

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2012



The School Board of Broward County, Florida

Fort Lauderdale, Florida

www.browardschools.com

COMPREHENSIVE

ANNUAL FINANCIAL REPORT OF

The School Board of Broward County, Florida

For the Fiscal Year Ended June 30, 2012

Issued by:

**Robert W. Runcie, Superintendent of Schools
I. Benjamin Leong, CPA, Chief Financial Officer**

Prepared by:

**Oleg Gorokhovsky, CPA, Director of
Accounting and Financial Reporting**

**600 Southeast Third Avenue
Fort Lauderdale, Florida 33301**

Broward County Public Schools



***Educating Today's Students
For Tomorrow's World***

**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Table of Contents

	Exhibit Number	Page Number
I. INTRODUCTORY SECTION		
Letter of Transmittal		i-vi
Principal Officials – Elected.....		viii-ix
Other Principal Officials.....		x
Organization Charts		xii-xiii
Certificate of Excellence in Financial Reporting		xiv
Certificate of Achievement for Excellence in Financial Reporting		xv
II. FINANCIAL SECTION		
Report of the Independent Certified Public Accountants		1-2
Required Supplemental Information – Part A:		
Management’s Discussion and Analysis		7-13
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Assets.....	1	19
Statement of Activities	2	20-21
Fund Financial Statements:		
Balance Sheet - Governmental Funds	3	24-25
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Assets	3a	27
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	4	28-29
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	4a	31
Statement of Net Assets – Proprietary Funds	5	32
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds.....	6	33
Statement of Cash Flows – Proprietary Funds.....	7	34
Statement of Fiduciary Assets and Liabilities.....	8	35
Notes to the Basic Financial Statements:		
1. Summary of Significant Accounting Policies.....		37-45
2. Budgetary Policies		45
3. Deposits and Investments.....		45-51
4. Due To/From Other Governmental Agencies and Deferred/Unearned Revenue		51-52
5. Ad Valorem Taxes.....		52-53
6. Capital Assets		54
7. Interfund Transactions		55
8. Tax Anticipation Notes		56
9. Capital Leases		56-57
10. Non-Current Debt.....		58-59
11. Defeased Debt		59-60
12. Obligation Under Lease Purchase Agreement – Certificates of Participation		60-64
13. Interest Rate Swaps.....		64-67
14. Compensated Absences		67-68
15. Other Post Employment Benefits (OPEB)		68-70
16. Retirement Plans.....		70-71



**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Table of Contents, Continued

II. FINANCIAL SECTION, Continued	Exhibit Number	Page Number
Basic Financial Statements, Continued:		
Notes to the Basic Financial Statements, Continued:		
17. Retirement Incentive Programs		71-72
18. FICA Alternative		72
19. Risk Management		72-73
20. Fund Balance Reporting.....		73-75
21. Net Assets.....		75
22. Commitments and Contingencies		75-76
23. Subsequent Event(s).....		76
Required Supplemental Information – Part B:		
Major Fund Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis):		
General Fund - Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds – Budget and Actual (Budgetary Basis).....	A1	80
Major Special Revenue fund - ARRA Economic Stimulus – Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (Budgetary Basis)	A2	81
Notes to the Budgetary Comparison Schedule	A3	82
Other Post Employment Benefits Schedule of Funding Progress.....	A4	83
Other Supplemental Information:		
Other Major Fund Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) and Combining, Individual Non-Major Fund Statements and Schedules:		
Non-Major Governmental Funds – Combining Balance Sheet.....	B1	88
Non-Major Governmental Funds – Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	B2	89
Non-Major Special Revenue Funds:		
Combining Balance Sheet.....	C1	92
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	C2	93
Comparative Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Budgetary Basis):		
Food Services.....	C3	94
Contracted Programs	C4	95
Other Special Revenue	C5	96
Major Debt Service Fund Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) and Non-Major Debt Service Funds:		
Non-Major Debt Service Funds - Combining Balance Sheet.....	D1	98
Non-Major Debt Service Funds - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	D2	99
Major Debt Service Funds Comparative Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Budgetary Basis):		
COP Series	D3	100
ARRA Economic Stimulus	D4	101



**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Table of Contents, Continued

II. FINANCIAL SECTION, Continued	<u>Exhibit Number</u>	<u>Page Number</u>
Non-Major Debt Service Funds Comparative Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Budgetary Basis):		
COBI Debt Service	D5	102
District Bonds and Section 237.161 Loans	D6	103
Major Capital Projects Fund Comparative Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) and Non-Major Capital Projects Funds:		
Non-Major Capital Projects Funds - Combining Balance Sheet	E1	106
Non-Major Capital Projects Funds - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	E2	107
Major Capital Projects Funds Comparative Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Budgetary Basis):		
Local Millage Capital Improvement	E3	108
ARRA Economic Stimulus	E4	109
Other Capital Improvement	E5	110
Non-Major Capital Projects Funds Comparative Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Budgetary Basis):		
Capital Outlay and Debt Service	E6	111
Capital Outlay Bond Issues	E7	112
District Bonds.....	E8	113
Public Education Capital Outlay Funds	E9	114
F.S. Loans	E10	115
Internal Service Funds:		
Combining Statement of Net Assets	F1	118
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets.....	F2	119
Combining Statement of Cash Flows.....	F3	120
Agency Fund:		
Statement of Assets and Liabilities	G1	122
Statement of Changes in Assets and Liabilities.....	G2	123
Component Units:		
Combining Schedule of Net Assets.....	H1	126-137
Combining Schedule of Activities.....	H2	138-149
III. STATISTICAL SECTION	<u>Table</u>	<u>Page Number</u>
Narrative – Statistical Section		153
Net Assets by Component	1	154
Changes in Net Assets.....	2	155
Fund Balances of Governmental Funds	3	156-157
General Government Summary of Revenues by Source and Expenditures by Function	4	158-159
Assessed Value of Taxable Property.....	5	160



**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Table of Contents, Concluded

III. STATISTICAL SECTION, Concluded	<u>Table</u>	<u>Page Number</u>
Property Tax Rates and Levies – Direct and Overlapping Governments	6	161
Principal Taxpayers – Broward County.....	7	163
Property Tax Levies and Collections – All Governmental Fund Types	8	164-165
Ratios of Outstanding Debt by Type	9	166
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita.....	10	167
Computation of Direct and Overlapping Debt	11	169
Legal Debt Margin Information.....	12	170-171
Ratio of Annual Debt Service for General Bonded Debt to Total General Expenditures	13	172
Demographic Statistics	14	173
Schedule of District Statistics.....	15	174-175
Comparative Enrollment Trends	16	176-177
Largest Employers in Broward County	17	178
Classification of Full-Time Personnel.....	18	179
Teachers' Salaries	19	180
Schedule of Operating Statistics.....	20	181
Capital Asset Information	21	182





Broward County Public Schools

Introductory Section

Broward County Public Schools



***Educating Today's Students
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THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

600 SOUTHEAST THIRD AVENUE • FORT LAUDERDALE, FLORIDA 33301-3125 • TEL 754-321-2600 • FAX 754-321-2701

ROBERT W. RUNCIE
Superintendent of Schools

SCHOOL BOARD

Chair LAURIE RICH LEVINSON
Vice Chair PATRICIA GOOD

ROBIN BARTLEMAN
ABBY M. FREEDMAN
DONNA P. KORN
KATHERINE M. LEACH
ANN MURRAY
DR. ROSALIND OSGOOD
NORA RUPERT

December 7, 2012



Robert W. Runcie
Superintendent of Schools

Members of the School Board and Citizens of Broward County:

We are pleased to present the Comprehensive Annual Financial Report ("CAFR") of The School Board of Broward County, Florida, (the "District" or "Broward County Public Schools") for the fiscal year ended June 30, 2012. These financial statements are presented to conform to the Generally Accepted Accounting Principles (GAAP) in the United States as applied to governmental units. The Florida Statutes require that the District publish, within six months of the close of each fiscal year, a complete set of audited financial statements. The U.S. Securities and Exchange Commission (SEC) also requires a legal undertaking on the part of governmental debt issuers to provide annual audited financial information. The CAFR is published to fulfill these requirements. In addition to meeting legal requirements, this report is intended to provide informative and relevant financial information for the residents of Broward County, School Board Members (the "Board"), investors, creditors, and other concerned readers. We believe that the

information, as presented, is accurate in all material aspects; that it is designed to present fairly the financial position and changes in the financial position of the District; and that all disclosures necessary to enable the reader to gain an adequate understanding of the District's financial condition have been included. The responsibility for the preparation of the accompanying financial statements and other information contained in this CAFR rests with the District's management.

The District's management is responsible for the establishment and maintenance of a comprehensive internal control framework to ensure compliance with applicable laws and District policies. The District's internal control framework also ensures that financial transactions are properly recorded and documented to provide reliable information for the preparation of the District's financial statements in accordance with GAAP. Since the cost of internal controls should not outweigh their benefits, the District's internal control framework has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement.

State statutes allow an outside independent audit of school districts by a firm of certified public accountants in lieu of an audit by the State of Florida Auditor General, under certain conditions. The accounting firm of McGladrey, LLP was selected by the Board to perform the audit function. In keeping with the minority business enterprise program established by the Board, McGladrey, LLP was assisted by Sharpton, Brunson & Company, P.A., and Harvey, Covington & Thomas, LLC, Certified Public Accountants. The independent auditor concluded that there was a reasonable basis for rendering an unqualified opinion on the District's financial statements for the year ended June 30, 2012. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statement in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the independent auditor's report.

PROFILE OF THE GOVERNMENT



The District is the sixth largest school district in the United States – and second largest in Florida, encompassing all of Broward County, Florida (“Broward County”). It is the nation's largest, fully-accredited school district, meeting the rigorous accreditation standards established by the Southern Association of Colleges and Schools Council on Accreditation and School Improvement (SACS CASI). This distinction is the highest level of accreditation that a school system can receive from the SACS CASI organization. The General Fund, the primary operating fund of the District, had an annual operating budget of approximately \$1.8 billion for the fiscal year ended June 30, 2012. This budget served 258,803 pre-kindergarten through 12th grade students at 310 schools.

The District has taxing authority and provides elementary, secondary and vocational education services to the residents of Broward County. Besides the various educational programs offered to K-12 students, pre-kindergarten services include: programs for babies whose teen parents are progressing toward achieving high school diplomas; programs for special education infants and toddlers below the age of three; pre-kindergarten programs for three and four-year-old disabled students; and programs for eligible low-income, at-risk students.

In addition to services provided for children, the District offers programs for adults to learn the necessary skills in order to enter the workforce or increase opportunities for advancement in current positions. Also, students from foreign countries have the opportunity to learn communication skills through our “English for Speakers of Other Languages” (“ESOL”) programs, and all citizens can take fee-supported courses to increase personal development in various subjects such as nursing, automotive technology, culinary arts, and finance.

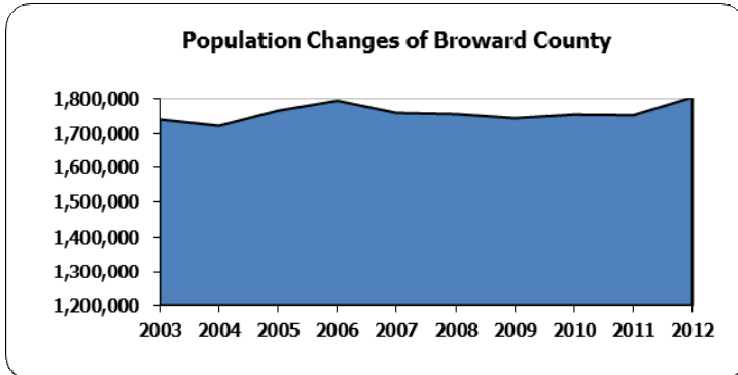
The District was created by the state constitution and is part of the state system of public education operated under the general direction and control of the State Board of Education. Established in 1915, the District is governed by nine elected members. The appointed Superintendent of Schools serves as executive officer of the District. As of November 21, 2012, the Board members were: Laurie Rich Levinson, Chair; Patricia Good, Vice Chair; Robin Bartleman, Abby M. Freedman, Donna P. Korn, Katherine M. Leach, Ann Murray, Dr. Rosalind Osgood and Nora Rupert. The CAFR includes all funds of the District, the Broward School Board Leasing Corporation, as well as the Broward Education Foundation and charter schools, which are reported discretely as component units, thus all combined comprise the reporting entity.

In accordance with the Florida Statutes, the District has formally established budgetary accounting control for its operating funds. Budgetary control is maintained at the function/object level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Purchase orders which result in an overrun of budget balances are not released until additional appropriations are made available through transfer from other accounts by the Board.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy

Located on the southeastern coast of Florida, Broward County has an area of approximately 1,200 square miles. It is bordered to the north by Palm Beach County and to the south by Miami-Dade County. Broward County ranks second in population in the state, with a 2012 estimated population of 1.8 million. Among the largest private sector employers in Broward County are: Memorial Healthcare System, Broward Health, Nova Southeastern University, and American Express.



Recent trends, excluding charter schools, indicate that District operated elementary (pre-kindergarten through fifth grade) enrollment will decrease over the next five years by 4,889 students, middle school enrollment to decrease by 1,227 students, and high school enrollment to decrease by 146 students.

As of June 30, 2012, 21% of the District's school facilities were over 40 years old. The District's Capital Improvement Program identifies and addresses the maintenance needs of these aging school facilities.

Since the enactment of the American Recovery and Reinvestment Act (ARRA) in February 2009, over \$407 million has been awarded to the District in the areas of State Fiscal Stabilization, Workforce Development, Race To The Top, Education Jobs, Title I, Title II, IDEA, Title X, Equipment Assistance, Head Start and Boy's and Girl's Club.

Long-Term Financial Planning



While maintaining schools and centers, the District has worked to provide enough capacity to reduce class sizes and meet anticipated student enrollment. After a long period of unprecedented student growth the District's student enrollment has stabilized, and with the opening of more charter schools, the enrollment in District operated schools has declined. Therefore, it has become necessary to focus capital outlay resources on preventative maintenance, remodeling and renovation of existing facilities, and meeting health, safety and accessibility requirements.

Over the last few years, school districts' capital budgets throughout the State have been put under great pressure. Sharp declines in property values and a 25% reduction of the taxing rate used for the capital budget have required Broward Schools to change the emphasis of our capital budget.

Florida Statute 1013.35 requires the District to prepare and adopt a District Educational Facilities Plan (DEFP) before adopting the annual capital outlay budget. The purpose of the DEFP is to keep the School Board and the public fully informed as to whether the District is using sound policies and practices that meet the essential needs of students and that warrant public confidence in District operations.

The five year capital plan provides the School Board and the public a detailed and financially feasible capital outlay plan that appropriates \$1.24 billion in estimated capital revenues over the next five-year period ending June 30, 2017. The plan identifies the following elements in capital planning:

- Through a comprehensive review, several projects from the previous plan have been reduced or delayed in favor of other needs that have been determined to be more crucial to the District's priorities. Projects that could not be funded due to the drastic reduction in revenue have been accumulated so that as the funding situation improves the projects can be restored.
- The District's capital outlay funding priorities are:
 - Fully fund safety, maintenance, Americans with Disability Act & Indoor Air Quality
 - Technology & Vehicles (Buses and Maintenance Trucks)
 - Prioritized Construction Projects (e.g. replacement schools, major remodeling/renovation projects, kitchen/cafeteria projects and media center projects).
- The District Educational Facilities Plan is a key component of public school concurrency and provides a financially feasible plan to meet the level of service as required by the State Statute.



The five-year plan development is based on an analysis of the District's demographics, community participation, area executive staff feedback, School Board Members' input and departmental recommendations.

Relevant Financial Policies

Presented below is an explanation of financial information, management of financial resources and obligations, and control techniques applicable to financial resources and obligations.

Financial Information. The MD&A (starting on page 7) summarizes the Statement of Net Assets and the Statement of Activities and reviews the activity for the year. The actual statements (in detail) are presented on pages 19 through 21. These government-wide statements are intended to present the District in a more corporate style and provide a view of the "big picture."

Additionally, the Fund Financial Statements (starting on page 24) are designed to address by category the major governmental funds, as well as proprietary and fiduciary funds. An explanation of these complementary presentations can be found in the MD&A (starting on page 7) and in the notes (see Note 1 on page 37).

Accounting Systems. In developing and evaluating the District's accounting control framework, consideration is given to the adequacy of internal accounting controls. Accounting controls are comprised of the plan of organization, procedures and records that are concerned with the safeguarding of assets, and the reliability of financial records. Consequently, accounting controls are designed to provide reasonable assurance that:

- Transactions are executed in accordance with management's general or specific authorization.
- Transactions are recorded as necessary (1) to permit preparation of financial statements in conformity with generally accepted accounting principles in the United States of America or

- any other criteria, such as finance-related legal and contractual compliance requirements applicable to such statements, and (2) to maintain accountability of assets.
- o Access to assets is permitted only in accordance with management's authorization.
 - o The recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

All internal control evaluations occur within the above framework. We believe the District's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Fund Balance Policy. Board Policy 3111 – Fund Balance provides for a minimum general fund balance of 3% of the total annual operating expenditures. It mandates monthly reporting to the Board an estimate of the fund balance amount by dollar amount and percentage. It also provides for alerts to the Superintendent and the School Board if the fund balance falls below 3.5%.

Budget Policy. The Board follows procedures established by State Statute and State Board of Education rules in establishing annual budgets for governmental funds. Budgets are prepared, public hearings are held, and original budgets are adopted annually for all governmental fund types in accordance with procedures and time intervals prescribed by law and State Board of Education rules.

Cash Management Policies and Practices. The District's investment policy authorizes investments with the State Board Administration (SBA), interest-bearing time deposits, savings accounts and U. S. Treasury and Agency securities. All public deposits are held in qualified public depositories. As of June 30, 2012, the District did not maintain a balance with the SBA. Cash management and investment activities are discussed in greater detail in the notes to the financial statements.

Awards and Acknowledgements



Broward County Public Schools (BCPS) Financial Division was the 2008 Council of the Great City Schools (CGCS) Award Winner for Excellence in Financial Management. Our District is the first district in the nation to receive this prestigious award. The CGCS Award for Excellence in Financial Management focuses on policies, procedures and outcomes across a broad range of financial areas. A rigorous Best of Financial Management Policies Peer Review process assesses our District's financial management practices; and Key Performance Indicators are used as an

evaluative research and objective analytical baseline to demonstrate the efficient and effective use of financial resources.

This award represents a significant achievement by the School District, Board of Education, Superintendent and administrative staff that support the highest standards in financial accountability and controls that are needed to safeguard and protect the financial integrity of the District. Their efforts reflect an extraordinary dedication to excellence in financial management and demonstrate outstanding stewardship of taxpayer dollars with the ultimate beneficiaries being the children of Broward County Public Schools.

The School Board of Broward County, Florida
December 7, 2012

To receive this award, the District achieved 95 percent or 2,309 of a possible 2,430 points by complying with all 95 mandatory practices and a minimum of 41 of 53 recommended practices in the following nine categories: 1) Treasury, 2) General Financial Management, 3) Internal Controls, 4) Capital Asset Management, 5) Budget, Strategic Planning & Management, 6) Debt Management, 7) Internal and External Financial Auditing, 8) Risk Management and 9) Purchasing.

The Association of School Business Officials (ASBO) International awarded a Certificate of Excellence in Financial Reporting to the District for its CAFR for the fiscal year ended June 30, 2011. This was the twenty-ninth consecutive year that the District has received this prestigious award. In order to be awarded a Certificate of Excellence, a governmental unit must publish an easily readable and efficiently organized CAFR, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Excellence is valid for a period of one year only. For the fiscal year ended June 30, 2011, and the sixteenth consecutive year, ASBO also awarded the District the Meritorious Budget Award for excellence in the preparation and issuance of its annual budget.


Additionally, the Government Finance Officers Association of the United States and Canada (GFOA) awarded the District the Certificate of Achievement for Excellence in Financial Reporting and the Distinguished Budget Presentation Award, both for the sixteenth consecutive year. The Certificate of Achievement for Excellence in Financial Reporting award certifies that the CAFR substantially conformed to the accounting and reporting standards adopted by GFOA for the fiscal year ended June 30, 2011.

We believe our current comprehensive annual financial report continues to conform to the standards established for both the Certificate of Excellence Program and the Certificate of Achievement Program. Accordingly, we are submitting the CAFR for fiscal year ended June 30, 2012, to both ASBO and GFOA to be considered for these prestigious awards once again. The preparation of this CAFR could not have been accomplished without the efficient and dedicated services of the entire staff of the Office of the Chief Financial Officer, the Audit Committee, the Office of the Chief Auditor, as well as other departments that provided assistance throughout the preparation of this report. In addition, we appreciate the thoroughness with which our auditors, McGladrey, LLP, performed their audit function.

Finally, we would like to thank the Board for their leadership and support in planning and conducting the financial operations of the District.

