ALL NONMAJOR GOVERNMENTAL FUNDS**

August 31, 2008

		397	401	404
<u>Data Control Codes</u>		<u>Advanced Placement Incentive</u>	<u>Optional Extended Year</u>	<u>Student Succ. Init-Acc REA</u>
<b>Assets</b>				
1110	Cash and temporary investments	\$ 110,267	\$	\$
<b>Receivables:</b>				
1240	Receivables from other governments			235,679
1260	Due from other funds			
1290	Other receivables			
1310	Inventories, at cost			
1000	<b>Total Assets</b>	<u>\$ 110,267</u>	<u>\$</u>	<u>\$ 235,679</u>
 <b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
<b>Current Liabilities:</b>				
2110	Accounts payable	\$ 450	\$	\$ 55
2160	Accrued wages payable			
2170	Due to other funds		7,688	235,680
2180	Due to other governments			
2300	Deferred revenues			(1)
2000	<b>Total Liabilities</b>	<u>450</u>	<u>7,688</u>	<u>235,734</u>
 <b>Fund Balance:</b>				
<b>Reserved for:</b>				
3440	Encumbrances			
3450	Food service operations			
<b>Unreserved, Designated for:</b>				
3590	Other purposes			
<b>Unreserved, Undesignated Reported in:</b>				
3610	Special revenue funds	109,817	(7,688)	(55)
3000	<b>Total Fund Balances</b>	<u>109,817</u>	<u>(7,688)</u>	<u>(55)</u>
4000	<b>Total Liabilities and Fund Balance</b>	<u>\$ 110,267</u>	<u>\$</u>	<u>\$ 235,679</u>



411	415	423	425	428	429	461
Technology	Kindergarten and Pre-K Grants	Preschool LRE Program	Texas Parks & Wildlife	High School Allotment	Other Locally Defined Special Revenue	Campus Activity Funds
\$ 73,421	\$	\$ 6,652	\$	\$ 719,548	\$	\$ 961,027
	2,635		5,000	35,000	250	5,403
						3,570
<u>\$ 73,421</u>	<u>\$ 2,635</u>	<u>\$ 6,652</u>	<u>\$ 5,000</u>	<u>\$ 754,548</u>	<u>\$ 250</u>	<u>\$ 970,000</u>
\$ 73,440	\$	\$ 4,794	\$	\$ 300	\$ 13,773	\$ 114,338
	2,635			1,536	3,352	9,734
					7,124	62,553
<u>6,749</u>		<u>1,858</u>				
<u>80,189</u>	<u>2,635</u>	<u>6,652</u>		<u>1,836</u>	<u>24,249</u>	<u>186,625</u>
12,298						2,620
(19,066)			5,000	752,712	(23,999)	780,755
(6,768)			5,000	752,712	(23,999)	783,375
<u>\$ 73,421</u>	<u>\$ 2,635</u>	<u>\$ 6,652</u>	<u>\$ 5,000</u>	<u>\$ 754,548</u>	<u>\$ 250</u>	<u>\$ 970,000</u>

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**

**COMBINING BALANCE SHEET**

**ALL NONMAJOR GOVERNMENTAL FUNDS**

August 31, 2008

<b>Data Control Codes</b>		<b>481</b>	<b>482</b>	<b>491</b>
		<b>Locally Funded Special Revenue Fund</b>	<b>After the Bell Program</b>	<b>AP Incentives Grant</b>
	<b>Assets</b>			
1110	Cash and temporary investments	\$ 1,114,255	\$	\$
	<b>Receivables:</b>			
1240	Receivables from other governments		4,107	
1260	Due from other funds	234		
1290	Other receivables			
1310	Inventories, at cost			
1000	<b>Total Assets</b>	<u>\$ 1,114,489</u>	<u>\$ 4,107</u>	<u>\$</u>
	<b>Liabilities and Fund Balances</b>			
	<b>Liabilities:</b>			
	<b>Current Liabilities:</b>			
2110	Accounts payable	\$	\$ 2,640	\$
2160	Accrued wages payable			
2170	Due to other funds		1,467	158,730
2180	Due to other governments			
2300	Deferred revenues			
2000	<b>Total Liabilities</b>		<u>4,107</u>	<u>158,730</u>
	<b>Fund Balance:</b>			
	<b>Reserved for:</b>			
3440	Encumbrances			
3450	Food service operations			
	<b>Unreserved, Designated for:</b>			
3590	Other purposes			
	<b>Unreserved, Undesignated Reported in:</b>			
3610	Special revenue funds	1,114,489		(158,730)
3000	<b>Total Fund Balances</b>	<u>1,114,489</u>		<u>(158,730)</u>
4000	<b>Total Liabilities and Fund Balance</b>	<u>\$ 1,114,489</u>	<u>\$ 4,107</u>	<u>\$</u>

**Total  
Nonmajor  
Governmental  
Funds**

---

\$ 3,580,734

862,158

39,195

3,570

87,915

---

\$ 4,573,572

---

---

\$ 575,751

7,977

864,018

62,553

8,705

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1,519,004

---

---

14,918

460,832

30,670

2,548,148

3,054,568

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\$ 4,573,572

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**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS**  
*For the Year Ended August 31, 2008*

<b>Data Control Codes</b>		<b>204</b>	<b>206</b>	<b>211</b>
		<b>Title IV Safe &amp; Drug Free</b>	<b>ESEA, Title III, Subtitle B - Homeless Children and Youth</b>	<b>ESEA Title I Part A</b>
	<b>Revenues</b>			
5700	Local, intermediate, and out-of-state	\$	\$	\$
5800	State program revenues			
5900	Federal program revenues	35,629	105,926	581,781
5020	<b>Total revenues</b>	<u>35,629</u>	<u>105,926</u>	<u>581,781</u>
	<b>Expenditures</b>			
	<b>Current:</b>			
0011	Instruction	2,860	21,104	539,418
0012	Instruction resources and media services			
0013	Curriculum and instructional staff development		2,005	34,304
0021	Instructional leadership		19,145	
0023	School leadership			
0031	Guidance, counseling and evaluation services	10,332	1,487	
0032	Social work services	4,955	60,542	
0033	Health services		393	
0034	Student transportation			
0035	Food service			
0036	Extracurricular activities			
0041	General administration			
0051	Plant maintenance and operations			
0052	Security and monitoring services	1,805		
0061	Community services	15,677	1,250	8,059
6030	<b>Total Expenditures</b>	<u>35,629</u>	<u>105,926</u>	<u>581,781</u>
1100	Excess (deficiency) of revenues over expenditures			
	<b>Other Financing Sources (Uses)</b>			
7915	Transfers in			
7080	<b>Total other financing sources and uses</b>			
1200	Net change in fund balances			
0100	<b>Fund balance - September 1 (beginning)</b>			
3000	<b>Fund balance - August 31 (ending)</b>	<u>\$</u>	<u>\$</u>	<u>\$</u>

224	225	226	240	243	244	255
<u>IDEA B Formula</u>	<u>IDEA B Preschool Grant</u>	<u>IDEA B- Discretionar y</u>	<u>Child Nutrition</u>	<u>Vocational Education - Technical Preparation</u>	<u>Vocational Ed -Basic</u>	<u>ESEA Title II, Part A</u>
\$	\$	\$	\$ 3,577,628	\$	\$	\$
			58,881			
<u>3,724,214</u>	<u>50,687</u>	<u>54,741</u>	<u>4,697,151</u>	<u>4,438</u>	<u>96,256</u>	<u>296,176</u>
<u>3,724,214</u>	<u>50,687</u>	<u>54,741</u>	<u>8,333,660</u>	<u>4,438</u>	<u>96,256</u>	<u>296,176</u>
3,665,591	50,687	54,741		4,438	78,057	207,887
3,000					5,459	88,289
449					2,630	
53,592					10,110	
			8,547,499			
1,582						
<u>3,724,214</u>	<u>50,687</u>	<u>54,741</u>	<u>8,547,499</u>	<u>4,438</u>	<u>96,256</u>	<u>296,176</u>
			(213,839)			
			(213,839)			
			705,341			
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 491,502</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, 2008*

