



*where quality meets life*

# PFLUGERVILLE TEXAS



**Comprehensive Annual Financial Report  
For the Year Ended September 30, 2009**

Fourth of July Fireworks over Lake Pflugerville.

Thank you to Pat McCord for the picture.

# **CITY OF PFLUGERVILLE, TEXAS**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the fiscal year ended**

**September 30, 2009**

Prepared by

Finance Department



**City of Pflugerville, Texas  
Comprehensive Annual Financial Report  
Year Ended September 30, 2009**

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**City of Pflugerville, Texas  
Comprehensive Annual Financial Report  
Year Ended September 30, 2009**

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# **INTRODUCTORY SECTION**





March 12, 2010

Honorable Mayor and City Council,  
Members of the Finance and Budget Committee,  
and Citizens of Pflugerville, Texas:

The Comprehensive Annual Financial Report (CAFR) of the City of Pflugerville, Texas, for the fiscal year ended September 30, 2009, including the independent auditors' report, is hereby submitted. State law requires that every municipality shall have its records and accounts audited annually and shall have an annual financial statement prepared based on the audit. The City of Pflugerville Charter also requires that at the close of each fiscal year, the Council shall call for an independent audit of all City accounts to be conducted by a certified public accountant. This report is published to fulfill those requirements for the fiscal year ended September 30, 2009.

Additionally, this report is published to provide City Council Members, our citizens, City bondholders, representatives of financial institutions, and other interested persons, with detailed information concerning the financial condition of the City government.

The City's Finance Department has prepared this report and assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Pattillo, Brown & Hill, LLP, Certified Public Accountants, have issued an unqualified ("clean") opinion on the City of Pflugerville's financial statements for the year ended September 30, 2009. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

***Profile of the government***

The City of Pflugerville, Texas, incorporated in 1965, is located 15.6 miles northeast of downtown Austin, the State Capital of Texas. This location places the City of Pflugerville within three hours driving time of ninety percent of the population of the State of Texas.

The population of Pflugerville has increased from 9,000 citizens in 1995 to 47,417 citizens in 2009. Population growth is expected to continue and is estimated to exceed 50,000 with the 2010 census. The City of Pflugerville is empowered to levy a property tax on real property located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

### ***Profile of the government (continued)***

The City of Pflugerville became a home rule city in 1993 and operates under the council-manager form of government. Policy-making and legislative authority is vested in a governing council (Council) consisting of the mayor and five other members, all elected on a non-partisan, at-large basis. The Council appoints the City Manager, who in turn appoints the managers of the various departments. Council members including the mayor serve three-year terms, with two members elected each year.

The City of Pflugerville provides a range of services, including police protection; the construction and maintenance of streets and other infrastructure; recreational and cultural activities; water and wastewater service; and contractual solid waste service. Economic development activities are provided through a legally separate corporation, Pflugerville Community Development Corporation, reported separately within the City of Pflugerville's financial statements. Additional information on this legally separate entity can be found in the notes to the financial statements (See Note 1.A).

The Council is required to adopt a balanced budget by no later than September 30 for the fiscal year beginning on October 1. This annual budget serves as the foundation for the City of Pflugerville's financial planning and control. The budget is prepared by fund and department.

### ***Local economy***

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Pflugerville operates. The City of Pflugerville was originally a farming community and has developed into a bedroom community. Its proximity to major employers such as Dell, Samsung, The University of Texas, and the State of Texas has allowed for rapid growth in the housing market. The City has had to rely heavily on residential property tax for general fund operating and debt service expenditures.

Through residential growth and annexation, the population has increased enough to support more businesses within the City limits. The Pflugerville Community Development Corporation is actively recruiting those businesses. The completion of two major toll roadways, State Highway 130 and State Highway 45, is expected to bring significant growth to the City, both commercially and residentially. A large master planned commercial development at the intersection of these two new roadways began in 2008 and continued in fiscal year 2009, with the opening of numerous retail stores. This commercial expansion was in light of a downturn in the national economy.

### ***Long-term financial planning***

At the end of FY 2009, the unreserved, undesignated fund balance in the general fund was 46.7% of total general fund expenditures for the year. This percentage falls within the policy guidelines set by the Council for budgetary and planning purposes (i.e., at least 25% of total general fund expenditures). Through the use of a five-year budget planning cycle, the development of the general fund pro forma for the next five years includes the reduction of the fund balance to the 25% level. City growth through annexations and new developments and the resulting demands will require the use of fund balance to cover new expenses until new revenues are received.

In 2009 the City Council commissioned an update of the City's Comprehensive Plan. The Comprehensive Plan is the principal guide for use in the daily planning decisions regarding growth, development, and regulation of current and future development within the city limits of the City and

### ***Long-term financial planning (continued)***

its extra-territorial jurisdiction (ETJ). Numerous community meetings and forums have been held in order for citizens to provide input into the plan that is anticipated to guide the City's development through the next 20 years. The plan is anticipated to be completed and in use by the end of fiscal year 2010.

### ***Major initiatives***

**Utility Expansions.** The City of Pflugerville purchased land for an additional wastewater treatment plant in fiscal year 2007-2008. The design of this plant, and the necessary interceptor lines, is underway and construction will begin when the plant is needed based on population and residential and commercial growth. The water system is currently expanding with the addition of a three million gallon clear well and a backwash clarifier at the water treatment plant. These improvements will increase the capacity of treated water storage and enable reuse of the water necessary for cleaning the plant components. Construction for these projects is being funded through fund balance reserves, impact fee reserves, and current Combination Tax and Revenue Certificates of Obligation. A recent review of utility rates predicts current rates will be sufficient to meet utility fund needs for the next three years. The rates will continue to be reviewed annually to allow for changes in debt levels and customer base.

**General Fund Projects.** The City's major focus for capital improvement projects is the building of new roads or the upgrading of old roads. One project was completed during FY 09, the widening of East Pecan Street. Construction in progress includes the re-route of Schultz Lane; the construction of a four-lane divided roadway from Greenlawn Boulevard to Railroad Avenue; and various drainage and detention improvements will continue. These projects are being financed through current Combination Tax and Revenue Certificates of Obligation.

Economic development is the cornerstone of the efforts that are being made by City staff. Economic development efforts include partnering with developers to build commercial and retail projects, and establishing formal marketing/public relations processes. A number of retail outlets were opened during FY 09 as part of the NewQuest Properties development at the intersection of State Highway 130 and State Highway 45. This development, Stone Hill Town Center, will be a 196-acre master-planned development consisting of approximately 1,000,000 square feet of retail with approximately 9 anchor tenants, and multiple inline and out parcel opportunities. This development is currently home to SuperTarget, Home Depot, Best Buy, Dick's Sporting Goods, Bealls and several smaller retail and fast food establishments.

### ***Awards and Acknowledgements***

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Pflugerville for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2008. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

**Awards and Acknowledgements (continued)**

In addition, the government also received the GFOA Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning October 1, 2008. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

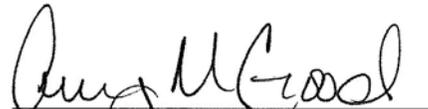
The preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the department who assisted and contributed to its presentation. Special acknowledgement goes to Emily Dean, and Jennifer Zimmerman for their assistance in preparing this report. Additionally, we would like to express our appreciation to Todd Pruitt, CPA, Pattillo, Brown & Hill, LLP, for his assistance and input into the preparation of this document.

We would also like to thank the City Manager, Assistant City Manager, Mayor, City Council, and members of the Finance and Budget Committee for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Pflugerville's finances. The preparation of this report would not be possible without their leadership and support.

Respectfully submitted,



Beth C. Davis  
Finance Director



Amy M. Good, CPA, CGFO  
Assistant Finance Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Pflugerville  
Texas

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2008

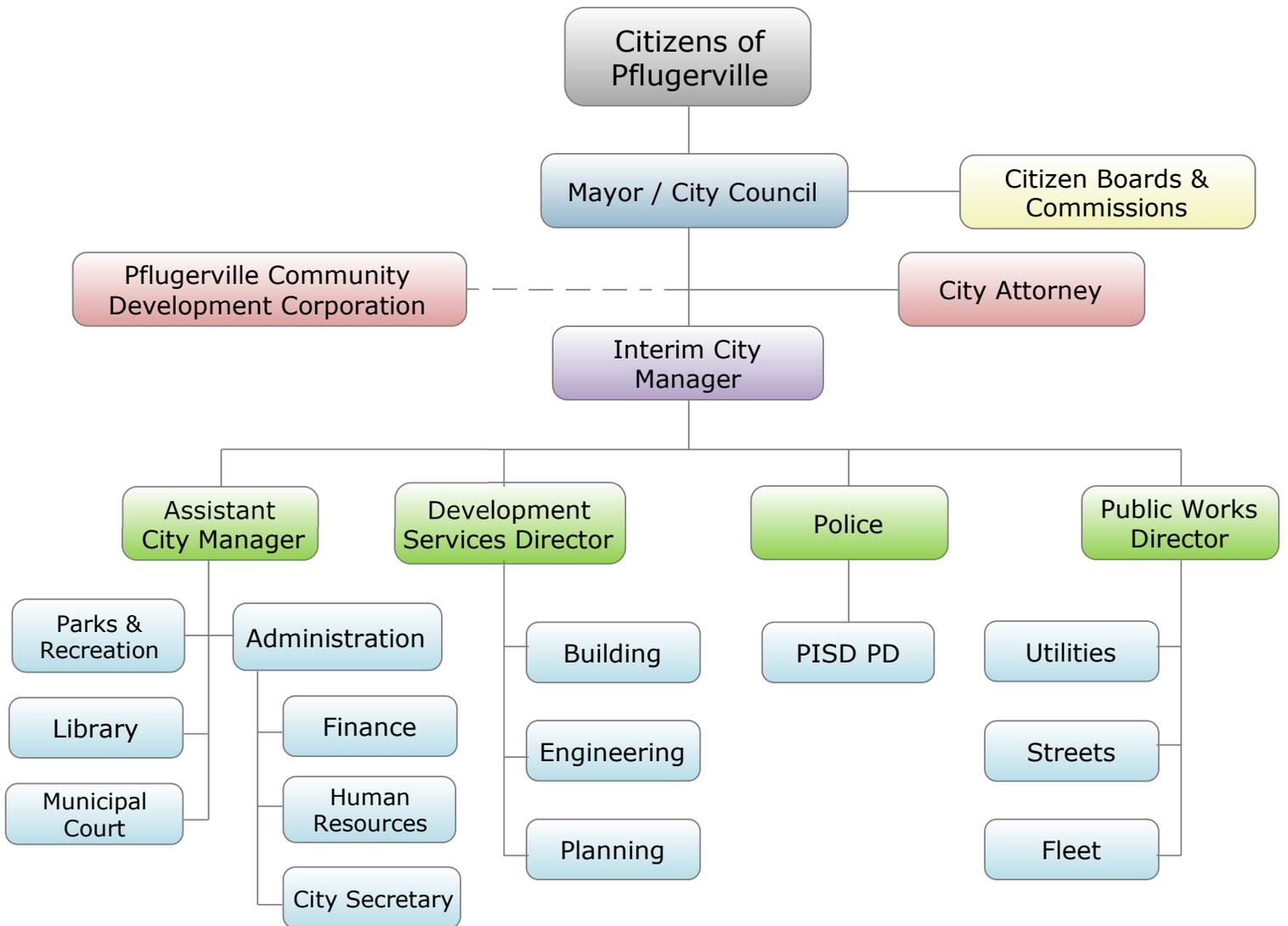
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

# City of Pflugerville, Texas Organizational Chart



City of Pflugerville, Texas  
List of Elected and Appointed Officials  
September 30, 2009

**Elected Officials**

**City Council  
Three-Year Terms**

<b><u>Name</u></b>	<b><u>Term Expires</u></b>
Jeff Coleman, Mayor	May 2010
Wayne Cooper, Place 1	May 2010
Mike Marsh, Place 2	May 2011
Darelle White, Place 3	May 2012
Starlet Sattler, Place 4	May 2011
Victor Gonzales, Place 5	May 2012

**City Staff**

<b><u>Position</u></b>	<b><u>Name</u></b>
Interim City Manager	Lauri Gillam
City Attorney	Floyd Akers
Finance Director	Beth Davis
Police Chief	Chuck Hooker
City Secretary	Karen Thompson
Development Services Director	Trey Fletcher
Planning Director	Autumn Speer
City Engineer	Felix Benavides
Parks and Recreation Director	Glenn Holzer
Building Official	Blake Overmyer
Library Director	Kathy Freheit
Public Works Director	David Buesing
Utilities Director	James Wills



# **FINANCIAL SECTION**



**INDEPENDENT AUDITORS' REPORT**

To the Honorable Mayor and  
Members of the City Council  
City of Pflugerville, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit and each major fund of the City of Pflugerville, Texas, as of and for the year ended September 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Pflugerville, Texas' management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Pflugerville Community Development Corporation (PCDC), a discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pflugerville Community Development Corporation, is based on the report of the other auditors.

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, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit and each major fund of the City of Pflugerville, Texas, as of September 30, 2009, and the respective changes in financial position and cash flows, thereof and the respective budgetary comparison for the General Fund 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 March 3, 2010, on our consideration of the City of Pflugerville, Texas' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control of 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. The financial statements of the discretely presented component unit were not audited in accordance with *Government Auditing Standards*. 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 required supplementary information on pages 15 through 23 and page 61 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 and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Pflugerville, Texas' basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory and statistical sections have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Pattillo, Brown & Hill, L.L.P.*

March 3, 2010

## **City of Pflugerville, Texas Management's Discussion and Analysis**

As management of the City of Pflugerville, Texas, we offer readers of the City of Pflugerville's financial statements this narrative overview and analysis of the financial activities of the City of Pflugerville for the fiscal year ended September 30, 2009. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 3 - 6 of this report.

### **Financial Highlights**

- ❖ The assets of the City of Pflugerville exceeded its liabilities as of September 30, 2009, by \$247,109,068 (net assets). Of this amount, \$21,105,904 (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.
- ❖ As of the close of the current fiscal year, the City of Pflugerville's governmental funds reported combined ending fund balances of \$26,263,490, an increase of \$8,963,804 in comparison with the prior year. The issuance of bonds to fund capital projects was the major factor in this increase.
- ❖ At the end of the 2008-2009 fiscal year, unreserved, undesignated fund balance for the general fund was \$9,397,669 or 46.7% of general fund expenditures. The City of Pflugerville Charter requires a fund balance equivalent to 25% of operating expenditures each fiscal year. For fiscal year 2009 that amount was \$4.6 million.
- ❖ The City of Pflugerville's total debt increased by \$11,519,000 (8.8%) during the current fiscal year. The key factor in this increase was the issuance of \$11,500,000 in combination tax and revenue certificates of obligation to fund various street projects and \$3,000,000 in general obligation bonds to fund the expansion and renovation of the Pflugerville Community Library.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City of Pflugerville's basic financial statements. The City of Pflugerville'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.

#### **Government-wide Financial Statements**

The government-wide financial statements report information about the City as a whole, using accounting methods similar to those used by private-sector companies.

The *statement of net assets* presents information on all of the City of Pflugerville's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Pflugerville is improving or deteriorating. To assess the overall health of the City, one needs to consider other non-financial factors such as changes in the City's property tax base and the condition of the City's infrastructure.

### **Government-wide Financial Statements (continued)**

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Pflugerville that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Pflugerville include general government, public safety, highways and streets, and culture and recreation. The business-type activities of the City of Pflugerville include water, wastewater and solid waste services. Fees charged to customers fund the costs of providing these services.

The government-wide financial statements can be found on pages 27-29 of this report.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Pflugerville, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Pflugerville can be divided into two categories: governmental funds and proprietary funds. The fund financial statements provide more detailed information about the City's most significant funds and will be more familiar to traditional users of government financial statements. The focus is now on major funds rather than fund types.

**Governmental Funds** – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

The governmental funds statements provide a short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided with the governmental fund financial statements that explain the reconciliation between the fund statements and the city-wide statements.

The City of Pflugerville maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the special revenue fund, the debt service fund, and the capital projects fund, which are considered to be major funds.

The City of Pflugerville adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 30-34 of this report.

**Fund Financial Statements (continued)**

**Proprietary Funds** – Services for which the City charges fees and rates that intend to fully recover the cost of providing the service are reported in proprietary funds. Two types of proprietary funds are allowed in governmental accounting: enterprise funds and internal service funds. These funds, like the government-wide statements, provide both long-term and short-term financial information. The City of Pflugerville has only one proprietary fund (the utility fund) and no internal service funds.

The City's enterprise fund is substantially the same as its business-type activities, but the fund financial statements provide more detail and additional information, such as cash flows. The City utilizes the enterprise fund to account for its water, wastewater and solid waste services.

The basic proprietary fund financial statements can be found on pages 35-38 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 39-58.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Pflugerville's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 59.