Respectfully submitted,


Robert W. Runcie
Superintendent of Schools


J. Benjamin Leong, CPA
Chief Financial Officer


Oleg Gorokhovskiy, CPA
Director of Accounting & Financial Reporting

Broward County Public Schools



***Educating Today's Students
For Tomorrow's World***

Principal Officials – Elected

School Board Members As of November 21, 2012

- Laurie Rich Levinson, **Chair**, Member, District 6
First Elected November 2010
Term Expires November 2014
- Patricia Good, **Vice Chair**, Member, District 2
First Elected November 2010
Term Expires November 2016
- Robin Bartleman, Member, At-Large, Countywide
First Elected November 2004
Term Expires November 2016
- Abby M. Freedman, Member, District 4
First Elected November 2012
Term Expires November 2016
- Donna P. Korn, Member, At-Large, Countywide
First Elected November 2012
Term Expires November 2016
- Katherine M. Leach, Member, District 3
First Elected November 2012
Term Expires November 2016
- Ann Murray, Member, District 1
First Elected November 2008
Term Expires November 2014
- Dr. Rosalind Osgood, Member, District 5
First Elected November 2012
Term Expires November 2016
- Nora Rupert, Member, District 7
First Elected November 2010
Term Expires November 2014

**The School Board of Broward County, Florida
Principal Officials – Elected
School Board Members
As of November 21, 2012**



Laurie Rich Levinson
Chair, District 6



Patricia Good
Vice Chair, District 2



Robin Bartleman
At-Large, Countywide



Abby M. Freedman
District 4



Donna P. Korn
At-Large, Countywide



Katherine M. Leach
District 3



Ann Murray
District 1



Dr. Rosalind Osgood
District 5



Nora Rupert
District 7

**Other Principal Officials
As of November 21, 2012**

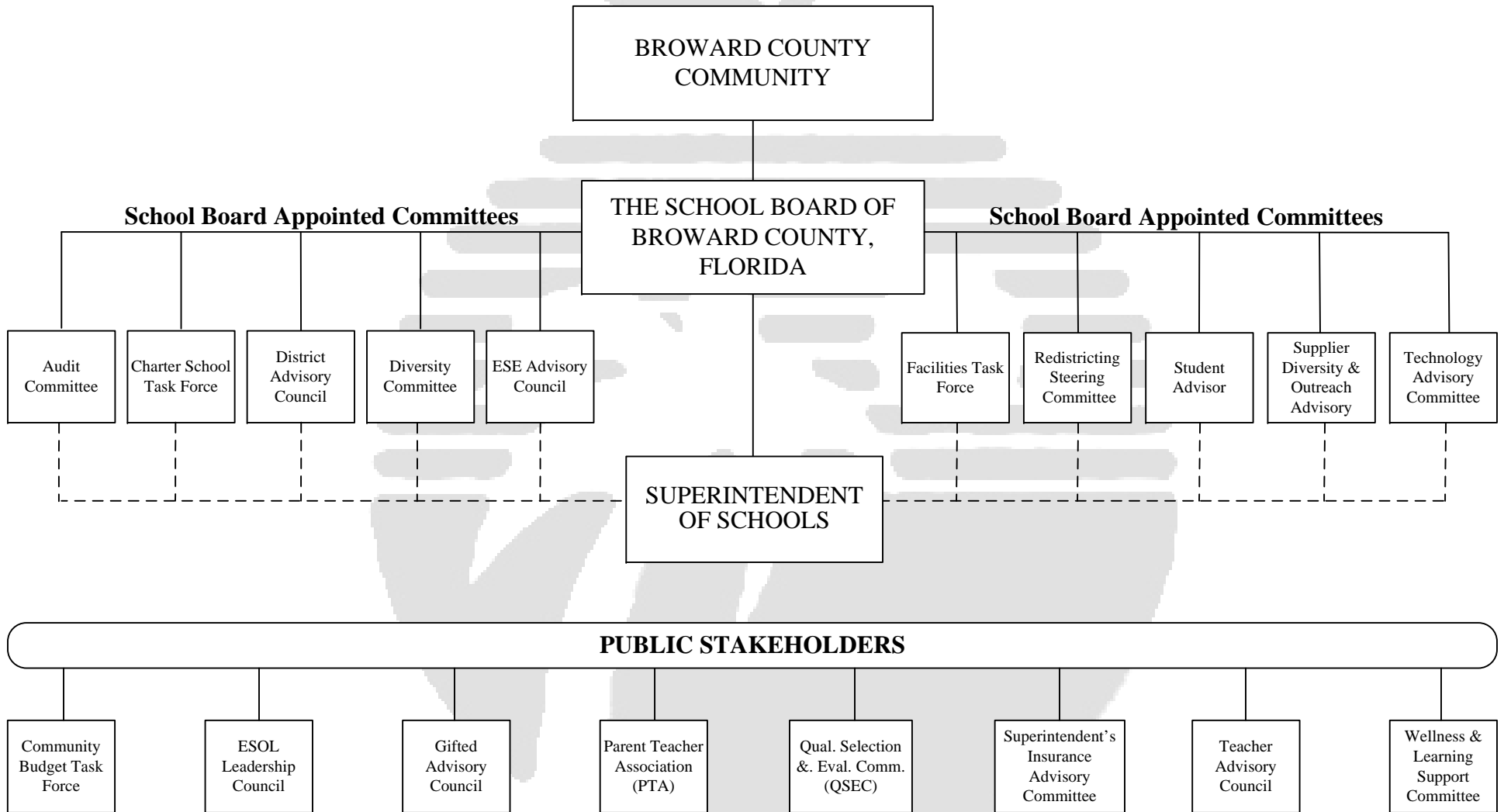
Robert W. Runcie	Superintendent of Schools
Jeffrey S. Moquin	Chief of Staff
Dr. Desmond Blackburn	Chief School Performance & Accountability Officer
Vacant	Chief Academic Officer
Patrick Reilly, CPA	Chief Auditor
Thomas Lindner	Chief Facilities Officer
I. Benjamin Leong, CPA	Chief Financial Officer
Gracie M. Diaz	Chief Human Resources Officer
Dr. Joanne Harrison	Chief Portfolio Services Officer
Tracy Clark	Chief Public Information Officer
Maurice Woods	Chief Strategy & Operations Officer
Dr. Elisa Calabrese	Chief Talent Development Officer
J. Paul Carland, II, Esq.	General Counsel

Broward County Public Schools

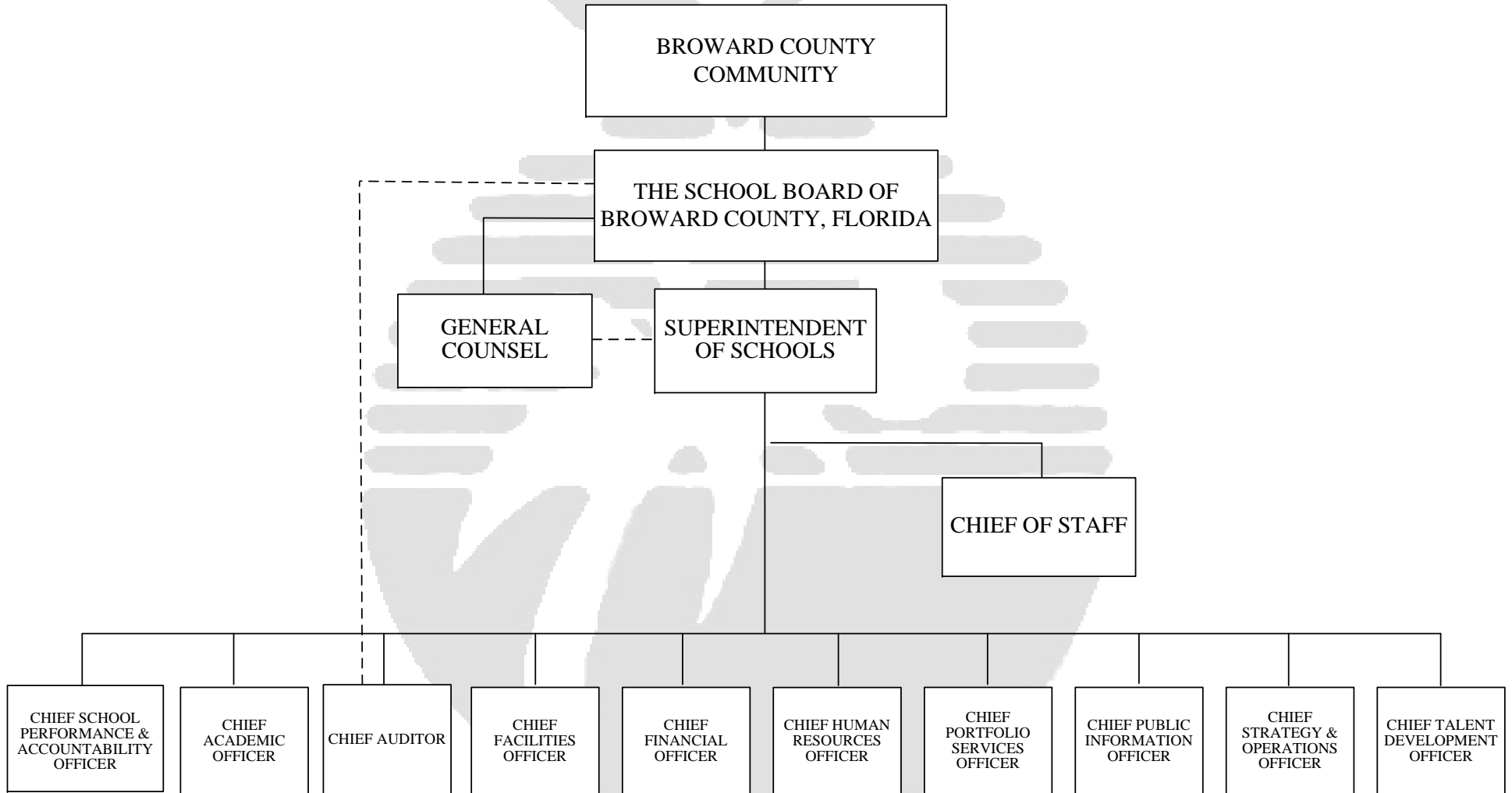


***Educating Today's Students
For Tomorrow's World***

The School Board of Broward County, Florida
 Organization Chart
 As of July 1, 2012



The School Board of Broward County, Florida
Organization Chart
As of July 1, 2012





This Certificate of Excellence in Financial Reporting is presented to

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2011

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

President

Executive Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

The School Board
of Broward County

Florida

For its Comprehensive Annual

Financial Report

for the Fiscal Year Ended

June 30, 2011

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



Linda C. Davison

President

Jeffrey R. Emer

Executive Director

Broward County Public Schools



***Educating Today's Students
For Tomorrow's World***



Broward County Public Schools

**Financial
Section**

Broward County Public Schools



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Independent Auditor's Report

Chairperson and Members of
The School Board of Broward County, Florida

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of The School Board of Broward County, Florida (the "District"), as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component units indicated above, is based solely on the reports 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the School Board of Broward County, Florida, as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated December 7, 2012 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, based on our audit, the procedures performed as described previously, and the reports of the other auditors, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole. 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 do not express an opinion or provide any assurance on them.

McGladrey LLP

Fort Lauderdale, Florida
December 7, 2012

Required Supplemental Information (Part A)

Required supplementary information is comprised of unaudited information that accompanies the audited basic financial statements. Part A deals with management's discussion and analysis.

Broward County Public Schools



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Management's Discussion and Analysis ("MD&A")

The purpose of MD&A is to provide users of the basic financial statements with a narrative introduction, overview, and analysis of those statements.

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THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

As management of The School Board of Broward County, Florida (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2012. The narrative is designed to assist the reader in focusing on significant financial issues, provide an overview of the District's financial activity, identify changes in the District's financial position, and identify individual fund issues or concerns. As with other sections of this financial report, the information contained within this narrative should be considered only a part of a greater whole. The reader of this statement should take time to read and evaluate all sections of this report, including the footnotes and other required supplemental information.

FINANCIAL HIGHLIGHTS

Government-Wide Financial Statements

- The District's financial status, as reflected in **total net assets**, decreased by \$163.5 million, or 10.6%, from \$1.55 billion to \$1.39 billion when compared to the prior year. The decrease in total net assets reflects primarily decreases in current and other assets of \$125.2 million, and a decrease in capital assets of \$73.0 million, offset by a decrease in liabilities of \$13.3 million.
- **Total revenues** decreased by \$320.5 million, or 12.7%, from \$2.52 billion to \$2.20 billion when compared to the prior year. The decrease was principally the result of a decrease in ad valorem taxes of \$81.6 million (including General and Capital Funds) due to a decline in the total assessed property values, and a decrease in other general revenues (including General, Capital, and ARRA Funds) of \$242.1 million as a result of not receiving the same level of the American Recovery Reinvestment Act (ARRA) Economic Stimulus funds compared to the prior year.
- The District had \$2.36 billion in **expenses** related to programs, a decrease of \$205.9 million, or 8.0%, from the prior year. The decrease is primarily due to workforce reduction and implemented employee furloughs in an effort to balance the 2011-2012 budget, State required changes in the Florida Retirement System (FRS) of charging employees three percent of their salaries toward retirement contributions, and a significant drop in construction activities when compared to the prior year.
- The District's **debt** (Bonds Payable, Certificates of Participation and Capital Leases) decreased by \$88.4 million, or 4.4%, to \$1.91 billion from \$2.00 billion in the prior year. The decrease was due to scheduled debt repayments. See Notes 10 through 12 of the Notes to the Basic Financial Statements for more information.

Governmental Funds Financial Statements

- The overall **General Fund balance** (the primary operating fund) decreased \$22.7 million, or 22.7%, to \$77.1 million from \$99.8 million in the prior year (see Exhibit 4, page 28). The decrease is due to the utilization of Education Jobs funds of \$21.8 million set aside in the 2011-2012 budget. Additionally, the decrease was also the result of a \$1.7 million mid-year holdback in revenue by the State.

OVERVIEW OF THE FINANCIAL STATEMENTS

The District's Comprehensive Annual Financial Report (CAFR) includes a series of basic financial statements and accompanying notes, with the primary focus being on the District as a whole. The Statement of Net Assets and the Statement of Activities are government-wide financial statements that provide both short-term and long-term information about the District's overall financial status. The governmental fund financial statements report the District's operations in more detail by providing information as to how services are financed in the short-term, as well as the remaining available resources for future spending. Additionally, the governmental fund financial statements focus on major funds rather than fund types. The proprietary fund statements offer short-term and long-term financial information about the activities the District operates like businesses, such as printing services and self-insurance programs. The remaining statements, the Fiduciary Funds Statements, provide financial information for those activities in which the District acts solely as a trustee or agent for the benefit of others. The accompanying notes provide essential information that may not be readily available on the face of the basic financial statements. Consequently, these notes form an integral part of the basic financial statements.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Government-wide financial statements incorporate governmental and business-type activities, as well as its non-fiduciary component units. They contain various adjustment, elimination and reclassification entries, such as the recording of depreciation, the recognition of other revenues, and the recognition of long-term liabilities. The government-wide financial statements are designed to provide the readers with a view of the District as a whole. While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2012?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities, and use the economic resources measurement focus and the accrual basis of accounting similar to the accounting used by most private-sector companies, matching the financial impact of long-term financial decisions to the period in which the expense or revenue is more properly attributed. In short, the financial impact of long-term decisions is promptly recorded as the transaction occurs, as opposed to recording it when paid. A good example of this is the recording of compensated absences, such as vacation and sick leave. In the fund financial statements, vacation and sick leave are expensed when used, not when accrued, with the unused hours accumulating over time. Consequently, the reader of the CAFR would never see the potential financial impact the accumulated leave would have on the District's financial health. In the government-wide financial statements, vacation and sick leave are expensed when accrued, allowing the reader to see the full financial impact.

The Statement of Net Assets combines and/or consolidates the governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations. Statement of Net Assets also provides information about the nature and amounts of investment of resources and obligations to creditors.

The Statement of Activities provides 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 result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation and sick leave).

The difference between assets and liabilities, as reported in the Statement of Net Assets, is one way to measure the District's financial health or financial position. A reader can think of the District's net asset as the difference between what the District owns (assets) and what the District owes (liabilities). Over time, the increase or decrease in the District's net assets, as reported in the Statement of Activities, is another indicator of whether its financial health is improving or deteriorating. The difference between revenues and expenses is the District's operating results. However, the District's goal is to provide services to our students, not to generate profits as commercial entities do. To fully assess the financial health of any government entity, the reader must also consider other non-financial factors such as the quality of education provided, the safety of the schools, fluctuations in the local economy, state-mandated program administrative changes, and the physical condition of the District's capital assets.

FUND FINANCIAL STATEMENTS

Fund financial statements are generally presented on a modified accrual basis, using the current financial resources measurement focus, and report expenditures rather than expenses as used in the government-wide financial statements. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the General Fund, the American Recovery and Reinvestment Act (ARRA) Fund, the Certificates of Participation Series (COPs) Debt Service Fund, the ARRA Debt Service Fund, the Local Millage Capital Improvement Fund, the Other Capital Improvement Fund, and the ARRA Economic Stimulus Capital Projects Fund. Data from the other ten governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Governmental Funds. Most of the District's activities are reported in governmental funds which describe how money flows into and out of those funds and the balances remaining at year-end that are available for spending in future periods. These funds are reported using an accounting method called "modified accrual accounting," which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and services. Governmental fund information helps determine what financial resources will be available in the near future to support educational programs. The relationship (or difference) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds. Based on the nature of the activities, proprietary funds are used to report the activities in the District's Internal Service Funds. Internal Service Funds are used to record the financing of goods or services provided by one department to another on a cost reimbursement basis, such as general and automobile liability self-insurance, workers compensation self-insurance, and other services.

Proprietary funds are reported in the same way as government-wide financial statements. The Internal Service Funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Proprietary funds are included in the governmental activities in the government-wide financial statements.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting used for Fiduciary funds is much like that used for Proprietary funds. The District's Fiduciary fund consists of an Agency fund used to account for student activity funds.

Notes to the Basic 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.

ANALYSIS OF THE OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

The analysis below focuses on the Net Assets (Table 1) and Changes in Net Assets (Table 2) of the District's governmental activities.

Government-Wide Financial Analysis. The District's net assets were \$1.39 billion at June 30, 2012, representing a \$163.5 million, or 10.6%, decrease from June 30, 2011. By far, the largest portion of the District's net assets (97.7%) reflects its investment in capital assets (i.e., land, buildings, furniture and equipment) less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not liquid or available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The second largest portion of the District's net assets represents resources that are subject to

Table 1

	Summary Statement of Net Assets		
	(in thousands)		Increase (Decrease)
	As of June 30,		
	2012	2011	
Current and other assets	\$ 783,150	\$ 908,310	\$ (125,160)
Non-current assets	16,191	21,866	(5,675)
Capital assets	3,117,576	3,190,604	(73,028)
Deferred swap outflow (GASB 53)	59,753	32,682	27,071
Total assets and deferrals	3,976,670	4,153,462	(176,792)
Current and other liabilities	393,881	407,388	(13,507)
Long-term liabilities	2,197,492	2,197,306	186
Total liabilities	2,591,373	2,604,694	(13,321)
Net assets:			
Invested in capital assets, net of related debt	1,354,057	1,459,470	(105,413)
Restricted	176,917	166,170	10,747
Unrestricted	(145,677)	(76,872)	(68,805)
Total net assets	\$ 1,385,297	\$ 1,548,768	\$ (163,471)

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

external restrictions on how they may be used. Of the \$176.9 million in restricted net assets, \$128.4 million are restricted for capital projects. The District will use these resources to complete construction in progress and perform property maintenance. Unrestricted net assets were a deficit of \$145.7 million at June 30, 2012. The deficit in the Statement of Net Assets should not be viewed as an indication of financial difficulties. The District would only experience actual deficit if it had to pay all of its long-term liabilities today at once.

Table 2

Summary Statement of Changes in Net Assets (in thousands)			
For the Fiscal Years			
Ended June 30,			
	2012	2011	Increase (Decrease)
Revenues:			
Program revenues:			
Charges for services	\$ 45,820	\$ 45,308	\$ 512
Operating grants and contributions	74,915	73,666	1,249
Capital grants and contributions	28,657	27,270	1,387
Total program revenues	149,392	146,244	3,148
General revenues:			
Ad valorem taxes	950,263	1,031,828	(81,565)
Other general revenues (including FEFP)	1,101,053	1,343,106	(242,053)
Total general revenues	2,051,316	2,374,934	(323,618)
Total revenues	2,200,708	2,521,178	(320,470)
Functions/Program Expenses:			
Instructional services	1,374,058	1,544,961	(170,903)
Instructional support services	219,525	236,635	(17,110)
Operation and maintenance of plant	229,195	247,447	(18,252)
School administration	122,644	134,051	(11,407)
Food services	90,191	93,200	(3,009)
Facilities acquisition and construction	32,646	24,517	8,129
General administration	79,246	92,854	(13,608)
Pupil transportation services	87,777	93,605	(5,828)
Interest expense	128,897	102,841	26,056
Total expenses	2,364,179	2,570,111	(205,932)
Change in net assets	\$ (163,471)	\$ (48,933)	\$ (114,538)
Ending net assets	\$ 1,385,297	\$ 1,548,768	\$ (163,471)

As shown in Table 2, governmental activities decreased the District's net assets by \$163.5 million from the prior year. Key highlights are as follows:

- Ad valorem taxes (property taxes) decreased by \$81.6 million (including General and Capital Funds) due to a decline in the total assessed property values.
- Other general revenues (including General, Capital, and ARRA Funds) decreased \$242.1 million primarily as a result of not receiving the same level of the American Recovery Reinvestment Act (ARRA) Economic Stimulus funds compared to the prior year.
- Total expenses decreased \$205.9 million, or 8.0%. The decrease is primarily due to workforce reduction and implemented employee furloughs in an effort to balance the 2011-2012 budget, State required changes in the Florida Retirement System (FRS) of charging employees three percent of their salaries toward retirement contributions, and a significant drop in construction activities when compared to the prior year.

Financial Analysis of the Government's Funds. As was noted earlier, the District uses funds to help control and manage money for particular purposes. Looking at the funds aids in determining if the District is being accountable for the resources taxpayers and others provide, and may also give more insight into the District's overall financial health. In particular, the combination of assigned and unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Governmental Funds. As of June 30, 2012, the District's governmental funds reported a combined fund balance of \$451.5 million, a decrease of \$94.0 million, or 18.0% from the prior year. The reduction is primarily due to a net decrease of \$22.7 million in the General Fund balance, a decrease of \$6.8 million in the COP Series Debt Service fund balance, a decrease of \$75.2 million in the Capital Projects funds, which primarily consisted of a decrease of

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

\$23.8 million in the Public Education Capital Outlay (PECO) Fund as a source of state funding, a decrease of \$14.3 million in the Capital Improvement Section 1011.71 (Local Millage) Fund balance due to a decline in the total assessed property values, a decrease of \$14.5 million in the Other Capital Improvement Fund balance, and a decrease of \$23.3 million in the ARRA Economic Stimulus Capital Project Fund balance. The District's governmental funds balance reduction was offset by an increase of \$10.3 million in the Food Service Fund balance.