<u>Data Control Codes</u>	<u>262</u>	<u>263</u>	<u>265</u>
<u>Enhancing Ed Through Technology</u>	<u>ESEA Title III</u>	<u>21st Century Grant</u>	
<b>Revenues</b>			
5700 Local, intermediate, and out-of-state	\$	\$	\$
5800 State program revenues			
5900 Federal program revenues	1,320	256,506	622,968
5020 <b>Total revenues</b>	<u>1,320</u>	<u>256,506</u>	<u>622,968</u>
<b>Expenditures</b>			
<b>Current:</b>			
0011 Instruction	1,320	37,882	383,657
0012 Instruction resources and media services			1,892
0013 Curriculum and instructional staff development		197,254	431
0021 Instructional leadership		311	179,763
0023 School leadership		205	
0031 Guidance, counseling and evaluation services			
0032 Social work services			110
0033 Health services			
0034 Student transportation			56,936
0035 Food service			
0036 Extracurricular activities			
0041 General administration			
0051 Plant maintenance and operations			
0052 Security and monitoring services			
0061 Community services		20,854	179
6030 <b>Total Expenditures</b>	<u>1,320</u>	<u>256,506</u>	<u>622,968</u>
1100 Excess (deficiency) of revenues over expenditures			
<b>Other Financing Sources (Uses)</b>			
7915 Transfers in			
7080 <b>Total other financing sources and uses</b>			
1200 Net change in fund balances			
0100 <b>Fund balance - September 1 (beginning)</b>			<u>(49)</u>
3000 <b>Fund balance - August 31 (ending)</b>	<u>\$</u>	<u>\$</u>	<u>\$ (49)</u>

269	282	285	286	287	385	392
Title V, Part A	Smaller Learning Communities	AP Spanish MS Grant	LEP Summer School	Regional Science Collaborative	State Supplemental Visually Impaired	Non- Educational Community Based
\$	\$	\$	\$	\$	\$	\$
					7,200	33,915
43,225	139,318		19,647	51,274		
43,225	139,318		19,647	51,274	7,200	33,915
38,225	11,109		19,647	30,559	7,200	
5,000	44,509			25,715		
	78,848					
	2,453					
	2,399	38				
						33,915
43,225	139,318	38	19,647	56,274	7,200	33,915
		(38)		(5,000)		
		(38)		(5,000)		
\$	\$	\$ (38)	\$	\$ (5,000)	\$	\$

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS**  
*For the Year Ended August 31, 2008*

<b>Data Control Codes</b>		<b>397</b>	<b>401</b>	<b>404</b>
		<b>Advanced Placement Incentive</b>	<b>Optional Extended Year</b>	<b>Student Succ. Init-Acc REA</b>
	<b>Revenues</b>			
5700	Local, intermediate, and out-of-state	\$	\$	\$
5800	State program revenues	44,272	69,192	403,467
5900	Federal program revenues			
5020	<b>Total revenues</b>	<u>44,272</u>	<u>69,192</u>	<u>403,467</u>
	<b>Expenditures</b>			
	<b>Current:</b>			
0011	Instruction	7,653	76,880	382,004
0012	Instruction resources and media services			
0013	Curriculum and instructional staff development	8,650		21,518
0021	Instructional leadership			
0023	School leadership			
0031	Guidance, counseling and evaluation services			
0032	Social work services			
0033	Health services			
0034	Student transportation			
0035	Food service			
0036	Extracurricular activities			
0041	General administration			
0051	Plant maintenance and operations			
0052	Security and monitoring services			
0061	Community services			
6030	<b>Total Expenditures</b>	<u>16,303</u>	<u>76,880</u>	<u>403,522</u>
1100	Excess (deficiency) of revenues over expenditures	<u>27,969</u>	<u>(7,688)</u>	<u>(55)</u>
	<b>Other Financing Sources (Uses)</b>			
7915	Transfers in			
7080	<b>Total other financing sources and uses</b>			
1200	Net change in fund balances	<u>27,969</u>	<u>(7,688)</u>	<u>(55)</u>
0100	<b>Fund balance - September 1 (beginning)</b>	<u>81,848</u>		
3000	<b>Fund balance - August 31 (ending)</b>	<u>\$ 109,817</u>	<u>\$ (7,688)</u>	<u>\$ (55)</u>



411	415	423	425	428	429	461
Technology	Kindergart en and Pre- K Grants	Preschool LRE Program	Texas Parks & Wildlife	High School Allotment	Other Locally Defined Special Revenue	Campus Activity Funds
\$ 1,000 576,445	\$ 21,335	\$ 20,932	\$ 5,000	\$ 1,297,456	\$ 95,643	\$ 1,385,033
<u>577,445</u>	<u>21,335</u>	<u>20,932</u>	<u>5,000</u>	<u>1,297,456</u>	<u>95,643</u>	<u>1,385,033</u>
645,089	21,335	19,152		1,122,462	9,986	241,926
		880		36,180		67,861
				72,540	105,581	23,466
				9,186	2,600	2,571
				11,077		262,011
				391,213		104,991
				155,582		110
					1,475	2,492
						591,514
						15,771
						34,623
						12,320
		900				13,609
<u>645,089</u>	<u>21,335</u>	<u>20,932</u>		<u>1,798,240</u>	<u>119,642</u>	<u>1,373,265</u>
<u>(67,644)</u>			<u>5,000</u>	<u>(500,784)</u>	<u>(23,999)</u>	<u>11,768</u>
<u>(67,644)</u>			<u>5,000</u>	<u>(500,784)</u>	<u>(23,999)</u>	<u>11,768</u>
<u>60,876</u>				<u>1,253,496</u>		<u>771,607</u>
<u>\$ (6,768)</u>	<u>\$</u>	<u>\$</u>	<u>\$ 5,000</u>	<u>\$ 752,712</u>	<u>\$ (23,999)</u>	<u>\$ 783,375</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, 2008*

<b>Data Control Codes</b>		<b>481</b>	<b>482</b>	<b>491</b>
		<b>Locally Funded Special Revenue Fund</b>	<b>After the Bell Program</b>	<b>AP Incentives Grant</b>
	<b>Revenues</b>			
5700	Local, intermediate, and out-of-state	\$ 63,091	\$ 106,370	\$ 147,500
5800	State program revenues			
5900	Federal program revenues			
5020	<b>Total revenues</b>	<u>63,091</u>	<u>106,370</u>	<u>147,500</u>
	<b>Expenditures</b>			
	<b>Current:</b>			
0011	Instruction	28,048	97,970	128,667
0012	Instruction resources and media services			
0013	Curriculum and instructional staff development	4,001		31,497
0021	Instructional leadership		8,400	
0023	School leadership			
0031	Guidance, counseling and evaluation services			
0032	Social work services			
0033	Health services			
0034	Student transportation			
0035	Food service			
0036	Extracurricular activities			
0041	General administration			
0051	Plant maintenance and operations			
0052	Security and monitoring services			
0061	Community services			
6030	<b>Total Expenditures</b>	<u>32,049</u>	<u>106,370</u>	<u>160,164</u>
1100	Excess (deficiency) of revenues over expenditures	<u>31,042</u>		<u>(12,664)</u>
	<b>Other Financing Sources (Uses)</b>			
7915	Transfers in			
7080	<b>Total other financing sources and uses</b>			
1200	Net change in fund balances	31,042		(12,664)
0100	<b>Fund balance - September 1 (beginning)</b>	<u>1,083,447</u>		<u>(146,066)</u>
3000	<b>Fund balance - August 31 (ending)</b>	<u><u>\$ 1,114,489</u></u>	<u><u>\$</u></u>	<u><u>\$ (158,730)</u></u>