**Financial Analysis of the City as a Whole**

**Statement of Net Assets:**

The following table reflects the condensed Statement of Net Assets:

**City of Pflugerville's Net Assets**

	Governmental activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 30,579,627	\$ 21,324,242	\$ 21,962,744	\$ 23,160,378	\$ 52,542,371	\$ 44,484,620
Capital assets	204,250,027	203,094,901	138,800,775	136,890,146	343,050,802	339,985,047
Total assets	234,829,654	224,419,143	160,763,519	160,050,524	395,593,173	384,469,667
Long-term liabilities	63,539,876	50,870,475	76,107,816	77,688,282	139,647,692	128,558,757
Other liabilities	5,043,593	5,004,942	3,792,820	3,860,522	8,836,413	8,865,464
Total liabilities	68,583,469	55,875,417	79,900,636	81,548,804	148,484,105	137,424,221
Net assets:						
Invested in capital assets, net of related debt	153,437,079	159,687,011	61,139,432	58,300,810	214,576,511	217,987,821
Restricted	1,848,576	2,100,362	9,578,077	10,402,708	11,426,653	12,503,070
Unrestricted	10,960,530	6,756,353	10,145,374	9,798,202	21,105,904	16,554,555
Total net assets	\$ 166,246,185	\$ 168,543,726	\$ 80,862,883	\$ 78,501,720	\$ 247,109,068	\$ 247,045,446

**Statement of Net Assets: (continued)**

- ❖ A portion of the City's net assets, \$11,426,653 (4.6%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets, \$21,105,904 may be used to meet the City's ongoing obligations to citizens and creditors.
- ❖ The growth in unrestricted net assets for business-type activities is a reflection of bonding covenants that require revenues to exceed expenses by 35% to cover debt service payments. The drought during the summer of 2009 also contributed to the increase in unrestricted net assets.
- ❖ Net assets of business-type activities increased by \$2.4 million mainly due to infrastructure contributions by developers.
- ❖ At the end of the current fiscal year, the City of Pflugerville is able to report positive balances in all categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The following table provides a summary of the City's operations for the year ended September 30, 2009.

**City of Pflugerville's Changes in Net Assets**

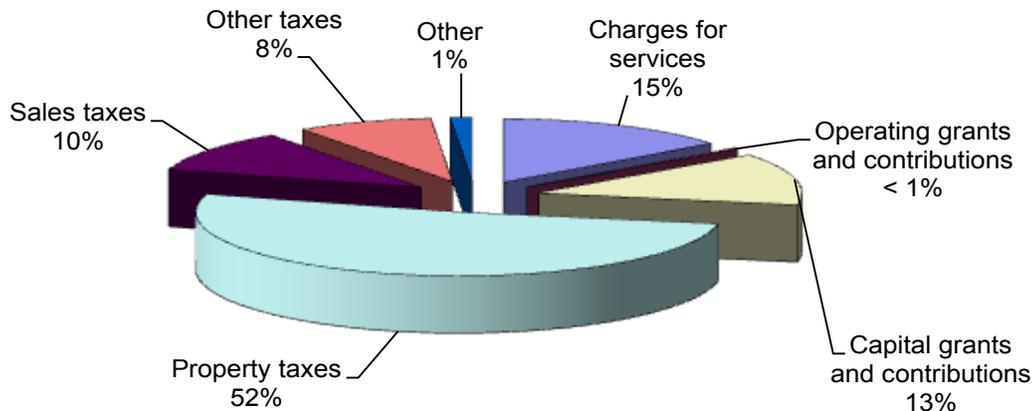
	Governmental activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 4,283,750	\$ 3,747,114	\$ 19,142,754	\$ 17,473,083	\$ 23,426,504	\$ 21,220,197
Operating grants and contributions	87,486	150,094	-	-	87,486	150,094
Capital grants and contributions	3,918,438	9,313,558	4,403,495	4,174,351	8,321,933	13,487,909
<b>General revenues:</b>						
Property taxes	15,270,534	11,753,499	-	-	15,270,534	11,753,499
Other taxes	5,677,604	4,924,400	-	-	5,677,604	4,924,400
Other	389,324	1,047,992	146,717	725,499	536,041	1,773,491
<b>Total revenues</b>	<b>29,627,136</b>	<b>30,936,657</b>	<b>23,692,966</b>	<b>22,372,933</b>	<b>53,320,102</b>	<b>53,309,590</b>
<b>Expenses:</b>						
General government	4,902,523	4,340,956	-	-	4,902,523	4,340,956
Public safety	9,435,039	7,662,046	-	-	9,435,039	7,662,046
Public works and streets	11,098,919	11,423,136	-	-	11,098,919	11,423,136
Culture and recreation	3,562,855	3,086,348	-	-	3,562,855	3,086,348
Interest on long-term debt	3,005,224	2,504,458	-	-	3,005,224	2,504,458
Water and wastewater	-	-	18,015,865	16,467,486	18,015,865	16,467,486
Solid waste	-	-	2,815,938	2,328,384	2,815,938	2,328,384
<b>Total Expenses</b>	<b>32,004,560</b>	<b>29,016,944</b>	<b>20,831,803</b>	<b>18,795,870</b>	<b>52,836,363</b>	<b>47,812,814</b>
Change in net assets before transfers	(2,377,424)	1,919,713	2,861,163	3,577,063	483,739	5,496,776
Transfers	500,000	500,000	(500,000)	(500,000)	-	-
Change in net assets	(1,877,424)	2,419,713	2,361,163	3,077,063	483,739	5,496,776
Net assets - October 1, 2008 (as restated)	168,123,609	166,124,013	78,501,720	75,424,657	246,625,329	241,548,670
<b>Net assets - September 30, 2009</b>	<b>\$ 166,246,185</b>	<b>\$ 168,543,726</b>	<b>\$ 80,862,883</b>	<b>\$ 78,501,720</b>	<b>\$ 247,109,068</b>	<b>\$ 247,045,446</b>

## Revenues

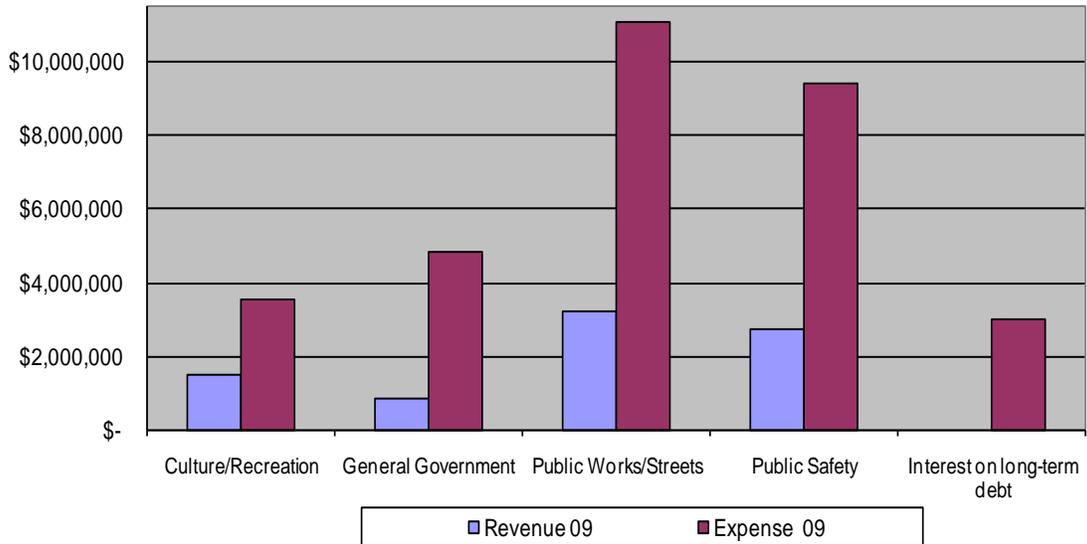
- ❖ Property tax revenue increased by 30% (\$3,517,035) during this fiscal year. This increase is the result of commercial development and the annexation of property in the City's extraterritorial jurisdiction.
- ❖ Property tax revenue accounts for 52% of total revenues for governmental activities.
- ❖ Assessed valuations increased for the fiscal year by over \$596 million.
- ❖ The ad valorem tax rate for fiscal 2009 was \$0.6140 per \$100 of assessed valuation. This was a decrease of \$0.005 or a little less than 1% of the prior year rate.
- ❖ Sales tax revenue was \$3.2 million for fiscal year 2009, which was an increase of 16.3% over the prior year. Sales tax revenues constitute 10% of the total revenue for governmental activities.
- ❖ Other taxes, which include franchise taxes and mixed beverage taxes, totaled \$2.5 million.
- ❖ Program revenue is derived from the program itself and reduces the cost of the function to the City. Total program revenue for both governmental and business-type activities are described below.
  - **Governmental activities program revenue** was \$8.3 million. Charges for services such as receipts primarily from development and building inspection fees, parks and pool fees, and court fines are the largest component of this revenue category. A significant portion, \$3.0 million, of revenue this fiscal year was capital grants from federal funds for the Pflugerville Parkway West project.
  - **Business-type activities program revenue** totaled \$23.5 million. A portion of these revenues is reported in the category Charges for Services, which represents receipts from utility customers for water, wastewater and solid waste services. Capital contributions including infrastructure contributed by developers accounted for \$4.4 million of revenue during fiscal year 2009.

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## Revenues by Source – Governmental Activities



**Expenses and Program Revenues – Governmental Activities**



For the most part, increases in expenses closely paralleled inflation and population growth and its effect on the demand for services. Expenses grew by approximately 10% while the population grew by 13%.

**Business-type activities.** Business-type activities increased the City of Pflugerville’s net assets by \$3.4 million. Charges for services for business-type activities increased by 11% during fiscal year 2009. This increase can be attributed to an increase in water usage from a severe drought that occurred in the area and the annexation of numerous homes for which the City now provides solid waste services.

**Financial Analysis of the City’s Funds**

As noted earlier, the City of Pflugerville, Texas, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

*Governmental funds.* The focus of the City of Pflugerville’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Pflugerville’s financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Pflugerville’s governmental funds reported a combined ending fund balance of \$26,263,490, an increase of \$8,963,804 in comparison with the fiscal year beginning fund balance. This increase in fund balance is directly related to issuing bonds to fund capital projects (capital projects fund). Approximately 36.9% of this total amount (\$9,677,632) constitutes unreserved, undesignated fund balance, which is available for spending at the government’s discretion. The remainder of fund balance is reserved or designated to indicate that it is not available for new spending because it has already been committed: 1) to pay for capital projects (\$14,862,683); or 2) for debt service purposes (\$1,723,445).

*Governmental funds.* (continued)

The general fund is the chief operating fund of the City of Pflugerville. At the end of the current fiscal year, unreserved, undesignated fund balance of the general fund was \$9,397,669. In the FY 2010 budget, \$2.5 million of fund balance will be used for one-half of a \$5.0 million payment to NewQuest Properties (Stone Hill Town Center) as stipulated in its economic development agreement with the City. The other half of the payment will be paid out of bond proceeds. There were no reserved or designated amounts. As a measure of the general fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Unreserved, undesignated fund balance, which is also the total fund balance, represents 46.7% of total general fund expenditures.

The fund balance of the City of Pflugerville's general fund increased by \$1,920,733 during the current fiscal year. The instability of the economy during FY 2009 affected development revenue and sales tax revenue. Cost cutting measures were implemented mid-year to mitigate the loss of revenue.

The special revenue fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes. These include funds received from the U. S. Department of Justice, and the Justice Department of the State of Texas for the City's equitable share of proceeds from seized and forfeited property; fees for child safety; and fees for training and technology.

The debt service fund is used to account for the accumulation of resources for, and payment of, general long-term debt principal and interest. On September 30, 2009, this fund had a total fund balance of \$1,848,576. The increase in fund balance was due to increased property tax revenue received from delinquent accounts.

The capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by the proprietary funds.

*Proprietary funds.* The City of Pflugerville's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Utility Fund at the end of the year amounted to \$10,145,374. The total growth in net assets was \$2,361,163. This increase was a direct result of developer contributions of infrastructure.

### **General Fund Budgetary Highlights**

The following is a brief review of the budgetary changes from the original to the final budget.

The City approved two general fund budget amendments during fiscal year 2009. These amendments increased the overall budgeted expenditures by \$454,291 from the original budget, a 2.1% increase. This increase was offset by revenues received in excess of the original budget, capital grants and contributions, escrowed funds, and fund balance. The main component of the increase was for construction of a park at Lake Pflugerville. The expense for this project was supplemented by a grant from the Lower Colorado River Association; a grant from the Pflugerville Community Development Corporation; and escrow funds dedicated to park improvements.

Overall, the general fund expenditures were under budget by 10.7%. Revenues received were \$1,411,625 under the budgeted amount. This was directly attributable to the slowdown in development activity and subsequent reduction in development revenue. The fiscal year ended with net revenue of \$1,920,733.

**Capital Asset and Debt Administration**

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities as of September 30, 2009, amounts to \$343,050,802. This investment in capital assets includes land, buildings, machinery and equipment, park facilities, streets, water and wastewater facilities, and infrastructure. The total increase in the City of Pflugerville's investment in capital assets for the current fiscal year was 1%.

Major capital asset events during the current fiscal year included the following:

- ❖ The Pfennig Lane Booster pump was substantially completed.
- ❖ East Pecan Street widening from Immanuel Road to SH 130 was completed and opened for traffic.
- ❖ The construction of Pflugerville Parkway west from Railroad Avenue to Greenlawn Boulevard will continue with additional federal funds administered by the Texas Department of Transportation.
- ❖ Numerous street projects, including widening and rerouting of existing streets and construction of new streets, are in progress.
- ❖ The Wilbarger Creek Regional Detention project continued.
- ❖ An expansive park project on the north shore of Lake Pflugerville was substantially completed and includes a swimming beach, a pavilion, and numerous other amenities.

**City of Pflugerville's Capital Assets  
 (net of depreciation)**

	Governmental activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 2,843,861	\$ 1,215,136	\$ 5,731,282	\$ 4,981,282	\$ 8,575,143	\$ 6,196,418
Buildings and improvements	33,566,179	28,875,181	11,300,883	11,718,881	44,867,062	40,594,062
Machinery and equipment	2,291,899	1,978,154	1,096,021	909,701	3,387,920	2,887,855
Infrastructure	153,134,004	160,437,826	120,298,444	118,259,991	273,432,448	278,697,817
Construction in progress	12,414,084	10,588,604	374,145	1,020,291	12,788,229	11,608,895
<b>Total</b>	<b>\$ 204,250,027</b>	<b>\$ 203,094,901</b>	<b>\$ 138,800,775</b>	<b>\$ 136,890,146</b>	<b>\$ 343,050,802</b>	<b>\$ 339,985,047</b>

The City's financial policies mandate maintenance and repair of the City's capital assets and infrastructure. The City budgets for on-going street maintenance projects in addition to staff costs and other maintenance costs of the street department.

Utility infrastructure maintenance is budgeted within the Utility Fund. For fiscal year 2009, funding for water and wastewater services infrastructure maintenance was \$448,349.

Additional information on the City of Pflugerville's capital assets can be found in Note 3B to the financial statements.

**Long-term Debt.** At September 30, 2009, the City had total bonded debt outstanding of \$142,235,000. Of this amount \$138,435,000 represents bonds secured by the full faith and credit of the government. The remainder of the City of Pflugerville's debt represents bonds secured by specified revenue.

**City of Pflugerville's Outstanding Debt at Year-End**

	Governmental activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
General obligation bonds	\$ 18,700,000	\$ 16,065,000	\$ -	\$ -	\$ 18,700,000	\$ 16,065,000
Revenue bonds	-	-	3,800,000	4,211,000	3,800,000	4,211,000
Certificates of obligation	46,146,845	35,816,650	73,588,155	74,623,350	119,735,000	110,440,000
<b>Total</b>	<b>\$ 64,846,845</b>	<b>\$ 51,881,650</b>	<b>\$ 77,388,155</b>	<b>\$ 78,834,350</b>	<b>\$ 142,235,000</b>	<b>\$ 130,716,000</b>

The City of Pflugerville's total debt increased by \$11,519,000 (8.8%) during the current fiscal year. The key factors in this increase were an \$11,500,000 combination tax and revenue bond issued for the City of Pflugerville's General Fund and a \$3,000,000 general obligation bond issue. The combination tax and revenue bonds were issued to fund improvements to Pflugerville Parkway West, and various other street, drainage and detention projects.

The State of Texas limits the legal amount of tax levy available for general obligation debt service to \$1.50 per \$100 valuation. The City of Pflugerville's 2009 debt levy equaled \$0.1769 per \$100 assessed valuation, or 14.2% of the maximum allowed.

Additional information about the City's long-term debt is presented in Note 3D to the financial statements.