Table 3

Summary Schedule of Revenues, Expenditures and Changes in Fund Balance of General Fund Budget and Actual (Budgetary Basis) (in thousands)				
	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
Ad valorem taxes	\$ 778,582	\$ 770,505	\$ 767,336	\$ (3,169)
Other	47,702	44,175	44,178	3
Total local sources	<u>826,284</u>	<u>814,680</u>	<u>811,514</u>	<u>(3,166)</u>
State sources:				
Florida Education Finance Program	596,592	577,422	577,416	(6)
Other	309,990	299,043	299,043	-
Total state sources	<u>906,582</u>	<u>876,465</u>	<u>876,459</u>	<u>(6)</u>
Federal sources	9,209	12,002	12,012	10
Total revenues	<u>1,742,075</u>	<u>1,703,147</u>	<u>1,699,985</u>	<u>(3,162)</u>
Other financing sources	69,856	80,243	80,243	-
Total amounts available for appropriations	<u>1,811,931</u>	<u>1,783,390</u>	<u>1,780,228</u>	<u>(3,162)</u>
Expenditures:				
Instructional services	1,176,652	1,147,653	1,146,297	1,356
Instructional support services	161,595	160,339	156,540	3,799
Pupil transportation services	77,639	85,016	84,770	246
Operation and maintenance of plant	250,793	226,570	226,039	531
School administration	120,575	118,896	118,712	184
General administration	86,512	78,556	77,030	1,526
Capital outlay	309	-	-	-
Interest	-	155	155	-
Total expenditures	<u>1,874,075</u>	<u>1,817,185</u>	<u>1,809,543</u>	<u>7,642</u>
Other financing uses	6,033	3,486	3,486	-
Total charges against appropriations	<u>1,880,108</u>	<u>1,820,671</u>	<u>1,813,029</u>	<u>7,642</u>
Net change in fund balances	<u>\$ (68,177)</u>	<u>\$ (37,281)</u>	<u>\$ (32,801)</u>	<u>\$ 4,480</u>
Appropriated beginning fund balances:	<u>\$ 68,177</u>	<u>\$ 37,281</u>		
Adjustments to conform with GAAP:				
Elimination of encumbrances			10,116	
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (GAAP Basis)			(22,685)	
Fund balances, beginning of year			<u>99,831</u>	
Fund balances, end of year			<u>\$ 77,146</u>	

General Fund. The fund balance for the General Fund decreased by \$22.7 million from the prior year. The decrease is due to the utilization of Education Jobs funds of \$21.8 million, set aside in the 2011-2012 budget. Additionally, the decrease was also the result of a \$1.7 million mid-year holdback in revenue by the State.

Major Capital Projects Funds. The fund balance of the Major Capital Projects funds decreased by \$52.1 million primarily due to the District's continuing to complete previous years' approved long term projects funded by the prior year's accumulated capital reserves.

Major Debt Service Funds. The fund balance of the Major Debt Service funds decreased by \$6.7 million primarily as a result of the refinancing and scheduled debt payments (see Note 10 of the Notes to the Basic Financial Statements for more information).

General Fund Budgetary Highlights. Over the course of the year, the District revises its budget to deal with unexpected changes in revenues and expenditures. The District's original and final budget amounts compared with actual amounts are provided in Table 3.

Actual revenues and other financing sources were \$3.2 million less than the final budget primarily due to a difference between the State's required

collection rate and the actual property taxes collected. The State required the District to budget at a 96.0% collection rate. The actual property taxes collected for the fiscal year 2012 were 95.6% of the taxes levied.

Actual expenditures and other financing uses (including encumbrances and open purchase orders) were \$7.6 million less than the final budget. This was due to a purchasing freeze and other cost saving measures that were implemented during the year.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As shown in Table 4, at June 30, 2012, the District had \$3.1 billion invested in a broad range of capital assets. This amount represents a net decrease (including additions, deletions and depreciation) of \$73.0 million from last year. The District has been concentrating on safety projects, Americans with Disabilities Act compliance, and indoor air quality remediation. The District is focused on keeping the schools safe and accessible and keeping vital components of school buildings running, such as air conditioning, plumbing and roofing systems.

Table 4

	Capital Assets at Year-End (in thousands)		Increase (Decrease)
	2012	2011	
Land	\$ 229,475	\$ 228,096	\$ 1,379
Land improvements	432,882	424,632	8,250
Construction in progress	83,283	80,541	2,742
Broadcast license intangible	3,600	3,600	-
Buildings and fixed equipment	3,499,523	3,484,680	14,843
Furniture, fixtures and equipment	415,902	398,723	17,179
Assets under capital leases	40,852	55,840	(14,988)
Audio visual	1,076	926	150
Computer software	54,813	56,266	(1,453)
Motor vehicles	87,306	94,543	(7,237)
Less: accumulated depreciation	(1,731,136)	(1,637,243)	(93,893)
Total capital assets, net	\$ 3,117,576	\$ 3,190,604	\$ (73,028)

For the 2013 fiscal year, the District expects to continue with a scaled back construction due to a reduction in revenues and student enrollment. The District will continue to complete construction in progress but has cancelled plans to add capacity and to do major replacements or remodeling/renovation projects. See Note 6 of the Notes to the Basic Financial Statements for more information.

Debt Administration. As shown in Table 5, below, at the end of this year the District had \$1.91 billion in debt outstanding compared to \$2.00 billion last year, a decrease of \$88.4 million, or 4.4%, from the prior year. The decrease was a result of net reductions of \$72.9 million in COPs, \$7.4 million in capital leases and \$8.1 million in Capital Outlay Bond Issues (COBI) all due to scheduled debt repayments and debt refinancing. See Notes 9 through 12 of the Notes to the Basic Financial Statements for more information.

Table 5

	Debt Outstanding at Year-End (in thousands)		Increase (Decrease)
	2012	2011	
Capital outlay bond issues	\$ 55,340	\$ 63,490	\$ (8,150)
Certificates of participation	1,834,975	1,907,842	(72,867)
Capital leases	16,361	23,740	(7,379)
Total	\$ 1,906,676	\$ 1,995,072	\$ (88,396)

As of June 30, 2012, the District's COPs were rated Aa3 by Moody's Investors Service, A by Standard and Poor's Corporation and A plus by Fitch Investor Service, respectively, among the highest ratings held by a Florida School District.

Other obligations include accrued vacation pay and sick leave. See Note 14 of the Notes to the Basic Financial Statements for more information.

ECONOMIC FACTORS

The State of Florida, by constitution, does not have a state personal income tax and therefore the state operates primarily using sales, gasoline and corporate income taxes. State funds to school districts are provided primarily by legislative appropriations from the state's general revenue funds under the Florida Education Finance Program (FEFP). The level of tourism in the state heavily influences the amount collected. Any change in the anticipated amount of revenues collected by the state would directly impact the revenue allocation to the District.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

REQUESTS FOR INFORMATION

The District's financial statements are designed to present users (participants, investors, creditors, and regulatory agencies) with a general overview of the District's finances and to demonstrate the District's accountability. Questions concerning any of the information provided in this report should be addressed to the Director of the Accounting and Financial Reporting Department, The School Board of Broward County, Florida, 1643 North Harrison Parkway, Building H, Sunrise, Florida, 33323.

Broward County Public Schools



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Basic Financial Statements

Basic financial statements are the core of financial reporting. They are made up of the government-wide financial statements, the fund financial statements and the notes to the financial statements.

Broward County Public Schools



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Government-Wide Financial Statements ("GWFS")

Government-wide financial statements are aimed at presenting a broad overview of a government's finances using the economic resources measurement focus and the accrual basis of accounting.

Broward County Public Schools



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STATEMENT OF NET ASSETS
AS OF JUNE 30, 2012
(in thousands)

	TOTAL GOVERNMENTAL ACTIVITIES	COMPONENT UNITS
ASSETS:		
Current assets:		
Cash, cash equivalents and investments	\$ 684,430	\$ 21,483
Due from other governmental agencies	67,860	1,345
Due from other schools	-	2,167
Accrued interest receivable	863	-
Inventories	12,037	-
Prepays	12,258	6,975
Other assets	5,702	6,599
Total current assets	<u>783,150</u>	<u>38,569</u>
Non-current assets:		
Deferred charges	16,191	-
Capital assets:		
Non-depreciable	440,476	-
Depreciable, net	2,677,100	70,560
Total non-current assets	<u>3,133,767</u>	<u>70,560</u>
Total assets	<u>3,916,917</u>	<u>109,129</u>
Deferred swap outflow (GASB 53)	59,753	-
Total assets and deferrals	<u>3,976,670</u>	<u>109,129</u>
LIABILITIES:		
Current liabilities:		
Accounts payable and accrued expenses	125,098	9,527
Accrued payroll taxes and withholding	25,543	-
Matured debt and interest payable	100,231	-
Due to other governmental agencies	7,199	-
Due to other schools	-	1,011
Retainage payable	10,012	-
Unearned revenue	351	987
Tax arbitrage rebate payable	63	-
Management fees payable	-	87
Obligations under capital leases	5,930	-
Liability for compensated absences	20,540	-
Debt, net of premiums and discounts	79,854	1,189
Estimated liability for self-insurance risks	19,060	-
Other liabilities	-	620
Total current liabilities	<u>393,881</u>	<u>13,421</u>
Non-current liabilities:		
Obligations under capital leases	10,431	-
Liability for compensated absences	146,093	-
Debt, net of premiums and discounts	1,897,194	62,086
Estimated liability for self-insurance risks	38,628	-
Other post-employment benefits obligations	45,393	-
Derivatives swap liability (GASB 53)	59,753	-
Total non-current liabilities	<u>2,197,492</u>	<u>62,086</u>
Total liabilities	<u>2,591,373</u>	<u>75,507</u>
NET ASSETS:		
Invested in capital assets, net of related debt	1,354,057	11,508
Restricted for:		
State required carryover programs	6,521	-
Debt service	11,763	-
Capital projects	128,358	-
Food service & other purposes	30,275	-
Scholarships	-	6,478
Unrestricted (deficit)	(145,677)	15,636
Total net assets	<u>\$ 1,385,297</u>	<u>\$ 33,622</u>

The accompanying notes to the basic financial statements are an integral part of this Statement.

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(in thousands)**

	EXPENSES	PROGRAM REVENUES	
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS
PROGRAM EXPENSES AND REVENUES:			
PRIMARY GOVERNMENT:			
Instructional services	\$ 1,374,058	\$ 23,201	\$ -
Instructional support services	219,525	-	-
Pupil transportation services	87,777	1,140	-
Operation and maintenance of plant	229,195	-	-
School administration	122,644	-	-
General administration	79,246	-	-
Food services	90,191	21,479	74,915
Facilities acquisition & construction-non capitalized	32,646	-	-
Interest expense	128,897	-	-
Total governmental activities	<u>\$ 2,364,179</u>	<u>\$ 45,820</u>	<u>\$ 74,915</u>
COMPONENT UNITS:			
Component units	\$ 159,263	\$ 7,525	\$ 14,642
Total component units	<u>\$ 159,263</u>	<u>\$ 7,525</u>	<u>\$ 14,642</u>
GENERAL REVENUES:			
Ad valorem taxes levied for:			
General purposes			
Debt service			
Capital outlays			
Grants and contributions not restricted to specific programs:			
Florida education finance program			
Other			
Other unrestricted federal sources			
Other unrestricted state sources			
Other unrestricted local sources			
Unrestricted investment earnings			
Total general revenues			
Change in net assets			
Total net assets, beginning of year			
Total net assets, end of year			

The accompanying notes to the basic financial statements are an integral part of this Statement.

PROGRAM REVENUES	NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS	
	CAPITAL GRANTS AND CONTRIBUTIONS	TOTAL PRIMARY GOVERNMENT
\$ -	\$ (1,350,857)	\$ -
-	(219,525)	-
-	(86,637)	-
-	(229,195)	-
-	(122,644)	-
-	(79,246)	-
-	6,203	-
18,573	(14,073)	-
10,084	(118,813)	-
<u>\$ 28,657</u>	<u>(2,214,787)</u>	<u>-</u>

\$ 5,632	\$ -	\$ (131,464)
<u>\$ 5,632</u>	<u>\$ -</u>	<u>\$ (131,464)</u>

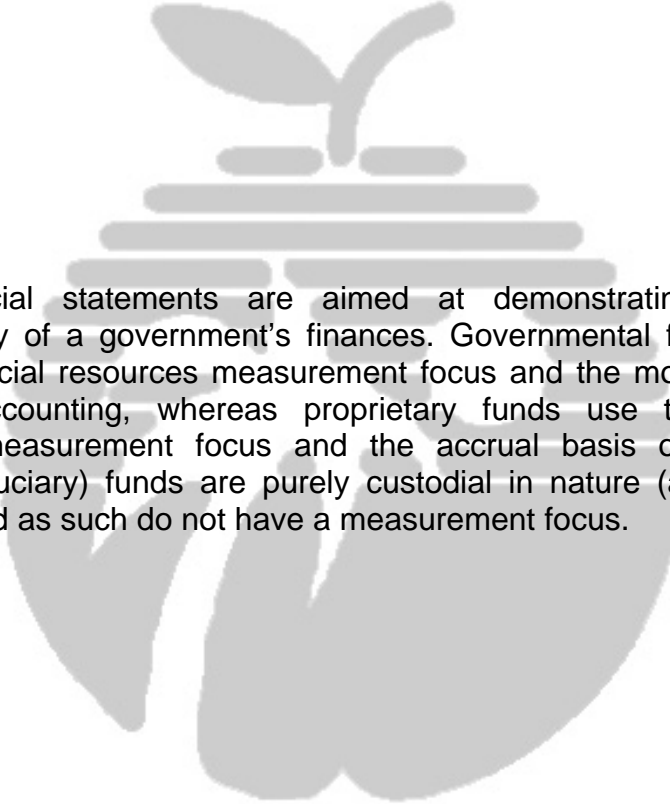
\$ 757,984	\$ -
21	-
192,258	-
577,416	-
-	123,001
205,162	83
300,459	5,715
13,002	2,817
5,014	17
<u>2,051,316</u>	<u>131,633</u>
(163,471)	169
1,548,768	33,453
<u>\$ 1,385,297</u>	<u>\$ 33,622</u>

Broward County Public Schools



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Fund Financial Statements ("FFS")



Fund financial statements are aimed at demonstrating the fiscal accountability of a government's finances. Governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting, whereas proprietary funds use the economic resources measurement focus and the accrual basis of accounting. Agency (Fiduciary) funds are purely custodial in nature (assets equals liabilities) and as such do not have a measurement focus.

BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2012
(in thousands)

	GENERAL FUND	ARRA ECONOMIC STIMULUS SPECIAL REVENUE FUND	COP SERIES DEBT SERVICE FUND	ARRA ECONOMIC STIMULUS DEBT SERVICE FUND
ASSETS:				
Equity in pooled cash and investments	\$ 177,596	\$ 20	\$ 15	\$ 130
Cash and investments with trustees	-	-	103,790	4,102
Total cash, cash equivalents and investments	<u>177,596</u>	<u>20</u>	<u>103,805</u>	<u>4,232</u>
Due from other governmental agencies	31,156	1,953	-	-
Due from other funds	15,503	-	-	-
Accrued interest receivable	380	-	1	-
Inventories	10,016	-	-	-
Other assets	2,452	-	-	-
Total assets	<u><u>\$ 237,103</u></u>	<u><u>\$ 1,973</u></u>	<u><u>\$ 103,806</u></u>	<u><u>\$ 4,232</u></u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued expenditures	\$ 114,899	\$ 125	\$ 17	\$ -
Accrued payroll taxes and withholdings	25,543	-	-	-
Tax arbitrage payable	-	-	-	-
Due to other governmental agencies	7,196	-	-	-
Due to other funds	-	1,828	4,000	-
Deferred revenue	3,179	9	-	-
Retainage payable	-	11	-	-
Matured debt and interest payable	-	-	96,122	4,031
Liability for compensated absences	9,140	-	-	-
Total liabilities	<u>159,957</u>	<u>1,973</u>	<u>100,139</u>	<u>4,031</u>
Fund balances:				
Nonspendable	10,015	-	-	-
Restricted	6,521	-	3,667	201
Committed	1,690	-	-	-
Assigned	9,274	-	-	-
Unassigned	49,646	-	-	-
Total fund balance	<u>77,146</u>	<u>-</u>	<u>3,667</u>	<u>201</u>
Total liabilities and fund balance	<u><u>\$ 237,103</u></u>	<u><u>\$ 1,973</u></u>	<u><u>\$ 103,806</u></u>	<u><u>\$ 4,232</u></u>

The accompanying notes to the basic financial statements are an integral part of this Statement.

LOCAL MILLAGE CAPITAL IMPROVEMENT FUND	ARRA ECONOMIC STIMULUS CAPITAL PROJECT FUND	OTHER CAPITAL IMPROVEMENT FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 79,316	\$ 2,728	\$ 48,999	\$ 36,228	\$ 345,032
-	68,756	134,847	-	311,495
<u>79,316</u>	<u>71,484</u>	<u>183,846</u>	<u>36,228</u>	<u>656,527</u>
7,410	-	2,504	24,837	67,860
4,000	-	292	-	19,795
288	6	76	58	809
-	-	-	2,010	12,026
112	-	1,953	35	4,552
<u>\$ 91,126</u>	<u>\$ 71,490</u>	<u>\$ 188,671</u>	<u>\$ 63,168</u>	<u>\$ 761,569</u>
\$ 894	\$ 3,076	\$ 1,913	\$ 3,678	\$ 124,602
-	-	-	-	25,543
-	-	63	-	63
-	-	-	3	7,199
-	292	-	13,675	19,795
903	-	2,329	7,030	13,450
2,527	2,326	4,734	414	10,012
-	-	-	-	100,153
-	-	-	126	9,266
<u>4,324</u>	<u>5,694</u>	<u>9,039</u>	<u>24,926</u>	<u>310,083</u>
-	-	-	2,010	12,025
86,802	65,796	179,632	33,719	376,338
-	-	-	-	1,690
-	-	-	2,513	11,787
-	-	-	-	49,646
<u>86,802</u>	<u>65,796</u>	<u>179,632</u>	<u>38,242</u>	<u>451,486</u>
<u>\$ 91,126</u>	<u>\$ 71,490</u>	<u>\$ 188,671</u>	<u>\$ 63,168</u>	<u>\$ 761,569</u>

Broward County Public Schools



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**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2012
(in thousands)**

Total fund balances - governmental funds \$ 451,486

Amounts reported for governmental activities in the Statement of Net Assets is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	\$	229,475	
Land improvements- nondepreciable		124,118	
Land improvements, net of \$88,480 accumulated depreciation		220,284	
Broadcast license intangible		3,600	
Buildings and fixed equipment, net of \$1,143,416 accumulated depreciation		2,356,107	
Furniture, fixtures and equipment, net of \$371,674 accumulated depreciation		43,807	
Assets under capital lease, net of \$27,848 accumulated depreciation		13,004	
Audio/visual, net of \$626 accumulated depreciation		450	
Computer software, net of \$27,014 accumulated depreciation		27,799	
Motor vehicles, net of \$71,660 accumulated depreciation		15,646	
Construction in progress		83,283	
			3,117,573

The District deems the following revenues as earned at year-end for the Statement of Net Assets:

Ad valorem taxes - General Fund		3,179	
Ad valorem taxes - Capital Projects funds		806	
Impact fees - Capital Projects funds		2,329	
Public Education Capital Outlay - Capital Projects funds		6,688	
Miscellaneous revenue - Capital Projects funds		97	
			13,099

Internal service funds are used by the District to charge the costs of services, such as workers' compensation insurance and printing services, to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Assets. (16,805)

Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the Statement of Net Assets.

Balances at June 30, 2012 are:			
Accrued interest on long-term debt		(78)	
Certificates of participation		(1,834,975)	
Debt premiums and discounts, and deferred charges on refunding, net		(86,733)	
Debt issuance costs		16,191	
Bonds payable		(55,340)	
Capital leases payable		(16,361)	
Compensated absences		(157,367)	
Other post-employment benefits (OPEB)		(45,393)	
Total long-term liabilities			(2,180,056)

Total net assets of governmental activities \$ 1,385,297

The accompanying notes to the basic financial statements are an integral part of this Statement.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(in thousands)

	GENERAL FUND	ARRA ECONOMIC STIMULUS SPECIAL REVENUE FUND	COP SERIES DEBT SERVICE FUND	ARRA ECONOMIC STIMULUS DEBT SERVICE FUND
REVENUES:				
Local sources:				
Ad valorem taxes	\$ 767,336	\$ -	\$ -	\$ -
Food sales	-	-	-	-
Interest on investments	777	-	486	1
Other	43,401	-	-	-
Total local sources	811,514	-	486	1
State sources:				
Florida education finance program	577,416	-	-	-
Discretionary lottery funds	870	-	-	-
Categorical programs and other	298,173	-	-	-
Total state sources	876,459	-	-	-
Federal sources:				
Food service	-	-	-	-
Grants and other	12,012	17,298	-	-
Total federal sources	12,012	17,298	-	-
Total revenues	1,699,985	17,298	486	1
EXPENDITURES:				
Current operating:				
Instructional services	1,142,727	6,876	-	-
Instructional support services	155,551	9,908	-	-
Pupil transportation services	84,067	13	-	-
Operation and maintenance of plant	221,809	0	-	-
School administration	118,692	0	-	-
General administration	76,426	501	-	-
Food services	-	0	-	-
Total current operating	1,799,272	17,298	-	-
Debt service:				
Principal retirement	-	-	70,111	-
Interest charges and other	155	-	82,945	8,063
Total debt service	155	-	153,056	8,063
Capital outlay				
Total expenditures	1,799,427	17,298	153,056	8,063
Excess (deficiency) of revenues over (under) expenditures	(99,442)	-	(152,570)	(8,062)
OTHER FINANCING SOURCES (USES):				
Premium on refunding bonds	-	-	-	-
Refunding bonds issued	-	-	-	-
Certificates of participation	-	-	270,650	-
Premium(discount) on long-term debt issued	-	-	29,027	-
Sale of capital assets	-	-	-	-
Other loss recoveries	4	-	-	-
Payments to refunded bond escrow agent	-	-	(297,825)	-
Transfers in	80,239	-	143,929	8,201
Transfers out	(3,486)	-	(13)	-
Total other financing sources (uses)	76,757	-	145,768	8,201
Net change in fund balances	(22,685)	-	(6,802)	139
Fund balances, beginning of year	99,831	-	10,469	62
Fund balances, end of year	\$ 77,146	\$ -	\$ 3,667	\$ 201

The accompanying notes to the basic financial statements are an integral part of this Statement.