**Total-Other  
Governmental  
Funds**

\$	5,280,622
	2,633,738
	<u>10,781,257</u>
	<u>18,695,617</u>
	7,935,554
	105,933
	674,099
	303,903
	275,746
	574,162
	221,299
	4,360
	56,936
	8,547,499
	591,514
	15,771
	34,623
	14,125
	<u>96,025</u>
	<u>19,451,549</u>
	<u>(755,932)</u>
	<u>(755,932)</u>
	<u>3,810,500</u>
\$	<u><u>3,054,568</u></u>

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**

**SCHEDULE OF DELINQUENT TAXES RECEIVABLE**

*For the Year Ended August 31, 2008*

<u>Last Ten Fiscal Years</u>	<u>Tax Rates</u>		<u>Net Assessed/Appraised Value For School Tax Purposes</u>	<u>Beginning Balance 08/31/07</u>
	<u>1</u>	<u>2</u>		
	<u>Maintenance</u>	<u>Debt Service</u>		
1999 and prior	Various	Various	Various	\$ 736,269
2000	1.200000	0.320000	2,438,218,553	113,959
2001	1.155000	0.232500	3,055,197,069	139,145
2002	1.235000	0.235000	3,915,669,825	143,220
2003	1.392500	0.297500	4,644,517,007	283,102
2004	1.500000	0.350000	4,574,180,513	344,321
2005	1.490000	0.340000	4,943,934,802	282,816
2006	1.500000	0.350000	5,248,037,564	356,980
2007	1.360000	0.320000	5,878,350,774	1,579,793
2008	1.040000	0.430000	6,602,774,490	
<b>1000 Totals</b>				<u><u>\$3,979,606</u></u>

*Exhibit H-1*

<b>20</b>	<b>30</b>	<b>30a</b>	<b>40</b>	<b>50</b>
<b>Current Year's Total Levy</b>	<b>Maintenance Total Collections</b>	<b>Debt Service Total Collections</b>	<b>Entire Year's Adjustments</b>	<b>Ending Balance 08/31/08</b>
\$	\$ 3,796	\$ 1,653	\$ (49)	\$ 730,771
	3,182	848	1,974	111,903
	6,921	1,393	4,975	135,806
	21,919	4,127	33,153	150,327
	118,849	20,057	136,914	281,110
	125,414	26,794	133,165	325,278
	124,296	29,002	116,480	245,998
	188,076	42,917	134,046	260,033
	535,022	124,838	(418,816)	501,117
<u>97,060,785</u>	<u>67,609,809</u>	<u>27,954,055</u>	<u>(588,984)</u>	<u>907,937</u>
<u>\$ 97,060,785</u>	<u>\$ 68,737,283</u>	<u>\$ 28,205,685</u>	<u>\$ (447,142)</u>	3,650,281
				<u>2,985,889</u>
				<u>\$ 6,636,170</u>

**Total taxes receivable per Governmental Fund Balance Sheet**

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES FOR COMPUTATION OF**  
**INDIRECT COSTS FOR 2009-2010 (UNAUDITED)**  
**GENERAL AND SPECIAL REVENUE FUNDS**  
**For the Year Ended August 31, 2008**

*Exhibit H-2*

<b>Account Number</b>	<b>(1) 701</b>	<b>(2) 702</b>	<b>(3) 703</b>	<b>(4) 720</b>	<b>(5) 750</b>	<b>(6) (other)</b>	<b>(7)</b>
	<b>Supt's Office</b>	<b>School Board</b>	<b>Tax Collection</b>	<b>Direct Cost</b>	<b>Indirect Cost</b>	<b>Misc.</b>	<b>Total</b>
6100 Payroll Costs	\$ 261,794	\$ 26,867	\$	\$ 86,901	\$2,355,429	\$	\$ 2,730,991
6211 Legal Services	97,816						97,816
6212 Audit Services					91,128		91,128
6213 Tax Appraisal / Collection			552,342				552,342
621X Services	9,275	780			165,256		175,311
6230 Education Service Centers					211,952		211,952
6240 Maintenance and Repairs					6,939		6,939
6260 Rentals	2,982				59,102		62,084
6290 Miscellaneous Contracts					103,796		103,796
63XX Other Supplies	17,692	2,325			208,574		228,591
Travel, Subsistence and							
6410 Stipends	8,751	9,172			49,724		67,647
6430 Election Expense		18,050					18,050
6490 Miscellaneous Operating	10,019	879			267,769		278,667
<b>Total</b>	<b>\$ 408,329</b>	<b>\$ 58,073</b>	<b>\$ 552,342</b>	<b>\$ 86,901</b>	<b>\$3,519,669</b>	<b>\$</b>	<b>\$ 4,625,314</b>

**Other Information:**

Total expenditures for General and Special Revenue Funds (Exhibit C-3)	(9)	\$161,189,966
LESS: Deductions of Unallowable Costs:		
FISCAL YEAR		
Total Capital Outlay (6600)	(10)	\$ 1,858,316
Total Debt & Lease (6500)	(11)	
Plant Maintenance (Function 51, 6100-6400)	(12)	15,254,111
Food (Function 35, 6341 and 6499)	(13)	272,592
Stipends (6413)	(14)	11,102
Column 5 above - Total Indirect Cost		<u>3,519,669</u>
<b>Subtotal</b>		<u>20,915,790</u>
<b>Net Allowable Direct Cost</b>		<u>\$140,274,176</u>
<b>Cumulative</b>		
Total Cost of Buildings before Depreciation (1520)	(15)	\$322,543,879
Historical Cost of Buildings over 50 years old	(16)	111,938
Amount of Federal Money in building Cost (Net of #16)	(17)	
Total Cost of Furniture & Equipment before Depreciation (1530&1540)	(18)	17,264,019
Historical Cost of Furniture & Equipment over 16 years old	(19)	31,740
Amount of Federal Money in Furniture & Equipment (Net of #19)	(20)	245,344

(8) Note A - \$425,489 in function 53 expenditures are included in this report on administrative costs.

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**  
**FUND BALANCE AND CASH FLOW CALCULATION SCHEDULE (UNAUDITED)**  
**GENERAL FUND**  
**August 31, 2008**

*Exhibit H-3*

1.	Total General Fund Balance 8-31-08 (Exhibit C-1 object 3000 for the General Fund only)	\$ 16,502,098
2.	Total Reserved Fund Balance 8-31-08 (from Exhibit C-1 - total of object 3400s for the General Fund only)	327,846
3.	Total Designated Fund Balance (from Exhibit C-1 - total of object 3500s for the General Fund only)	
4.	Estimated amount needed to cover fall cash flow deficits in General Fund (net of borrowed funds and funds representing deferred revenues)	
5.	Estimate of one month average cash disbursements during the regular school session (9-1-07 to 5-31-08)	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>20,695,505</u>
11.	Excess or Deficit Undesignated Unreserved General Fund Fund Balance (1-10)	<u><u>\$ (4,193,407)</u></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, 2008*