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

The population of the City of Pflugerville increased by 13% during fiscal year 2009. Annexations account for a majority of the increase and additional annexations will continue through 2010. In utilities, water customers grew by 3.9% and wastewater customers grew by 3.7%. During fiscal year 2009 twelve stores opened in Stone Hill Town Center. Major retail outlets opened include Super Target, Best Buy, Dick's Sporting Goods, Petco, and Rack Room Shoes. Other retail and commercial projects will follow these major stores and benefit the economy of the City of Pflugerville. NewQuest Properties continues construction on this mixed-use development at the intersection of State Highway 130 and State Highway 45. The City has increased its water and wastewater capacities to serve the areas in this growth corridor. The Pflugerville Community Development Corporation continues to make concerted marketing efforts to attract more commercial development along these two roadways. All of these factors were considered in preparing the City of Pflugerville's budget for the 2010 fiscal year.

At the end of the 2009 fiscal year, unreserved, undesignated fund balance in the general fund increased to \$9,397,669. As stated earlier, \$2.5 million of this balance will be used to pay a portion of the \$5.0 million payment (total incentive is \$14.2 million) due to NewQuest in FY 2010 as part of its economic development agreement with the City. The fiscal year 2010 budget will be balanced without requiring a transfer from fund balance.

Water and wastewater rates were not adjusted in 2009. A rate study was conducted and results forecast no rate increase at the present time. An annual review of the rates will be conducted. There is no adjustment of water or wastewater rates anticipated in fiscal year 2009-2010.

**Contacting the City's Financial Management**

This report is designed to provide City Council, citizens, customers, bond rating agencies, investors and creditors with a general overview of the City's finances. If you have questions about this report or need additional financial information, contact:

Finance Department  
City of Pflugerville  
100 East Main, Suite 100  
Pflugerville, TX 78660  
(512) 990-6100

[www.cityofpflugerville.com](http://www.cityofpflugerville.com)

# **BASIC FINANCIAL STATEMENTS**



# CITY OF PFLUGERVILLE, TEXAS

## STATEMENT OF NET ASSETS

SEPTEMBER 30, 2009

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Pflugerville Community Development Corporation
<b>ASSETS</b>				
Cash and investments	\$ 10,537,558	\$ 8,274,479	\$ 18,812,037	\$ 2,923,757
Receivables (net of allowance)	2,858,939	2,899,272	5,758,211	352,273
Internal balances	355,055	( 355,055)	-	-
Due from component unit	22,403	-	22,403	-
Deferred charges	1,029,589	590,691	1,620,280	-
Restricted assets:				
Restricted cash and investments	15,776,083	10,553,357	26,329,440	-
Capital assets, not being depreciated:				
Land	2,843,861	5,731,282	8,575,143	5,439,152
Construction in progress	12,414,084	374,145	12,788,229	-
Capital assets, net of depreciation:				
Buildings and improvements	33,566,179	11,300,883	44,867,062	-
Machinery and equipment	2,291,899	1,096,021	3,387,920	11,732
Infrastructure and system	153,134,004	120,298,444	273,432,448	-
Total assets	234,829,654	160,763,519	395,593,173	8,726,914
<b>LIABILITIES</b>				
Accounts payable	673,865	846,702	1,520,567	420,430
Wages payable	362,574	51,196	413,770	-
Customer deposits and escrow payable	1,589,489	632,575	2,222,064	-
Accrued interest payable	527,960	652,306	1,180,266	26,236
Noncurrent liabilities:				
Due within one year	1,889,705	1,610,041	3,499,746	-
Due in more than one year	63,539,876	76,107,816	139,647,692	4,800,000
Total liabilities	68,583,469	79,900,636	148,484,105	5,246,666
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	153,437,079	61,139,432	214,576,511	650,884
Restricted for capital projects	-	8,751,518	8,751,518	-
Restricted for debt service	1,848,576	826,559	2,675,135	-
Unrestricted	10,960,530	10,145,374	21,105,904	2,829,364
Total net assets	\$ 166,246,185	\$ 80,862,883	\$ 247,109,068	\$ 3,480,248

The accompanying notes are an integral part of these financial statements.

**CITY OF PFLUGERVILLE, TEXAS**

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED SEPTEMBER 30, 2009**

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government</b>				
Governmental activities:				
General government	\$ 4,902,523	\$ 837,093	\$ -	\$ -
Public safety	9,435,039	2,710,249	30,438	-
Public works and streets	11,098,919	-	-	3,214,485
Culture and recreation	3,562,855	736,408	57,048	703,953
Interest and fiscal charges	3,005,224	-	-	-
Total governmental activities	<u>32,004,560</u>	<u>4,283,750</u>	<u>87,486</u>	<u>3,918,438</u>
Business-type activities:				
Water and wastewater	18,015,865	16,287,230	-	4,403,495
Solid waste	2,815,938	2,855,524	-	-
Total business-type activities	<u>20,831,803</u>	<u>19,142,754</u>	<u>-</u>	<u>4,403,495</u>
Total primary government	<u>\$ 52,836,363</u>	<u>\$ 23,426,504</u>	<u>\$ 87,486</u>	<u>\$ 8,321,933</u>
<b>Component unit</b>				
Pflugerville Community				
Development Corporation	<u>\$ 2,625,651</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**General revenues:**

- Taxes:
  - Property taxes
  - Sales taxes
  - Franchise taxes
  - Mixed beverage taxes
  - Investment income
  - Other income
  - Gain on sale of capital assets
- Transfers
- Total general revenues and transfers

Change in net assets

Net assets - beginning

Prior period adjustment

Net assets - beginning, restated

Net assets - ending

**The accompanying notes are an integral part of these financial statements.**

Net (Expense) Revenue and Changes in Net Assets			Component Unit
Primary Government			
Governmental Activities	Business-type Activities	Total	Pflugerville Community Development Corporation
\$( 4,065,430)	\$ -	\$( 4,065,430)	
( 6,694,352)	-	( 6,694,352)	
( 7,884,434)	-	( 7,884,434)	
( 2,065,446)	-	( 2,065,446)	
( 3,005,224)	-	( 3,005,224)	
<u>( 23,714,886)</u>	<u>-</u>	<u>( 23,714,886)</u>	
-	2,674,860	2,674,860	
-	39,586	39,586	
<u>-</u>	<u>2,714,446</u>	<u>2,714,446</u>	
<u>( 23,714,886)</u>	<u>2,714,446</u>	<u>( 21,000,440)</u>	
			<u>\$( 2,625,651)</u>
15,270,534	-	15,270,534	-
3,213,139	-	3,213,139	1,121,912
2,438,209	-	2,438,209	-
26,256	-	26,256	-
201,873	146,717	348,590	70,414
187,451	-	187,451	-
-	-	-	117,877
500,000	( 500,000)	-	-
<u>21,837,462</u>	<u>( 353,283)</u>	<u>21,484,179</u>	<u>1,310,203</u>
( 1,877,424)	2,361,163	483,739	( 1,315,448)
168,543,726	78,501,720	247,045,446	4,791,696
( 420,117)	-	( 420,117)	-
<u>168,123,609</u>	<u>78,501,720</u>	<u>246,625,329</u>	<u>4,795,696</u>
<u>\$ 166,246,185</u>	<u>\$ 80,862,883</u>	<u>\$ 247,109,068</u>	<u>\$ 3,480,248</u>

**CITY OF PFLUGERVILLE, TEXAS**

**BALANCE SHEET**

**GOVERNMENTAL FUNDS**

**AS OF SEPTEMBER 30, 2009**

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental</u>
<b>ASSETS</b>					
Cash and investments	\$ 8,726,279	\$ 281,129	\$ -	\$ 1,530,150	\$ 10,537,558
Taxes receivable	945,104	-	125,131	-	1,070,235
Other receivables	229,532	414	-	1,267,147	1,497,093
Due from other funds	369,088	-	11,085	-	380,173
Due from component unit	22,403	-	-	-	22,403
Restricted investments	<u>-</u>	<u>-</u>	<u>1,712,360</u>	<u>14,063,723</u>	<u>15,776,083</u>
 Total assets	 <u>\$ 10,292,406</u>	 <u>\$ 281,543</u>	 <u>\$ 1,848,576</u>	 <u>\$ 16,861,020</u>	 <u>\$ 29,283,545</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 276,875	\$ 1,850	\$ -	\$ 395,140	\$ 673,865
Wages payable	362,574	-	-	-	362,574
Due to other funds	11,410	-	-	13,708	25,118
Escrow payable	-	-	-	1,589,489	1,589,489
Deferred revenue	<u>243,878</u>	<u>-</u>	<u>125,131</u>	<u>-</u>	<u>369,009</u>
Total liabilities	<u>894,737</u>	<u>1,850</u>	<u>125,131</u>	<u>1,998,337</u>	<u>3,020,055</u>
Fund balances:					
Reserved for:					
Debt service	-	-	1,723,445	-	1,723,445
Unreserved, reported in:					
General fund	9,397,669	-	-	-	9,397,669
Special revenue fund	-	279,693	-	-	279,693
Capital projects fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,862,683</u>	<u>14,862,683</u>
Total fund balances	<u>9,397,669</u>	<u>279,693</u>	<u>1,723,445</u>	<u>14,862,683</u>	<u>26,263,490</u>
 Total liabilities and fund balances	 <u>\$ 10,292,406</u>	 <u>\$ 281,543</u>	 <u>\$ 1,848,576</u>	 <u>\$ 16,861,020</u>	 <u>\$ 29,283,545</u>

**The accompanying notes are an integral part of these financial statements.**

## CITY OF PFLUGERVILLE, TEXAS

### RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS

AS OF SEPTEMBER 30, 2009

Fund balances of governmental funds	\$ 26,263,490
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.	204,250,027
Bonds payable are not due and payable in the current period and therefore have not been included in the fund financial statements.	( 64,846,845)
The net OBEP obligation is not due and payable in the current period and therefore has not been included in the fund financial statements.	( 112,580)
Accrued liabilities for compensated absences are not due and payable in the current period and therefore have not been included in the fund financial statements.	( 485,325)
Interest payable on long-term debt is accrued in the government-wide financial statements, whereas in the fund financial statements, interest expenditures are reported when due.	( 527,960)
Bond issuance costs are recorded as expenditures when paid in the fund financial statements but are capitalized and amortized in the government-wide financial statements.	1,029,589
Premiums and discounts on bond issuances are recorded as other financing sources and uses when paid in the fund financial statements but are capitalized and amortized in the government-wide financial statements over the life of the bonds.	15,169
Receivables from property taxes (\$369,009) and fines (\$291,611) are not available soon enough to pay for the current period's expenditures and are, therefore, deferred in the funds.	<u>660,620</u>
Net assets of governmental activities	<u>\$ 166,246,185</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF PFLUGERVILLE, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental
<b>REVENUES</b>					
Taxes:					
Property	\$ 10,742,315	\$ -	\$ 4,349,930	\$ -	\$ 15,092,245
Franchise	2,438,209	-	-	-	2,438,209
Sales	3,213,139	-	-	-	3,213,139
Mixed beverage	26,256	-	-	-	26,256
Licenses and permits	588,416	21,591	-	-	610,007
Intergovernmental	455,064	5,882	-	3,031,179	3,492,125
Fines and forfeitures	968,771	83,788	-	-	1,052,559
Investment income	91,195	648	15,162	94,868	201,873
Charges for services	2,495,620	-	-	-	2,495,620
Deutschen Pfest income	-	88,868	-	-	88,868
Other income	<u>529,659</u>	<u>5,276</u>	<u>-</u>	<u>-</u>	<u>534,935</u>
Total revenues	<u>21,548,644</u>	<u>206,053</u>	<u>4,365,092</u>	<u>3,126,047</u>	<u>29,245,836</u>
<b>EXPENDITURES</b>					
Current:					
General government	4,486,866	2,521	-	-	4,489,387
Public safety	8,808,421	80,483	-	-	8,888,904
Public works and streets	1,909,833	-	-	-	1,909,833
Culture and recreation	3,039,136	135,032	-	-	3,174,168
Debt service:					
Agent fees/issuance costs	-	-	3,238	504,415	507,653
Interest	-	-	2,847,432	-	2,847,432
Principal retirement	-	-	1,534,505	-	1,534,505
Capital outlay	<u>1,896,417</u>	<u>-</u>	<u>-</u>	<u>9,472,236</u>	<u>11,368,653</u>
Total expenditures	<u>20,140,673</u>	<u>218,036</u>	<u>4,385,175</u>	<u>9,976,651</u>	<u>34,720,535</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>					
	<u>1,407,971</u>	<u>( 11,983)</u>	<u>( 20,083)</u>	<u>( 6,850,604)</u>	<u>( 5,474,699)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	500,000	-	-	-	500,000
Proceeds from sale of capital assets	7,028	-	-	-	7,028
Discount on issuance of bonds	-	-	-	( 154,142)	( 154,142)
Issuance of long-term debt	-	-	-	14,500,000	14,500,000
Insurance recoveries	<u>5,734</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,734</u>
Total other financing sources and uses	<u>512,762</u>	<u>-</u>	<u>-</u>	<u>14,345,858</u>	<u>14,858,620</u>
<b>NET CHANGE IN FUND BALANCES</b>	1,920,733	( 11,983)	( 20,083)	7,495,254	9,383,921
<b>FUND BALANCES, BEGINNING</b>	7,837,714	291,676	1,743,528	7,426,768	17,299,686
<b>PRIOR PERIOD ADJUSTMENT</b>	( 360,778)	-	-	( 59,339)	( 420,117)
<b>FUND BALANCES, BEGINNING, RESTATED</b>	<u>7,476,936</u>	<u>291,676</u>	<u>1,743,528</u>	<u>7,367,429</u>	<u>16,879,569</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 9,397,669</u>	<u>\$ 279,693</u>	<u>\$ 1,723,445</u>	<u>\$ 14,862,683</u>	<u>\$ 26,263,490</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF PFLUGERVILLE, TEXAS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**

Net change in fund balances - total governmental funds	\$ 9,383,921
Amounts reported for governmental activities in the Statement of Activities are different	
Current year capital outlays are expenditures in the fund statements but are shown as increases in capital assets in the government-wide financial statements. The effect of removing capital outlays is to increase net assets.	11,211,252
Depreciation is not recognized as an expenditure in governmental funds since it does not require the use of current financial resources. The effect of recording current year depreciation is to decrease net assets.	( 10,207,126)
The issuance of bonds payable is reported as other financing sources in the fund financial statements but is shown as increases in long-term debt in the government-wide financial statements.	( 14,500,000)
Long-term debt principal payments are expenditures in the fund financial statements but are shown as reductions in long-term debt in the government-wide financial statements.	1,534,505
Increases to liabilities for compensated absences are not shown in the fund financial statements. The net effect of the current year's increase is to decrease net assets.	( 59,938)
Interest payable on long-term debt is accrued in the government-wide financial statements, whereas in the fund financial statements, interest expense is reported when due. The increase in interest accrual from 2008 to 2009 decreases net assets.	( 108,325)
Increases to liabilities for OPEB are not shown in the fund financial statements. The net effect of the current year's increase is to decrease net assets.	( 112,579)
Bond issuance costs are expended in the fund financial statements when paid but are capitalized and amortized in the government-wide financial statements.	459,420
Discounts and premiums on bond issuances are recorded as an other financing source or use when received in the fund financial statements but are deferred and amortized in the government-wide financial statements.	152,908
Revenues from property taxes and fines are deferred in the fund financial statements until they are considered available to fund current expenditures, but such revenues are recognized in the government-wide statements.	<u>217,538</u>
Change in net assets of governmental activities	<u>\$ ( 1,877,424)</u>

**The accompanying notes are an integral part of these financial statements.**

**CITY OF PFLUGERVILLE, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Taxes:				
Property	\$ 10,863,677	\$ 10,863,677	\$ 10,742,315	\$( 121,362)
Franchise	2,613,095	2,613,095	2,438,209	( 174,886)
Sales	3,203,306	3,203,306	3,213,139	9,833
Mixed beverage	32,560	32,560	26,256	( 6,304)
Licenses and permits	1,611,000	1,611,000	588,416	( 1,022,584)
Intergovernmental/grants	160,219	468,239	455,064	( 13,175)
Fines and forfeitures	868,728	915,969	968,771	52,802
Interest income	200,000	200,000	91,195	( 108,805)
Charges for services	2,519,165	2,519,165	2,495,620	( 23,545)
Other income	157,596	533,258	529,659	( 3,599)
Total revenues	<u>22,229,346</u>	<u>22,960,269</u>	<u>21,548,644</u>	<u>( 1,411,625)</u>
<b>EXPENDITURES</b>				
Current:				
General government	5,066,840	5,117,725	4,486,866	630,859
Public safety	9,869,157	9,869,157	8,808,421	1,060,736
Public works and streets	2,570,627	2,220,627	1,909,833	310,794
Culture and recreation	3,341,982	3,351,134	3,039,136	311,998
Capital outlay	1,250,262	1,994,516	1,896,417	98,099
Total expenditures	<u>22,098,868</u>	<u>22,553,159</u>	<u>20,140,673</u>	<u>2,412,486</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>130,478</u>	<u>407,110</u>	<u>1,407,971</u>	<u>1,000,861</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	500,000	500,000	500,000	-
Sale of capital assets	500	1,895	7,028	5,133
Insurance recoveries	-	-	5,734	5,734
Total other financing sources and uses	<u>500,500</u>	<u>501,895</u>	<u>512,762</u>	<u>10,867</u>
<b>NET CHANGE IN FUND BALANCES</b>	630,978	909,005	1,920,733	1,011,728
<b>FUND BALANCE, BEGINNING</b>	7,837,714	7,837,714	7,837,714	-
<b>PRIOR PERIOD ADJUSTMENT</b>	-	-	( 360,778)	( 360,778)
<b>FUND BALANCES, BEGINNING, RESTATED</b>	<u>7,837,714</u>	<u>7,837,714</u>	<u>7,476,936</u>	<u>( 360,778)</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 8,468,692</u>	<u>\$ 8,746,719</u>	<u>\$ 9,397,669</u>	<u>\$ 650,950</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF PFLUGERVILLE, TEXAS**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2009**