Exhibit 4 (concluded)

LOCAL MILLAGE CAPITAL IMPROVEMENT FUND	ARRA ECONOMIC STIMULUS CAPITAL PROJECT FUND	OTHER CAPITAL IMPROVEMENT FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 194,510	\$ -	\$ -	\$ 21	\$ 961,867
-	-	-	21,477	21,477
796	141	475	162	2,838
5,223	-	4,257	3,889	56,770
<u>200,529</u>	<u>141</u>	<u>4,732</u>	<u>25,549</u>	<u>1,042,952</u>
-	-	-	-	577,416
-	-	-	-	870
-	-	10,545	14,239	322,957
-	-	10,545	14,239	901,243
-	-	-	67,416	67,416
-	-	2,822	179,132	211,264
-	-	2,822	246,548	278,680
<u>200,529</u>	<u>141</u>	<u>18,099</u>	<u>286,336</u>	<u>2,222,875</u>
-	-	-	131,999	1,281,602
-	-	-	40,474	205,933
-	-	-	1,450	85,530
-	-	-	177	221,986
-	-	-	155	118,847
-	-	-	2,977	79,904
-	-	-	85,985	85,985
-	-	-	263,217	2,079,787
-	-	-	7,500	77,611
-	17	-	2,788	93,968
-	17	-	10,288	171,579
10,999	23,302	24,946	10,754	70,001
10,999	23,319	24,946	284,259	2,321,367
<u>189,530</u>	<u>(23,178)</u>	<u>(6,847)</u>	<u>2,077</u>	<u>(98,492)</u>
-	-	-	1,367	1,367
-	-	-	12,265	12,265
-	-	-	-	270,650
-	-	-	-	29,027
268	-	2,411	-	2,679
-	-	90	-	94
-	-	-	(13,597)	(311,422)
-	-	1,913	54	234,336
(204,117)	(133)	(12,076)	(14,696)	(234,521)
(203,849)	(133)	(7,662)	(14,607)	4,475
(14,319)	(23,311)	(14,509)	(12,530)	(94,017)
101,121	89,107	194,141	50,772	545,503
<u>\$ 86,802</u>	<u>\$ 65,796</u>	<u>\$ 179,632</u>	<u>\$ 38,242</u>	<u>\$ 451,486</u>

Broward County Public Schools



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**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(in thousands)**

Total net change in fund balances - governmental funds \$ (94,017)

Amounts reported for governmental activities in the Statement of Activities is different because:

Governmental funds report capitalizable and non-capitalizable capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capitalized capital outlays (\$60,884) exceeded depreciation (\$130,785) and deleted assets (\$3,127) in the current period. (73,028)

The issuance of long-term debt provides a source of current financial resources to governmental funds. However, issuing debt increases long-term liabilities in the Statement of Net Assets. Also, governmental funds report the effect of debt premiums, discounts, deferral amounts on refunding, and debt issuance costs when debt is first issued, but these amounts are deferred and amortized in the Statement of Activities.

Debt proceeds, net (43,257)

The repayment of long-term debt principal amount is reported as an expenditure in the governmental funds but reduces the liability in the Statement of Net Assets.

Principal payments 77,611

Internal service funds are used by the District to charge the costs of services, such as workmans' compensation insurance and printing services, to individual funds. The net income (loss) of internal service funds is reported within the governmental activities. (30,360)

In the Statement of Activities, certain operating expenses - compensated absences (vacation and sick leave) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amount actually paid) and for new retirees, the amount expected to be paid out for terminal sick leave over the next year.

Net change in compensated absences 1,826
Net change in post-employment benefits obligation (8,385)

The District has recorded the following as revenue in the government-wide statements which do not meet the earned criterion for recognition in the fund financial statements:

Ad valorem taxes - General Fund	\$ 3,179	
Ad valorem taxes - Capital Projects funds	806	
Impact fees - Capital Projects funds	2,329	
Public Education Capital Outlay - Capital Projects funds	6,688	
Miscellaneous revenue - Capital Projects funds	97	
	97	13,099

Reversal of prior year's accruals:

Tax arbitrage liability	1,932	
Ad valorem taxes - General Fund	(12,531)	
Ad valorem taxes - Capital Projects funds	(3,058)	
Miscellaneous revenue - Capital Projects funds	(97)	
	(97)	(13,754)

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

Net change in accrued interest on long-term debt 48

Debt issuance costs and premiums/discounts are recognized as paid or received in the governmental funds but must be capitalized and amortized in the government-wide presentation. This amount represents the net amount between current year's additions and amortization of prior year's amounts. 6,746

Change in net assets of governmental activities \$ (163,471)

The accompanying notes to the basic financial statements are an integral part of this Statement.

**STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 AS OF JUNE 30, 2012
 (in thousands)**

	<u>INTERNAL SERVICE FUNDS</u>
ASSETS:	
Current assets:	
Equity in pooled cash and investments	\$ 27,903
Accrued interest receivable	54
Inventories	11
Prepays	12,258
Other assets	1,150
Total current assets	<u>41,376</u>
Noncurrent assets:	
Furniture and equipment (net of accumulated depreciation)	3
Total assets	<u>41,379</u>
LIABILITIES:	
Current liabilities:	
Accounts payable and accrued expenses	496
Estimated liability for self-insured risks	19,060
Total current liabilities	<u>19,556</u>
Long-term liabilities:	
Estimated liability for self-insured risks	38,628
Total liabilities	<u>58,184</u>
NET ASSETS:	
Invested in capital assets	3
Unrestricted	(16,808)
Total net assets (deficits)	<u>\$ (16,805)</u>

The accompanying notes to the basic financial statements are an integral part of this Statement.

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(in thousands)**

	<u>INTERNAL SERVICE FUNDS</u>
OPERATING REVENUES:	
Premium revenues	\$ 24,259
Charges for services	57,819
Other	2
Total operating revenues	<u>82,080</u>
OPERATING EXPENSES:	
Claims	17,747
Insurance	16,417
Personnel services	57,993
Depreciation	2
Other	20,710
Total operating expenses	<u>112,869</u>
Operating loss	(30,789)
NON-OPERATING REVENUE:	
Interest and other	<u>244</u>
Net income (loss) before transfers	(30,545)
Transfers in	<u>185</u>
Net loss	(30,360)
Total net assets, beginning of year	<u>13,555</u>
Total net assets (deficits), end of year	<u>\$ (16,805)</u>

The accompanying notes to the basic financial statements are an integral part of this Statement.

**STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 (in thousands)**

	INTERNAL SERVICE FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from governmental customers	\$ 79,903
Cash payments for goods and services	(38,453)
Cash payments to employees	(57,988)
Net cash provided (used) by operating activities	<u>(16,538)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Transfers (to) from other funds	185
Net cash provided (used) by noncapital financing activities	<u>185</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest received on investments	244
Net increase (decrease) in cash and cash equivalents	(16,109)
CASH AND CASH EQUIVALENTS:	
Beginning of year	44,012
End of year	<u>\$ 27,903</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating income (loss)	\$ (30,789)
Adjustments to reconcile operating income (loss) to net cash used by operating activities:	
Depreciation	2
Change in assets and liabilities:	
Increase in interest receivable	(14)
Decrease in inventory, prepaids & other assets	80
Increase in accounts payable and accrued expenditures	378
Increase in estimated liability for self-insured risks	13,805
Net cash provided (used) by operating activities	<u>\$ (16,538)</u>

The accompanying notes to the basic financial statements are an integral part of this Statement.

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AS OF JUNE 30, 2012
(in thousands)**

	<u>AGENCY FUND</u>
ASSETS:	
Equity in pooled cash and investments	\$ 5,284
Cash and cash equivalents	8,204
Total assets	<u>\$ 13,488</u>
LIABILITIES:	
Accounts payable	\$ 567
Due to student organizations and other agencies	12,921
Total liabilities	<u>\$ 13,488</u>

The accompanying notes to the basic financial statements are an integral part of this Statement.

Broward County Public Schools



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THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The School Board of Broward County, Florida (the "District") has direct responsibility for operation, control and supervision of schools in Broward County and is considered a primary government for financial reporting purposes. The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The general operating authority of the District and the Superintendent is contained in chapters 1000 through 1013, Florida Statutes. Pursuant to Section 1010.01, Florida Statutes, the Superintendent of Schools is responsible for keeping records and accounts of all financial transactions in the manner prescribed by the State Board of Education. The District's significant accounting policies are described below.

A. FINANCIAL REPORTING ENTITY

The District was created by the State Constitution and is part of the state system of public education operated under the general direction and control of the State Board of Education. Established in 1915, the District is governed by nine elected board members (the "Board"). The appointed Superintendent of Schools is the executive officer of the District. The District has taxing authority and provides elementary, secondary and vocational education services to the residents of Broward County, Florida ("Broward County").

Criteria for determining if other entities are potential component units that should be reported within the District's basic financial statements are identified and described in the GASB Codification of Governmental Accounting and Financial Reporting Standards, Sections 2100 and 2600. The application of these criteria provides for identification of any entities for which the District is financially accountable and other organizations that the nature and significance of their relationship with the Board are such that exclusion would cause the District's basic financial statements to be misleading or incomplete.

Based on the application of these criteria, District management has determined that the component units reportable with the accompanying basic financial statements are the Broward School Board Leasing Corporation (the "Corporation"), the Broward Education Foundation (the "Foundation") and seventy-one charter schools.

Blended Component Units - The Corporation was formed to facilitate financing for the acquisition of facilities and equipment as further discussed in Note 12 of the Notes to the Financial Statements. Due to the substantive economic relationship between the District and the Corporation, the financial activities of the Corporation are included in the accompanying basic financial statements. Separate financial statements for the Corporation are not published.

Discretely Presented Component Units - The Foundation, a non-profit direct-support organization of the District, is included as a discretely presented component unit in the accompanying basic financial statements. The purpose of the Foundation is exclusively educational and charitable, namely, to receive, hold, invest and administer property and to make expenditures for the benefit of the District. In addition, the Foundation is fiscally dependent on the District to provide financial support for its ongoing operating expenses. An audit of the Foundation financial statements, for the fiscal year ended June 30, 2012, was conducted by an independent certified public accountant and is on file at the District's administrative office.

Additionally, in accordance with Section 1002.33, Florida Statutes, district school boards are authorized to approve charter ("Charter") school applications. Charter schools are public schools operating under a performance contract with the local school district and are fiscally dependent on the District for a majority of their funding. Revenues such as Florida Education Finance Program ("FEFP"), State Categoryals and other State and Federal revenue sources are received by the District on behalf of the Charter schools and

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

then remitted to them. As such, Charter schools are funded on the same basis and are subject to the same financial reporting requirements as the District. Additionally, all students enrolled in Charter schools are included in the District's total enrollment. To date, the District has approved the establishment of ninety-four Charter schools, of which, seventy-six were operating sites in fiscal year 2012. All of the Charter schools are considered component units of the District or another legal entity. For financial reporting purposes, sixty-six of the Charter schools are included in the basic financial statements of the District as discretely presented component units. Audits of the Charter school's financial statements, for the fiscal year ended June 30, 2012 were conducted by independent certified public accountants and are on file at the District administrative office. The audited financial information for Lauderdale Lakes Academy, Parkway Academy, Smart School Middle, and Touchdowns 4life were not reported to the District as of the date of publication of the CAFR.

The component unit beginning net assets does not agree to prior year ending net assets on the Statement of Net Assets because availability of financial information for individual charter schools varies from year to year.

The accompanying basic financial statements include the operations of the District, the Corporation, the Foundation and the sixty-six Charter schools. For financial reporting purposes, the operations of Charter schools within multiple locations operating under a single contract with the District are presented on a consolidated basis. Therefore, the operations of the Somerset Academy and Somerset Neighborhood have been consolidated. The District is independent of and is not financially accountable for any other local governmental units or civic entities other than those mentioned above. The Foundation and Charter Schools are presented in the government-wide presentation.

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Government-Wide Financial Statements – The Government-Wide Financial Statements are prepared under the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The Statement of Net Assets and the Statement of Activities present financial information about the District's governmental and business type activities. These statements include the financial activities of the government in its entirety, except for those that are fiduciary, and distinguish between the District's governmental and business-type activities. Governmental activities, which normally are supported by taxes and inter-governmental revenues, are reported separately from business-type activities, which are generally supported by fees charged. The District currently does not have any business-type activities.

The Statement of Net Assets includes all assets and liabilities of the District. The Statement of Activities presents a comparison between the direct expenses and program revenues of the District. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function.

Amounts reported as program revenues include 1) charges to students for tuition fees, rentals, materials, supplies, or services provided, 2) operating grants and contributions, and 3) capital grants and

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

contributions. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

The District eliminates from the Statement of Net Assets and the Statement of Activities most interfund receivables and payables and transfers between funds as well as the transactions associated with its Internal Service Funds to minimize the effect of double counting. However, direct expenses are not eliminated from the various functional categories.

Fund Financial Statements – Governmental fund financial statements are prepared using the current financial resource measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred. The principal exceptions to this general rule are interest and principal on long-term debt, compensated absences, and other postemployment benefits (OPEB), which are recognized when due, unless funds have been set aside in the debt service funds for repayments. Allocations of cost, such as depreciation, are not recognized in governmental funds.

Revenues can be classified into two kinds of transactions: (a) exchange and exchange-like transactions, in which each party receives and gives up essentially equal value and (b) non-exchange transactions, in which a government gives (or receives) value without directly receiving (or giving) equal value in exchange.

Revenue resulting from exchange transactions is recorded on the accrual basis when the exchange takes place.

Revenues resulting from non-exchange transactions are further classified into (a) derived tax revenues, (b) imposed non-exchange revenues, (c) government-mandated non-exchange transactions, and (d) voluntary non-exchange transactions. Derived tax revenues (ex. sales taxes) are recorded when the transaction occurs. Imposed non-exchange transactions (ex. property taxes) are recorded when the use of the resource is required or first permitted by time requirement (ex. property taxes, the period for which they are levied). Government-mandated and voluntary non-exchange transactions (ex. Federal mandates, grants and donations) are recorded when all eligibility requirements have been met.

When applying the “susceptible to accrual” concept under the modified accrual basis, resources should also be 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. The District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

Agency (Fiduciary) funds, accounted on the accrual basis, are purely custodial in nature (assets equal liabilities) and as such do not have a measurement focus.

The Proprietary Fund Financial Statements are prepared under the economic resources measurement focus and the accrual basis of accounting.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the District’s internal service funds are for commercial insurance, graphics and printing, maintenance services and facility construction management provided to other funds. Operating expenses for the internal service funds include salaries, employee benefits, purchased services, supplies, materials, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The fund statements provide information about the District’s funds, including fiduciary funds. Separate statements for each fund category – governmental, proprietary and fiduciary – are presented. The

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

emphasis of fund financial statements is on major governmental and enterprise funds rather than reporting funds by type. Each major fund is reported in a separate column. Non-major funds are aggregated and reported in a single column. Currently, the District does not have any funds classified as enterprise funds. The District reports the following major funds:

GENERAL FUND

The General Fund is the primary operating fund of the District. The general fund is used to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the state that are legally restricted to be expended for specific current operating purposes.

AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)

ARRA Economic Stimulus includes State Fiscal Stabilization Funds and Stimulus Grants Funds. These funds are used to save and create jobs; improve student achievement through school improvement and reform; ensure transparency and accountability and report publicly on the use of funds; and invest one-time ARRA fund thoughtfully to minimize the funding cliff.

DEBT SERVICE FUND – CERTIFICATE OF PARTICIPATION SERIES

This fund is used to account for the accumulation of resources for the payment of debt principal, interest and related costs on the long-term certificates of participation (COP).

AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) DEBT SERVICE FUND

This fund is used to account for the accumulation of resources for the payment of debt principal, interest and related costs on the ARRA Economic Stimulus Capital Project Funds.

CAPITAL PROJECTS FUNDS – LOCAL MILLAGE CAPITAL IMPROVEMENT (Local Property Tax)

This fund is used to account for financial resources received from millage to be used for maintenance and other educational capital needs, including new construction, renovation and remodeling projects.

CAPITAL PROJECTS FUNDS – OTHER CAPITAL IMPROVEMENT FUNDS

Other Capital Improvement Funds are the Certificates of Participation Series, Classrooms First, and Impact Fees Funds. These funds are used as revenue for planned improvements of property and equipment that meet the specific restrictions of those funding sources and are authorized by statute.

AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) ECONOMIC STIMULUS CAPITAL PROJECTS FUNDS

ARRA Economic Stimulus Capital Projects Funds include Qualified School Construction and Build America Bonds. These funds are used for capital expenditures related to construction, renovation and remodeling projects and are authorized by federal law.

The District also reports the following additional fund types:

PROPRIETARY FUNDS – INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department to another on a cost reimbursement basis. These funds are used to account for the general and automobile liability self-insurance, workers compensation, and other services provided to other

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

District funds. Proprietary funds are included in the governmental activities in the government-wide financial statements.

FIDUCIARY FUND – AGENCY FUND

This fund is used to account for resources of the schools' Internal Fund, which is used to administer monies collected at the schools in connection with school, student athletics, classes and club activities.

C. DEPOSITS AND INVESTMENTS

The District maintains an accounting system in which substantially all general District cash, investments, and accrued interest are recorded and maintained in a separate group of accounts. All such cash and investments are reflected as "Equity in Pooled Cash and Investments" in each fund in the accompanying financial statements. Investment income is allocated based on the weighted average balances of each fund's Equity in Pooled Cash and Investments.

Cash includes amounts in demand and time accounts as well as cash on hand. For purposes of the statement of cash flows, cash and cash equivalents also include highly liquid investments with an original maturity of 90 days or less at time of purchase.

Investments are stated at fair value. Funds are invested in various instruments allowed by Florida Statutes, including money market funds and bank certificates of deposit.

D. INVENTORIES AND PREPAIDS

Inventories consist of expendable supplies held for consumption in the course of the District's operations. Inventories are stated at cost, as determined on a first-in, first-out basis or a moving weighted average cost basis. U.S.D.A. commodities received from the federal government are recorded at the unit rate established by the federal government. This inventory is accounted for under the consumption method, and as such, is recorded as expenditure when used.

Prepaid expenses are recognized when the goods or services are received but not consumed at year-end. The expenditure is recorded when the asset is used.

E. CAPITAL ASSETS

Capital assets, which the District defines as land, buildings and fixed equipment, improvements other than buildings, furniture and equipment, audio/visual equipment, computer software, and motor vehicles with a cost of \$1,000 or greater and an initial useful life of more than 1 year, are reported in the government-wide financial statements. Such assets are recorded at historical cost or at estimated historical cost if the actual historical cost is not available. Donated capital assets are recorded at estimated fair value at the date of donation. Land and Construction in Progress are not depreciated. Other capital assets used in operations are depreciated using the straight-line method over their estimated useful lives in the government-wide financial statements.

The estimated useful lives are as follows:

Improvements other than buildings	15 to 35 years
Buildings and fixed equipment	7 to 50 years
Furniture, fixtures and equipment	5 to 20 years
Audio visual	5 years
Computer software	5 years
Motor vehicles	10 to 15 years

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

Depreciation expense on school buses has been allocated to the pupil transportation function on the government-wide Statement of Activities. All other depreciation expense has been ratably allocated to the various expense functions based on an analysis of the use of each room in the District and its relative square footage.

Capital assets owned by the Proprietary Funds, principally equipment, are stated at cost. Straight-line depreciation has been provided over the estimated useful lives of these assets, which range from three to five years.

When capital assets are sold or retired, the related cost and accumulated depreciation are removed from the accounts and the resulting gain or loss is reflected in the results of operations in the government-wide statements.

The District is required annually to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. Such events or changes in circumstances that may be indicative of impairment include evidence of physical damage, enactment or approval of laws or regulations or other changes in environmental factors, technological changes or evidence of obsolescence, changes in manner or duration of use of a capital asset, and construction stoppage. A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. Based on this criteria, there were no impairments recognized in fiscal year 2012.

F. REVENUE RECOGNITION

State Revenue Sources - Revenues from state sources for current operations are primarily from the FEFP, administered by the Florida Department of Education ("FDOE"), under the provisions of Section 1011.62, Florida Statutes. The District files reports on full time equivalent ("FTE") student membership with the FDOE. The FDOE accumulates information from these reports and calculates the allocation of FEFP funds to the District. After review and verification of FTE reports and supporting documentation, the FDOE may adjust subsequent fiscal period allocations of FEFP funding for prior year errors disclosed by its review. Normally, such adjustments are treated as reductions of revenue in the year the reduction is made.

The District receives revenue from the state to administer certain categorical educational programs. State Board of Education rules require that revenue earmarked for these programs be expended only for the program for which the money is provided and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same categorical educational programs. These funds are described as "restricted for categorical carryover programs" in the Statement of Net Assets and the Governmental Funds Balance Sheet. Any unused money is returned to the FDOE and so recorded in the year returned.

Property Taxes – In the fund financial statements, property tax revenue is recognized when levied for, and available, which is when received, except at year end when revenue is accrued for taxes collected by the Broward County Revenue Collector as of fiscal year end, but remitted to the District within 60 days subsequent to fiscal year end. Any delinquent taxes expected to be collected in the subsequent fiscal year are accrued for and deferred at year-end. Delinquent taxes collected in subsequent periods are recognized as revenue during the fiscal year in which they are received. In the government-wide financial statements, property tax revenue is recognized when levied for, net of allowance for estimated uncollectible amounts. Accordingly, uncollected, but earned, property tax revenue, net of uncollectible amounts, represent a reconciling item between the fund and government-wide presentation.

Federal Revenues Sources – The District receives Federal awards for the enhancement of various educational programs. Federal awards are generally received based on applications submitted to, and approved by, various granting agencies. For Federal awards for which a claim to these grant proceeds is

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred.

G. DEFERRED REVENUE

Delinquent property taxes, net of uncollectible amounts, impact fees, and the Public Education Capital Outlay (PECO) are not available and therefore deferred until received in the fund financial statements.

H. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond premiums and discounts and deferral amounts on refunding are deferred and amortized over the life of the bonds using the effective interest method, or the straight-line method if it does not differ materially from the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and deferral amounts on refunding. Bond issuance costs are reported as deferred charges and amortized using the effective interest method or the straight-line method over the life of the bonds.

In the fund financial statements, governmental fund types recognized bond premiums and discounts and bond issuance costs during the current period. The face amount of the debt issues are reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received and principal payments, are reported as debt service expenditures.

I. COMPENSATED ABSENCES

Compensated absences are salary related payments to employees for accumulated vacation and sick leave. These amounts also include the related employer's share of Social Security and Medicare and retirement contributions. They are recorded as expenditures when used or are accrued as a payable to employees who are entitled to cash payment in lieu of taking leave. District employees may accumulate unused sick leave without limitation and unused vacation up to a specified amount depending on their date of hire. Vacation leave is payable to employees upon termination or retirement at the current rate of pay on the date of termination or retirement. Sick leave is payable to employees upon retirement at the rate of pay in effect at the time the leave is earned. The number of days payable is subject to limitations as set forth in District policies.