<b>Data Control Codes</b>		<b>Food Service</b>			<b>Variance Favorable (Unfavorable)</b>
		<b>Budget</b>		<b>Actual</b>	
		<b>Original</b>	<b>Final</b>		
	<b>Revenues</b>				
5700	Local, Intermediate, and Out-of-State	\$ 3,568,565	\$ 3,991,275	\$ 3,577,628	\$ (413,647)
5800	State Program Revenues	53,000	53,000	58,881	5,881
5900	Federal Program Revenues	4,420,388	4,420,388	4,697,151	276,763
5030	<b>Total Revenues</b>	<u>8,041,953</u>	<u>8,464,663</u>	<u>8,333,660</u>	<u>(131,003)</u>
	<b>Expenditures</b>				
	<b>Current:</b>				
0035	Food Services	8,326,582	8,326,583	8,547,499	(220,916)
	<b>Debt Service:</b>				
0071	Principal				
0072	Interest and Fiscal Agent Fees				
0073	Bond issuance costs and fees				
6030	<b>Total Expenditures</b>	<u>8,326,582</u>	<u>8,326,583</u>	<u>8,547,499</u>	<u>(220,916)</u>
1100	Excess (Deficiency) Revenues Over Expenditures	(284,629)	138,080	(213,839)	(351,919)
	<b>Other Financing Sources (Uses)</b>				
7990	Other Financing Sources				
8990	Other Financing (Uses)				
1200	Increase (Decrease) in Fund Balance	(284,629)	138,080	(213,839)	(351,919)
0100	<b>Fund Balance - September 1 (Beginning)</b>	<u>705,341</u>	<u>705,341</u>	<u>705,341</u>	
3000	<b>Fund Balance - August 31 (Ending)</b>	<u>\$ 420,712</u>	<u>\$ 843,421</u>	<u>\$ 491,502</u>	<u>\$ (351,919)</u>



*Exhibit H-4*

<b>Debt Service Fund</b>			
<b>Budget</b>			<b>Variance Favorable (Unfavorable)</b>
<b>Original</b>	<b>Final</b>	<b>Actual</b>	
\$ 27,369,680	\$ 27,369,680	\$ 28,826,723	\$ 1,457,043
2,832,359	2,832,359	3,097,444	265,085
<u>30,202,039</u>	<u>30,202,039</u>	<u>31,924,167</u>	<u>1,722,128</u>
16,630,000	16,630,000	16,630,000	
13,548,419	13,548,419	13,436,105	112,314
23,620	23,620	6,900	16,720
<u>30,202,039</u>	<u>30,202,039</u>	<u>30,073,005</u>	<u>129,034</u>
		1,851,162	1,851,162
		<u>1,851,162</u>	<u>1,851,162</u>
1,845,632	1,845,632	1,845,632	
<u>\$ 1,845,632</u>	<u>\$ 1,845,632</u>	<u>\$ 3,696,794</u>	<u>\$ 1,851,162</u>

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**Statistical Section**  
(Unaudited)

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**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**  
**STATISTICAL SECTION**

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

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

**(ACCRUAL BASIS OF ACCOUNTING)**

	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Governmental Activities</b>			
Invested in Capital Assets, Net of Related Debt	\$ 31,191,545	\$ 22,719,417	\$ 29,806,066
Restricted	3,662,850	3,179,559	3,019,023
Unrestricted	18,891,768	25,592,424	9,135,897
<b>Total Primary Government Net Assets</b>	<u>\$ 53,746,163</u>	<u>\$ 51,491,400</u>	<u>\$ 41,960,986</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>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ 21,382,098	\$ 27,207,288	\$ 28,677,231	\$ 32,374,012
1,074,704	2,390,721	1,378,302	1,860,860
19,282,881	9,893,995	11,877,546	12,223,939
<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 SEVEN FISCAL YEARS**

**(ACCRUAL BASIS OF ACCOUNTING)**

	<b>2008</b>	<b>2007</b>	<b>2006</b>
<b>Expenses</b>			
<b>Governmental Activities:</b>			
Instruction	\$ 94,650,337	\$ 85,939,489	\$ 77,640,628
Instructional Resources and Media Services	3,471,299	3,820,581	3,514,660
Curriculum and Instructional Staff Development	4,088,992	3,303,276	2,579,484
Instructional Leadership	1,672,599	1,162,792	1,022,484
School Leadership	10,110,269	8,464,935	7,576,769
Guidance, Counseling, and Evaluation Services	5,948,106	4,722,770	4,321,876
Social Work Services	423,094	264,432	172,844
Health Services	1,479,424	1,440,727	1,166,643
Student Transportation	6,875,115	5,916,371	5,750,299
Food Services	9,108,389	7,486,650	7,153,506
Cocurricular/Extracurricular Activities	5,559,634	5,081,456	5,003,610
General Administration	3,769,737	4,043,427	3,714,824
Plant Maintenance and Operations	16,034,590	14,572,997	13,677,476
Security and Monitoring Services	1,202,334	829,415	1,084,024
Data Processing Services	3,051,548	3,428,639	3,366,470
Community Services	113,423	90,737	114,557
Interest on Long-term Debt	14,791,698	13,817,715	13,957,491
Facilities Acquisition and Construction	4,181,777	453,026	186,230
Payments to Juvenile Justice Alternative Ed. Prog.	14,141	3,068	3,540
Other Government Charges	513,372		
<b>Total Primary Government Expenses</b>	<b>187,059,878</b>	<b>164,842,503</b>	<b>152,007,415</b>
<b>Program Revenues</b>			
<b>Governmental Activities:</b>			
Charges for Services:			
Instruction	892,791	643,611	653,310
Instructional resources and media services	67,166	70,740	73,044
Curriculum and staff development	23,226	11,144	7,829
Instructional leadership	2,545	2,237	128
School leadership	259,326	257,417	293,656
Guidance, counseling, and evaluation svc.	103,915	75,382	19,002
Student Transportation	2,466	1,590	1,603
Food Services	3,568,350	3,211,394	3,133,213
Cocurricular/Extracurricular Activities	980,685	874,388	957,687
General administration	15,609	25,398	22,940
Plant and Maintenance	450,749	264,901	428,983
Security and monitoring	12,194	12,918	9,659
Data processing services			11,387
Community services	13,470	11,519	
Operating Grants and Contributions	20,132,811	15,463,959	16,062,555
Capital Grants and contributions			
<b>Total Primary Government Program Revenues</b>	<b>26,525,303</b>	<b>20,926,598</b>	<b>21,674,996</b>
<b>Net (Expense)/Revenue</b>			
<b>Total Primary Government Net Expense</b>	<b>\$ (160,534,575)</b>	<b>\$(143,915,905)</b>	<b>\$ (130,332,419)</b>



**Table 2**  
**Page 1 of 2**

<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ 68,800,517	\$ 62,179,295	\$ 64,186,480	\$ 56,914,380
3,143,224	2,728,988	2,580,743	2,032,108
2,268,760	1,625,188	1,979,548	1,670,497
849,633	791,120	680,994	600,473
7,001,025	6,292,320	6,323,812	5,640,986
3,967,392	3,642,550	3,448,082	3,071,957
198,232	175,078	136,402	
1,109,559	1,113,650	1,003,706	832,396
5,243,935	4,719,206	4,279,843	3,606,258
6,239,179	5,149,827	4,986,223	4,304,619
4,391,876	4,271,686	3,935,956	3,458,265
3,410,368	3,102,273	3,092,437	3,013,549
12,258,394	12,762,548	11,308,903	9,077,456
923,009	302,802	206,181	174,674
3,307,263	2,180,069	1,768,869	1,110,884
52,110	77,212	41,958	35,438
13,264,035	12,805,720	12,664,175	14,246,533
6,750	31,707	148,689	131,740
5,192	8,496	3,481	3,481
<u>136,440,453</u>	<u>123,959,735</u>	<u>122,776,482</u>	<u>109,925,694</u>
274,933	249,088	206,992	
3,073,719	2,731,637	2,659,658	2,498,812
349,648	244,352	244,305	
289,166	190,562	106,637	
13,955,970	12,253,965	13,170,029	10,357,636
			505,241
<u>17,943,436</u>	<u>15,669,604</u>	<u>16,387,621</u>	<u>13,361,689</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 SEVEN FISCAL YEARS**