	Enterprise Fund
	Utility
<b>ASSETS</b>	
Current assets:	
Cash and investments	\$ 8,274,479
Due from other funds	325
Restricted cash and investments	1,360,307
Accounts receivable, net	<u>2,899,272</u>
Total current assets	<u>12,534,383</u>
Non-current assets:	
Restricted cash and investments:	
Revenue bond covenant accounts	1,221,383
Impact fees	7,971,667
Bond issuance costs, net	590,691
Capital assets:	
Land	5,731,282
Buildings and improvements	13,209,340
Equipment	3,230,319
Infrastructure and system	145,691,175
Construction in progress	374,145
Less accumulated depreciation	<u>( 29,435,486)</u>
Total capital assets, net of accumulated depreciation	<u>138,800,775</u>
Total non-current assets	<u>148,584,516</u>
Total assets	<u>161,118,899</u>
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable	846,702
Wages payable	51,196
Due to other funds	355,380
Compensated absences payable	7,681
Customer deposits	632,575
Accrued interest payable	652,306
Tax and revenue bonds payable - current	<u>1,602,360</u>
Total current liabilities	<u>4,148,200</u>
Non-current liabilities	
Tax and revenue bonds payable	76,058,983
Compensated absences payable	30,723
Net OPEB obligation	<u>18,110</u>
Total non-current liabilities	<u>76,107,816</u>
Total liabilities	<u>80,256,016</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	61,139,432
Restricted for capital projects	8,751,518
Restricted for debt service	826,559
Unrestricted	<u>10,145,374</u>
Total net assets	<u>\$ 80,862,883</u>

**The accompanying notes are an integral part of these financial statements.**

**CITY OF PFLUGERVILLE, TEXAS**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	Enterprise Fund
	Utility
<b>OPERATING REVENUE</b>	
Charges for sales and services:	
Water sales	\$ 10,752,853
Wastewater sales	5,338,220
Solid waste sales	2,855,524
Other income	<u>196,157</u>
Total operating revenues	<u>19,142,754</u>
<b>OPERATING EXPENSES</b>	
Utility administration	1,899,320
Water operations	6,695,330
Wastewater operations	1,917,794
Solid waste operations	2,815,938
Depreciation and amortization	<u>3,630,374</u>
Total operating expenses	<u>16,958,756</u>
<b>OPERATING INCOME</b>	<u>2,183,998</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Investment income	146,717
Interest expense and fees	<u>( 3,873,047)</u>
Total nonoperating revenues (expenses)	<u>( 3,726,330)</u>
<b>INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<u>( 1,542,332)</u>
<b>CAPITAL CONTRIBUTIONS</b>	4,403,495
<b>TRANSFERS OUT</b>	<u>( 500,000)</u>
<b>CHANGE IN NET ASSETS</b>	2,361,163
<b>TOTAL NET ASSETS, BEGINNING</b>	<u>78,501,720</u>
<b>TOTAL NET ASSETS, ENDING</b>	<u>\$ 80,862,883</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF PFLUGERVILLE, TEXAS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	Enterprise Fund
	Utility
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 18,685,093
Payments to or on behalf of employees	( 1,861,627)
Payments to suppliers	( 11,617,277)
Net cash provided by operating activities	5,206,189
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Payments to other funds	( 500,000)
Payments from other funds	351,604
Net cash used by noncapital financing activities	( 148,396)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition of capital assets	( 1,148,083)
Principal paid on bonds	( 1,531,495)
Interest paid on bonds	( 3,858,683)
Net cash used by capital and related financing activities	( 6,538,261)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from sale of investments	1,731,781
Interest received	146,717
Net cash provided by investing activities	1,878,498
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	398,030
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	867,412
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	\$ 1,265,442
<b>RECONCILIATION TO STATEMENT OF NET ASSETS</b>	
Cash and cash equivalents	\$ 1,265,442
Investments	17,562,394
Total cash and investments	18,827,836
<b>REPORTED AS:</b>	
Cash and investments	\$ 8,274,479
Restricted cash and investments	10,553,357
Total cash and investments	\$ 18,827,836

(continued)

**CITY OF PFLUGERVILLE, TEXAS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**(Continued)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	Enterprise Fund
	Utility Business-type Activities
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	
Operating income	\$ 2,183,998
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation and amortization	3,630,374
(Increase) decrease in accounts receivable	( 459,911)
Increase (decrease) in accounts payable	( 173,362)
Increase (decrease) in customer deposits	2,250
Increase (decrease) in accrued liabilities	22,840
Net cash provided by operating activities	\$ 5,206,189
<b>NONCASH INVESTING AND FINANCING ACTIVITIES</b>	
Infrastructure contributed by developers	\$ 4,403,495

The accompanying notes are an integral part of these financial statements.

# **NOTES TO FINANCIAL STATEMENTS**



# CITY OF PFLUGERVILLE, TEXAS

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2009

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Pflugerville, Texas (the City) was incorporated in 1965, under the provisions of the State of Texas. The City operates under a Council-Manager form of government and provides the following services: public safety (police and building inspection), streets, public improvements, general administrative services, culture and recreation, and water, wastewater, and solid waste services.

The financial statements of the City are prepared in accordance with generally accepted accounting principles (GAAP). The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

#### A. Reporting Entity

The City, for financial purposes, includes all of the funds relevant to the operations of the City. As required by generally accepted accounting principles, these financial statements present the City and a component unit for which the City is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

##### **Discretely Presented Component Unit**

***Pflugerville Community Development Corporation (PCDC).*** The City adopted (through the election process) an optional ½ cent sales tax for economic development purposes. The Corporation is a nonprofit corporation specifically governed by Section 4B of the Development Corporation Act of 1979, as amended. The purpose of the PCDC is to promote economic development within the City of Pflugerville. The seven-member Board of Directors is appointed by the City Council. The Board is regularly accountable to the City Council for all activities undertaken by them or on their behalf and the City has the ability to impose its will on the Board. Complete financial statements for the PCDC may be obtained at the entity's administrative offices.

#### B. Government-wide Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. *Governmental activities*, which normally are supported by taxes and intergovernmental revenue, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenue* includes 1) charges to customers or applicants 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 revenue are reported instead as *general revenue*.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**C. 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 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 revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenue to be available if 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 compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, sales taxes, certain charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The **General Fund** is the general operating fund of the City. It is used to account for all financial resources of the general government, except those required to be accounted for in another fund.

The **Special Revenue Fund** is used to account for the proceeds of specific revenue sources (other than major capital projects) that are restricted to expenditures for specified purposes, such as the Deutschen Pfest, drug seizure funds, and grant monies.

The **Debt Service Fund** is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

The **Capital Projects Fund** is used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by the proprietary fund types. Such resources are derived from proceeds of general obligation bonds or other sources of revenue specifically set aside for capital projects.

The City reports the following major proprietary fund type:

The **Utility Fund** accounts for the City's water, wastewater, and solid waste utilities, including operations, maintenance of the infrastructure and expansion of the system within the City's service territory.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation** (Continued)

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* 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 City's Utility Fund are charges to customers for sales and services. Operating expenses include cost of services and depreciation expense on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

**D. Assets, Liabilities, and Net Assets or Equity**

**Cash and Cash Equivalents**

For purposes of the statement of cash flows for the proprietary fund types, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

**Investments**

Investments are reported at fair value, and the changes in the fair value of investments are recognized as investment revenue.

**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 "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." All trade and property tax receivables are shown net of an allowance for uncollectibles.

**Restricted Assets and Payable from Restricted Assets**

Certain resources have been set aside for the repayment of proprietary fund type revenue bonds. The assets and related payables are classified as restricted because their use is limited by applicable bond covenants. Also included in restricted assets are capital recovery fees (impact fees) that are, by law, restricted for future capital improvements; and assets set aside for construction of future debt funded capital improvements.

**Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at their historical cost or estimated historical cost if actual historical cost is not available. Contributed assets are recorded at estimated fair market value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives are not capitalized. Improvements which extend asset lives are capitalized and depreciated over the useful lives of the related assets, as applicable. Capital assets are capitalized if they have an original cost of \$5,000 or more and an expected useful life of over two years. When property or equipment is retired from service or otherwise disposed of, the cost and related accumulated depreciation are removed and any resulting gain or loss is reported in the statement of activities or in the proprietary fund financial statements.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

D. **Assets, Liabilities, and Net Assets or Equity** (Continued)

**Capital Assets** (Continued)

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. No interest expense was capitalized in the enterprise fund during the 2009 fiscal year.

Infrastructure capital assets, such as streets, sidewalks, curbs and gutters, sewers and drainage systems, built and/or acquired since fiscal year 1960 are included.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range as follows:

<u>Assets</u>	<u>Years</u>
Buildings	30
Utility distribution system	20-50
Streets and public domain infrastructure Improvements	15-50
Equipment	15
	10

**Long-term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

**Bond Issuance Costs**

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period in the fund financial statements. Bond proceeds are reported as an "other financing source." Bond issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. For proprietary fund types and in the government-wide financial statements, premiums and discounts, as well as issuance costs, are reported as deferred charges and amortized over the life of the related debt. Bonds payable are reported net of the applicable bond premium or discount.

**Compensated Absences**

Accumulated earned but unused vacation is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**Reserves and Designations of Fund Equity**

In the fund financial statements, governmental funds report reservations 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. Amounts restricted for revenue bond debt service represent portions of net assets which are required to be segregated in accordance with the City's bond requirements.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities, and Net Assets or Equity (Continued)**

**Use of Estimates**

The preparation 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 and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

**Property Taxes**

Property is appraised and a lien on such property becomes enforceable as of January 1<sup>st</sup> of each year. Taxes are levied on and payable the following October 1. Taxes become delinquent February 1 of the following year and are subject to interest and penalty charges. The City is permitted by the State of Texas to levy taxes up to \$2.50 per \$100 of assessed valuation for general government services and for the payment of principal and interest on general long-term debt. The combined current tax rate to finance general government services, including debt service for the fiscal year ended September 30, 2009, was \$.614 per \$100 of assessed valuation.

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

The City Council follows these procedures in establishing the budgets reflected in the financial statements:

Ninety days prior to the beginning of each fiscal year, the City Manager submits to the City Council a proposed budget for the fiscal year beginning on the following October 1. The operating budget includes proposed expenditures and the means of financing them. Work sessions are conducted to obtain Council Members' comments, and public hearings are conducted to obtain citizens' comments. The budget is legally enacted by the City Council through the adoption of an ordinance prior to the beginning of the fiscal year. The City Manager is authorized to transfer budgeted amounts of operation and maintenance line items between departments within a fund. Any revisions that alter the total expenditures or the capital outlays of any fund must be approved by the City Council. A legally approved budget is not adopted for the Capital Projects Fund because expenditures in this fund are limited to the funds available from long-term debt issuances.

Formal budget integration is employed as a management control device during the year for the General Fund. Formal budgetary integration is not employed for the Debt Service Fund because effective budgetary control is alternatively achieved through general obligation bond indenture. The budget for the General Fund is adopted on a budgetary basis. The budgetary comparison schedule presented in this report is also on a budgetary basis. The primary adjustment to generally accepted accounting principles (GAAP) is removal of budgeted fund balance transfers. A legally approved budget is not adopted for the Special Revenue Fund. The Special Revenue Fund is expended at the discretion of the appropriate department manager.

**3. DETAILED NOTES ON ALL FUNDS**

**A. Cash and Investments**

*Custodial Credit Risk.* Deposits (cash and certificates of deposit) in financial institutions are carried at cost which approximates fair value. At September 30, 2009, \$1,937,307 of the City's deposits were collateralized with pledged securities held by the City's depository agent in the City's name. The remaining balance, \$250,000, was covered by FDIC insurance.

3. DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash and Investments (Continued)

State statutes authorize the City to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) other obligations, the principal of and interest on which are unconditionally guaranteed by the State of Texas or the United States; (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (5) certificates of deposit by state and national banks domiciled in this state that are (a) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or (b) secured by obligations that are described by (1) – (4); (6) fully collateralized direct repurchase agreements having a defined termination date, secured by obligations described by (1), pledged with a third party selected or approved by the City, and placed through a primary government securities dealer.

Following are the City's investments at September 30, 2009:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
Lone Star Investment Pool - liquidity fund	\$ 2,146,794	48
TexPool	<u>41,661,503</u>	43
Total Investments	<u>\$ 43,808,297</u>	43

Investment pools are not categorized as to investment risk since specific securities relating to the City cannot be identified. Under the TexPool Participation Agreement, administrative and investment services to TexPool are provided by Federated Investors, Inc. through an agreement with the State of Texas Comptroller of Public Accounts. The State Comptroller is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company authorized to operate TexPool. Lone Star Investment Pool uses an independent, third party bank, The Bank of New York Mellon, for custody and valuation services. The bank settles all trades for the Pool and secures and values its assets every day. American Beacon Advisors and The Bank of New York Mellon Cash Investment Strategies provide investment management services to the Pool. The fair value of the City's position in these pools is the same as the value of the pool shares.

*Interest Rate Risk.* In accordance with its investment policy, the City manages its exposure to declines in fair market values by limiting 20% of the weighted average maturity of the City's investment portfolio for a period of greater than one year. The maximum allowable stated maturity of any individual investment owned by the City shall not exceed two years from the time of purchase. However, the maximum dollar-weighted maturity of local government investment pools may not exceed 90 days.

*Credit Risk.* State law and City policy limit investments in local government investment pools to those rated no lower than AAA or an equivalent rating by at least one nationally recognized rating by at least one nationally recognized rating service. As of September 30, 2009, the City's investments in Lone Star and TexPool were both rated AAAM by Standard & Poor's.