The current portion represents the estimated terminal sick-leave amount that is due to, and has not been paid out to, employees who have retired on or prior to June 30, 2012.

The non-current portion (the amount estimated to be used in subsequent fiscal years) of \$157.4 million for the governmental funds is maintained separately and represents a reconciling item between the fund financial statements and government-wide financial statements.

J. SELF INSURANCE

The District is self-insured for portions of its general and automobile liability insurance and workers' compensation. The estimated liability for self-insured risks represents an estimate of the amount to be paid on insurance claims reported and on insurance claims incurred but not reported (see Note 19 of the Notes to the Basic Financial Statements).

As of June 30, 2012, the District's consolidated Self-Insurance Internal Service funds, non-governmental internal service funds, had a deficit in net assets of \$16.8 million. This deficit resulted from the Proprietary Fund Financial Statements requirement to report the long term outstanding liability.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

The projected actuarial cost for claims expected to occur during the 2012-2013 fiscal year (short term) was in the amount of \$19.1 million. At year end, the Self-Insurance Internal Service funds maintained cash and investments in the amount of \$27.9 million, more than enough to fully cover these projected future claims.

K. FUND EQUITY

The District adopted GASB Statement No. 54 ("GASB 54"), "Fund Balance Reporting and Governmental Fund Type Definitions," effective fiscal year 2011. The statement is intended to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the District's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources.

GASB 54 provides for two major fund balance classifications: nonspendable and spendable. Nonspendable fund balance includes amounts that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of nonspendable fund balance include inventory, prepaid items and the principal (corpus) of a permanent fund. The District has classified inventory as nonspendable.

GASB 54 provides for four categories of the spendable fund balance classification based on the level of constraint placed on the use of those resources.

- Restricted fund balance includes resources constrained to a specific purpose by their external providers such as grantors and contributors, or laws and regulations.
- Committed fund balance includes resources constrained to a specific purpose by the District's highest level of decision-making authority, the School Board. These items cannot be used for any other purpose unless the Board takes action to remove or change the constraint.
- Assigned fund balance represents amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Assignments are made by the District's management based on Board direction.
- Unassigned fund balance includes the remaining fund balance, or net resources, available for any purpose. Unassigned fund balance represents amounts that are not constrained in any way.

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

L. NET ASSETS

Fund balance is the difference between fund assets and liabilities on the governmental fund financial statements that are based on the modified accrual basis of accounting. Net assets is the difference between fund assets and liabilities on the government-wide and proprietary fund financial statements that are based on the accrual basis of accounting.

M. MANAGEMENT'S USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

2. BUDGETARY POLICIES

The Board follows procedures established by State Statute and State Board of Education rules in establishing annual budgets for governmental funds as described below:

- (1) Budgets are prepared, public hearings are held, and original budgets are adopted annually for all governmental fund types in accordance with procedures and time intervals prescribed by law and State Board of Education rules.
- (2) The major functional level is the legal level of budgetary control. Budgeted amounts may be amended by resolution at any Board meeting prior to the due date for the annual financial report. General Fund budgetary disclosure in the accompanying financial statements reflects the final budget including all amendments approved for the fiscal year through September 5, 2012.
- (3) Project length budgets, such as in the Capital Projects Funds, are determined and then are fully appropriated in their entirety in the year the project is approved. For the beginning of the following year, any unexpended appropriations for a project from the prior year are re-appropriated. This process is repeated from year to year until the project is completed.
- (4) Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward, if applicable, to the following year for the General Fund and are closed after a three month period.

3. DEPOSITS AND INVESTMENTS

On January 18, 2000, the Board formally adopted policy number 3110, a comprehensive investment policy pursuant to Section 218.415, Florida Statutes that established permitted investments, asset allocation limits and issuer limits, credit ratings requirements and maturity limits to protect the District's cash and investment assets. The policy's main objectives are geared to maintain the safety of Principal, Liquidity and Return on Investment.

Cash and Cash Equivalents:

As of June 30, 2012, the carrying amount of the District's bank deposit account was \$28.7 million. Banks qualified as public depositories under the Florida Security for Public Deposits Act as required by Chapter 280, Florida Statutes, hold all deposits.

Cash Equivalents consist of amounts placed with the State Board of Administration (SBA) for participation in the Local Government Surplus Funds Trust Fund investment pool created by Section 218.405 Florida Statutes. All money market funds are comprised of U.S. Treasury and U.S. Government Obligations that are backed by the full faith and credit of the U.S. Government. At June 30, 2012, the aggregate of the money market funds held by the District totaled \$74.3 million.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

Cash and investments at June 30, 2012 are shown below (in thousands):

	<u>Governmental Funds</u>	<u>Internal Service Funds</u>	<u>Total Government- Wide</u>	<u>Agency Fund</u>
Fixed investments – Federal Treasuries & Agency Securities & Corporate Notes	\$ 257,927	\$ 20,943	\$ 278,870	\$ 3,966
Investments not subject to categorization:				
Funds held by Trustee for Certificates of Participation for debt service	107,891	-	107,891	-
Funds held by Trustee for Certificates of Participation issued by the Corporation	203,605	-	203,605	-
Funds held in trust by the State	1,373	-	1,373	-
Money Market Account	67,721	5,499	73,220	1,041
Total investments	<u>638,517</u>	<u>26,442</u>	<u>664,959</u>	<u>5,007</u>
Total deposits	<u>18,010</u>	<u>1,461</u>	<u>19,471</u>	<u>8,481</u>
Total cash, cash equivalents and investments	<u>\$ 656,527</u>	<u>\$ 27,903</u>	<u>\$ 684,430</u>	<u>\$ 13,488</u>

Credit Risk:

The District has adopted an investment policy that authorized the District to participate in the State Board Administration Investment Pool (SBA). The policy also authorizes the District to invest in interest-bearing time deposits or savings accounts, direct obligations of the United States Treasury, Federal Agencies, and money market funds with the highest credit quality rating from nationally recognized statistical rating organizations and registered with the Securities and Exchange Commission; State and/or local government taxable and/or tax exempt debt, general obligation and/or revenue bonds, rated at least "Aa" by Moody's and "AA" by Standard & Poor's for long term debt, or rated at least "MIG-2" by Moody's and "SP-2" by Standard & Poor's for short-term debt; and bankers acceptances issued by a domestic bank or a federally chartered domestic office of a foreign bank, which are eligible for purchase by the Federal Reserve System, at the time of purchase, the short term paper is rated, at a minimum, "P-1" by Moody's Investors Services and "A-1" by Standard & Poor's. Additionally, the bank shall not be listed with any recognized credit watch information service.

The Policy also authorizes the District to invest in commercial paper of any United States company that is rated, at the time of purchase, "Prime-1" by Moody's and "A-1" by Standard & Poor's (prime commercial paper). Additionally, the company shall not be listed with any recognized credit watch information service. Corporate notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States that have a long term debt rating, at the time of purchase, at a minimum "Aa" by Moody's and a minimum long term debt rating of "AA" by Standard & Poor's.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

As of June 30, 2012, the District's investment securities had the following ratings as shown in the chart below (dollars in thousands):

Investments	Fair Market Value	S&P Rating
Short term portfolio:		
Money Market:		
Bank of America	\$ 24,134	A-2
Florida Education Investment Trust Fund	50,127	AAAm
Corporate Notes	5,475	A+,AA+,AAA
Commercial Paper	4,204	A-1
Federal Agency Coupon Securities	136,797	AA+
Treasury Bonds and Notes	1,270	Not Rated
Long term portfolio:		
Corporate Notes	14,410	AA-,A+,AA,AA+
Federal Agency Coupon Securities	85,966	AA+
Treasury Bonds and Notes	32,278	Not Rated
Municipal Bonds	2,436	AA

Interest Rate Risk:

The District manages its exposure to interest rate risk in fair value by forecasting cash outflows and inflows. To the extent possible, an attempt will be made to match investment maturities with known cash needs and anticipated cash flow requirements. Investments of current operating funds shall have maturities of no longer than twenty-four (24) months. According to the District's policy, securities may be purchased at a premium or traded for other securities to improve yield, maturity or credit risk.

Investments of bond reserves, construction funds, and other non-operating funds ("core funds") shall have a term appropriate to the need for funds and in accordance with debt covenants, but in no event shall exceed five (5) years.

The District's money market account is tied to Federal Funds. The following table shows the District's short term portfolio weighted average maturity at June 30, 2012 (dollars in thousands):

Investments	Fair Market Value	Maturity		Weighted Average Maturity
		Less than 1 Year	2 Years	
Money Market Funds:				
Bank of America	\$ 24,134	\$ 24,134	\$ -	N/A
Florida Education Investment Trust Fund	50,127	50,127	-	46 Day Average
Corporate Notes	5,475	5,475	-	288
Commercial Paper	4,204	4,204	-	46
Federal Agency Coupon Securities	136,797	136,797	-	302
Treasury Bonds and Notes	1,270	1,270	-	288
Total	\$ 222,007	\$ 222,007	\$ -	

The Short Term Portfolio uses the Weighted Average Maturity.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

The following table shows the District's long term portfolio effective duration at June 30, 2012:

<u>Investments</u>	<u>Effective Duration in Years</u>
Corporate Notes	0.898
Federal Agency Coupon Securities	0.605
Treasury Bonds and Notes	1.847
Municipal Bonds	0.743
Average effective duration	0.767

The Long Term Portfolio uses the Effective Duration.

Concentration of Credit Risk:

The District's Investment policy has established asset allocation and issuer limits on the following investments, which are designed to reduce concentration of credit risk of the District's Investment Portfolio.

The Florida Government Surplus Fund Trust Fund ("SBA"):

A maximum of 100% of available funds may be invested by the District's Treasurer (the "Treasurer") in the SBA. Funds deposited with the SBA are invested in the pooled investment account, an external investment pool administered by the State of Florida and operated in a manner consistent with the Security and Exchange Commission's Rule 2a7 of the Investment Company Act of 1940.

U.S. Government Securities:

The Treasurer may invest in negotiable direct obligations, or obligations the principal and interest of which are unconditionally guaranteed by the United States Government. A maximum of 100% of available funds may be invested in these securities; the maximum length to maturity is 5 years from the date of purchase.

These securities include but are not limited to:

Cash Management Bills, Treasury Securities - State and Local Government Series ("SLGS"), Treasury Bills, Treasury Notes, Treasury Bonds, Treasury Strips.

U.S. Government Agencies:

The Treasurer may invest in bonds, debentures, notes or callables issued or guaranteed by the United States Government Agencies, provided such obligations are backed by the full faith and credit of the United States Government. A maximum of 50% of available funds may be invested in U.S. government agencies. A maximum of 25% of available funds may be invested in individual U.S. government agencies. The maximum length to maturity is 5 years from the date of purchase.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

Federal Agency (U.S. Government sponsored agencies):

The Treasurer may invest in bonds, debentures, notes or callables issued or guaranteed by the United States Government sponsored Agencies (Federal Instrumentalities), which are non-full faith. A maximum of 80% of available funds may be invested in Federal Instrumentalities. A maximum of 40% may be invested in any one issuer. The maximum length to maturity for an investment is 5 years from the date of purchase.

Interest Bearing Time Deposit or Savings Account:

Funds can be invested in non-negotiable interest bearing time certificates of deposit or savings accounts in banks organized under the laws of this state and/or in National Banks organized by the laws of the United States and doing business and situated in the State of Florida, provided that any such deposits are secured by the Florida Security for Public Deposits Act, Chapter 280, Florida Statutes. A maximum of 25% of available funds may be invested in non-negotiable interest bearing time certificates of deposit. A maximum of 15% of available funds may be deposited with any one issuer. The maximum maturity on any certificate is 1 year from the date of purchase.

Corporate Notes:

The Treasurer may invest in Corporate Notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States that have a long term debt rating, at the time of purchase, at a minimum "Aa" by Moody's and a minimum long term debt rating of "AA" by Standard's & Poor's. A maximum of 15% of available funds may be invested in corporate notes. Only 5% invested with one issuer. The length of maturity shall be 3 years from the date of purchase.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

The following table shows the composition of the District's investments at June 30, 2012, excluding funds held in trust (dollars in thousands).

Investments	Fair Market Value	Percentage of Portfolio
Short term investments:		
Money Market Accounts:		
Bank of America	\$ 24,134	6.76%
Florida Education Investment Trust	50,127	14.04%
Corporate Notes:		
General Electric	5,168	1.45%
Wells Fargo	307	.09%
Commercial Paper:		
Bank of Tokyo Mitsubishi Ltd	4,204	1.18%
Federal Agency Coupon Securities:		
Federal Home Loan Bank	76,052	21.29%
Federal Farm Credit Bank	30,073	8.42%
Federal Home Loan Mortgage Corporation	10,351	2.90%
Federal National Mortgage Association	20,321	5.69%
Treasury Bonds & Notes	1,270	.36%
Long term investments:		
Corporate Notes:		
Bank of New York Mellon	3,912	1.10%
Berkshire Hathaway Fin	832	.23%
General Electric	3,692	1.03%
Johnson & Johnson	1,024	.29%
Procter & Gamble	2,005	.56%
Wal-Mart Stores Global Notes	2,005	.56%
XTO Energy Inc	940	.26%
Federal Agency Coupon Securities:		
Federal Home Loan Bank	31,070	8.70%
Federal Farm Credit Bank	1,235	.35%
Federal Home Loan Mortgage Corporation	30,476	8.53%
Federal National Mortgage Association	23,185	6.49%
Treasury Bonds and Notes	32,278	9.04%
Municipal Bonds		
New York, New York	2,436	.68%
Total investments	<u>\$ 357,097</u>	<u>100.00%</u>

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

Custodial Risk:

Pursuant to Florida Statute 218.415 (10), securities, with the exception of certificates of deposit, are held with a third party custodian; and all securities purchased by, and all collateral obtained by the District is properly designated as an asset of the District. The securities are held in an account separate and apart from the assets of the financial institution.

As of June 30, 2012, the District's investment portfolio was held by Wells Fargo Securities, LLC, a third party custodian, as required by the School Board's investment policy.

4. DUE TO/FROM OTHER GOVERNMENTAL AGENCIES AND DEFERRED/UNEARNED REVENUE

Due To/From Other Governmental Agencies:

At June 30, 2012, the District's due to/from other governmental agencies balances are as follows (in thousands):

	General Fund	ARRA Economic Stimulus Funds	Local Millage Capital Improvement Funds	Other Capital Improvement Funds	Other Governmental Funds	Total
Due from other governments:						
Federal Government:						
Miscellaneous Federal	\$ 1,843	\$ 1,953	\$ -	\$ -	\$ 15,325	\$ 19,121
State Government:						
Food Reimbursement	-	-	-	-	1,842	1,842
Public Education Capital Outlay	-	-	-	-	6,688	6,688
Miscellaneous State	49	-	-	175	3	227
Local Government:						
Taxes Receivable	29,235	-	7,405	-	-	36,640
Miscellaneous Local	29	-	5	2,329	979	3,342
Total due from other governmental agencies	<u>\$ 31,156</u>	<u>\$ 1,953</u>	<u>\$ 7,410</u>	<u>\$ 2,504</u>	<u>\$ 24,837</u>	<u>\$ 67,860</u>
Due to other governments:						
Florida Retirement System						
Contribution	\$ 7,196	\$ -	\$ -	\$ -	\$ -	\$ 7,196
Miscellaneous	-	-	-	-	3	3
Total due to other governmental agencies	<u>\$ 7,196</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ 7,199</u>

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

Deferred/Unearned Revenue:

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At June 30, 2012, the various components of deferred revenue reported in the government-wide statements and the governmental funds were as follows (in thousands):

	Unearned Revenue Government- Wide	Deferred Revenue Governmental Funds
Delinquent property taxes receivable - General Fund	\$ -	\$ 3,179
Delinquent property taxes receivable - Capital Projects Fund	-	806
Interlocal Agreements	-	97
Impact Fees	-	2,329
Public Education Capital Outlay (PECO)	-	6,688
Grant draw downs prior to meeting all eligibility requirements	351	351
	<u>351</u>	<u>13,450</u>
	\$ 351	\$ 13,450

5. AD VALOREM TAXES

The District is authorized by Florida Statutes to levy property taxes for District operations, capital improvements and debt service. Property taxes consist of ad valorem taxes on real and personal property within the District. Property taxes are assessed by the Broward County Property Appraiser and are collected by the Broward County Revenue Collector who remits them to the District. The Board adopted the 2011 tax levy on September 15, 2011.

Property values are assessed as of January 1 of each year, and levied on November 1, at which time taxes become an enforceable lien on property. Such levy serves to finance expenditures of the following fiscal year. Tax bills are mailed in October and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to four percent for early payment.

On April 1 of the year following the year of assessment, taxes become delinquent and Florida Statutes provide for enforcement of collection of personal property taxes by seizure of the property to satisfy unpaid taxes and for enforcement of collection of real property taxes by the sale of interest-bearing certificates to satisfy unpaid taxes. The District recognizes revenue during the fiscal year following the year of assessment. Accordingly, substantially all of the taxes assessed on January 1, 2011 have been recognized during the fiscal year ended June 30, 2012.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

The following is a summary of millages and taxes levied on the final 2011 tax rolls for the fiscal year 2012 (dollars in thousands):

	<u>Millages</u>	<u>Taxes</u>			<u>Prior Years Taxes Collected</u>
		<u>Levied</u>	<u>Collected</u>	<u>Uncollected, net</u>	
<u>General Funds</u>					
Non-voted School Tax:					
Required Local Effort	5.170	\$ 701,164	\$ 670,341	\$ 2,777	\$ 9
Discretionary Local Effort	0.748	101,445	96,985	402	1
	<u>5.918</u>	<u>\$ 802,609</u>	<u>\$ 767,326</u>	<u>\$ 3,179</u>	<u>\$ 10</u>
<u>Capital Project Funds</u>					
Non-voted School Tax:					
Capital Improvements	1.500	\$ 203,432	\$ 194,489	\$ 806	\$ 21
	<u>1.500</u>	<u>\$ 203,432</u>	<u>\$ 194,489</u>	<u>\$ 806</u>	<u>\$ 21</u>
<u>Debt Service Funds</u>					
Voted Tax:					
Debt Service	0.000	\$ -	\$ -	\$ -	\$ 21
	<u>0.000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21</u>

The State Constitution limits the non-voted levying of taxes by the District to 10 mills (\$10.00 per thousand of assessed valuation). State law prescribes the upper limit of non-voted taxes to be levied on an annual basis, with the fiscal year 2012, limit being 7.418 mills, which includes up to 1.50 mills for the Capital Projects Funds. The voter approved levy for debt service is limited to 6.0 mills; for fiscal year 2012, no taxes for debt service were levied.

The total assessed value for calendar year 2011, on which the fiscal 2012 levy was based, was approximately \$135.6 billion, which is subject to change based upon appeals to the Broward County Value Adjustment Board.

The Broward County Revenue Collector is not required by law to make an accounting to the District of the difference between taxes levied and taxes collected. The State required the District to budget at a 96.0% collection rate, however, the actual property taxes collected or accrued for fiscal year 2012 were 95.6% of the taxes levied.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

6. CAPITAL ASSETS

A summary of changes in capital assets is as follows (in thousands):

	Balance 06/30/2011	Additions	Deletions	Transfers	Balance 06/30/2012
Primary Government:					
Capital assets not being depreciated:					
Land	\$ 228,096	\$ 1,579	\$ (200)	\$ -	\$ 229,475
Land improvements	123,968	9	(245)	386	124,118
Construction in progress	80,541	26,593	(2,682)	(21,169)	83,283
Broadcast license intangible	3,600	-	-	-	3,600
Total capital assets not being depreciated	<u>436,205</u>	<u>28,181</u>	<u>(3,127)</u>	<u>(20,783)</u>	<u>440,476</u>
Other capital assets:					
Land improvements	300,664	1,415	(4,292)	10,977	308,764
Buildings and fixed equipment	3,484,680	5,464	(427)	9,806	3,499,523
Furniture, fixtures and equipment	398,315	22,336	(21,607)	16,437	415,481
Assets under capital leases	55,840	1,449	-	(16,437)	40,852
Audio visual	926	345	(195)	-	1,076
Computer software	56,266	1,114	(2,567)	-	54,813
Motor vehicles:					
Buses	67,302	72	(6,579)	-	60,795
Other	27,241	508	(1,238)	-	26,511
Total other capital assets at historical cost	<u>4,391,234</u>	<u>32,703</u>	<u>(36,905)</u>	<u>20,783</u>	<u>4,407,815</u>
Less accumulated depreciation for:					
Land improvements	(80,236)	(12,536)	4,292	-	(88,480)
Buildings and fixed equipment	(1,064,835)	(79,008)	427	-	(1,143,416)
Furniture, fixtures and equipment	(354,294)	(24,730)	21,607	(14,257)	(371,674)
Assets under capital leases	(36,272)	(5,833)	-	14,257	(27,848)
Audio visual	(606)	(215)	195	-	(626)
Computer software	(24,232)	(5,349)	2,567	-	(27,014)
Motor vehicles:					
Buses	(55,286)	(1,570)	6,579	-	(50,277)
Other	(21,079)	(1,542)	1,238	-	(21,383)
Total accumulated depreciation*	<u>(1,636,840)</u>	<u>(130,783)</u>	<u>36,905</u>	<u>-</u>	<u>(1,730,718)</u>
Total other capital assets, net	<u>2,754,394</u>	<u>(98,080)</u>	<u>-</u>	<u>20,783</u>	<u>2,677,097</u>
Total primary government, net	<u>3,190,599</u>	<u>(69,899)</u>	<u>(3,127)</u>	<u>-</u>	<u>3,117,573</u>
Internal service fund:					
Machinery and equipment	408	14	(1)	-	421
Accumulated depreciation*	(403)	(16)	1	-	(418)
Total Internal service fund, net	<u>5</u>	<u>(2)</u>	<u>-</u>	<u>-</u>	<u>3</u>
Total capital assets, net	<u>\$ 3,190,604</u>	<u>\$ (69,901)</u>	<u>\$ (3,127)</u>	<u>\$ -</u>	<u>\$ 3,117,576</u>

*Depreciation expense was recorded in the following governmental functions:

Instructional Services	\$ 95,811
Instructional support services	13,787
Pupil transportation services	2,010
Operation and maintenance of plant	7,313
School administration	3,360
General Administration	2,432
Food services	6,086
Total depreciation expense	<u>\$ 130,799</u>

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

7. INTERFUND TRANSACTIONS

Interfund Transfers. A summary of interfund transfers for the fiscal year ended June 30, 2012 is as follows (in thousands):

	Transfers In					Total
	General Fund	Major Debt Service Funds	Major Capital Funds	Other Governmental Funds	Internal Service Funds	
Transfers Out:						
General Fund	\$ -	\$ 1,334	\$ 1,913	\$ 54	\$ 185	\$ 3,486
COP Series Debt Service Funds	-	13	-	-	-	13
Local Millage Capital Improvement Funds	55,498	148,619	-	-	-	204,117
ARRA Economic Stimulus Capital Project Funds	-	133	-	-	-	133
Other Capital Improvement Funds	10,045	2,031	-	-	-	12,076
Other Governmental Funds	14,696	-	-	-	-	14,696
Total Primary Government	\$ 80,239	\$ 152,130	\$ 1,913	\$ 54	\$ 185	\$ 234,521

The transfers in to the General Fund primarily relate to the funding of maintenance and repairs of existing school facilities pursuant to Chapter 1013 of the Florida Statutes. The transfers in also represent reimbursement of property and casualty insurance premiums pursuant to Chapter 1011.71 of the Florida Statutes. The transfers in to the Debt Service Funds relate to the funding of principal and interest payments on the District's outstanding debt issues.