**(ACCRUAL BASIS OF ACCOUNTING)**

	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>General Revenues and Other Changes in Net Assets</b>			
Governmental Activities:			
Property Taxes, Levied for General Purposes	\$ 67,412,374	\$ 82,211,619	\$ 78,954,378
Property Taxes, Levied for Debt Service	27,692,617	19,516,637	18,340,815
Investment Earnings	3,154,609	3,162,914	2,221,687
State Aid - Formula Grants - Unrestricted	63,915,202	43,064,029	29,988,064
Grants and Contributions Not Restricted			
to Specific Programs	454,740	1,536,777	407,493
Miscellaneous	159,794	135,298	641,285
Special item - gain on sale of asset		3,819,045	
<b>Total Primary Government General Revenues</b>	<u>162,789,336</u>	<u>153,446,319</u>	<u>130,553,722</u>
Change in Net Assets			
<b>Total Primary Government</b>	<u>\$ 2,254,761</u>	<u>\$ 9,530,414</u>	<u>\$ 221,303</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>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ 73,138,632	\$ 67,363,426	\$ 64,255,195	\$ 48,017,817
17,114,748	15,763,326	13,739,980	9,222,948
2,171,642	578,440	907,667	1,406,793
27,797,716	21,697,418	22,135,391	33,007,077
333,760	177,614	260,259	185,237
188,198	268,832	564,637	482,043
120,744,696	105,849,056	101,863,129	92,321,915
\$ 2,247,679	\$ (2,441,075)	\$ (4,525,732)	\$ (4,242,090)

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<b>General Fund</b>				
Reserved	\$ 327,846	\$ 540,772	\$ 230,335	\$ 169,602
Unreserved	16,174,252	18,591,321	11,612,955	8,061,046
<b>Total General Fund</b>	<u>\$ 16,502,098</u>	<u>\$ 19,132,093</u>	<u>\$11,843,290</u>	<u>\$ 8,230,648</u>
<b>All Other Governmental Funds</b>				
Reserved	\$ 4,311,774	\$ 2,858,163	\$ 3,676,016	\$ 30,579,685
<b>Unreserved, Reported in:</b>				
Capital Projects Funds	135,162,716	18,420,881	(7,325,544)	
Special Revenue Funds	2,578,818	3,135,829	2,586,900	2,153,011
<b>Total All Other Governmental Funds</b>	<u>\$ 142,053,308</u>	<u>\$ 24,414,873</u>	<u>\$ (1,062,628)</u>	<u>\$ 32,732,696</u>

**Table 3**

<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
\$ 167,912	\$ 679,080	\$ 586,183	\$ 424,406	\$ 375,876	\$ 301,253
<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>9,747,657</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>	<u>\$10,048,910</u>
\$ 2,368,619	\$ 2,702,469	\$ 1,860,860	\$ 2,653,142	\$ 3,503,221	\$ 2,901,612
25,441,721	11,642,238	17,576,694	12,733,305	386,846	17,689,986
<u>2,025,636</u>		<u>279,690</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>	<u>\$20,591,598</u>

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<b>Revenues</b>				
Local, Intermediate, and Out-of-State	\$ 107,933,585	\$ 107,849,751	\$ 106,355,368	\$ 98,199,466
State Programs	73,095,749	50,877,181	36,262,538	33,038,480
Federal Programs	11,233,950	8,995,786	9,598,405	7,816,368
<b>Total Revenues</b>	<u>192,263,284</u>	<u>167,722,718</u>	<u>152,216,311</u>	<u>139,054,314</u>
<b>Expenditures</b>				
<b>Current:</b>				
Instruction	91,042,438	82,344,130	74,274,567	65,614,093
Instructional Resources and Media Services	3,161,886	3,524,940	3,241,542	2,877,924
Curriculum and Instructional Staff Development	4,085,028	3,298,576	2,576,041	2,265,606
Instructional Leadership	1,671,651	1,161,885	1,020,874	881,600
School Leadership	9,894,351	8,220,585	7,355,922	6,810,296
Guidance, Counseling, and Evaluation Services	5,918,195	4,685,561	4,283,200	3,934,529
Social Work Services	422,553	265,076	172,198	197,332
Health Services	1,478,116	1,438,394	1,164,311	1,108,736
Student Transportation	6,862,075	5,871,150	5,698,488	5,190,783
Food Services	8,603,027	7,092,533	6,725,532	5,739,430
Cocurricular/Extracurricular Activities	4,413,903	4,037,054	4,073,224	3,621,513
General Administration	3,686,453	3,951,122	3,577,837	3,319,737
Plant Maintenance and Operations	15,590,266	14,139,174	13,627,565	12,516,801
Security and Monitoring Services	1,125,442	960,688	1,079,581	1,075,320
Data Processing Services	1,768,997	1,599,842	1,482,856	963,767
Community Services	113,423	62,456	96,539	51,930
Principal on Long-term Debt	17,565,319	9,950,000	8,956,835	9,215,278
Interest on Long-term Debt	13,436,105	14,321,841	13,830,485	12,847,738
Bond Issuance Costs and Fees	6,900	5,616	11,642	
Facilities Acquisition and Construction	11,881,210	12,134,341	29,500,286	26,032,431
Payments to Juvenile Justice Alt. Ed. Prgm.	14,141	3,068	3,540	5,192
Other Intergovernmental Charges	513,372			
<b>Total Expenditures</b>	<u>203,254,851</u>	<u>179,068,032</u>	<u>182,753,065</u>	<u>164,270,036</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(10,991,567)</u>	<u>(11,345,314)</u>	<u>(30,536,754)</u>	<u>(25,215,722)</u>

**Table 4**  
**Page 1 of 2**

<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>
\$ 88,588,856	\$ 82,986,724	\$ 63,086,657	\$ 49,470,526	\$ 43,609,561	\$ 38,733,789
26,870,932	31,492,650	38,393,348	42,825,349	39,318,506	32,384,392
5,645,983	4,927,806	3,879,467	2,810,832	3,020,652	2,399,648
<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>	<u>73,517,829</u>
59,918,270	62,181,147	55,360,972	49,538,195	43,481,615	36,390,050
2,518,545	2,388,229	1,859,793	1,662,267	1,476,365	1,128,491
1,625,403	1,982,018	1,676,236	1,371,791	1,114,936	808,536
790,986	682,074	603,147	526,241	412,561	330,990
6,160,037	6,205,979	5,548,397	4,972,222	4,287,693	3,843,653
3,620,811	3,434,237	3,070,798	2,716,861	1,942,837	1,634,340
174,691	136,427			59,637	59,854
1,113,034	1,005,511	837,993	1,032,409	2,705,691	2,498,933
4,726,043	4,246,125	3,595,890	2,683,272	1,894,652	1,584,891
4,880,059	4,638,974	3,980,283	3,500,708	2,651,373	2,059,010
3,650,957	3,409,359	2,956,438	2,771,345	1,537,217	1,194,260
2,854,169	2,509,975	2,555,886	2,120,963	1,983,697	1,552,867
12,750,846	11,448,132	9,143,461	9,206,361	7,442,088	6,535,301
362,873	203,591	172,019	115,349	82,403	43,198
856,635	802,467	639,064	454,322	485,855	400,530
77,047	41,968	35,438	90,827	45,351	16,646
6,144,703	4,762,689	2,471,167	2,360,758	3,082,919	4,329,979
12,754,534	12,714,356	13,672,396	11,428,780	8,395,372	6,936,672
			5,239	5,023	3,618
9,161,594	20,338,305	54,349,158	21,471,182	20,007,100	23,551,479
8,496	3,481	3,481		3,304	1,590
<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>94,904,888</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>	<u>(21,387,059)</u>