### 3. DETAILED NOTES ON ALL FUNDS (Continued)

#### B. Capital Assets

A summary of changes in capital assets follows:

##### Primary Government

	Beginning Balance	Additions	Retirements	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,215,136	\$ 1,628,725	\$ -	\$ 2,843,861
Construction in progress	10,588,604	10,249,472	8,423,992	12,414,084
Total assets not being depreciated	<u>11,803,740</u>	<u>11,878,197</u>	<u>8,423,992</u>	<u>15,257,945</u>
Capital assets, being depreciated:				
Buildings and improvements	36,899,019	6,962,892	-	43,861,911
Machinery and equipment	5,673,699	794,155	5,000	6,462,854
Infrastructure	262,935,938	151,000	-	263,086,938
Total capital assets being depreciated	<u>305,508,656</u>	<u>7,908,047</u>	<u>5,000</u>	<u>313,411,703</u>
Less accumulated depreciation:				
Buildings and improvements	8,023,838	2,271,894	-	10,295,732
Machinery and equipment	3,695,545	480,410	5,000	4,170,955
Infrastructure	102,498,112	7,454,822	-	109,952,934
Total accumulated depreciation	<u>114,217,495</u>	<u>10,207,126</u>	<u>5,000</u>	<u>124,419,621</u>
Total capital assets being depreciated, net	<u>191,291,161</u>	<u>( 2,299,079)</u>	<u>-</u>	<u>188,992,082</u>
Governmental activities capital assets, net	<u>\$ 203,094,901</u>	<u>\$ 9,579,118</u>	<u>\$ 8,423,992</u>	<u>\$ 204,250,027</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 4,981,282	\$ 750,000	\$ -	\$ 5,731,282
Construction in progress	1,020,291	2,645,166	3,291,312	374,145
Total assets not being depreciated	<u>6,001,573</u>	<u>3,395,166</u>	<u>3,291,312</u>	<u>6,105,427</u>
Capital assets, being depreciated:				
Buildings and improvements	13,187,361	21,979	-	13,209,340
Machinery and equipment	2,767,425	462,894	-	3,230,319
Infrastructure	140,738,897	4,952,276	-	145,691,173
Total capital assets being depreciated	<u>156,693,683</u>	<u>5,437,149</u>	<u>-</u>	<u>162,130,832</u>
Less accumulated depreciation:				
Buildings and improvements	1,468,479	439,978	-	1,908,457
Machinery and equipment	1,857,725	276,573	-	2,134,298
Infrastructure	22,478,906	2,913,823	-	25,392,729
Total accumulated depreciation	<u>25,805,110</u>	<u>3,630,374</u>	<u>-</u>	<u>29,435,484</u>
Total capital assets being depreciated, net	<u>130,888,573</u>	<u>1,806,775</u>	<u>-</u>	<u>132,695,348</u>
Business-type activities capital assets, net	<u>\$ 136,890,146</u>	<u>\$ 5,201,941</u>	<u>\$ 3,291,312</u>	<u>\$ 138,800,775</u>

3. DETAILED NOTES ON ALL FUNDS (Continued)

B. Capital Assets (Continued)

	Beginning Balance	Additions	Retirements	Ending Balance
<b>Discretely presented component unit:</b>				
Capital assets, not being depreciated:				
Land	\$ 5,711,515	\$ 81,505	\$ 353,868	\$ 5,439,152
Total assets not being depreciated	<u>5,711,515</u>	<u>81,505</u>	<u>353,868</u>	<u>5,439,152</u>
Capital assets, being depreciated:				
Furniture and equipment	16,019	8,290	-	24,309
Total capital assets being depreciated	<u>16,019</u>	<u>8,290</u>	<u>-</u>	<u>24,309</u>
Less accumulated depreciation:				
Furniture and equipment	7,715	4,862	-	12,577
Total accumulated depreciation	<u>7,715</u>	<u>4,862</u>	<u>-</u>	<u>12,577</u>
Total capital assets being depreciated, net	<u>8,304</u>	<u>3,428</u>	<u>-</u>	<u>11,732</u>
Discretely presented component unit activities capital assets, net	<u>\$ 5,719,819</u>	<u>\$ 84,933</u>	<u>\$ 353,868</u>	<u>\$ 5,450,884</u>

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

Governmental activities:		
General government		\$ 234,398
Public safety		480,345
Public works		9,144,173
Culture/recreation		<u>348,210</u>
Total depreciation expense - governmental activities		<u>\$ 10,207,126</u>
Business-type activities:		
Water and sewer		<u>\$ 3,630,374</u>
Total depreciation expense - business-type activities		<u>\$ 3,630,374</u>

C. Interfund Receivables/Payables and Transfers

The composition of interfund receivables/payables as of September 30, 2009, is as follows:

Receivable Fund	Payable Fund	Amount	Purpose
General	Utility	\$ 355,380	Transfer for payables
General	Capital projects	13,708	Transfer for payables
Debt service	General	11,085	Transfer property taxes
Utility	General	325	Adjustment
Transfers In	Transfers Out	Amount	Purpose
General	Utility	\$ 500,000	Management fee

### 3. DETAILED NOTES ON ALL FUNDS (Continued)

#### D. Long-term Debt

The following is a summary of long-term debt transactions of the City for the fiscal year ended September 30, 2009:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
<b>Governmental activities</b>					
General obligation bonds	\$ 51,881,350	\$ 14,500,000	\$ 1,534,505	\$ 64,846,845	\$ 1,792,640
Premium on bond issuance	185,429	-	7,154	178,275	-
Discount on bonds	( 47,690)	( 154,142)	( 8,388)	( 193,444)	-
Compensated absences	425,388	59,937	-	485,325	97,065
Net OPEB obligation	-	112,580	-	112,580	-
Governmental activities long-term liabilities	<u>\$ 52,444,477</u>	<u>\$ 14,518,375</u>	<u>\$ 1,533,271</u>	<u>\$ 65,429,581</u>	<u>\$ 1,889,705</u>
<b>Business-type activities</b>					
Revenue bonds	\$ 78,919,650	-	\$ 1,531,495	\$ 77,388,155	\$ 1,602,360
Premium on bond issuance	283,763	-	10,575	273,188	-
Compensated absences	33,674	4,730	-	38,404	7,681
Net OPEB obligation	-	18,110	-	18,110	-
Business-type activities long-term liabilities	<u>\$ 79,237,087</u>	<u>\$ 22,840</u>	<u>\$ 1,542,070</u>	<u>\$ 77,717,857</u>	<u>\$ 1,610,041</u>
Total long-term debt	<u>\$ 131,681,564</u>	<u>\$ 14,541,215</u>	<u>\$ 3,075,341</u>	<u>\$ 143,147,438</u>	<u>\$ 3,499,746</u>
<b>Discretely presented component unit</b>					
Notes payable	<u>\$ 4,800,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,800,000</u>	<u>\$ -</u>

For the governmental activities, the Debt Service Fund generally has been used to liquidate the general obligation bonds and the General Fund has liquidated compensated absences.

#### General Obligation Debt

The annual requirements to retire general long-term debt, including interest, as of September 30, 2009, are as follows:

Year Ending September 30,	Principal	Interest	Total
2010	\$ 1,792,640	\$ 3,167,752	\$ 4,960,392
2011	1,859,355	3,083,757	4,943,112
2012	1,953,190	2,999,018	4,952,208
2013	2,032,780	2,909,408	4,942,188
2014	2,113,505	2,811,442	4,924,947
2015-2019	12,375,130	12,421,604	24,796,734
2020-2024	16,032,985	9,165,541	25,198,526
2025-2029	10,464,980	5,686,509	16,151,489
2030-2034	12,523,180	3,071,938	15,595,118
2035	<u>3,699,100</u>	<u>195,022</u>	<u>3,894,122</u>
Total	<u>\$ 64,846,845</u>	<u>\$ 45,511,990</u>	<u>\$ 110,358,835</u>

3. DETAILED NOTES ON ALL FUNDS (Continued)

D. Long-term Debt (Continued)

General Obligation Debt (Continued)

A summary of tax-supported general obligation debt outstanding at September 30, 2009, follows:

		<u>Purpose</u>
\$2,075,000 Series 1996 General Obligation Bonds, due in annual installments of \$60,000 to \$180,000 through August 1, 2016; interest at 4.75% to 7.75%.	\$ 1,050,000	Street improvements, City Hall renovations
\$3,000,000 Series 1996-A General Obligation Bonds, due in annual installments of \$75,000 to \$250,000 through August 1, 2016; interest at 4.75% to 7.75%.	1,625,000	Recreation Center, Library
\$1,800,000 Series 1997 Combination Tax and Revenue Certificates of Obligation, due in annual installments of \$25,000 to \$250,000 through August 1, 2012; interest at 5% to 8%.	700,000	Street projects
\$13,450,000 Series 1999 General Obligation Bonds, due in annual installments of \$25,000 to \$1,500,000 through August 1, 2024; interest at 4.75% to 6.75%.	13,025,000	Street, road, and park improvements, Justice Center
\$4,750,000 Series 2001 Combination Tax and Revenue Certificates of Obligation, due in annual installments of \$105,000 to \$405,000 through August 1, 2021; interest at 4.2% to 6.0%.	3,565,000	Street improvements, park improvements, Justice Center
\$9,994,200 Series 2002 Combination Tax and Revenue Certificates of Obligation, due in annual installments of \$170,500 to \$632,500 through August 1, 2032; interest at 4.5% to 5.25%.	8,858,450	Street projects, Northeast Metro Park
\$713,200 Series 2003 Combination Tax and Revenue Certificates of Obligation, due in annual installments of \$14,400 to \$46,200 through August 1, 2033; interest at 3% to 5.5%.	668,800	Radio equipment
\$3,000,000 Series 2004 Combination Tax and Revenue Certificates of Obligation, due in annual installments of \$43,470 to \$783,405 through August 1, 2034; interest at 2.5% to 5.25%.	2,787,375	Drainage projects, street projects, hike and bike trail
\$3,400,000 Series 2005 Combination Tax and Revenue Certificates of Obligation, due in annual installments of \$30,740 to \$1,044,100 through August 1, 2035; interest at 4.0% to 4.5%.	3,227,220	Street improvements
\$4,785,000 Series 2006 Combination Tax and Revenue Certificates of Obligation, due in annual installments of \$25,000 to \$2,180,000 through August 1, 2025; interest at 4.0%.	4,735,000	Street projects
\$10,315,000 Series 2007 Combination Tax and Revenue Certificates of Obligation, due in annual installments of \$210,000 to \$1,085,000, through August 1, 2033; interest at 4.0% to 5.0%.	10,105,000	Street projects
\$11,500,000 Series 2009 Combination Tax and Revenue Certificates of Obligation, due in annual installments of \$220,000 to \$2,655,000 through August 1, 2035; interest at 3.0% to 5.375%.	11,500,000	Streets, construction and drainage
\$3,000,000 Series 2009 Limited tax Bonds, due in annual installments of \$60,000 to \$700,000 through August 1, 2031; interest at 3.0% to 5.3%	<u>3,000,000</u>	Expansion of Library
Total general obligation debt	\$ <u>64,846,845</u>	

The ordinances authorizing the issuance of general obligation bonds created an interest and sinking fund (Debt Service Fund). The ordinances require the City to ascertain a rate of ad valorem tax which will be sufficient to pay the principal and interest as they become due.

3. **DETAILED NOTES ON ALL FUNDS** (Continued)

D. **Long-term Debt** (Continued)

**Revenue Debt**

A summary of revenue debt outstanding at September 30, 2009, follows:

		Purpose
\$1,400,000 Series 1993 Waterworks and Sewer System Revenue Bonds, due in annual installments of \$40,000 to \$110,000 through January 1, 2014; interest at 4.3% to 7.3%.	\$ 500,000	Southside Wastewater Interceptor
\$3,400,000 Series 1999 Waterworks and Sewer System Revenue and Refunding Bonds, due in annual installments of \$125,000 to \$350,000 through January 1, 2014; interest at 4.25% to 6.625%.	1,600,000	Austin Interconnect
\$2,400,000 Series 2000 Waterworks and Sewer System Revenue Bonds, due in annual installments of \$25,000 to \$425,000 through January 1, 2016; interest at 4.5% to 5.35%.	1,700,000	Northeast Water Line
\$8,255,800 Series 2002 Combination Tax and Revenue Certificates of Obligation, due in annual installments of \$139,500 to \$517,500 through August 1, 2032; interest at 4.5% to 5.25%.	7,326,550	Colorado River Supply Project, other water supply projects
\$17,116,800 Series 2003 Combination Tax and Revenue Certificates of Obligation, due in annual installments of \$345,600 to \$1,108,800 through August 1, 2033; interest at 3% to 5.5%.	16,051,200	Colorado River Surface Water Supply Project, Kennemer Lane Wastewater Plant, Wastewater System Interconnect
\$26,645,000 Series 2003-A Combination Tax and Revenue Certificates of Obligation, due in annual installments of \$50,000 to \$3,085,000 through August 1, 2033; interest at 3% to 5%.	26,465,000	Colorado River Project, Wastewater System Interconnect
\$12,800,000 Series 2004 Combination Tax and Revenue Certificates of Obligation, due in annual installments of \$186,530 to \$3,361,595 through August 1, 2034; interest at 2.5% to 5.25%.	11,887,625	Wastewater Treatment Facility, Colorado River Project (Lake Pflugerville)
\$12,500,000 Series 2005 Combination Tax and Revenue Certificates of Obligation, due in annual installments of \$114,260 to \$3,880,900 through August 1, 2035; interest at 4.0% to 4.5%.	<u>11,857,780</u>	Purchase of Wastewater companies (Kelly Lane and Wilke Lane)
Total revenue debt	\$ <u>77,388,155</u>	

The revenue bonds are payable from a pledge of the surplus revenues derived from the operation of the City's combined Waterworks and Sewer system, after payment of all operation and maintenance expenses.

3. **DETAILED NOTES ON ALL FUNDS** (Continued)

D. **Long-term Debt** (Continued)

**Revenue Debt** (Continued)

The annual requirements to retire all Utility Fund bonds, including interest, as of September 30, 2009, are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 1,602,360	\$ 3,802,824	\$ 5,405,184
2011	1,665,645	3,735,707	5,401,352
2012	1,736,810	3,664,062	5,400,872
2013	1,817,220	3,587,151	5,404,371
2014	1,896,495	3,506,314	5,402,809
2015-2019	10,799,870	16,224,731	27,024,601
2020-2024	12,417,015	13,294,065	25,711,080
2025-2029	18,630,020	9,697,899	28,327,919
2030-2034	22,941,820	4,535,385	27,477,205
2035	<u>3,880,900</u>	<u>203,747</u>	<u>4,084,647</u>
Total	<u>\$ 77,388,155</u>	<u>\$ 62,251,886</u>	<u>\$ 139,640,041</u>

E. **Retirement Plan**

**Plan Description**

The City provides pension benefits for all of its fulltime employees through a non-traditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system. The plan provisions that have been adopted by the City are within the options available in the governing state statutes of TMRS.

TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the System. This report may be obtained by writing to TMRS, P.O. Box 149153, Austin, TX 78714-9153 or by calling 800-924-8677; in addition, the report is available on TMRS' website at www.TMRS.com.

The plan provisions are adopted by the City Council within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

Employee deposit rate	7.0%
Matching ratio (city to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20
Updated service credit	100% repeating, transfers
Annuity increase (to retirees)	70% of CPI, repeating

3. DETAILED NOTES ON ALL FUNDS (Continued)

E. Retirement Plan (Continued)

**Contributions**

Under the state law governing TMRS, the contribution rate for each City is determined annually by the actuary, using the Projected Unit Credit actuarial cost method. This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the portion of an active member's projected benefit allocated annually; the prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases.

The City contributes to the TMRS Plan at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect. The annual pension cost and net pension obligation/(asset) are as follows:

Accounting Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2007	\$ 790,803	100%	\$ -
2008	875,240	100%	-
2009	1,426,258	100%	-

The required contribution rates for fiscal year 2009 were determined as part of the December 31, 2006 and 2007 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2008, also follows:

Actual Valuation Date	<u>12/31/06</u>	<u>12/31/07</u>	<u>12/31/08</u>
Actuarial value of assets	\$ 8,990,058	\$ 10,472,962	\$ 12,549,436
Actuarial accrued liability	12,215,701	16,615,888	19,436,680
Percent funded	73.6%	63.0%	64.6%
Unfunded (overfunded) actuarial accrued liability (UAAL)	3,225,643	6,142,926	6,887,244
Annual covered payroll	7,627,153	8,763,918	10,814,036
UAAL as a percentage of covered payroll	42.3%	70.1%	63.7%
Net pension obligation (NPO at the beginning of period)	-	-	-
Annual Pension Cost:			
Annual required contribution (ARC)	790,803	875,240	1,426,258
Interest on NPO	-	-	-
Adjustment to the ARC	-	-	-
Contributions made	790,803	875,240	1,426,258
Increase in NPO	-	-	-
NPO at the end of the period	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Actuarial Assumptions**

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Percent of Payroll
Remaining Amortization Period	29 Years - Closed Period
Asset Valuation Method	Amortized Cost
Investment Rate of Return	7.5%
Projected Salary Increases	Varies by age and service
Includes Inflation at	3.0%
Cost-of-living Adjustments	2.1%

3. DETAILED NOTES ON ALL FUNDS (Continued)

E. Retirement Plan (Continued)

Contributions (Continued)

**Schedule of Funding Progress for the Retirement Plan  
For the Employees of the City of Pflugerville**

Year	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (1) (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2006	\$ 8,990,058	\$ 12,215,701	\$ 3,225,643	73.6%	\$ 7,627,153	42.3%
2007	10,472,962	16,615,888	6,142,926	63.0%	8,763,918	70.1%
2008	12,549,436	19,436,680	6,887,244	64.6%	10,814,036	63.7%

F. Post-retirement Health Care Benefits

The City provides certain health care benefits through a single-employer defined benefit OPEB plan. Regular, full-time employees are eligible to participate in the City's health care plan as a retiree at their own expense. The retiree pays 100% of the premiums for the insurance. Members are eligible at any age with 20 years of service or at age 60 with 5 years of service. Spouses and dependents of retirees are also eligible. Currently, the City has 235 active employees and 6 retirees eligible to participate in the plan.

When a regular, full-time employee retires they are eligible to continue to participate in the City's group health insurance plan. Members who terminate employment prior to retirement are not eligible for retiree health care benefits.

Retirees are eligible for health care until they become Medicare eligible. The retiree pays full Medicare premiums. The City's coverage ceases when the retiree becomes eligible for Medicare coverage.

The municipality offers life insurance coverage for retirees at a \$10,000 limit at the retiree's expense. The retiree pays 100% of the premium. Life insurance coverage continues when the retiree becomes eligible for Medicare coverage.

Retirees who decide to opt-out for the health care plan are not eligible to opt back in when coverage from another entity ceases.

**Annual OPEB Cost and Net OPEB Obligation**

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The City's annual OPEB cost for the current year and the related information is listed below:

Annual Required Contribution (ARC)	\$ 130,689
Interest on Net Pension Obligation	-
Adjustment to the ARC	-
Annual Pension Cost	130,689
Employer Contributions with Interest	-
Increase (Decrease) in Net Pension Obligation	130,689
Net Pension Obligation, beginning of year	-
Net Pension Obligation, end of year	<u>\$ 130,689</u>

3. **DETAILED NOTES ON ALL FUNDS** (Continued)

F. **Post-retirement Health Care Benefits** (Continued)

**Annual OPEB Cost and Net OPEB Obligation** (Continued)

Expenses for post-retirement health care benefits are funded on a pay-as-you-go basis.