Interfund Receivables and Payables. Individual fund receivable and payable balances as reported in the Governmental Funds Balance Sheet at June 30, 2012 are as follows (in thousands):

	Payable Fund				Total
	ARRA Economic Stimulus	Major Debt Service Funds	ARRA Economic Stimulus Capital Projects	Other Governmental Funds	
Receivable Fund:					
General Fund	\$ 1,828	\$ -	\$ -	\$ 13,675	\$ 15,503
Other Capital Improvement Funds	-	-	292	-	292
Local Millage Capital Improvement Funds	-	4,000	-	-	4,000
Total	\$ 1,828	\$ 4,000	\$ 292	\$ 13,675	\$ 19,795

Interfund receivables and payables relate to temporary funding of negative cash balances.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

8. TAX ANTICIPATION NOTES

On November 2, 2011, the District issued Tax Anticipation Notes ("TANS"), Series 2011. The \$125.0 million note proceeds were used to pay fiscal year 2012 operating expenditures prior to the receipt of ad valorem taxes. Interest costs incurred on the life of this issue for the year ended June 30, 2012 were \$0.4 million, with the effective yield of 0.13%. There was no arbitrage rebate due on the TANS, Series 2011. The notes came due January 25, 2012.

Short-term debt activity for the year ended June 30, 2012 was as follows (in thousands):

	Beginning Balance July 1, 2011	Issued	Redeemed	Ending Balance June 30, 2012
Tax Anticipation Notes	\$ -	\$ 125,000	\$ 125,000	\$ -

9. CAPITAL LEASES

Property acquired under capital leases, which is stated at acquisition cost, is included in the government-wide financial statements. At June 30, 2012, the various components of property acquired under capital leases reported in the government-wide statements were as follows (in thousands):

	<u>Amount</u>
Furniture, fixtures and equipment	\$ 16,128
Buses	<u>24,724</u>
Subtotal	40,852
Less: Accumulated Depreciation	<u>(27,848)</u>
Total Net Book Value	<u>\$ 13,004</u>

The following is a summary of changes in capital leases for the fiscal year ended June 30, 2012 (in thousands):

	Interest Rate	Final Maturity Date	June 30, 2011	Increases	Decreases	June 30, 2012
School buses	4.35%	06/30/2012	\$ 1,199	\$ -	\$ (1,199)	\$ -
Computer equipment	3.71%	12/18/2012	1,435	-	(947)	488
School buses	4.06%	12/18/2016	6,122	-	(1,015)	5,107
Computer equipment	3.27%	06/30/2014	968	-	(312)	656
Computer equipment	3.27%	06/30/2014	2,020	-	(652)	1,368
Buses/Equipment	4.13%	11/01/2014	<u>11,996</u>	-	<u>(3,254)</u>	<u>8,742</u>
Total capital leases			\$ <u>23,740</u>	\$ -	\$ <u>(7,379)</u>	\$ 16,361
Less: portion due within one year						<u>(5,930)</u>
Total capital leases due in more than one year						\$ <u>10,431</u>

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

The following is a summary of the future minimum lease payments under capital leases together with the present value of minimum lease payments as of June 30, 2012 (in thousands):

<u>Fiscal Year</u>	<u>Amount</u>
2013	\$ 6,520
2014	6,024
2015	3,111
2016	1,253
2017	626
Total minimum lease payments	<u>17,534</u>
Less:	
Amount representing interest	<u>(1,173)</u>
Present value of minimum lease payments	<u><u>\$ 16,361</u></u>

The amount representing interest was calculated using annual rates ranging from 3.27% to 4.13%.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

10. NON-CURRENT DEBT

The following is a summary of changes in non-current debt for the fiscal year ended June 30, 2012 (in thousands):

	Interest Rate	Final Maturity Date	June 30, 2011	Increases	Decreases	June 30, 2012	Amounts Due Within One Year
Bonds payable:							
Capital outlay bond issues:							
Series 2002A	3.00-5.00%	01/01/2022	\$ 6,575	\$ -	(6,575)	\$ -	\$ -
Series 2002B	3.38-5.38%	01/01/2015	9,475	-	(9,475)	-	-
Series 2003A	3.00-5.00%	01/01/2023	7,345	-	(375)	6,970	415
Series 2005A	3.00-5.00%	01/01/2017	21,865	-	(3,150)	18,715	3,300
Series 2005B	3.50-5.00%	01/01/2020	3,075	-	(355)	2,720	345
Series 2006A	3.50-5.00%	01/01/2026	250	-	(35)	215	40
Series 2008A	3.25-5.00%	01/01/2028	4,550	-	(65)	4,485	80
Series 2009A- New Money	2.00-5.00%	01/01/2029	1,120	-	(35)	1,085	40
Series 2009A- Refunding	2.00-5.00%	01/01/2019	2,240	-	(250)	1,990	255
Series 2010A- Refunding	4.00-5.00%	01/01/2022	6,995	-	(100)	6,895	475
Series 2011A- Refunding	3.00-5.00%	01/01/2023	-	12,265	-	12,265	2,715
Total capital outlay bond issues			<u>63,490</u>	<u>12,265</u>	<u>(20,415)</u>	<u>55,340</u>	<u>7,665</u>
Certificates of participation:							
Series 2000 QZAB	(i)	12/20/2013	701	-	(351)	350	350
Series 2001A	3.00-5.50%	07/01/2026	43,990	-	(43,990)	-	-
Series 2001 QZAB	(ii)	06/28/2014	737	-	(368)	369	369
Series 2001B	3.00-5.375%	07/01/2026	51,930	-	(51,930)	-	-
Series 2003A	2.00-5.25%	07/01/2028	164,370	-	(158,830)	5,540	5,540
Series 2004A	2.00-5.25%	07/01/2017	44,210	-	(6,570)	37,640	6,825
Series 2004B	5.00-5.25%	07/01/2017	71,920	-	(6,810)	65,110	11,495
Series 2004C	2.50-5.25%	07/01/2020	69,030	-	(39,240)	29,790	6,995
Series 2004D	Variable	07/01/2029	113,825	-	-	113,825	-
Series 2004 QZAB	(iii)	12/22/2020	531	-	(53)	478	53
Series 2005A	3.00-5.00%	07/01/2030	161,740	-	(7,170)	154,570	7,520
Series 2005B	Variable	07/01/2021	44,460	-	-	44,460	-
Series 2006A	4.00-5.25%	07/01/2028	202,105	-	(8,280)	193,825	8,640
Series 2006B	Variable	07/01/2031	65,000	-	-	65,000	-
Series 2007A	3.50-5.00%	07/01/2032	241,615	-	(8,485)	233,130	8,785
Series 2008A	3.15-5.25%	07/01/2033	270,560	-	(7,355)	263,205	7,640
Series 2009A T-E	5.00-5.25%	07/01/2027	20,140	-	-	20,140	-
Series 2009A BAB	7.40%	07/01/2034	63,910	-	-	63,910	-
Series 2009A QSCB	(iv)	07/01/2024	49,913	-	-	49,913	-
Series 2010A QSCB	6.45%	07/01/2027	51,645	-	-	51,645	-
Series 2011A	2.00-5.00%	07/01/2024	175,510	-	(4,085)	171,425	-
Series 2012A	4.00-5.00%	07/01/2028	-	270,650	-	270,650	-
Total certificates of participation			<u>1,907,842</u>	<u>270,650</u>	<u>(343,517)</u>	<u>1,834,975</u>	<u>64,212</u>
Total bonds and certificates of participation payable			\$ <u>1,971,332</u>	\$ <u>282,915</u>	\$ <u>(363,932)</u>	<u>1,890,315</u>	
Add: net premium/discount/deferral amount on refunding						86,733	7,977
Less: amounts due within one year						(79,854)	
Add: interest rate swap – fair value (GASB 53)						59,753	
Total debt, net of premiums and discounts						\$ <u>1,956,947</u>	\$ <u>79,854</u>

- (i) Interest on the Series 2000 QZAB is paid by the Federal government in the form of an annual tax credit to the bank or other financial institution that holds the QZAB. Annual payments of \$350,712 will be made for twelve consecutive years, being deposited in an escrow account held by a fiscal agent, which when coupled with interest earnings and net appreciation in market value will be sufficient to pay off the principal balance of the QZAB, in full, at maturity on December 20, 2013.
- (ii) Interest on the Series 2001 QZAB is paid by the Federal government in the form of an annual tax credit to the bank or other financial institution that holds the QZAB. Annual payments of \$368,121 will be made for twelve consecutive years, beginning on June 30, 2002, which will pay off the principal balance of the QZAB, in full, by its maturity on June 28, 2014.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

- (iii) Interest on the Series 2004 QZAB is paid by the Federal government in the form of an annual tax credit to the bank or other financial institution that holds the QZAB. Annual payments of \$53,062 will be made for sixteen consecutive years, being deposited in an escrow account held by a fiscal agent, which when coupled with interest earnings and net appreciation in market value will be sufficient to pay off the principal balance of the QZAB, in full, at maturity on December 22, 2020.
- (iv) Series 2009A-QSCBs (Qualified School Construction Bonds) are issued with principal only repaid by the District (no interest) and the investor receives a tax credit in lieu of interest payment. Annual payments of \$4,540,000 will be made for eleven consecutive years, being deposited in an escrow account held by a fiscal agent. The Series 2009A-QSCB will mature on July 1, 2024.

The capital outlay bond issues (COBI) are retired by the State for the District. The bonds mature serially and are secured by a pledge of the District's share of revenue from the sale of license plates. The State Board of Administration determines the sinking fund requirements for these bonds annually. The sinking fund, maintained in the COBI Debt Service Fund, at June 30, 2012 was \$1.4 million.

In April 2012, the Refunding Certificates of Participation, Series 2012A were issued for \$270.7 million to refund all of the outstanding Certificates of Participation, Series 2001A for \$44.0 million, all of the outstanding Certificates of Participation, Series 2001B for \$51.9 million, a portion of the outstanding Certificates of Participation, Series 2003A for \$152.4 million, and a portion of the Certificates of Participation, Series 2004C for \$32.5 million, for a net difference of \$10.1 million. The issuance included a premium of \$29.0 million and issuance costs of \$1.9 million. This refunding generated over \$19.4 million in present value savings. See Note 11 of the Notes to the Basic Financial Statements for further discussion of the defeased debt.

The Certificates of Participation are liquidated through the COP-Series Debt Service Fund from the proceeds of the capital millage levied by the District. See Note 12 of the Notes to the Basic Financial Statements for further discussion of the Certificates.

The Tax Reform Act of 1986 requires local units of government to rebate to the federal government the income (in excess of interest costs) received from investing proceeds on substantially all tax-exempt debt issued subsequent to August 1986. Such rebate of cumulative arbitrage earnings must be paid every five years until such time as the proceeds have been expended. For the fiscal year ended June 30, 2012, the District does not have any accrued liability for rebatable arbitrage.

Annual requirements to amortize all bond issues outstanding as of June 30, 2012 are as follows (in thousands):

Year Ending June 30,	Capital Outlay Bond Issue			Certificates of Participation		
	Principal	Interest	Total	Principal	Interest	Total
2013	\$ 7,665	\$ 2,597	\$ 10,262	\$ 64,212	\$ 89,273	\$ 153,485
2014	8,365	2,259	10,624	71,143	87,262	158,405
2015	6,920	1,849	8,769	74,053	83,058	157,111
2016	6,675	1,511	8,186	79,153	79,599	158,752
2017	6,790	1,184	7,974	82,753	76,272	159,025
2018-2022	14,000	2,939	16,939	487,000	322,657	809,657
2023-2027	4,240	586	4,826	570,241	204,105	774,346
2028-2032	685	34	719	365,385	64,623	430,008
2033-2037	-	-	-	41,035	3,419	44,454
Total	\$ 55,340	\$ 12,959	\$ 68,299	\$ 1,834,975	\$ 1,010,268	\$ 2,845,243

11. DEFEASED DEBT

On April 5, 2012, the District issued Certificates of Participation, Series 2012A in the amount of \$270.7 million. The proceeds were used to refund the remainder of Certificates of Participation, Series 2001A, Series 2001B and portions of Series 2003A and Series 2004C. The net proceeds of \$297.8 million (par amount plus original issue premium of \$29.0 million and less \$1.9 million in underwriting fees and other costs of issuance) were deposited into an irrevocable escrow and used to redeem the refunded certificates. As a result, \$280.8

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

of the refunded certificates are considered to be in-substance defeased and the liability for these certificates has been removed from the Statement of Net Assets.

The Series 2012A Certificates were issued to reduce the total debt service over the next 16 years by \$23.5 million and to obtain an economic gain (difference between the present value of the debt service payment on the old and new debt) of \$19.4 million.

On January 5, 2012, the FDOE issued the COBI Series 2011A that refunded the callable portion of the Series 2002B bonds and the Series 2003A bonds. The Series 2002B were called on January 6, 2012 and are considered an in-substance defeasance. As a result, the liability for the Series 2002B has been removed from the District's government-wide financial statements. The refunding of the callable portion of the Series 2003A is not considered an in-substance defeasance in accordance with GASB Statement 7, since the payment to the escrow agent was invested with the state treasury in a Special Purpose Investment Account. As a result, the total outstanding amount of the Series 2003A is still considered outstanding and is presented as a long-term liability on the government-wide financial statements. The economic gain associated with the refunding of the COBI Series 2002B was approximately \$2.2 million for the State. The District's share of this economic gain was approximately \$0.5 million.

In fiscal year 2011, the FDOE issued State Board of Education (SBE), Capital Outlay Bonds (COBI), Series 2010A that included a refunding of the callable portion of the Series 2002A bond issue. The District's portion of the Series 2002A was \$6.2 million. The payment to bond escrow agent was invested in the state treasury, which was not considered essentially risk-free in accordance with GASB Statement 7. Therefore, the refunding of the callable portion of the Series 2002A bond issue was not considered an in-substance defeasance in fiscal year 2011. In fiscal year 2012, this refunding becomes an in-substance defeasance and the debt is retired. As a result, the liability for the Series 2002A has been removed from the District's government-wide financial statements. The economic gain associated with the refunding of the Series 2002A bond issue was approximately \$1.9 million for the State. The District's share of this economic gain was approximately \$0.6 million.

12. OBLIGATION UNDER LEASE PURCHASE AGREEMENT-CERTIFICATES OF PARTICIPATION

The District entered into a Lease Purchase Agreement with the Corporation on June 15, 1989 and a Master Lease Purchase Agreement on July 1, 1990 (the "lease agreements") to finance the acquisition or construction of certain facilities, vehicles and equipment for District operations. On February 27, 2003, March 16, 2004, June 18, 2004, June 29, 2004, May 18, 2005, June 6, 2006, March 30, 2007, June 19, 2008, June 17, 2009, July 23, 2010, May 20, 2011 and April 2012, the Corporation issued refunding and new money Certificates, Series 2003A, Series 2004A (refunding), Series 2004B (refunding), Series 2004C, Series 2004D, Series 2005A, Series 2005B, Series 2006A, Series 2006B, Series 2007A, Series 2008A, Series 2009A-Tax Exempt, Series 2009A-BAB, Series 2009A-QSCB, Series 2010A-QSCB, Series 2011A (refunding), and Series 2012A (refunding) in the amounts of \$209.2 million, \$69.9 million, \$71.9 million, \$110.5 million, \$113.8 million, \$198.1 million, \$44.4 million, \$202.1 million, \$65.0 million, \$272.6 million, \$270.6 million, \$20.1 million, \$63.9 million, \$49.9 million, \$51.6 million, \$175.5 million and \$270.7 million respectively, to third parties, evidencing undivided proportionate interest in basic lease payments to be made by the District, as lessee, pursuant to the lease agreements. Interest rates ranged from 2.0% to 7.4%.

In April 2012, the Corporation issued Certificate Series 2012A in the amount of \$270.7 million. The Series 2012A was issued to refund the outstanding Certificates of Participation pertaining to Series 2001A, Series 2001B and portions of Series 2003A and Series 2004C.

In May 2011, the Corporation issued Certificate Series 2011A in the amount of \$175.5 million. The Series 2011A was issued to refund a portion of the outstanding Certificates of Participation pertaining to Series 1997B, Series 2001A and Series 2001B.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

In July 2010, the Corporation issued Certificate Series 2010A-QSCB (Qualified School Construction Bonds) in the amount of \$51.6 million. The Series 2010A-QSCB was issued to finance the cost of acquisition, construction, installation and equipping educational facilities. This is a taxable obligation with the District receiving a direct subsidy rebate of a portion of the interest cost from the U.S. Treasury.

The American Recovery and Reinvestment Act (ARRA) of 2009, signed into law on February 17, 2009, created two new categories of direct subsidy debt for schools districts: The Qualified School Construction Bonds (QSCBs) and the Build America Bonds (BABs). Neither the QSCBs nor the BABs represent incremental Federal funding, both must be repaid by the District.

In June 2009, the Corporation issued Certificate Series 2009A-Tax Exempt in the amount of \$20.1 million. The Series 2009A-TE was issued to finance the cost of acquisition, construction, installation and equipping educational facilities. The Series 2009A-TE is a conventional Fixed Rate issue with interest ranging from 5.0% to 5.25%.

In June 2009, the Corporation issued Certificate Series 2009A-BAB (Build America Bond) in the amount of \$63.9 million. The Series 2009A-BAB was issued to finance the cost of acquisition, construction, installation and equipping educational facilities. The Series 2009A-BAB Certificates are taxable debt instruments, whereby the District receives a direct rebate payment from the Federal Government equal to 35% of the interest cost. The Series 2009A-BAB is a conventional Fixed Rate issue with an interest rate of 7.4%.

In June 2009, the Corporation issued Certificate Series 2009A-QSCB (Qualified School Construction Bonds) in the amount of \$49.9 million. The Series 2009A-QSCB was issued to finance the cost of acquisition, construction, installation and equipping educational facilities. The Series 2009A-QSCB Certificates are non-interest obligations, and are issued as "principal only", i.e. the principal is repaid by the District.

In June 2008, the Corporation issued Certificate Series 2008A in the amount of \$270.6 million. The Series 2008A was issued to finance the cost of acquisition, construction, installation and equipping educational facilities. The Series 2008A is a conventional Fixed Rate issue with interest ranging from 3.15% to 5.25%.

In March 2007, the Corporation issued Certificate Series 2007A in the amount of \$272.6 million. The Series 2007A was issued to finance the cost of acquisition, construction, installation and equipping educational facilities. The Series 2007A is a conventional Fixed Rate issue with interest ranging from 3.5% to 5.0%.

In June 2006, the Corporation issued Certificates Series 2006A and 2006B in the amounts of \$202.1 million and \$65 million, respectively. Both Series were issued to finance the cost of acquisition, construction, installation and equipping educational facilities. The Series 2006A is a Conventional Fixed Rate issue with the interest rates ranging from 4.0% to 5.25%. The Series 2006B is a Variable Rate issue. Interest is calculated at a variable rate on a weekly basis and payable weekly.

In May 2005, the Corporation issued Certificates Series 2005A and 2005B in the amounts of \$198.1 million and \$44.4 million, respectively. Both Series were issued to finance the cost of acquisition, construction, installation and equipping educational facilities. The Series 2005A is a Conventional Fixed Rate issue with the interest rates ranging from 3.0% to 5.0%. The Series 2005B is a Variable Rate issue. Interest is calculated at a variable rate on a weekly basis and payable monthly.

On December 20, 2000, the Corporation sold Certificates, Series 2000 Qualified Zone Academy Bonds ("QZAB") in an aggregate principal amount of \$6.4 million of which \$4.2 million in principal will be repaid due to a guarantee investment contract. On June 28, 2001, Certificate Series 2001-QZAB were sold for \$4.4 million. On December 22, 2004, the District sold Series 2004-QZAB for \$1.0 million of which \$848,000 in principal will be repaid pursuant to the Trust Agreement.

The District deposits funds annually in escrow for QZAB 2000 which, when coupled with interest earnings, will be sufficient to pay off the principal, which is due at maturity. There is no interest to be paid on the QZAB as

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

the certificate holders receive Federal tax credits in lieu of interest payments. The total deposits and interest earned on securities held in escrow had a market value of \$6.5 million as of June 30, 2012.

The Corporation leases the facilities, vehicles and equipment to the District under the lease agreements, which are automatically renewable through varying dates (see summary below), unless earlier terminated following the occurrence of an event of default or a non-appropriation of funds to make lease payments, all as described and defined in the leases. Failure to appropriate funds to pay lease payments under any lease will, and an event of default under any lease may, result in the termination of all leases, including the 2000 QZAB, 2001 QZAB, 2004 QZAB, 2001A, 2001B, 2003A, 2004A, 2004B, 2004C, 2004D, 2005A, 2005B, 2006A, 2006B, 2007A, 2008A, 2009A-Tax Exempt, 2009A BAB, 2009A QSCB, 2010A QSCB, 2011A, and 2012A. The remedies on default include the immediate surrender and delivery of possession of all facilities, vehicles and certain equipment (excludes certain computer equipment) financed under all leases to the Trustee in the condition, state of repair and appearance required under the leases. Upon such surrender, the Trustee will sell or lease such facilities, vehicles and certain equipment in such manner and to such person as it determines appropriate. The proceeds of any sale or lease will be applied first to the payment in full of the Certificates and then to the payment of the District's obligations under the reimbursement agreement and finally to the payment of the District.