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<b>Other Financing Sources (Uses)</b>				
Refunding Bonds Issued	\$	\$	\$	\$ 101,253,912
Issuance of Capital Related Debt (Regular Bonds)	121,715,000	40,000,000		30,281,476
Premium/Discount from Issuance of Bonds	4,220,319	1,867		
Other Resources				
Sale of Real and Personal Property	55,912	4,106,574	100	2,394
Other Sources (Uses)	8,774	3,177		111,836
Transfers In			78,378	35,062
Transfers Out			(78,378)	(35,062)
Payment to Refunded Bond Escrow Agent				(100,392,454)
<b>Total Other Financing Sources (Uses)</b>	<u>126,000,005</u>	<u>44,111,618</u>	<u>100</u>	<u>31,257,164</u>
Net Change in Fund Balances	<u>\$ 115,008,438</u>	<u>\$ 32,766,304</u>	<u>\$ (30,536,654)</u>	<u>\$ 6,041,442</u>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	14.80%	13.56%	12.48%	13.43%



*Table 4*  
*Page 2 of 2*

<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
\$	\$	\$ 10,422,316	\$	\$	\$
25,915,000	20,013,053	59,560,000	32,000,000		54,850,000
80,000		24,331	106,223	171,362	152,588
15,741	214,809	414,865	42,470		
10,376	23,800			(59,379)	(28,850,000)
			699,996	2,275,000	1,975,000
			(923,139)	(2,275,000)	(1,975,000)
		(10,570,606)			
<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>26,152,588</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>	<u>\$ 4,765,529</u>
14.09%	12.21%	9.93%	11.69%	11.14%	11.88%

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

*Table 5*

<b>Fiscal Year Ended August 31</b>	<b>Appraised Value</b>			<b>Taxable Assessed Value</b>	<b>Total Direct Rate (1)</b>
	<b>Real Property Value</b>	<b>Personal Property Value</b>	<b>Less: Exemptions</b>		
2008	\$ 6,543,690,066	\$ 1,498,765,369	\$ 1,439,680,945	\$6,602,774,490	1.4700
2007	6,060,160,682	1,640,470,968	1,548,427,041	6,152,204,609	1.6800
2006	5,474,463,029	1,547,238,633	1,278,540,063	5,743,161,599	1.8500
2005	4,988,896,471	1,103,365,959	1,136,709,701	4,955,552,729	1.8300
2004	4,705,279,643	835,499,798	714,074,051	4,826,705,390	1.8500
2003	4,496,587,755	728,564,993	701,900,663	4,523,252,085	1.6900
2002	4,396,745,239	709,269,679	710,394,309	4,395,620,609	1.4700
2001	3,793,515,327	501,965,256	613,825,190	3,681,655,393	1.3875
2000	3,089,782,822	276,621,792	410,931,915	2,955,472,699	1.5200
1999	2,523,976,370	209,632,939	338,440,233	2,395,169,076	1.5600

(1) 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 each fall equals the tax levy.

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

Taxing Authority	2008	2007	2006	2005
<b>Overlapping Rates:</b>				
Austin, City of	\$ 0.4012	\$ 0.4126	\$ 0.4126	\$ 0.4430
Lakeside WCID #1	0.8500	0.8700	0.8700	0.8700
Lakeside WCID #2-B	0.9700	0.8700	0.8700	0.8700
Lakeside WCID #2-C	0.9000	1.3800	0.8200	0.8700
Northeast Travis County UD	0.8993	0.9300	0.9300	0.9300
Northtown MUD	0.7500	0.7500	0.7500	0.7500
Pflugerville, City of	0.6140	0.6240	0.6240	0.6350
Travis County	0.4122	0.4499	0.4499	0.4993
Travis County Emergency Service #2	0.1000	0.1000	0.1000	0.1000
Travis County MUD #15	0.2925	0.2500	0.2500	0.2300
Wells Branch MUD	0.4700	0.4800	0.4800	0.4800
Williamson Co. Water, Sewer, Irrigation and DD #3	0.7730	0.8500	0.8800	0.8500
<b>Total Overlapping Rates</b>	\$ 7.4322	\$ 7.9665	\$ 7.4365	\$ 7.5273
<b>District Direct Rates:</b>				
Pflugerville ISD				
Maintenance and Operations	\$ 1.0400	\$ 1.3600	\$ 1.5000	\$ 1.4900
Debt Service	0.4300	0.3200	0.3500	0.3400
<b>Total District Direct Rates</b>	\$ 1.4700	\$ 1.6800	\$ 1.8500	\$ 1.8300

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 Lakeside WCID #1 not available prior to 2000.
- (5) Data for Williamson Co. Water, Sewer, Irrigation and DD #3 not available prior to 2005

*Table 6*

<u>2004 (1)</u>	<u>2003 (2)</u>	<u>2002 (3)</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
\$ 0.4430	\$ 0.4928	\$ 0.4597	\$ 0.4597	\$ 0.4663	\$ 0.5034
0.8700	0.8700	0.8700	0.8700	0.8700	
0.8700	0.8700	0.8700			
0.8700					
0.9300	0.9300				
0.7500	0.7500	0.6500	0.6500	0.6400	0.6400
0.6400	0.6417	0.6299	0.6299	0.6424	0.6998
0.4872	0.4918	0.4660	0.4460	0.4670	0.4988
0.1000	0.1000	0.1000	0.1000	0.0975	0.1000
0.4940	0.6500	0.6500			
0.4800	0.5000	0.5050	0.5200	0.4905	0.5052
<u>\$ 6.9342</u>	<u>\$ 6.2963</u>	<u>\$ 5.2006</u>	<u>\$ 3.6756</u>	<u>\$ 3.6737</u>	<u>\$ 2.9472</u>
\$ 1.5000	\$ 1.3925	\$ 1.2350	\$ 1.1550	\$ 1.200	\$ 1.1500
0.3500	0.2975	0.2350	0.2325	0.3200	0.4550
<u>\$ 1.8500</u>	<u>\$ 1.6900</u>	<u>\$ 1.4700</u>	<u>\$ 1.3875</u>	<u>\$ 1.5200</u>	<u>\$ 1.6050</u>

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

*Table 7*

Taxpayer	2008			1999 (1)		
	Assessed Value	Rank	Percentage of Total Assessed Value	Assessed Value	Rank	Percentage of Total Assessed Value
Dell Inc.	\$ 376,190,720	1	33.28%	\$		0.00%
Dell USA LP	170,782,833	2	15.11%			0.00%
Applied Material Inc	141,606,845	3	12.53%			0.00%
Oracle USA Inc	78,163,867	4	6.92%			0.00%
DDR DB Tech Ventures, LP	58,888,367	5	5.21%			0.00%
Oncor Electric Delivery Co	38,621,740	6	3.42%			0.00%
Zavala Properties II, Inc.	36,874,002	7	3.26%			0.00%
MBS - Sage Creek Ltd.	33,760,776	8	2.99%			0.00%
Simpson Parmer Ridge Limited Partnership	26,095,041	9	2.31%			0.00%
Braker Industrial Portfolio Ltd.	26,062,230	10	2.31%			0.00%
Oracle USA Inc.	25,523,096	11	2.26%			0.00%
Riverhorse Equities Ltd.	24,948,000	12	2.21%			0.00%
Tech Ridge Phase I, LP	24,177,890	13	2.14%			0.00%
Pflugerville Covington	23,650,000	14	2.09%			0.00%
SCA 115 Swenson LLC	22,911,415	15	2.03%			0.00%
Chardonnay at Wells Branch	21,994,737	16	1.95%	17,912,000	2	12.23%
S/W Bell Telephone Co.				19,175,140	1	13.09%
Knickerbocker Properties, Inc.				17,526,000	3	11.96%
Austin Scofield, Ltd.				15,860,000	4	10.83%
Texas Utilities, Electric				14,232,860	5	9.72%
Windcrest/Yager Lane 1, Ltd				13,320,000	6	9.09%
Cinemark USA, Inc.				13,056,416	7	8.91%
Crow-Gottesman Hill #12				12,405,000	8	8.47%
Dell Computer Corp.				11,514,190	9	7.86%
Colonnade Office Center				11,501,120	10	7.85%
<b>Totals</b>	<u>\$1,130,251,559</u>		<u>100.00%</u>	<u>\$ 146,502,726</u>		<u>100.00%</u>