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the current year (4.5% discount rate, and level percent of pay amortization).

<u>Fiscal Year Ended</u>	<u>Annual Required Contribution</u>	<u>Employer Contribution</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation</u>
09/30/09	\$ 130,689	\$ -	0%	\$ 130,689

**Funding Status and Funding Progress**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded (AAL) (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
12/31/08	\$ -	\$ 747,146	\$ 747,146	- %	\$ 10,814,036	6.91%

This is the year of implementation for GASB Statement No.45 for the City. Accordingly, the two previous years of funding status and funding progress are not available.

The projection of future payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health care cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

**Actuarial Methods and Assumptions**

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the City and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the City and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The actuarial methods and significant assumptions used are as follows:

Actuarial Valuation Date	12/31/2008
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level percent of payroll
Remaining Amortization Period	30 years

Asset Valuation Method	Market Value
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Actuarial Assumptions:

Investment Rate of Return	4.5%
Payroll Growth Rate	3%
Projected Salary Increases	3.5% to 12%
General Inflation Rate	3%
Healthcare cost trend rate	10%

The number of active members is assumed to remain constant in the future

3. **DETAILED NOTES ON ALL FUNDS** (Continued)

F. **Post-retirement Health Care Benefits** (Continued)

**Supplemental Death Benefits Fund**

The City also participates in the cost sharing multiple-employer defined benefit group term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected to provide group term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit," or OPEB.

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

The City's contributions to the TMRS SDBF for the fiscal year ended 2009 is \$19,163, which equaled the required contributions. This is the year of implementation for GASB Statement No.45 for the City. Accordingly, the two previous years of funding status and funding progress are not available.

<u>Fiscal Year Ended</u>	<u>Annual Required Contribution</u>	<u>Employer Contribution</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation</u>
09/30/09	\$ 19,163	\$ 19,163	100%	\$ -

G. **Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City's risk management program encompasses obtaining property and liability insurance through Texas Municipal League (TML), an intergovernmental risk-pool. The City has not had any significant reduction in insurance coverage and the amounts of insurance settlements have not exceeded insurance coverage for any of the last three years.

H. **Commitments**

Estimated costs to complete significant construction projects in progress at year-end totaled approximately \$5,622,000 for the Capital Projects Fund and \$461,000 for the Utility Fund.

I. **Prior Period Adjustment**

In the governmental funds financial statements, an adjustment was made to correct expenditures that were not correctly recorded in the prior year. The effect of this adjustment was a decrease of \$360,778 to beginning fund balance in the General Fund and \$59,339 to beginning fund balance in the Capital Projects Fund.

3. **DETAILED NOTES ON ALL FUNDS** (Continued)

**J. Subsequent Events**

In December 2009, the City made a \$5.0 million economic development payment to NewQuest Properties for the Stone Hill Town Center development, as stipulated in an economic development agreement between the two parties. The funding of this payment was \$2.5 million from fund balance of the General Fund and \$2.5 million from the December 2009 bond issue (below).

In December 2009, the City issued \$17,790,000 of Combination Tax and Revenue Certificates of Obligation, Series 2009A. The issue included \$8,486,000 for general projects including streets, intersections, drainage, sidewalk and other traffic improvements; \$2,750,000 for the Pflugerville Community Development Corporation (PCDC) for infrastructure improvements on PCDC owned land; and \$6,554,000 for water and wastewater infrastructure improvements.

Also in December 2009, the City issued \$5,635,000 of Limited Tax Refunding Bonds, Series 2009, for debt service savings. The City paid, prior to maturity, the following bonds on December 15, 2009:

<b><u>Description</u></b>	<b><u>Amount</u></b>	<b><u>Original Maturity</u></b>
1993 Waterworks and Sewer System Revenue Bonds	\$500,000	January 1, 2014
1999 Waterworks and Sewer System Revenue and Refunding Bonds	\$1,600,000	January 1, 2014
2000 Waterworks and Sewer System Revenue Bonds	\$1,700,000	January 1, 2016
1996 General Obligations Bonds	\$925,000	August 1, 2016
1996A General Obligation Bonds	\$1,425,000	August 1, 2016
1997 Combination Tax and Revenue Certificates of Obligation	\$500,000	August 1, 2012

The maturity of the new refunding bonds is August 1, 2016.



**REQUIRED  
SUPPLEMENTAL INFORMATION**



**CITY OF PFLUGERVILLE, TEXAS**  
**REQUIRED SUPPLEMENTAL INFORMATION**  
**TEXAS MUNICIPAL RETIREMENT SYSTEM TREND DATA**  
**LAST TEN FISCAL YEARS**

<u>Fiscal Year (1)</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability AAL (1)</u>	<u>Percentage Funded</u>	<u>Unfunded Actuarial Accrued Liability UAAL (1)</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a % of Covered Payroll</u>
2000	1,600,840	1,899,371	84.3%	298,631	3,423,232	8.7%
2001	2,122,209	2,487,747	85.3%	365,538	3,974,307	9.2%
2002	2,809,045	3,902,666	72.0%	1,093,621	5,014,769	21.8%
2003	3,798,841	5,331,598	71.3%	1,532,757	5,563,438	27.6%
2004	4,824,132	7,078,470	68.2%	2,254,338	6,112,351	36.9%
2005	5,861,227	8,310,373	70.5%	2,449,146	6,652,912	36.8%
2006	7,404,957	10,204,106	72.6%	2,799,149	7,220,118	38.8%
2007	8,990,058	12,215,701	73.6%	3,225,643	7,627,153	42.3%
2008	10,472,962	16,615,888	63.0%	6,142,926	8,763,918	70.1%
2009	12,549,436	19,436,680	64.6%	6,887,244	10,814,036	63.7%

Source: Texas Municipal Retirement System Annual Report and City payroll reports

(1) Trend data presented is information as of December 31 of the previous year, which is the fiscal year of TMRS.



# **STATISTICAL SECTION**

# STATISTICAL SECTION

This part of the City of Pflugerville’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 government’s overall financial health.

<b>Contents</b>	<b>Page</b>
Financial Trends <i>These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.</i>	65
Revenue Capacity <i>These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.</i>	72
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.</i>	79
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.</i>	84
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the service the government provides and the activities it performs.</i>	87

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**City of Pflugerville**  
**Net Assets by Components**  
**Last Ten Fiscal Years\***

	<b>Fiscal Year</b>									
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>			
Governmental activities										
Invested in capital assets, net of related debt	\$ (3,442,537)	\$ 2,896,853	\$ 3,761,055	\$ 158,527,446	\$ 156,133,084	\$ 159,687,011	\$ 153,437,079			
Restricted	976,773	1,123,519	1,019,696	1,119,785	1,242,229	2,100,362	1,848,576			
Unrestricted	6,306,556	6,449,229	6,504,974	7,046,954	8,187,862	6,756,353	10,960,530			
Total governmental activities net assets	<u>\$ 3,840,792</u>	<u>\$ 10,469,601</u>	<u>\$ 11,285,725</u>	<u>\$ 166,694,185</u>	<u>\$ 165,563,175</u>	<u>\$ 168,543,726</u>	<u>\$ 166,246,185</u>			
Business-type activities										
Invested in capital assets, net of related debt	\$ 15,401,357	\$ 30,062,190	\$ 33,517,318	\$ 55,865,560	\$ 53,875,752	\$ 58,300,810	\$ 61,139,432			
Restricted	4,304,162	6,613,691	9,010,583	10,623,144	11,461,515	10,402,708	9,578,077			
Unrestricted	6,724,410	3,794,548	3,357,881	4,279,979	9,107,747	9,798,202	10,145,374			
Total business-type activities net assets	<u>\$ 26,429,929</u>	<u>\$ 40,470,429</u>	<u>\$ 45,885,782</u>	<u>\$ 70,768,683</u>	<u>\$ 74,445,014</u>	<u>\$ 78,501,720</u>	<u>\$ 80,862,883</u>			
Primary government										
Invested in capital assets, net of related debt	\$ 11,958,820	\$ 32,959,043	\$ 37,278,373	\$ 214,393,006	\$ 210,008,836	\$ 217,987,821	\$ 214,576,511			
Restricted	5,280,935	7,737,210	10,030,279	11,742,929	12,703,744	12,503,070	11,426,653			
Unrestricted	13,030,966	10,243,777	9,862,855	11,326,933	17,295,609	16,554,555	21,105,904			
Total primary government net assets	<u>\$ 30,270,721</u>	<u>\$ 50,940,030</u>	<u>\$ 57,171,507</u>	<u>\$ 237,462,868</u>	<u>\$ 240,008,189</u>	<u>\$ 247,045,446</u>	<u>\$ 247,109,068</u>			

\*Note: City of Pflugerville first applied GASB Statement No. 34 in fiscal year 2003; therefore, government-wide financial information for years prior to fiscal year 2003 is not available.

Note: In fiscal year 2006 the City underwent an infrastructure valuation and capitalized previously uncapitalized infrastructure assets.

**City of Pflugerville**  
**Changes in Net Assets**  
**Last Ten Fiscal Years\***  
**(accrual basis of accounting)**

	Fiscal Year						
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Expenses</b>							
Governmental activities:							
General government	\$ 2,153,763	\$ 2,393,169	\$ 2,754,729	\$ 2,970,614	\$ 3,789,282	\$ 4,340,956	\$ 4,902,523
Public safety	5,133,839	5,311,052	5,976,223	6,117,317	6,560,262	7,662,046	9,435,039
Public works and streets	2,029,784	2,144,258	2,919,560	8,968,554	9,856,151	11,423,136	11,098,919
Culture/Recreation	3,095,577	2,187,869	2,556,416	2,782,443	2,904,833	3,086,348	3,562,855
Interest on long term debt	1,874,051	1,844,456	1,877,135	1,996,643	2,132,090	2,504,458	3,005,224
Total governmental activities expenses	<u>14,287,014</u>	<u>13,880,804</u>	<u>16,084,063</u>	<u>22,835,571</u>	<u>25,242,618</u>	<u>29,016,944</u>	<u>32,004,560</u>
Business-type expenses:							
Water and wastewater	6,775,188	9,007,282	10,360,491	12,538,628	15,390,392	16,467,486	18,015,865
Solid waste	994,435	891,960	1,021,028	1,223,835	1,734,460	2,328,384	2,815,938
Total business-type expenses	<u>7,769,623</u>	<u>9,899,242</u>	<u>11,381,519</u>	<u>13,762,463</u>	<u>17,124,852</u>	<u>18,795,870</u>	<u>20,831,803</u>
Total primary government expenses	<u>\$ 22,056,637</u>	<u>\$ 23,780,046</u>	<u>\$ 27,465,582</u>	<u>\$ 36,598,034</u>	<u>\$ 42,367,470</u>	<u>\$ 47,812,814</u>	<u>\$ 52,836,363</u>
<b>Program Revenues</b>							
Governmental activities:							
Charges for services:							
General government	\$ 1,996,748	\$ 1,216,043	\$ 1,700,749	\$ 1,762,368	\$ 2,003,002	\$ 1,556,547	\$ 837,093
Public safety	837,066	1,034,656	1,012,977	734,327	927,608	1,446,550	2,710,249
Public works and streets	-	-	-	-	-	-	-
Culture and recreation	466,681	573,164	629,131	647,249	709,212	744,017	736,408
Operating grants and contributions	275,143	224,229	334,664	254,894	522,243	150,094	87,486
Capital grants and contributions	3,455,948	6,120,076	885,654	3,913,161	4,468,688	9,313,558	3,918,438
Total governmental activities program revenues	<u>7,031,586</u>	<u>9,168,168</u>	<u>4,563,175</u>	<u>7,311,999</u>	<u>8,630,753</u>	<u>13,210,766</u>	<u>8,289,674</u>
Business-type activities:							
Charges for services:							
Water and wastewater	7,450,710	8,643,482	10,656,255	12,372,256	11,755,823	15,085,543	16,287,230
Solid waste	917,475	964,951	1,022,992	1,128,796	1,692,645	2,387,540	2,855,524
Operating grants and contributions	-	-	-	-	6,268	-	-
Capital grants and contributions	10,134,801	14,481,695	4,627,378	13,910,645	7,822,844	4,174,351	4,403,495
Total business-type activities program revenues	<u>18,502,986</u>	<u>24,090,128</u>	<u>16,306,625</u>	<u>27,411,697</u>	<u>21,277,580</u>	<u>21,647,434</u>	<u>23,546,249</u>
Total primary government program revenues	<u>\$ 25,534,572</u>	<u>\$ 33,258,296</u>	<u>\$ 20,869,800</u>	<u>\$ 34,723,696</u>	<u>\$ 29,908,333</u>	<u>\$ 34,858,200</u>	<u>\$ 31,835,923</u>

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Net (expense)/revenue							
Governmental activities:	(7,255,428)	(4,712,636)	(11,520,888)	(15,523,572)	(16,611,865)	(15,806,178)	(23,714,886)
Business-type activities:	10,733,363	14,190,886	4,925,106	13,649,234	4,152,728	2,851,564	2,714,446
Total primary government net expense	<u>\$ 3,477,935</u>	<u>\$ 9,478,250</u>	<u>\$ (6,595,782)</u>	<u>\$ (1,874,338)</u>	<u>\$ (12,459,137)</u>	<u>\$ (12,954,614)</u>	<u>\$ (21,000,440)</u>
<b>General Revenues and Other Changes in Net Assets</b>							
Governmental activities:							
Taxes							
Property taxes	\$ 7,442,834	\$ 7,814,189	\$ 8,387,958	\$ 9,033,537	\$ 9,637,347	\$ 11,753,499	\$ 15,270,534
Sales taxes	1,175,598	1,298,172	1,554,752	1,745,341	2,398,919	2,763,666	3,213,139
Franchise taxes	1,075,817	1,273,744	1,332,645	1,636,724	1,781,396	2,130,589	2,438,209
Alcoholic beverage taxes	10,872	11,120	11,162	12,937	18,522	30,145	26,256
Investment earnings	262,746	390,605	434,048	785,936	930,805	681,312	201,873
Other income	99,413	79,227	169,447	150,732	263,366	366,680	187,451
Gain (loss) on sale of land	-	(77,975)	-	-	500	-	-
Transfers	406,827	450,000	450,000	450,000	450,000	500,000	500,000
Total governmental activities	<u>10,474,107</u>	<u>11,239,082</u>	<u>12,340,012</u>	<u>13,815,207</u>	<u>15,480,855</u>	<u>18,225,891</u>	<u>21,837,462</u>
Business-type activities:							
Investment earnings	382,492	299,614	940,247	1,245,577	1,337,217	720,248	146,717
Gain (loss) on sale of land	-	-	-	-	-	5,251	-
Transfers	(406,827)	(450,000)	(450,000)	(450,000)	(450,000)	(500,000)	(500,000)
Total business type activities	<u>(24,335)</u>	<u>(150,386)</u>	<u>490,247</u>	<u>795,577</u>	<u>887,217</u>	<u>225,499</u>	<u>(353,283)</u>
Total primary government	<u>\$ 10,449,772</u>	<u>\$ 11,088,696</u>	<u>\$ 12,830,259</u>	<u>\$ 14,610,784</u>	<u>\$ 16,368,072</u>	<u>\$ 18,451,390</u>	<u>\$ 21,484,179</u>
<b>Change in Net Assets</b>							
Governmental activities:	\$ 3,218,679	\$ 6,526,446	\$ 819,124	\$ (1,708,365)	\$ (1,131,010)	\$ 2,419,713	\$ (1,877,424)
Business-type activities:	10,709,028	14,040,500	5,415,353	14,451,811	5,039,945	3,077,063	2,361,163
Total primary government	<u>\$ 13,927,707</u>	<u>\$ 20,566,946</u>	<u>\$ 6,234,477</u>	<u>\$ 12,743,446</u>	<u>\$ 3,908,935</u>	<u>\$ 5,496,776</u>	<u>\$ 483,739</u>

\*Note: City of Pflugerville first applied GASB Statement No. 34 in fiscal year 2003; therefore, government-wide financial information for years prior to fiscal year 2003 is not available.