A summary of the lease terms are presented as follows:

<u>Certificates</u>	<u>Lease Term</u>
Series 2000 QZAB	December 20, 2013 as to the Facilities
Series 2001 QZAB	June 28, 2014 as to the Facilities
Series 2003A	June 30, 2013 as to the Facilities
Series 2004A-Refunding	June 30, 2017 as to the Facilities
Series 2004B-Refunding	June 30, 2017 as to the Facilities
Series 2004C	June 30, 2016 as to the Facilities
Series 2004D	June 30, 2029 as to the Facilities
Series 2004 QZAB	December 22, 2020 as to the Facilities
Series 2005A	June 30, 2030 as to the Facilities
Series 2005B	June 30, 2021 as to the Facilities
Series 2006A	June 30, 2028 as to the Facilities
Series 2006B	June 30, 2031 as to the Facilities
Series 2007A	June 30, 2032 as to the Facilities
Series 2008A	June 30, 2033 as to the Facilities
Series 2009A-Tax Exempt	July 01, 2027 as to the Facilities
Series 2009A-BAB	July 01, 2034 as to the Facilities
Series 2009A-QSCB	July 01, 2024 as to the Facilities
Series 2010A-QSCB	July 01, 2027 as to the Facilities
Series 2011A-Refunding	July 01, 2024 as to the Facilities
Series 2012A-Refunding	July 01, 2028 as to the Facilities

The Series 2004A, 2004B, 2004C, 2004D, 2005A, 2005B, 2006A, 2006B and 2008A Certificates are insured by Financial Security Assurance, Inc. The Series 2003A Certificates are insured by Municipal Bond Investors Assurance Corporation. The Series 2007A and Series 2009A-Tax Exempt are insured by Municipal Bond Investors Financial Guaranty Insurance Company. The Series 2009A-BAB Certificates and the Series 2009A-QSCB Certificates are not guaranteed under the financial guaranty insurance policy. The Series 2010A-QSCB Certificates are not insured by any municipal bond insurance policy. The Series 2011A Certificates are insured by Assured Guaranty. There is no insurance for the Series 2012A issue.

The Certificates are not separate legal obligations of the District, but represent undivided interests in the basic lease payments to be made from appropriated funds budgeted annually by the Board for such purposes from current or other funds authorized by law and regulations of the Department of Education. However, neither the District, the State of Florida, nor any political subdivision thereof, shall be obligated to pay, except from appropriated funds, any sums due under the leases from any source of taxation. The full faith and credit of

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

the District is not pledged for payment of such sums due hereunder and such sums do not constitute an indebtedness of the District within the meaning of any constitutional or statutory provision or limitation.

The remaining obligation, as of June 30, 2012, through maturity to the holders of the Certificates, is as follows (in thousands):

Year Ending June 30,	Series 2000 QZAB	Series 2001 QZAB	Series 2003A	Series 2004A	Series 2004B	Series 2004C
2013	\$ 350	\$ 369	\$ 5,817	\$ 8,722	\$ 14,854	\$ 8,422
2014	-	-	-	8,726	15,198	9,237
2015	-	-	-	8,721	15,198	7,931
2016	-	-	-	8,724	15,204	8,010
2017	-	-	-	8,725	15,198	-
2018-2022	-	-	-	-	-	-
2023-2027	-	-	-	-	-	-
2028-2032	-	-	-	-	-	-
2033-2037	-	-	-	-	-	-
Subtotal	350	369	5,817	43,618	75,652	33,600
Less: Interest	-	-	(277)	(5,978)	(10,542)	(3,810)
Total Principal	\$ 350	\$ 369	\$ 5,540	\$ 37,640	\$ 65,110	\$ 29,790

Year Ending June30,	Series 2004D	Series 2004 QZAB	Series 2005A	Series 2005B	Series 2006A	Series 2006B
2013	\$ 5,520	\$ 53	\$ 14,931	\$ 1,778	\$ 18,118	\$ 3,250
2014	5,520	53	14,933	1,778	18,122	3,250
2015	5,520	53	14,933	1,778	18,120	3,250
2016	5,521	53	14,932	1,778	18,120	3,250
2017	5,521	53	9,729	6,983	18,120	3,250
2018-2022	51,770	213	40,297	43,259	90,597	16,250
2023-2027	76,667	-	83,541	-	90,598	16,250
2028-2032	30,024	-	50,128	-	10,905	74,111
2033-2037	-	-	-	-	-	-
Subtotal	186,063	478	243,424	57,354	282,700	122,861
Less: Interest	(72,238)	-	(88,854)	(12,894)	(88,875)	(57,861)
Total Principal	\$ 113,825	\$ 478	\$ 154,570	\$ 44,460	\$ 193,825	\$ 65,000

Year Ending June30,	Series 2007A	Series 2008A	Series 2009A T-E	Series 2009A BAB	Series 2009A QSCB	Series 2010A QSCB
2013	\$ 20,113	\$ 20,405	\$ 1,034	\$ 4,729	\$ -	\$ 3,332
2014	20,114	20,401	1,034	4,729	4,540	3,332
2015	20,110	20,403	1,034	4,729	4,540	3,332
2016	20,117	20,405	1,034	4,729	4,540	3,332
2017	20,113	20,405	1,033	4,729	4,540	3,332
2018-2022	88,297	102,015	5,168	23,647	22,700	42,483
2023-2027	88,287	102,021	24,350	23,647	9,053	42,484
2028-2032	88,290	102,016	-	60,125	-	-
2033-2037	-	20,404	-	24,050	-	-
Subtotal	365,441	428,475	34,687	155,114	49,913	101,627
Less: Interest	(132,311)	(165,270)	(14,547)	(91,204)	-	(49,982)
Total Principal	\$ 233,130	\$ 263,205	\$ 20,140	\$ 63,910	\$ 49,913	\$ 51,645

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

Year Ending June30,	Series 2011A	Series 2012A	Total
2013	\$ 8,511	\$ 13,177	\$ 153,485
2014	8,511	18,927	158,405
2015	8,512	18,947	157,111
2016	8,512	20,491	158,752
2017	8,512	28,782	159,025
2018-2022	162,713	120,248	809,657
2023-2027	42,050	175,398	774,346
2028-2032	-	14,409	430,008
2033-2037	-	-	44,454
Subtotal	247,321	410,379	2,845,243
Less: Interest	(75,896)	(139,729)	(1,010,268)
Total Principal	\$ 171,425	\$ 270,650	\$ 1,834,975

The Corporation entered into trust agreements with the Trustee pursuant to which the Certificates will be executed, delivered and paid under the terms of which (together with the leases) the facilities, vehicles and equipment will be acquired and/or constructed. Trust funds have been established with the Trustee to facilitate payments in accordance with the lease purchase agreement and the trust agreements securing payment of the Certificates.

13. INTEREST RATE SWAPS

The District is a party to two interest rate swap agreements recorded in the financial statements in accordance with GASB Statement No. 53 ("GASB 53"), "Accounting and Financial Reporting for Derivative Instruments". All derivatives are to be reported in the Statement of Net Assets at fair value, and all hedges must be tested for effectiveness to qualify for hedge accounting. Depending on the test results, the change in fair value is either reported in the Statement of Net Assets, or in the Statement of Activities.

The District engaged an independent party to perform the valuation and required tests on these two swaps, and both swaps qualify for hedge accounting. Therefore, the change in fair value of the interest rate swaps for the period ended June 30, 2012 was reported as a derivative swap liability of \$27.1 million, offset by a corresponding deferred outflow account in the Statement of Net Assets. The option for cancelling these swaps is only available to the District and not to the Counterparty. Following are disclosures of key aspects of these agreements:

A. Certificates of Participation, Series 2006B

Objective of the Interest Rate Swap – The District entered into a variable to fixed rate swap agreement for its Certificates of Participation, Series 2006B dated June 6, 2006. The objective was to achieve lower borrowing costs as compared to issuing regular fixed rate bonds at the time, by synthetically fixing interest rates on the subject certificates.

Terms – The Swap, with a notional amount of \$65.0 million, became effective on June 6, 2006. Under the terms of the swap agreement, the District will pay the Counterparty a fixed annual interest rate of 4.13%. The District will receive from the Counterparty a variable payment based on two floating rate structures: 1) from July 1, 2006 through June 30, 2009, the interest rate is based on the SIFMA Index; 2) from July 1, 2009 through June 30, 2031, the interest rate is based on 70% of the London Interbank Offered Rate (LIBOR). The swap agreement terminates on June 30, 2031.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

Fair Value – The swap had a negative fair value of \$26.0 million as of June 30, 2012.

Swap Payments and Associated Debt – Using rates as of June 30, 2012, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term, were as follows. As rates vary, variable rate bond interest payments and net swap payments will vary.

(dollars in thousands)

Year Ending June 30,	Series 2006B Principal	Interest Rate		Total
		Interest (1)	Swaps, Net (2)	
2013	\$ -	\$ 293	\$ 2,571	\$ 2,864
2014	-	293	2,571	2,864
2015	-	293	2,571	2,864
2016	-	293	2,571	2,864
2017	-	293	2,571	2,864
2018-2022	-	1,463	12,857	14,320
2023-2027	-	1,463	12,857	14,320
2028-2031	65,000	820	7,209	73,029
Total	\$ 65,000	\$ 5,211	\$ 45,778	\$ 115,989

(1) Assumes variable interest rate of 0.45% (actual rate on 6/30/12).

(2) Assumes fixed swap rate (payment) of 4.13% and variable swap rate (receipt) of 0.18%.

Credit Risk – As of June 30, 2012, the District was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change and the fair value of the swap becomes positive, the District would be exposed to credit risk in the amount of the derivative's fair value. The swap agreement contains a collateral agreement with the Counterparty. To mitigate the potential for credit risk, if a Counterparty's credit rating from either Standard & Poor's (S & P) and/or Moody's Investors Services is "A+"/A1, respectively or lower, and the fair value of the swap reaches certain threshold amounts, the swap requires collateralization of the fair value of the swap by the Counterparty with U. S. Government Securities. Collateral would be posted with a third party custodian.

Swap Counterparty Data as of June 30, 2012
(dollars in thousands)

Counterparty	Swap Notional Amount	Credit Rating		Swap Fair Value
		Moody's	S&P	
JP Morgan Chase Bank, N.A.	\$ 65,000	Aa3	A+	\$ (26,011)

Basis Risk – Basis risk is the risk that the interest rate paid by the District on underlying variable rate bonds to bondholders differs from the variable swap rate received from the applicable Counterparty. The swap exposes the District to basis risk since the District receives a variable rate based on Securities Industry and Financial Markets Association (SIFMA) formally known as Bond Market Association (BMA) to offset the variable rate the District pays on its bonds. The District is exposed to basis risk should the floating rate that it receives on a swap be less than the variable rate the District pays on the bonds. Depending on the magnitude and duration of any basis risk shortfall, the expected cost savings from the swap may not be realized.

Termination Risk – The District has the option to terminate the swap prior to its expiration date for any reason. The Counterparty may terminate the swap if the District fails to perform under the terms of the contract. If the

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

swap is terminated, the Series 2006B certificates would no longer carry a synthetic fixed interest rate, and would be subject to the interest rate risk associated with variable rate debt. Also, if at the time of termination, the swap has a negative fair value, the District would be liable to the Counterparty for payment equal to the swap's fair value.

B. Certificates of Participation, Series 2004D

Objective of the Interest Rate Swap – The District entered into a variable to fixed rate swap agreement for its Certificates of Participation, Series 2004D dated June 30, 2004. The objective was to lower borrowing costs as compared to issuing regular fixed rate bonds at the time, by synthetically fixing interest rates on the subject certificates.

Terms – The Swap, with a notional amount of \$113.8 million, became effective on June 30, 2004. Under the terms of the swap agreement, the District will pay the Counterparty a fixed annual interest rate of 3.85%. The District will receive from the Counterparty a variable payment based on 67% of the LIBOR. The District will also pay the interest rate resulting from the periodic remarketing of the 2004D variable rate certificates. The swap agreement terminates on July 1, 2029.

Fair Value – The swap had a negative fair value of \$33.7 million as of June 30, 2012.

Swap Payments and Associated Debt – Using rates as of June 30, 2012, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term, were as follows. As rates vary, variable rate bond interest payments and net swap payments will vary.

Year Ending June 30,	(dollars in thousands)			
	Series 2004D Principal	Interest (1)	Interest Rate Swaps, Net (2)	Total
2013	\$ -	\$ 512	\$ 4,192	\$ 4,704
2014	-	512	4,192	4,704
2015	-	512	4,192	4,704
2016	-	512	4,192	4,704
2017	-	512	4,192	4,704
2018-2022	25,050	2,479	20,288	47,817
2023-2027	60,800	1,472	12,047	74,319
2028-2029	27,975	190	1,556	29,721
Total	\$ 113,825	\$ 6,701	\$ 54,851	\$ 175,377

(1) Assumes variable interest rate of 0.45% (actual rate on 6/30/2012).

(2) Assumes fixed swap rate (payment) of 3.85% and variable swap rate (receipt) of 0.17%.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

Credit Risk – As of June 30, 2012, the District was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change and the fair value of the swap become positive, the District would be exposed to credit risk in the amount of the derivative’s fair value. The swap agreement contains a collateral agreement with the Counterparty. To mitigate the potential for credit risk, if a Counterparty’s credit rating from either Standard & Poor’s (S & P) and Moody’s Investors Services is “A+”/A1, respectively or lower, and the fair value of the swap reaches certain threshold amounts, the swap requires collateralization of the fair value of the swap by the Counterparty with U. S. Government Securities. Collateral would be posted with a third party custodian.

Swap Counterparty Data as of June 30, 2012
(dollars in thousands)

Counterparty	Swap Notional Amount	Credit Rating		Swap Fair Value
		Moody's	S&P	
Citibank, N.A., New York	\$ 113,825	A3	A	\$ (33,741)

Basis Risk – Basis risk is the risk that the interest rate paid by the District on underlying variable rate bonds to bondholders differs from the variable swap rate received from the applicable counterparty. The swap exposes the District to basis risk since the District receives a percentage of LIBOR to offset the variable rate the District pays on its bonds. The District is exposed to basis risk should the floating rate that it receives on a swap be less than the variable rate the District pays on the bonds. Depending on the magnitude and duration of any basis risk shortfall, the expected cost savings from the swap may not be realized.

Termination Risk – The District has the option to terminate the swap prior to its expiration date for any reason. The Counterparty may terminate the swap if the District fails to perform under the terms of the contract. If the swap is terminated, the Series 2004D certificates would no longer carry a synthetic fixed interest rate, and would be subject to the interest rate risk associated with variable rate debt. Also, if at the time of termination, the swap has a negative fair value, the District would be liable to the Counterparty for payment equal to the swap’s fair value.

14. COMPENSATED ABSENCES

District employees are granted a specific number of vacation days and sick leave with pay as services are rendered. Certain employees are paid for portions of sick leave accrued but not used in a fiscal year. Administrative, supervisory and non-instructional professional employees are paid for unused vacation (up to a maximum of 60 days) upon termination. All other eligible employees are paid for unused vacation (up to a maximum of 50 days) upon termination.

All employees are eligible to receive portions of accumulated unused sick pay upon retirement. Such portions are determined based upon the employee’s length of service. Prior to July 1, 2004, Florida Statutes and Board policy limited retirement sick leave payments to no more than 25% of the sick leave accumulated on or after July 1, 2001, up to a maximum payment of 60 days. Beginning July 1, 2004, this limitation was eliminated.

At June 30, 2012, the estimated current liability for accumulated sick leave including retirement and social security contributions was \$9.2 million and \$0.1 million in the General Fund and Special Revenue Funds, respectively. The balance of compensated absences payable from future resources was \$27.0 million for accumulated vacation leave and \$130.4 million for accumulated sick leave and are only reflected in the governmental activities in the government-wide presentation. The net change between the prior year balance

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

and the current year balance of the non-current portion was recorded in the government-wide statements as a current year expense.

The following is a summary of changes in the liability for compensated absences for the fiscal year ended June 30, 2012 (in thousands):

Balance - June 30, 2011		\$ 167,561
Additions		77,025
Reductions		<u>(77,953)</u>
Balance - June 30, 2012		<u>166,633</u>
Less:		
Amount due within one year		
Current portion (modified accrual basis)	\$ 9,266	
Non-current portion		157,367
Other amount due within one year	<u>11,274</u>	
Total due in more than one year		<u>\$ 146,093</u>
Total amount due within one year (full accrual basis)	<u>\$ 20,540</u>	

15. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The District administers a single employer defined benefit plan in accordance with the Governmental Accounting Standard Board Statement No. 45 ("GASB 45"), "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions", for certain postemployment benefits including continued coverage for the retirees and dependents in the Medical/Prescription Plans as well as participation in the Employer-sponsored Dental group plan. In addition, retirees are eligible to continue the Employer-sponsored term life insurance policy provided by the District. GASB 45's basic concept is to recognize the cost of an employee's OPEB during the period of service. As defined in the statement, a significant expense recognizing the past and future costs of providing OPEB benefits is required to be recorded annually. For fiscal year 2012, the funded status of the plan is determined using an actuarial roll-forward supplement based on the results of a full actuarial valuation previously performed as of January 1, 2011. The actuarially determined liability for the District was \$156,129,491 on January 1, 2011, being amortized over the remaining period of 26 years. The General Fund typically has been used in prior years to liquidate the long-term liabilities associated with the net pension obligation or other postemployment benefit obligations.

Plan Description. The Other Postemployment Benefits Plan (Plan) operates as a single employer defined benefit plan. The benefits of the plan conform to Florida Statutes, which are the legal authority for the plan. The authority for establishing and amending the plan funding policy and benefits rests with the Board. Eligible retirees may choose among the same Medical Plan options available for active employees of the Employer. Prescription drug coverage is automatically extended to retirees and their dependents who continue coverage under any one of the Medical Plan options. Covered retirees and their dependents are subject to all the same medical, prescription and life insurance benefits and rules for coverage as are active employees. Retirees and their dependents are permitted to remain covered under the District's respective medical plans as long as they pay the premium charged by the insurance companies for the plan and coverage elected. This conforms to the requirement for Florida governmental employers' provision of the Section 112.081, Florida Statutes. The premiums charged by the insurance company are based on a blending of the experience among younger active employees and older retired employees. Since the older retirees actually have higher costs, that means that the District is actually subsidizing the cost of the retiree coverage because it pays all or a significant portion of that premium on behalf of the active employees, providing an implicit rate subsidy. Additionally, certain retirees receive insurance coverage at a lower (explicitly subsidized) premium rate under

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

the District's Retirement Assistance Program. The District, therefore, has assumed an obligation to pay for that implicit subsidy for the covered lifetime of the current retirees and their dependents, as well for the covered lifetime of the current employees after they retire in the future. The District does not prepare a standalone financial report for the Plan, and the Plan is not included in the report of a Public Entity Retirement System or another entity.

Funding Policy. The District plans to fund this postemployment benefit on a pay-as-you-go basis. For fiscal year 2011-12, approximately 1,327 retirees received post-employment benefits, and 108 retirees receive life insurance postemployment benefits. The District provided required employer contributions toward the annual OPEB cost in the amount of \$8,182,798.

Annual OPEB Cost and Net OPEB Obligations. The OPEB cost is calculated based on the Annual Required Contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB 45. The following is a summary of changes for the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation for the fiscal year ended June 30, 2012 (in thousands):

		<u>FY 2012</u>
Annual Required Contribution (ARC)		
Normal Cost	\$ 9,126	
Amortization of Unfunded Actuarial Accrued Liability (UAAL)	7,332	
Interest	-	
ARC	<u> </u>	\$ 16,458
Interest on net OPEB Obligation		1,480
Adjustment to ARC		<u>(1,370)</u>
Annual OPEB cost (expense)		16,568
Less: Contributions made		<u>(8,183)</u>
Net OPEB Obligation Increase		8,385
Net OPEB Obligation, Beginning of Year		<u>37,008</u>
Net OPEB Obligation, End of Year		<u><u>\$ 45,393</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2012, and the two preceding years were as follows (in thousands):

Fiscal Year Ended	Annual OPEB Cost	Amount Contributed	Percent of Annual OPEB Cost Contributed	Net OPEB Obligation
06/30/2010	\$ 17,525	\$ 7,174	40.94%	\$ 27,974
06/30/2011	\$ 17,190	\$ 8,157	47.45%	\$ 37,008
06/30/2012	\$ 16,568	\$ 8,183	49.39%	\$ 45,393

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

Funded Status and Funding Progress. The funded status of the plan as of June 30, 2012, was as follows (in thousands):

Actuarial Accrued Liability (a)	\$ 156,129
Actuarial Value of Assets (b)	-
Unfunded Actuarial Accrued Liability (a-b)	\$ <u>156,129</u>
Funded Ratio (b)/ (a)	0.0%
Covered Payroll (Active Plan Members) (c)	\$ 1,187,368
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll ((a)-(b))/ (c)	13.15%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. 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. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

Significant methods and assumptions were as follows:

Actuarial Valuation Date	January 1, 2011
Actuarial Cost Method	Entry Age Normal Cost
Amortization Method	Level Percent of Payroll
Remaining Amortization Period	26 Years, Closed
Asset Valuation Method	Plan Not Funded
Investment Return Discount Rate *	4%
Assumed Rate of Payroll Growth *	4%
Healthcare Inflation Rate	Increase of 9% for First Year, Reduced by 5% Until Ultimate Rate of 4% is reached

* Includes a price inflation assumption of 3 percent.