Source: Travis Central Appraisal District  
(1) Data for only ten employers was available for 1999

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

*Table 8*

Fiscal Year	Tax Levy For The Fiscal Year (1)	Actual Collections	Net of PY and CY 60 Day Accrual	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
2008	\$ 96,471,801	\$95,563,864	0	\$95,563,864	99.06%	\$	\$ 95,563,864	99.06%
2007	98,756,293	97,306,560	0	97,306,560	98.53%	562,401	97,868,961	99.10%
2006	96,757,916	95,756,426	0	95,756,426	98.96%	856,565	96,612,991	99.85%
2005	89,493,485	88,400,947	0	88,400,947	98.78%	973,804	89,374,751	99.87%
2004	84,032,267	82,763,360	0	82,763,360	98.49%	1,083,316	83,846,676	99.78%
2003	76,054,015	75,813,609	0	75,813,609	99.68%	96,435	75,910,044	99.81%
2002	56,639,994	56,085,127	0	56,085,127	99.02%	438,962	56,524,089	99.80%
2001	42,229,940	41,330,882	0	41,330,882	97.87%	768,364	42,099,246	99.69%
2000	36,771,903	36,130,399	0	36,130,399	98.26%	531,581	36,661,980	99.70%
1999	33,606,027	32,870,822	0	32,870,822	97.81%	665,127	33,535,949	99.79%

(1) Appraised value less exemptions equal taxable assessed value. The beginning taxable value net of adjustments times the tax rate set by the District's Board of 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*

<b>Fiscal Year</b>	<b>Governmental Activities</b>		<b>Ratio of Debt to Assessed Value (1)</b>	<b>Debt Per Student (2)</b>
	<b>General Obligation Bonds</b>	<b>Total Primary Government</b>		
2008	\$ 387,484,934	\$ 387,484,934	5.51%	\$ 19,891
2007	282,399,934	282,399,934	4.59%	15,183
2006	252,349,934	252,349,934	4.39%	14,323
2005	261,306,769	261,306,769	5.27%	15,743
2004	242,642,079	242,642,079	5.03%	15,450
2003	222,871,782	222,871,782	4.93%	14,881
2002	207,634,468	207,634,468	4.72%	14,397
2001	150,545,648	150,545,648	4.09%	10,889
2000	120,906,412	120,906,412	4.09%	9,406
1999	123,989,331	123,989,331	5.18%	10,334

(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*

<b>Fiscal Year</b>	<b>Gross Bonded Debt</b>	<b>Less Amount Available in Debt Service Fund</b>	<b>Net Bonded Debt</b>	<b>Ratio of Net Bonded Debt To Assessed Value (1)</b>	<b>Net Bonded Debt Per Student (2)</b>
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
1999	123,989,331	2,383,726	121,605,605	5.08%	10,135

(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, 2008*

*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>
<b><i>Overlapping:</i></b>				
Austin, City of	\$964,315,000	08/31/08	4.92%	\$ 47,444,298
Lakeside WCID #1	6,370,000	08/31/08	100.00%	6,370,000
Lakeside WCID #2-B	7,135,000	08/31/08	100.00%	7,135,000
Lakeside WCID #2-C	4,575,000	08/31/08	100.00%	4,575,000
Northeast Travis County UD	13,235,000	08/31/08	100.00%	13,235,000
Northtown MUD	19,605,000	08/31/08	100.00%	19,605,000
Pflugerville, City of	126,505,000	08/31/08	100.00%	126,505,000
Travis County	534,967,887	08/31/08	7.60%	40,657,559
Travis County Emergency Service #2	2,529,999	08/31/08	100.00%	2,529,999
Travis County MUD #15	3,660,000	08/31/08	100.00%	3,660,000
Wells Branch MUD	2,385,000	08/31/08	38.48%	917,748
Williamson Co. Water, Sewer, Irrigation and DD #3	10,125,000	08/31/08	2.14%	216,675
<b>Total Net Overlapping Debt</b>				<u>272,851,279</u>
<b><i>Direct:</i></b>				
Pflugerville ISD	387,484,934	08/31/08	100.00%	387,484,934
<b>Total Direct and Overlapping Debt</b>				<u>\$ 660,336,213</u>

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

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

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

*Table 12*

<b>Fiscal Year</b>	<b>Residential Units (1)</b>	<b>Total Assessed Value of Residential Units (2)</b>	<b>Average Assessed Value Per Residential Unit</b>	<b>Average Daily Attendance (3)</b>	<b>Unemployment Rate (4)</b>
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%
1998-99	17,472	2,157,210,764	123,467	11,998	2.3%

(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

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**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**

*Table 13*

**PRINCIPAL EMPLOYERS**

**CURRENT YEAR AND TEN YEARS AGO**

<b>Employer</b>	<b>2008</b>			<b>1998</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total Employment</b>
Dell Computer Corp.	17,000	1	66.85%	4,800	1	52.41%
Samsung	4,000	2	15.73%	1,000	3	10.92%
Pflugerville Independent School District	1,905	3	7.49%	1,515	2	16.54%
Sears TeleServ	650	4	2.56%			
Hewlett Packard	500	5	1.97%			
HEB Grocery	400	6	1.57%	230	6	2.51%
Walmart	325	7	1.28%			
Austin Foam Plastics	250	8	0.98%	180	7	1.97%
City of Pflugerville	200	9	0.79%			
Durham School Services	200	10	0.79%			
Tandem Computers				700	4	7.64%
Rolm Industries				470	5	5.13%
Albertson's Grocery				90	8	0.98%
Austron				87	9	0.95%
Pflugerville Care Center				86	10	0.94%
<b>Total Employed</b>	<b>25,430</b>		<b>100.00%</b>	<b>9,158</b>		<b>100.00%</b>

Source: Pflugerville Community Development Corp.

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

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

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***

<b>Fiscal Year</b>	<b>Average Daily Attendance</b>	<b>Operating Expenditures</b>	<b>Cost Per Student</b>	<b>Percentage Change</b>	<b>Government Wide Expenses</b>
2008	19,480	\$ 162,450,998	\$ 8,740	7.93%	\$ 187,059,878
2007	18,588	142,666,234	8,098	9.36%	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	11.24%	N/A
1999	11,998	60,083,140	5,008	N/A	N/A

(1) Teaching Staff includes Teachers and Teacher Assistants.