**City of Pflugerville  
Fund Balances of Governmental Funds  
(modified accrual basis of accounting)  
Last Ten Fiscal Years**

	Fiscal Year									
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	4,392,499	5,749,175	5,645,060	6,174,415	6,382,756	6,459,527	6,995,598	8,068,089	7,837,714	9,397,669
Total general fund	<u>\$ 4,392,499</u>	<u>\$ 5,749,175</u>	<u>\$ 5,645,060</u>	<u>\$ 6,174,415</u>	<u>\$ 6,382,756</u>	<u>\$ 6,459,527</u>	<u>\$ 6,995,598</u>	<u>\$ 8,068,089</u>	<u>\$ 7,837,714</u>	<u>\$ 9,397,669</u>
All other governmental funds										
Reserved	\$ 9,662,529	\$ 7,509,284	\$ 15,084,557	\$ 12,868,811	\$ 8,971,413	\$ 10,379,041	\$ 8,740,143	\$ 2,712,435	\$ 1,743,528	\$ 1,723,445
Unreserved, reported in:										
Special revenue funds	60,057	145,478	170,695	213,101	155,336	189,072	168,172	260,467	291,676	279,693
Capital projects funds	-	-	-	-	-	-	-	-	7,426,768	14,862,683
Total	<u>\$ 9,722,586</u>	<u>\$ 7,654,762</u>	<u>\$ 15,255,252</u>	<u>\$ 13,081,912</u>	<u>\$ 9,126,749</u>	<u>\$ 10,568,113</u>	<u>\$ 8,908,315</u>	<u>\$ 2,972,902</u>	<u>\$ 9,461,972</u>	<u>\$ 16,865,821</u>

**City of Pflugerville**  
**Governmental Activities Tax Revenues by Source**  
**(accrual basis of accounting)**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Franchise Tax</u>	<u>Alcoholic Beverage Tax</u>	<u>Total</u>
2000	\$ 3,783,668	\$ 807,676	\$ 662,956	\$ -	\$ 5,254,300
2001	4,854,881	1,054,421	844,805	7,569	6,761,676
2002	6,072,271	1,123,446	868,966	11,209	8,075,892
2003	7,442,919	1,175,598	1,075,817	10,872	9,705,206
2004	7,814,189	1,298,172	1,273,744	11,120	10,397,225
2005	8,387,958	1,554,752	1,332,645	11,162	11,286,517
2006	9,033,537	1,745,341	1,636,724	12,937	12,428,539
2007	9,637,347	2,398,919	1,781,396	18,522	13,836,184
2008	11,753,499	2,763,666	2,130,589	30,145	16,677,899
2009	15,270,534	3,213,139	2,438,209	26,256	20,948,138

**City of Pflugerville**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years\***  
**(modified accrual basis of accounting)**

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009			
<b>Revenues</b>										
Taxes	\$ 9,705,206	\$ 10,379,264	\$ 11,286,517	\$ 12,428,539	\$ 13,796,060	\$ 16,712,753	\$ 20,769,849			
Licenses and permits	2,022,771	1,236,753	1,722,050	1,674,053	1,886,746	1,344,224	610,007			
Intergovernmental	259,548	667,787	323,615	376,365	738,638	244,305	3,492,125			
Fines	829,940	1,028,158	1,011,531	660,113	918,237	921,179	1,052,559			
Interest income	262,746	390,605	434,048	785,936	930,805	681,312	201,873			
Miscellaneous	564,502	677,036	789,772	1,986,200	1,154,498	2,046,745	3,119,423			
Total revenues	13,644,713	14,379,603	15,567,533	17,911,206	19,424,984	21,950,518	29,245,836			
<b>Expenditures</b>										
General government	\$ 1,872,696	\$ 2,169,733	\$ 2,469,504	\$ 2,742,618	\$ 3,534,593	\$ 4,184,360	\$ 4,489,387			
Public safety	4,724,839	4,930,167	5,519,434	5,749,255	6,049,310	7,367,849	8,888,904			
Public works and streets	1,365,538	1,430,389	1,842,569	1,733,473	2,234,413	2,682,318	1,909,833			
Culture and recreation	1,719,182	1,885,678	2,157,513	2,259,195	2,452,830	2,903,961	3,174,168			
Capital outlay	3,915,904	5,462,724	2,585,459	7,207,722	11,791,381	5,883,835	11,368,653			
Debt Service										
Principal	912,072	1,070,641	1,067,752	1,171,602	1,122,380	1,218,935	1,534,505			
Interest	2,087,446	1,845,285	1,882,917	1,975,677	2,096,204	2,411,265	2,847,432			
Other Charges	3,377	4,598	72,466	92,599	192,515	333,243	507,653			
Total expenditures	16,601,054	18,799,215	17,597,614	22,932,141	29,473,626	26,985,766	34,720,535			
Excess of revenues over (under) expenditures	\$ (2,956,341)	\$ (4,419,612)	\$ (2,030,081)	\$ (5,020,935)	\$ (10,048,642)	\$ (5,035,248)	\$ (5,474,699)			

**Other financing sources (uses)**

Transfers in	\$ 1,041,157	\$ 493,092	\$ 450,000	\$ 450,000	\$ 450,000	\$ 545,000	\$ 500,000
Transfers out	(634,330)	(43,092)	-	-	-	(45,000)	-
Bonds issued	713,200	-	3,000,000	3,400,000	4,785,000	10,315,000	14,500,000
Premium on bonds issued	-	-	92,109	83,395	-	111,474	-
Discount on bonds issued	-	-	-	-	(49,780)	-	(154,142)
Capital leases	229,800	-	-	-	-	-	-
Insurance Recoveries	-	-	-	-	-	5,700	5,734
Sale of capital assets	6,260	123,428	6,107	134	500	990	7,028
<b>Total other financing sources (uses)</b>	<u>1,356,087</u>	<u>573,428</u>	<u>3,548,216</u>	<u>3,933,529</u>	<u>5,185,720</u>	<u>10,933,164</u>	<u>14,858,620</u>
<b>Net change in fund balances</b>	<u>\$ (1,600,254)</u>	<u>\$ (3,846,184)</u>	<u>\$ 1,518,135</u>	<u>\$ (1,087,406)</u>	<u>\$ (4,862,922)</u>	<u>\$ 5,897,916</u>	<u>\$ 9,383,921</u>

**Capital Outlay including amounts reported**

under departmental expenditures	\$ 2,410,290	\$ 5,365,777	\$ 2,024,989	\$ 7,229,364	\$ 11,471,366	\$ 6,258,623	\$ 11,211,252
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**Debt service as a percentage**

of noncapital expenditures	21.1%	21.7%	18.9%	20.0%	17.9%	17.5%	18.6%
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\*Note: City of Pflugerville first applied GASB Statement No. 34 in fiscal year 2003; therefore, government-wide financial information for years prior to fiscal year 2003 is not available.

**City of Pflugerville  
Assessed and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years**

Fiscal Year	Real Property			Less:			Total Taxable Assessed Value	Percent of Growth in Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Personal Property	Tax Exempt Real Property	Personal Property	Tax Exempt Real Property					
2000	\$ 550,754,322	\$ 51,529,423	\$ 55,555,375	\$ 28,042,623	\$ 629,796,497	\$ 28,042,623	\$ 629,796,497	11.61%	0.6998	\$ 629,796,497	100.0%
2001	679,913,204	59,277,666	64,117,665	41,984,864	761,323,671	41,984,864	761,323,671	20.88%	0.6424	761,323,671	100.0%
2002	873,205,133	72,077,850	75,094,841	55,797,833	964,579,991	55,797,833	964,579,991	26.70%	0.6299	964,579,991	100.0%
2003	1,062,466,204	84,508,236	82,176,423	54,091,193	1,175,059,670	54,091,193	1,175,059,670	21.82%	0.6299	1,175,059,670	100.0%
2004	1,068,663,126	92,124,535	82,207,828	41,650,008	1,201,345,481	41,650,008	1,201,345,481	2.24%	0.6417	1,201,345,481	100.0%
2005	1,166,280,570	96,456,406	88,640,105	40,926,253	1,310,450,828	40,926,253	1,310,450,828	9.08%	0.6400	1,310,450,828	100.0%
2006	1,168,015,150	187,317,196	94,638,373	41,254,216	1,408,716,503	41,254,216	1,408,716,503	7.50%	0.6350	1,408,716,503	100.0%
2007	1,278,169,940	230,674,602	81,940,510	74,871,477	1,515,913,575	74,871,477	1,515,913,575	7.61%	0.6240	1,515,913,575	100.0%
2008	1,601,403,371	302,185,148	79,775,407	90,922,779	1,892,441,147	90,922,779	1,892,441,147	24.84%	0.6190	1,892,441,147	100.0%
2009	2,000,762,235	483,463,819	179,109,976	174,166,430	2,489,169,600	174,166,430	2,489,169,600	31.53%	0.6140	2,489,169,600	100.0%

Source: Travis Central Appraisal District

**City of Pflugerville  
Property Tax Rates - Direct and Overlapping Governments  
(per \$100 of Assessed Value)  
Last Ten Fiscal Years**

Fiscal Year	City of Pflugerville			Travis County			Pflugerville Independent School District			Travis County Services District #2			Travis County Hospital District <sup>1</sup>	Total Direct & Overlapping Rates
	General Fund	Debt Service	Total City	O & M*	Debt Service	Total County	O & M*	Debt Service	Total PISD	O & M*	Debt Service	Total ESD#2		
	O & M*	Service	City			County			PISD			ESD#2		
2000	0.4609	0.2389	0.6998	0.3861	0.1127	0.4988	1.3875	0.0975	1.4850	0.1000	0.0000	0.1000	0.0000	2.7836
2001	0.4291	0.2133	0.6424	0.3760	0.0910	0.4670	1.4700	0.1000	1.5700	0.1000	0.0000	0.1000	0.0000	2.7794
2002	0.4218	0.2081	0.6299	0.3546	0.0914	0.4460	1.5000	0.2900	1.7900	0.1000	0.0000	0.1000	0.0000	2.9659
2003	0.3986	0.2313	0.6299	0.3626	0.1034	0.4660	1.5000	0.3500	1.8500	0.1000	0.0000	0.1000	0.0000	3.0459
2004	0.4175	0.2242	0.6417	0.3926	0.0992	0.4918	1.5000	0.3500	1.8500	0.1000	0.0000	0.1000	0.0000	3.0835
2005	0.4372	0.2028	0.6400	0.3850	0.1022	0.4872	1.5000	0.3500	1.8500	0.1000	0.0000	0.1000	0.0779	3.1551
2006	0.4199	0.2151	0.6350	0.3994	0.0999	0.4993	1.5000	0.3500	1.8500	0.1000	0.0000	0.1000	0.0779	3.1622
2007	0.4125	0.2115	0.6240	0.3623	0.0876	0.4499	1.3600	0.3200	1.6800	0.0919	0.0081	0.1000	0.0734	2.9273
2008	0.4236	0.1954	0.6190	0.3405	0.0811	0.4216	1.0400	0.4300	1.4700	0.0906	0.0094	0.1000	0.0693	2.6799
2009	0.4371	0.1769	0.6140	0.3394	0.0728	0.4122	1.0400	0.4200	1.4600	0.0937	0.0063	0.1000	0.0679	2.6541

\* O & M: Operations and Maintenance.

<sup>1</sup> The Travis County Hospital District was created in 2004.

Source: Travis County Appraisal District

**City of Pflugerville  
Water and Wastewater Rates  
Last Ten Fiscal Years**

<u>Water Rates</u>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Base Charge	\$ 7.46	\$ 8.15	\$ 8.15	\$ 11.00	\$ 12.45	\$ 13.68	\$ 13.68	\$ 13.68	\$ 13.68	\$ 13.68
Usage:										
0 - 12,000 gallons									\$ 4.35	\$ 4.35
0 - 15,000 gallons	\$ 1.41	\$ 2.68	\$ 2.68	\$ 3.62	\$ 4.10	\$ 4.51	\$ 4.51	\$ 4.51		
15,001 - 20,000 gallons	\$ 1.44	\$ 2.73	\$ 2.73	\$ 3.68	\$ 4.17	\$ 4.59	\$ 4.59	\$ 4.59		
12,000 - 26,000 gallons									\$ 4.61	\$ 4.61
20,001 - 25,000 gallons	\$ 1.47	\$ 2.79	\$ 2.79	\$ 3.77	\$ 4.27	\$ 4.70	\$ 4.70	\$ 4.70		
25,001 - 30,000 gallons	\$ 1.50	\$ 2.84	\$ 2.84	\$ 3.83	\$ 4.34	\$ 4.78	\$ 4.78	\$ 4.78		
26,001 + gallons									\$ 4.73	\$ 4.73
30,001 - 35,000 gallons	\$ 1.52	\$ 2.89	\$ 2.89	\$ 3.90	\$ 4.42	\$ 4.86	\$ 4.86	\$ 4.86		
35,001 - 40,000 gallons	\$ 1.55	\$ 2.95	\$ 2.95	\$ 3.98	\$ 4.51	\$ 4.96	\$ 4.96	\$ 4.96		
40,001 - 45,000 gallons	\$ 1.58	\$ 3.00	\$ 3.00	\$ 4.05	\$ 4.59	\$ 5.05	\$ 5.05	\$ 5.05		
45,000 + gallons	\$ 1.61	\$ 3.05	\$ 3.05	\$ 4.12	\$ 4.67	\$ 5.14	\$ 5.14	\$ 5.14		
<u>Wastewater Rates</u>										
Base (4,000 gallons)	\$ 13.20	\$ 13.20	\$ 13.20	\$ 15.00	\$ 16.95	\$ 18.50	\$ 18.50	\$ 18.50	\$ 18.50	\$ 18.50
Base (3,000 gallons)										
Usage per 1,000 gallons	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.40	\$ 3.72	\$ 3.72	\$ 3.72	\$ 3.51	\$ 3.51
City average (new customers)	\$ 19.16	\$ 19.16	\$ 26.81	\$ 28.61	\$ 34.17	\$ 33.63	\$ 33.63	\$ 24.76	\$ 27.65	\$ 30.61

Note: The rates and charges provided represent those of a residential customer within the City limits with a typical 5/8" - 3/4" meter. This segment of the Utility customer base represents the largest portion of the City's utility customers.

Wastewater rates are based on the customer's winter water usage (the lowest three winter months of November, December, January and February). New customers start with the City average until their own rate is established. The number of gallons included in the base rate changed from 4,000 to 3,000 in FY 08.

Source: Utility Billing Department

**City of Pflugerville  
Principal Property Taxpayers  
Current Year and Nine Years Ago**

Taxpayer	2009			2000*		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
SCA 115 Swenson LLC	\$ 25,871,308	1	0.96%	\$ -	-	-
A-S 93 SH130 - SH45, L.P.	22,980,116	2	0.86%	-	-	-
Pflugerville Covington	21,312,945	3	0.79%	-	-	-
Oncor Electric Delivery Company	20,447,810	4	0.76%	-	-	-
Wal-Mart Real Estate Business T	18,202,963	5	0.68%	-	-	-
Timmerman Terrell	14,793,913	6	0.55%	-	-	-
Verde Meister Lane LP	14,095,658	7	0.53%	-	-	-
Home Depot	13,963,124	8	0.52%	-	-	-
Target Corporation	13,070,346	9	0.49%	-	-	-
Terrabrook Falcon Point LP	10,619,262	10	0.40%	-	-	-
Texas Electric Utilities	-	-	-	8,952,530	1	1.18%
Southwestern Bell Telephone	-	-	-	8,696,870	2	1.14%
Hobbs & Curry Family LP	-	-	-	4,485,000	3	0.59%
KO Limited Partnership	-	-	-	4,427,554	4	0.58%
Albertsons, Inc.	-	-	-	4,175,000	5	0.55%
Rapid Freight	-	-	-	3,594,800	6	0.47%
Sun Communities Texas Limited	-	-	-	3,448,779	7	0.45%
Austin Skyview Limited Partner	-	-	-	3,400,000	8	0.45%
Heatherwilde Group Limited	-	-	-	3,265,240	9	0.43%
Blackhawk Golf Club	-	-	-	3,229,741	10	0.42%
	<u>\$ 175,357,445</u>		<u>6.54%</u>	<u>\$ 47,675,514</u>		<u>6.26%</u>

Source:

Travis Central Appraisal District

\*The data is from May 2001, the nearest data to 2000 available.

**City of Pflugerville  
 Water and Wastewater Customers  
 Last Ten Fiscal Years**

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<u>Fiscal Year</u>	<u>Water</u>		<u>Wastewater</u>	
	<u>Water Customers</u>	<u>Percentage of Change</u>	<u>Wastewater Customers</u>	<u>Percentage of Change</u>
2000	5,691	10.5%	5,076	12.5%
2001	6,314	10.9%	5,665	11.6%
2002	6,711	6.3%	6,150	8.6%
2003	7,159	6.7%	7,792	26.7%
2004	7,934	10.8%	8,557	9.8%
2005	8,707	9.7%	9,417	10.1%
2006	9,821	12.8%	10,618	12.8%
2007	10,721	9.2%	11,560	8.9%
2008	11,293	15.0%	12,220	15.1%
2009	11,731	9.4%	12,670	9.6%

Source: Utility Billing department.

**City of Pflugerville  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

Fiscal Year	Total Tax Levy for the Fiscal Year	Collected within the fiscal year of the Levy		Tax Collections in Subsequent Years	Total Tax Collections	Total Collections as a Percent of Levy
		Amount	Percent of Levy			
2000	\$ 4,395,954	\$ 4,352,673	99.02%	\$ 17,653	\$ 4,370,326	99.42%
2001	4,891,657	4,841,576	98.98%	17,046	4,858,622	99.32%
2002	6,088,444	6,069,663	99.69%	9,600	6,079,263	99.85%
2003	7,412,826	7,393,750	99.74%	6,785	7,400,535	99.83%
2004	7,687,132	7,594,512	98.80%	72,997	7,667,509	99.74%
2005	8,389,615	8,332,240	99.32%	39,736	8,371,976	99.79%
2006	8,937,150	8,845,096	98.97%	74,219	8,919,315	99.80%
2007	9,451,101	9,325,408	98.67%	99,903	9,425,311	99.73%
2008	11,702,010	11,616,369	99.27%	36,416	11,652,785	99.58%
2009	15,268,751	14,952,362	97.93%	-	14,952,362	97.93%

Source: Travis Central Appraisal District

**City of Pflugerville  
 Water and Wastewater Revenue Collected  
 Last Ten Fiscal Years**

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<u>Fiscal Year</u>	<u>Water Revenue</u>	<u>Wastewater Revenue</u>
2000	\$ 1,621,095	\$ 1,420,156
2001	2,665,037	1,810,085
2002	3,142,447	1,951,467
2003	4,571,123	2,808,337
2004	5,066,529	3,378,275
2005	6,170,733	3,860,475
2006	7,837,349	4,178,359
2007	7,257,419	4,408,475
2008	9,831,538	4,990,730
2009	10,752,853	5,338,220

Source: City Financial Reports

**City of Pflugerville**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years\***  
**(amounts expressed in thousands, except per capita amount)**

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government Debt	Percentage of Personal Income <sup>1</sup>	Per Capita
	General Obligation Bonds	Certificates of Obligation	Capital Leases	Water Revenue Bonds	Water Certificates of Obligation	Wastewater Revenue Bonds	Wastewater Certificates of Obligation	Capital Leases			
2003	\$ 17,970	\$ 17,571	\$ 889	\$ 4,121	\$ 20,897	\$ 2,431	\$ 4,458	\$ 892	\$ 69,227	12.30%	\$ 2,822
2004	17,495	17,190	653	4,043	43,133	2,087	8,721	390	93,711	15.64%	3,589
2005	17,155	19,620	572	3,958	47,850	1,717	16,668	74	107,614	16.50%	3,787
2006	16,780	22,379	0	3,653	47,217	1,568	29,341	0	120,938	17.56%	4,179
2007	16,425	26,361	0	3,347	47,044	1,414	28,590	0	123,181	13.19%	3,473
2008	16,065	35,817	0	3,041	46,485	1,256	28,138	0	130,801	11.67%	3,128
2009	18,700	46,147	0	2,715	45,905	1,085	27,683	0	142,235	11.19%	3,000

Source: 2000 U. S. Census Bureau Demographic Profile

<sup>1</sup> See the Demographics Statistics on page 84 for personal income and population data.

\*Note: City of Pflugerville first applied GASB Statement No. 34 in fiscal year 2003; therefore, government-wide financial information for years prior to fiscal year 2003 is not available.

**City of Pflugerville**  
**General Bonded Debt Outstanding**  
**Last Ten Fiscal Years\***  
**(amounts expressed in thousands, except per capita amount)**

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<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Per Capita</u>
2003	\$ 17,970	\$ 428	\$ 17,543	1.49%	\$ 715
2004	17,495	429	17,066	1.42%	654
2005	17,155	497	16,658	1.27%	586
2006	16,780	529	16,251	1.15%	562
2007	16,425	662	15,763	1.04%	444
2008	16,065	781	15,284	0.81%	365
2009	18,700	745	17,955	0.72%	379

\*Note: City of Pflugerville first applied GASB Statement No. 34 in fiscal year 2003; therefore, government-wide financial information for years prior to fiscal year 2003 is not available.

**City of Pflugerville  
Direct and Overlapping Governmental Activities Debt  
September 30, 2009**

<u>Taxing Body</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Taxable Assessed Prop Value</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Estimated Overlapping Debt:</b>				
Travis County MUD #15	\$ 3,525,000	100.00%	154,924,335	\$ 3,525,000
North East Travis County Road District #4	-	41.89%	90,869,716	-
Travis County E.S.D. #2	2,394,999	34.54%	6,102,079,762	827,233
Pflugerville I.S.D.	375,344,973	29.39%	\$ 7,237,351,483	110,313,888
North East Travis County Utility District	16,910,000	3.20%	153,291,021	541,120
Travis County	521,720,834	2.13%	95,269,235,051	11,112,654
Travis County Healthcare District	-	2.13%	100,207,450,979	-
Williamson County	748,794,942	0.001%	30,900,032,291	7,488
Williamson County ESD #9	-	0.001%	1,286,899,185	-
Total estimated overlapping debt	<u>1,668,690,748</u>	7.57%	241,402,133,823	<u>126,327,382</u>
<b>Direct Debt - City of Pflugerville</b>	<u>64,846,845</u>	100.00%	2,489,169,600	<u>64,846,845</u>
<b>Direct and Estimated Overlapping Debt</b>	<u><b>\$ 1,733,537,593</b></u>			<u><b>\$ 191,174,227</b></u>

Source: Individual taxing bodies and Travis County Appraisal District

**City of Pflugerville  
 Legal Debt Margin Information  
 Last Ten Fiscal Years**

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt Limit	\$ 9,446,947	\$ 11,419,855	\$ 14,468,700	\$ 17,625,895	\$ 18,020,182	\$ 19,656,762	\$ 21,130,748	\$ 22,738,704	\$ 28,386,617	\$ 37,337,544
Total net debt applicable to limit	1,946,530	1,615,578	1,966,603	2,726,517	2,678,867	2,771,049	2,993,496	3,208,483	3,646,665	4,415,609
Legal debt margin	\$ 7,500,417	\$ 9,804,277	\$ 12,502,097	\$ 14,899,378	\$ 15,341,315	\$ 16,885,713	\$ 18,137,252	\$ 19,530,221	\$ 24,739,953	\$ 32,921,935
Total net debt applicable to the limit as a percentage of debt limit	20.60%	14.15%	13.59%	15.47%	14.87%	14.10%	14.17%	14.11%	12.85%	11.83%

**Legal Debt Margin Calculation for Fiscal Year 2009**

Assessed Value	\$ 2,489,169,600
Add Back: exempt property	-
Total Assessed Value	\$ 2,489,169,600
Debt limit (\$1.50 per \$100 of assessed valuation)	37,337,544
Debt applicable to limit:	
General obligation debt	4,415,609
Legal debt margin	\$ 32,921,935

\*Note: The Attorney General of the State of Texas will permit allocation of \$1.50 of the \$2.50 maximum ad valorem tax rate for general obligation debt service.

**City of Pflugerville  
Revenue Bond Coverage  
Water and Wastewater Revenue Bonds  
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Gross Water and Wastewater Revenues</u>	<u>Operating Expenses (1)</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2000	\$ 4,840,015	\$ 2,831,800	\$ 2,008,215	\$ 375,500	\$ 510,602	\$ 886,102	2.27
2001	7,393,683	4,377,850	3,015,833	453,500	1,162,078	1,615,578	1.87
2002	7,088,851	3,909,563	3,179,288	585,000	1,391,604	1,976,604	1.61
2003	7,833,202	4,283,877	3,549,325	399,000	1,411,464	1,810,464	1.96
2004	8,943,096	5,633,921	3,309,175	568,500	2,422,749	2,991,249	1.11
2005	11,596,502	6,343,575	5,252,927	604,960	1,518,530	2,123,490	2.47
2006	13,624,833	6,648,456	6,976,377	906,765	3,771,458	4,678,223	1.49
2007	13,099,308	7,430,813	5,668,495	1,419,620	3,979,306	5,398,926	1.05
2008	15,805,791	9,043,303	6,762,488	1,476,065	3,924,669	5,400,734	1.25
2009	16,433,947	10,512,444	5,921,503	1,531,495	3,865,753	5,397,248	1.10

(1) Excludes depreciation expense

**City of Pflugerville  
Demographic Statistics  
Last Ten Fiscal Years**

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<b>Fiscal Year</b>	<b>Population <sup>1</sup></b>	<b>School Enrollment <sup>2</sup></b>	<b>Total Personal Income <sup>3</sup></b>	<b>Personal Income Per Capita <sup>3</sup></b>	<b>Unemployment Rate <sup>4</sup></b>
2000	16,335	12,854	374,946,216	22,954	3.10
2001	19,992	13,828	458,887,343	22,954	4.30
2002	21,738	14,422	498,964,239	22,954	5.80
2003	24,527	14,990	562,981,686	22,954	5.90
2004	26,111	16,575	599,340,107	22,954	5.10
2005	28,416	18,703	652,248,036	22,954	4.40
2006	28,939	19,696	688,592,112	23,795	4.10
2007	35,468	19,850	933,553,567	26,321	3.70
2008	41,817	19,696	1,120,841,628	26,803	4.70
2009	47,417	21,288	1,270,941,183	26,803	7.20

<sup>1</sup> City of Pflugerville Planning Department

<sup>2</sup> Pflugerville Independent School District website

<sup>3</sup> 2000-2005 Personal Income from the 2000 U.S. Census Bureau Demographic Profile, based on 1999 dollars  
Personal Income data after 2006 was obtained from the Pflugerville Community Development Corporation  
(Updated data for 2009 not available.)

<sup>4</sup> Austin-Round Rock Metropolitan Statistical Area, obtained from the  
U.S. Department of Labor, Bureau of Labor Statistics

**City of Pflugerville  
Principal Employers  
Current Year and Nine Years Ago**

Employers	2009		2000	
	Employees	Percentage of Total City Employment	Employers	Employees
Pflugerville ISD	1,351	34.9%	Pflugerville ISD	1,905
Walmart	325	8.4%	HEB	225
City of Pflugerville	278	7.2%	Austin Foam Plastics	180
Austin Foam Plastics	250	6.5%	City of Pflugerville	143
HEB	200	5.2%	Albertsons	75
Target	200	5.2%	Pflugerville Care Center	71
Home Depot	125	3.2%	U.S. Postal Service	40
Pflugerville Care Center	75	1.9%	G & H Contracting	35
CoCom	70	1.8%	Advanced Plastics	30
Best Buy	65	1.7%	Burrell Printing	25
<b>Total</b>	<b>2,939</b>	<b>76%</b>	<b>Total</b>	<b>2,729</b>

Notes: 2000 Data includes the greater Pflugerville area.  
Percentage of total employment not available for 2000 and 2009 is estimated by the Finance Department.

Sources:  
Pflugerville Community Development Corporation (Current Year)  
Official Statement, Waterworks and Sewer System Revenue Bonds, Series 2000, Appendix A

**City of Pflugerville  
Water and Wastewater Customers by Type  
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Water Customers</u>				<u>Wastewater Customers</u>			
	<u>Residential</u>	<u>Commercial</u>	<u>Other</u>	<u>Total</u>	<u>Residential</u>	<u>Commercial</u>	<u>Other</u>	<u>Total</u>
2000	5,510	125	56	5,691	4,974	85	17	5,076
2001	6,116	136	62	6,314	5,558	87	20	5,665
2002	6,482	160	69	6,711	6,033	95	22	6,150
2003	6,899	185	75	7,159	7,643	123	26	7,792
2004	7,633	224	77	7,934	8,397	132	28	8,557
2005	8,376	246	85	8,707	9,253	136	28	9,417
2006	9,443	283	95	9,821	10,445	139	34	10,618
2007	10,273	267	104	10,644	11,363	159	38	11,560
2008	10,875	301	117	11,293	12,007	172	41	12,220
2009	11,281	317	133	11,731	12,436	187	47	12,670

Source: Utility Billing Department

**City of Pflugerville  
Full Time Equivalent Employees by Function  
Last Ten Fiscal Years**

<u>Function</u>	<u>Fiscal Year</u>									
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Government	7	10	11	12	13	14	15	20	24	22.5
Fleet	0	0	0	0	2	2	2	3	3	3
Building Inspection	6	6	8	8	8	8	7	8	8	8
Planning & Development	4	4.5	5	5	5	5	5.38	6.38	7.38	7.4
Engineering	3	5	3.5	6	5	6	6	5	5	6
Streets	12.5	13.5	16.75	12.75	10.75	15	16	19	21	21
Water	12.5	17.5	17	15	16.5	18.5	18.5	18.5	18	18
Wastewater	7	12	12	13.5	15.5	15.5	15.5	16	18.5	18.5
Library	6.5	8.5	8	9	8.5	8.51	9	11	12.2	12.2
Parks & Recreation										
Full Time	11.5	15	15.5	21.5	22.5	20	20	23.5	27.5	31.5
Seasonal	10	10	11	15.5	24.5	24.5	27.5	27.75	28.25	28.75
Police Services										
Officers	38.5	46	44	45	48	51	55	58.5	68.5	87.5
Civilians	11	12	13.5	14	14.67	15	16	18.5	20.5	23.5
Municipal Court	2	2	3	3	3.33	4	4	5	5	5
<b>Total Employees</b>	<b>131.5</b>	<b>162.0</b>	<b>171.25</b>	<b>183.25</b>	<b>200.75</b>	<b>207.01</b>	<b>220.88</b>	<b>240.13</b>	<b>266.83</b>	<b>292.85</b>

Source: City of Pflugerville Budget

**City of Pflugerville  
Operating Indicators by Function  
Last Ten Fiscal Years\***

Function	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Building Inspection								
Residential Permits	466	504	635	693	891	566	262	386
Commercial Permits	19	5	12	7	9	45	58	45
Inspections Performed	18,413	21,501	28,764	30,974	42,199	29,603	12,437	13,802
Engineering								
Construction Plans Reviewed	96	102	102	99	100	105	75	15
Construction Inspections	11,584	15,000	15,000	16,500	17,400	17,100	16,954	11,700
Fleet								
Vehicle Inspections	37	53	53	75	87	115	113	130
Library								
Library Visits (000)	64	67	70	105	155	161	159	162
Items Circulated (000)	106	135	150	183	212	216	215	253
Parks & Recreation								
Recreation Center Members	3,839	4,040	4,365	5,281	5,314	6,682	3,969	5,540
Facilities Reservations	749	923	780	1,045	455	339	486	525
Recreation Program Participants	1,384	1,462	1,430	1,300	1,515	1,663	2,714	2,629
Planning & Development								
Single Family Lots Reviewed	4,213	4,000	3,400	4,362	3,000	2,628	720	230
Subdivision Plat Applications	33	40	53	43	31	50	58	21
Zoning Applications	17	20	9	8	15	20	25	16
Police Services								
Citations Issued	3,373	7,835	10,152	11,204	8,258	8,727	11,352	14,527
Arrests								
Felony	147	170	152	166	170	278	252	242
Misdemeanor	1,525	1,706	1,456	1,400	1,502	1,988	2,613	2,856
Calls for Service	21,098	22,000	28,417	34,113	38,915	37,766	44,423	55,032
Municipal Court								
Cases Filed	8,719	9,418	11,947	11,611	10,060	9,949	13,064	16,172
Warrants Issued	2,929	2,624	4,921	2,170	7,405	4,854	4,026	5,653
Streets								
Miles of Streets Maintained	97	107	123	133	136	157	178	203
Water								
New Connections	543	597	708	730	815	814	644	442
Water Main Breaks	4	3	1	4	4	8	7	4
Average Daily Usage (MGD)	2.90	3.35	2.55	3.29	3.62	3.85	4.97	5.42
Wastewater								
Average Daily Flow (MGD)	1.68	1.82	2.55	2.40	2.28	3.07	3.02	2.94
Wastewater Treated (MG)	613	665	931	878	834	1,120	1,101	1,072
Blockages Cleared	73	83	115	84	116	76	73	95

\*Indicators are not available for functions prior to 2002.

Sources: Various government departments

**City of Pflugerville  
Capital Assets by Function  
Last Ten Fiscal Years\***

Function	Fiscal Year									
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>		
Fleet										
Fleet Vehicles	61	73	79	111	116	130	143	160		
Library										
Libraries	1	1	1	1	1	1	1	1		
Books (000)	34	39	43	51	44	51	56	56		
Parks & Recreation										
Parks	15	15	18	21	23	24	24	25		
Park Acreage	268	268	351	400	475	485	495	520		
Swimming Pools	1	1	2	2	2	2	2	3		
Recreation Centers	1	1	1	1	1	1	1	1		
Miles of Trails	5	8.75	10.75	13.75	17	19	20	25		
Police Services										
Stations	1	1	1	1	1	1	1	1		
Streets										
Streets (miles)	96.6	107	123	133	136	157	178	203		
Traffic Signals	3	4	5	5	5	6	7	8		
Water										
Surface Water Treatment Plant	0	0	0	0	0	1	1	1		
Water lines (miles)	88	98	105	110	135	159	163	165		
Wells in Operation	4	4	3	3	3	3	3	3		
Wastewater										
Wastewater lines (miles)	87.6	96.2	120.8	125	125	138	140	142		
Wastewater Treatment Plants	1	1	2	2	2	2	2	2		

\*Data for all capital assets not available prior to fiscal year 2002.

Sources: Various government departments.