*Table 15*

<b>Cost Per Student</b>	<b>Percentage Change</b>	<b>Teaching Staff (1)</b>	<b>Student to Teacher Ratio</b>	<b>Percentage of Students in Free/Reduced Lunch Program</b>
\$ 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%
N/A	N/A	811	14.79	19.92%

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

<b>Fiscal Year</b>	<b>Minimum Salary (1)</b>	<b>Maximum Salary (1)</b>	<b>Region Average Salary (2)</b>	<b>Statewide Average Salary (2)</b>
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
1999	25,600	41,200	33,695	34,336

(1) Source: District records

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

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**

*SCHOOL BUILDING INFORMATION*

*LAST TEN FISCAL YEARS*

<b>Building:</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
<b>HIGH SCHOOLS</b>				
<b>Pflugerville High School</b>				
Square Footage	285,346	285,346	285,346	285,346
Capacity	2,400	2,400	2,400	2,400
Enrollment	2,219	2,110	2,029	2,065
<b>Hendrickson High School</b>				
Square Footage	380,130	380,130	380,130	380,130
Capacity	2,500	2,500	2,500	2,500
Enrollment	1,810	1,436	1,277	853
<b>Connally High School</b>				
Square Footage	281,790	281,790	281,790	281,790
Capacity	2,400	2,400	2,400	2,400
Enrollment	2,006	1,969	1,852	1,850
<b>Opportunity Center</b>				
Square Footage	19,691	19,691		
Capacity	256	256 *		
Enrollment	183	167	129	128
<b>MIDDLE SCHOOLS</b>				
<b>Pflugerville Middle School</b>				
Square Footage	111,036	111,036	111,036	111,036
Capacity	1,375	1,375	1,375	1,375
Enrollment	1,153	1,063	1,080	1,031
<b>Westview Middle School</b>				
Square Footage	112,245	112,245	112,245	112,245
Capacity	1,100	1,100	1,100	1,100
Enrollment	821	843	848	842
<b>Park Crest Middle School</b>				
Square Footage	116,800	116,800	116,800	116,800
Capacity	1,300	1,300	1,300	1,300
Enrollment	921	903	1,371	1,253
<b>Dessau Middle School</b>				
Square Footage	121,200	121,200	121,200	121,200
Capacity	1,300	1,300	1,300	1,300
Enrollment	1,033	990	962	893
<b>Kelly Lane Middle School</b>				
Square Footage	139,000	139,000	139,000	
Capacity	1,250	1,250	1,250	
Enrollment	861	655		
<b>Opportunity Center</b>				
Square Footage				
Capacity				
Enrollment	21	13	18	23

*Table 17*  
*Page 1 of 3*

<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
285,346	285,346	285,346	285,346	285,346	285,346
2,400	2,400	2,400	2,400	2,400	2,400
2,180	2,474	2,267	2,175	1,966	1,881
380,130	380,130				
2,500	2,500				
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
1,876	1,858	1,845	1,827	1,692	1,491
85	61	73	86	69	64
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	1,048	957	837	956	1,012
112,245	112,245	112,245	112,245	112,245	112,245
1,100	1,100	1,100	1,100	1,100	1,100
841	810	846	866	1,004	919
116,800	116,800	116,800	116,800	116,800	116,800
1,300	1,300	1,300	1,300	1,300	1,300
1,081	1,018	961	939	1,184	995
121,200	121,200	121,200	121,200	121,200	121,200
1,300	1,300	1,300	1,300	1,300	1,300
873	838	785	696		
7	12	15	4	10	11

**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**

**SCHOOL BUILDING INFORMATION**

**LAST TEN FISCAL YEARS**

<b>Building:</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
<b>ELEMENTARY SCHOOLS</b>				
<b>Parmer Lane Elementary School</b>				
Square Footage	63,634	63,634	63,634	63,634
Capacity	650	650	650	650
Enrollment	615	674	677	661
<b>Timmerman Elementary School</b>				
Square Footage	58,792	58,792	58,792	58,792
Capacity	550	550	550	550
Enrollment	516	478	497	488
<b>Pflugerville Elementary School</b>				
Square Footage	77,922	77,922	77,922	77,922
Capacity	600	600	600	600
Enrollment	538	540	523	507
<b>Northwest Elementary School</b>				
Square Footage	62,000	62,000	62,000	62,000
Capacity	600	600	600	600
Enrollment	528	498	533	515
<b>Dessau Elementary School</b>				
Square Footage	64,150	64,150	64,150	64,150
Capacity	650	650	650	650
Enrollment	525	539	524	477
<b>Windermere Elementary School</b>				
Square Footage	66,272	66,272	66,272	66,272
Capacity	750	750	750	750
Enrollment	492	513	570	562
<b>River Oaks Elementary School</b>				
Square Footage	66,512	66,512	66,512	66,512
Capacity	750	750	750	750
Enrollment	473	528	529	559
<b>Brookhollow Elementary School</b>				
Square Footage	66,512	66,512	66,512	66,512
Capacity	750	750	750	750
Enrollment	611	645	793	702
<b>Spring Hill Elementary School</b>				
Square Footage	68,600	68,600	68,600	68,600
Capacity	750	750	750	750
Enrollment	706	637	579	557
<b>Windermere Primary School</b>				
Square Footage	68,752	68,752	68,752	68,752
Capacity	750	750	750	750
Enrollment	565	614	683	668

*Table 17*  
*Page 2 of 3*

<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>
63,634	63,634	63,634	63,634	63,634	63,634
650	650	650	650	650	650
646	604	571	576	533	507
58,792	58,792	58,792	58,792	58,792	58,792
550	550	550	550	550	550
480	500	489	475	445	419
77,922	77,922	77,922	77,922	77,922	77,922
600	600	600	600	600	600
528	534	496	476	581	509
62,000	62,000	62,000	62,000	62,000	62,000
600	600	600	600	600	600
497	467	611	614	639	585
64,150	64,150	64,150	64,150	64,150	64,150
650	650	650	650	650	650
437	392	641	651	612	538
66,272	66,272	66,272	66,272	66,272	66,272
750	750	750	750	750	750
538	473	625	553	555	477
66,512	66,512	66,512	66,512	66,512	66,512
750	750	750	750	750	750
568	632	609	623	488	531
66,512	66,512	66,512	66,512	66,512	66,512
750	750	750	750	750	750
555	546	700	644	696	730
68,600	68,600	68,600	68,600	68,600	68,600
750	750	750	750	750	750
619	636	688	672	663	621
68,752	68,752	68,752	68,752	68,752	68,752
750	750	750	750	750	750
624	542	670	600	634	568

**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**

<b>Building:</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
<b>Copperfield Elementary School</b>				
Square Footage	77,922	77,922	77,922	77,922
Capacity	850	850	850	850
Enrollment	630	783	742	705
<b>Murchison Elementary School</b>				
Square Footage	77,922	77,922	77,922	77,922
Capacity	850	850	850	850
Enrollment	798	598	557	874
<b>Delco Primary School</b>				
Square Footage	68,752	68,752	68,752	68,752
Capacity	750	750	750	750
Enrollment	625	648	635	539
<b>Caldwell Elementary School</b>				
Square Footage	73,007	73,007	73,007	73,007
Capacity	800	800	800	800
Enrollment	734	664	808	773
<b>Rowe Lane Elementary School</b>				
Square Footage	75,007	75,007	75,007	
Capacity	750	750	750	
Enrollment	681	550	488	
<b>Highland Park Elementary School</b>				
Square Footage	75,007	75,007	75,007	
Capacity	750	750	750	
Enrollment	858	666		
<b>Wieland Elementary School</b>				
Square Footage	75,490	75,490		
Capacity	750	750		
Enrollment	648			

Source: District records



<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
77,922	77,922	77,922	77,922	77,922	77,922
850	850	850	850	850	850
746	682	692	628	707	702
77,922	77,922	77,922	77,922	77,922	
850	850	850	850	850	
784	725	653	583		
68,752	68,752	68,752			
750	750	750			
458	435				
73,007	73,007	73,007			
800	800	800			
587	519				

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**PFLUGERVILLE INDEPENDENT SCHOOL DISTRICT**  
**REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS**  
**August 31, 2008**

*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