16. RETIREMENT PLANS

Plan Description: All regular employees of the District are covered by the Florida Retirement System, a State-administered cost-sharing multiple-employer defined benefit retirement plan ("Plan"). Plan provisions are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System Rules, Chapter 60S, Florida Administrative Code, wherein Plan eligibility, contributions, and benefits are defined and described in detail. Essentially, all regular employees of participating employers are eligible and must enroll as members of the Plan. Benefits vest at specified ages or number of years of service depending upon the employee's classification. The Plan also includes an early retirement provision but imposes a penalty for each year a member retires before the specified retirement age. The Plan provides retirement, disability, and death benefits, and annual cost-of-

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

living adjustments, as well as supplements for certain employees to cover social security benefits lost by virtue of retirement system membership. The Plan's financial statements and required supplemental information are included in the comprehensive annual financial report of the State of Florida which may be obtained by contacting the Florida State Comptroller's Office in Tallahassee, Florida. Also, an annual report on the Plan which includes its financial statements, required supplemental information, actuarial report, and other relevant information may be obtained by contacting the Florida Department of Management Services, Division of Retirement, P.O. Box 9000, Tallahassee, Florida, 32315-9000.

The contribution rates for Plan members are established, and may be amended, by the State of Florida. For the fiscal year ended June 30, 2012, contribution rates were as follows:

Class or Plan	Contribution Rates	
	Employee	Employer ^(A)
Florida Retirement System, Regular	3.00%	4.91%
Florida Retirement System, County Elected Officers	3.00%	11.14%
Florida Retirement System, Senior Management Service	3.00%	6.27%
Florida Retirement System, Special Risk	3.00%	14.10%
Teachers' Retirement System, Plan E	6.25%	11.35%
State & County Officers and Employees' Retirement System, Plan A	6.00%	11.10%
State & County Officers and Employees' Retirement System, Plan B	4.00%	9.10%
Deferred Retirement Option Program	-	4.42%

Note: (A) Rates include the post-employment health insurance supplement of 1.11% and the administrative/educational fee of 0.03%.

The District's required contributions are reported in accordance with GASB Statement No. 27, "Accounting for Pensions by State and Local Governmental Employers." The District's contributions to the Plan (including employee contributions) for the fiscal years ending June 30, 2012, June 30, 2011 and June 30, 2010 totaled \$87.9 million, \$141.6 million and \$131.4 million, respectively, which were equal to the required contributions for each fiscal year.

17. RETIREMENT INCENTIVE PROGRAMS

In addition to the retirement benefits described in Note 16, the District has authorized an early retirement incentive to provide financial assistance for the purchase of health and life insurance to our retirees.

For those eligible employees who qualify for the retirement incentive programs, the Employer's Retirement Assistance Program (RAP) Incentives, listed below are brief descriptions and eligibility criteria of this Plan.

RAP effective July 1, 2008 through October 15, 2008:

- Are retired under the RAP.
- Effective upon retirement, the District will provide paid employee health insurance (HMO or Consumer Driven Plan premium) until the employee is Medicare eligible.
- Were insured under the Employer's group life insurance program on the last day before the insured's retirement.
- Are one of the following:
 - Full-time bargaining unit members who are at least age 55 and on Step 20 or higher on the teachers' salary schedule in the FRS and who have at least ten (10) years of service in the District.
 - Full-time bargaining unit members who are at least age 55 and on Step 20 or above in the TRS and who have at least ten (10) years of service in the District.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

A summary of the total expenditures for the fiscal year ended June 30, 2012 is as follows (dollars in thousands):

	<u>Number of Participants</u>	<u>Health Insurance*</u>	<u>Life Insurance</u>	<u>Total</u>
RAP	79	\$ 614	\$ 10	\$ 624
Total	<u>79</u>	<u>\$ 614</u>	<u>\$ 10</u>	<u>\$ 624</u>

*Net of Florida Retirement System subsidy if applicable

The District will subsidize health and life insurance premiums for those qualified employees on an annual basis. The subsidies continue until age 65. Premium costs in excess of the subsidy are borne by the participants. The District's expenditures are recognized in the fiscal year in which they are paid, and are not funded in advance on an actuarially determined basis. As of June 30, 2012, 79 employees participated in the District's retirement incentive program.

Effective July 1, 1998, employees who have vested under the Plan may elect to participate in the State of Florida's Deferred Retirement Option Program (DROP). Under DROP provisions, a participant will have his monthly retirement benefit paid directly into DROP where it will earn tax deferred interest at a rate established by the State, compounded monthly, for up to 60 months, except for teachers who may be granted extensions of 36 months upon the Superintendent's approval. The participant may continue to work for the District until his pre-selected termination date or the end of the DROP period. At termination, the participant will receive a lump sum payment of his accumulated DROP benefits, and, thereafter, he will receive his monthly Plan benefit. As of June 30, 2012, there were 1,727 District employees participating in the DROP incentive program.

18. FICA ALTERNATIVE

The District has established the FICA Alternative Retirement Plan (the "FICA Plan"), a defined contribution retirement plan, for certain temporary employees not covered under the Plan. Under provision of the Internal Revenue Code (IRC) section 3121(b)(7)(F), public employers could place employees not covered under existing employer pension plans into an alternative retirement plan in place of social security. The FICA Plan was established under IRC section 401(a) and requires a mandatory pre-tax contribution of 7.5% in lieu of social security. The FICA Plan is noncontributory for the District and eliminates the required match of social security contributions. Approximately 5,605 temporary employees are currently participating in the FICA Plan. For the period ended June 30, 2012, \$2.5 million was contributed by participating employees based on gross wages of \$33.7 million. A third party administrator administers the FICA Plan with administrative fees being paid for by the District.

19. RISK MANAGEMENT

The District 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 students; and natural disasters. Worker's compensation, automobile liability, and general liability coverage are being provided on a self-insurance basis up to specified limits. The District purchases commercial insurance for certain risks in excess of the self-insurance coverage and for other risks of loss. The District has contracted with an insurance administrator to administer these self-insurance programs, including the processing, investigating and payment of claims.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

The District reports the self-insurance programs in the self-insurance internal service funds ("Self Insurance Fund"). Amounts are transferred from the General Fund to the Self-Insurance Fund to provide sufficient resources to cover claims incurred, to pay for the purchase of excess insurance, to pay the insurance service agent's administrative fee, and to pay for District risk management administrative costs. Settled claims resulting from risks described above have not exceeded commercial coverage for the past three years.

Health and hospitalization coverage is being provided through purchased commercial insurance. The Board offers its employees the choice from two HMO's and consumer driven model and one PPO plan.

The claims liability is based on an actuarial evaluation performed by an independent actuary as of June 30, 2012 using a margin for a 50% confidence level. With the 50% confidence level, the actuary is estimating the margin necessary so that there is a 50% likelihood that the funding level will be sufficient to cover the actual liabilities. The total claims liability of \$57.7 million at June 30, 2012 includes estimated losses for all reported claims and for claims incurred but not reported.

A summary of changes in the estimated liability for self-insured risks is as follows (in thousands):

	<u>2012</u>	<u>2011</u>
Balance, beginning of year	\$ 43,882	\$ 45,518
Additions:		
Estimated future claims	31,553	17,288
Reductions:		
Claims payments	(17,747)	(18,924)
	<u>57,688</u>	<u>\$ 43,882</u>
less: portion due within one year	<u>(19,060)</u>	
Total due in more than one year	\$ <u>38,628</u>	

20. FUND BALANCE REPORTING

The District's fund balance is reported with the following hierarchy:

Nonspendable:

The District has \$12.0 million in inventory classified as nonspendable.

Spendable:

Restricted for State Categorical Programs, Debt Service, Capital Projects, and Food Service:

Florida Statutes require certain revenues to be designated for the purposes of state categorical programs, debt service, capital projects, and food service. The restricted fund balance totaling \$376.3 million represents \$6.5 million in State categorical programs, \$5.5 million in debt service, \$338.6 million in capital projects, and \$25.7 million in food service.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

Committed for Student Enrichment Programs:

The School Board had classified \$1.7 million as the committed fund balance for the student enrichment programs.

Assigned for School Operations and Miscellaneous Special Revenue:

The District's management has assigned spendable fund balances for school operations and miscellaneous special revenue. The assigned fund balance is \$11.8 million of which \$9.3 million is for school operations, and \$2.5 million is for miscellaneous special revenue funds.

Unassigned:

The District's unassigned fund balance is \$49.6 million.

The following table shows the District's fund balance classification at June 30, 2012 (in thousands):

	Major Funds							Total Governmental Funds
	General Fund	COPS Series Debt Service Fund	ARRA Economic Stimulus Debt Service Fund	Local Millage Capital Improvement Fund	ARRA Economic Stimulus Capital Project Fund	Other Capital Improvement Fund	Other Governmental Funds	
Fund Balances:								
Nonspendable:								
Inventories:								
General Fund	\$ 10,015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	10,015
Special Revenue – Food Service	-	-	-	-	-	-	2,010	2,010
Restricted:								
State Required Carryover Programs	6,521	-	-	-	-	-	-	6,521
Debt Service	-	3,667	201	-	-	-	1,604	5,472
Capital Projects	-	-	-	86,802	65,796	179,632	6,363	338,593
Special Revenue – Food Service	-	-	-	-	-	-	25,752	25,752
Committed:								
Student Enrichment Programs	1,690	-	-	-	-	-	-	1,690
Assigned:								
School Operations:								
Encumbrances	9,274	-	-	-	-	-	-	9,274
Special Revenue – Miscellaneous	-	-	-	-	-	-	2,513	2,513
Unassigned:	49,646	-	-	-	-	-	-	49,646
Total Fund Balance:	\$ 77,146	\$ 3,667	\$ 201	\$ 86,802	\$ 65,796	\$ 179,632	\$ 38,242	\$ 451,486

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

The total of the assigned and unassigned amounts will be used to calculate fund balance as a percentage of revenues under the provisions of Section 1011.051, Florida Statutes. At the end of the fiscal year, the total amount of the assigned and unassigned General Fund balance was \$58.9 million or 3.5 percent of the General Fund's total revenues, and 3.9 percent of the General Fund's total revenues excluding Charter school revenues.

21. NET ASSETS

The government-wide statement of net assets reports all financial and capital resources of the District, as well as its liabilities. The difference between assets and liabilities are reported as net assets. Net assets are displayed in three components:

- Invested in capital assets, net of related debt: Capital assets, net of depreciation and reduced by the outstanding balance of debt that is attributable to the acquisition or construction of those assets.
- Restricted net assets: Net assets where constraints on their use are: (1) externally imposed by creditors, grantors, contributors, laws, or regulations of other governments, or (2) imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net assets (deficit): All other assets and liabilities not part of the above categories. This amount represents the accumulated results of all past years' operations. The deficit in net assets of governmental activities is due to long-term liabilities, including compensated absences.

The composition of net assets invested in capital assets, net of related debt as of June 30, 2012 is shown in the table below (in thousands):

Total capital assets, net of accumulated depreciation		\$	3,117,576
less:			
Total debt outstanding, net of unspent proceeds	\$	(1,753,507)	
Retainage payable		<u>(10,012)</u>	
Total related debt			<u>(1,763,519)</u>
Total invested in capital assets, net of related debt		\$	<u>1,354,057</u>

22. COMMITMENTS AND CONTINGENCIES

At June 30, 2012, the District had purchase orders outstanding for goods and/or services related to future expenditures for the 2011-12 school year totaling \$10.1 million in the General Fund (\$9.3 was within assigned fund balance and \$0.8 million was restricted for State Categorical Programs), \$1.8 million in the Special Revenue Funds and \$62.1 million in the Capital Projects Funds. The accompanying financial statements do not give effect to these purchase orders.

The District has various agreements with other governmental agencies that may require the District to contribute additional financial resources, as anticipated by such agreements. Such liabilities are accrued at the time they become known to the District.

The District receives funding from the State of Florida under the FEFP and is based in part on a computation of the number of students attending different types of instruction (FTE Computation). The accuracy of data compiled by individual schools supporting the FTE Computation is subject to audit by the State and, if found to be in error, could result in refunds to the State or in decreases to future funding allocations. Additionally, the District participates in a number of federal, state and local grants, which are subject to financial, and

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

compliance audits. It is the opinion of management that the amount of revenue, if any, which may be remitted back to the State due to errors in the FTE computation or the amount of grant expenditures, which may be disallowed by grantor agencies, would not be material to the financial position of the District.

The District is a defendant in numerous lawsuits as of June 30, 2012. In the opinion of management, the District's estimated aggregate liability with respect to probable losses has been provided for in the estimated liability for insurance risks and pending claims in the accompanying financial statements, after giving consideration to the District's related insurance coverage, as well as the Florida statutory limitations of governmental liability on uninsured risks. It is the opinion of management in consultation with its legal counsel, that the final settlements of these matters will not have a material adverse effect on the financial condition, changes in financial position, cash flows or changes in fund balance of the affected funds.

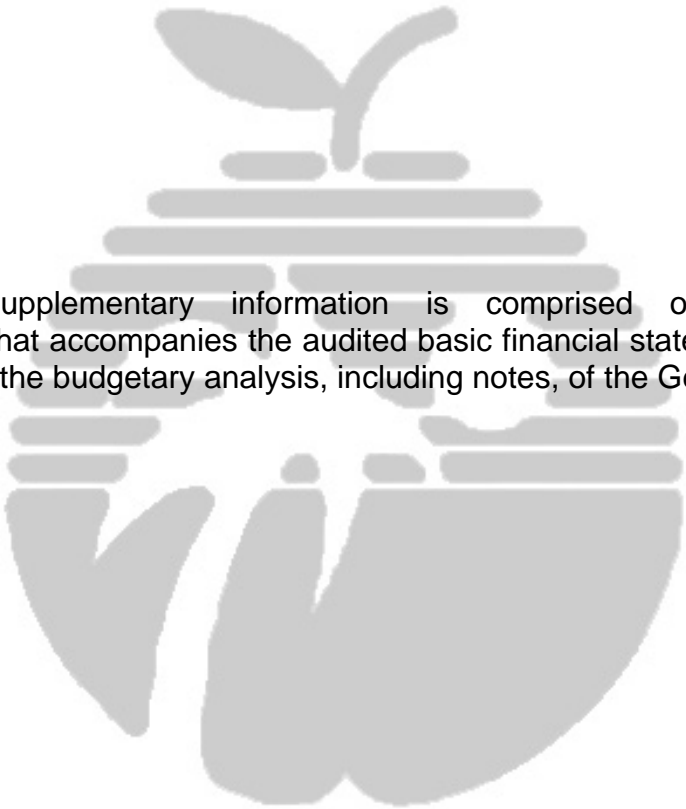
23. SUBSEQUENT EVENTS

On September 12, 2012, the District converted the interest rate of the outstanding Certificates of Participation, Series 2006B, which were originally issued in June 2006 with a variable interest rate determined weekly, to an index floating rate. The District needs to adjust the interest rate mode every couple of years based on market preferences. In the current financial market, the most cost effective variable rate mode is to place the Series 2006B with a bank where the variable rate is set based on an index. This interest rate conversion will lock in a rate spread, eliminating certain risks associated with variable rate obligations, and will reduce the District's debt service cost.

On September 27, 2012, the District refinanced Certificates of Participation, Series 2005B, which were originally issued in May 2005 with a variable interest rate which changed weekly. To date, this interest rate structure has saved the District approximately \$7.2 million over the cost of traditional fixed rate debt. However, fixed interest rates have reached all-time lows. The School Board has determined that it is in the best interest of the District to refinance its obligations under the Original Series 2005B in order to stabilize the interest rate. The refinancing converted Series 2005B to a fixed rate of 2.258%. This conversion locked in this historical low interest rate through June 30, 2021.

On October 16, 2012, the District issued \$125.0 million Tax Anticipation Notes, Series 2012, pursuant to Section 1011.13, Florida Statutes, to provide interim funds for the payment of operating expenses of the District for the fiscal year commencing July 1, 2012 and ending June 30, 2013, in anticipation of the receipt of the ad valorem taxes. The Notes and the interest thereon will be special, limited obligations of the District, payable from and secured by a pledge of the ad valorem taxes levied and collected for the benefit of the District for operating purposes. The Notes are not subject to redemption prior to maturity.

Required Supplemental Information (Part B)



Required supplementary information is comprised of unaudited information that accompanies the audited basic financial statements. Part B deals with the budgetary analysis, including notes, of the General Fund.

Broward County Public Schools



***Educating Today's Students
For Tomorrow's World***

Major Fund Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis)

The Comparative Schedule of Revenue, Expenditures and Changes in Fund Balance – Budgetary and Actual provide additional information relating to the General Fund and the ARRA Economic Stimulus Funds presented in the “Basic Financial Statements” in order to demonstrate legal budgetary compliance.

**GENERAL FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (in thousands)
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
SOURCES/INFLOWS:				
Revenues:				
Local sources:				
Ad valorem taxes	\$ 778,582	\$ 770,505	\$ 767,336	\$ (3,169)
Interest on investments	4,918	777	777	-
Other	42,784	43,398	43,401	3
Total local sources	826,284	814,680	811,514	(3,166)
State sources:				
Florida education finance program	596,592	577,422	577,416	(6)
Discretionary lottery funds	767	870	870	-
Categorical programs and other	309,223	298,173	298,173	-
Total state sources	906,582	876,465	876,459	(6)
Federal sources:				
Grants and other	9,209	12,002	12,012	10
Total federal sources	9,209	12,002	12,012	10
Total revenues	1,742,075	1,703,147	1,699,985	(3,162)
Other financing sources				
Other loss recoveries	-	4	4	-
Transfers in	69,856	80,239	80,239	-
Total other financing sources	69,856	80,243	80,243	-
Total amounts available for appropriations	1,811,931	1,783,390	1,780,228	(3,162)
USES/OUTFLOWS:				
Expenditures:				
Current operating:				
Instructional services	1,176,652	1,147,653	1,146,297	1,356
Instructional support services	161,595	160,339	156,540	3,799
Pupil transportation services	77,639	85,016	84,770	246
Operation and maintenance of plant	250,793	226,570	226,039	531
School administration	120,575	118,896	118,712	184
General administration	86,512	78,556	77,030	1,526
Total current operating	1,873,766	1,817,030	1,809,388	7,642
Debt service:				
Interest charges and other	-	155	155	-
Total debt service	-	155	155	-
Capital outlay	309	-	-	-
Total expenditures	1,874,075	1,817,185	1,809,543	7,642
Other financing uses:				
Transfers out	6,033	3,486	3,486	-
Total charges against appropriations	1,880,108	1,820,671	1,813,029	7,642
Net change in fund balances	\$ (68,177)	\$ (37,281)	(32,801)	\$ 4,480
Appropriated beginning fund balances	\$ 68,177	\$ 37,281		
Adjustment to conform with GAAP:				
Elimination of encumbrances			10,116	
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (GAAP Basis)			(22,685)	
Fund balances, beginning of year			99,831	
Fund balances, end of year			\$ 77,146	

The accompanying notes are an integral part of this schedule.

**MAJOR SPECIAL REVENUE FUND - ARRA ECONOMIC STIMULUS
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
REVENUES:				
Federal sources:				
Other	\$ -	\$ 21,873	\$ 17,298	\$ (4,575)
Total revenues	<u>-</u>	<u>21,873</u>	<u>17,298</u>	<u>(4,575)</u>
EXPENDITURES:				
Current operating:				
Instructional services	-	6,433	7,313	(880)
Instructional support services	-	13,171	9,915	3,256
Pupil transportation services	-	14	13	1
School administration	-	672	-	672
General administration	-	1,583	506	1,077
Total current operating	<u>-</u>	<u>21,873</u>	<u>17,747</u>	<u>4,126</u>
Total expenditures	<u>-</u>	<u>21,873</u>	<u>17,747</u>	<u>4,126</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	(449)	<u>\$ (449)</u>
Appropriated beginning fund balances	<u>\$ -</u>	<u>\$ -</u>		
Adjustment to conform with GAAP:				
Elimination of encumbrances			<u>449</u>	
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (GAAP basis)			-	
Fund balances, beginning of year			<u>-</u>	
Fund balances, end of year			<u>\$ -</u>	

**NOTES TO THE BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

I. BUDGET

Budget Information. GASB 34 requires governments to include as required supplementary information (RSI), budgetary comparison schedules for the general fund and each major special revenue fund that has a legally adopted budget.

Budgets are legally adopted annually for the General Fund and the major Special Revenue Fund. Unencumbered appropriations lapse at year-end for the General Fund and encumbered appropriations are carried forward, if applicable, to the following year and closed after a six-month period. Management may not amend the budget without the specific approval of the School Board. Accordingly, no expenditure may be authorized and no obligation incurred in excess of the current budgetary appropriation without Board authorization. The budgetary basis of accounting is the modified accrual basis plus encumbrances authorized for the fiscal year.

The budget revenues and expenditures shown in the accompanying schedule reflect all amendments to the original budget through September 11, 2012, the date the final amendments were approved by the Board.

II. EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND OUTFLOWS AND GAAP REVENUES AND EXPENDITURES

The following table presents a reconciliation of the differences between the budgetary and GAAP basis of accounting for the General Fund (in thousands):

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 1,780,228
Transfers from other funds, other loss recoveries and sale of capital assets are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(80,243)</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	<u><u>\$ 1,699,985</u></u>

Uses/outflows of resources:

Actual amounts (budgetary basis) "Total charges against appropriations" from the budgetary comparison schedule	\$ 1,813,029
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(3,486)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds (budgetary basis)	<u>1,809,543</u>
Encumbrances for goods and services is reported in the year the purchase order, contract or commitment for expenditures is initiated; but reported in the year received or delivered for financial reporting purposes	<u>(10,116)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balance (GAAP)	<u><u>\$ 1,799,427</u></u>

The following table presents a reconciliation of the differences between the budgetary and GAAP basis of accounting for the major Special Revenue Funds (in thousands):

Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balance – major Special Revenue Funds (budgetary basis)	<u>\$ 17,747</u>
Encumbrances for goods and services is reported in the year the purchase order, contract or commitment for expenditures is initiated; but reported in the year received or delivered for financial reporting purposes	<u>(449)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balance (GAAP)	<u><u>\$ 17,298</u></u>

**OTHER POST EMPLOYMENT BENEFITS
SCHEDULE OF FUNDING PROGRESS (in thousands)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Actuarial Valuation Date (a)	Actuarial Value of Assets (b)	Actuarial Accrued Liability (AAL) (c)	Unfunded AAL (UAAL) (c-b)	Funded Ratio (b/c)	Covered Payroll (d)	UAAL as a % of Covered Payroll ((c-b) / d)
01/01/2009	\$ 0	\$ 162,964	\$ 162,964	0.0%	\$ 1,249,245	13.04%
01/01/2011	\$ 0	\$ 163,551	\$ 163,551	0.0%	\$ 1,187,368	13.77%
01/01/2011 *	\$ 0	\$ 156,129	\$ 156,129	0.0%	\$ 1,187,368	13.15%

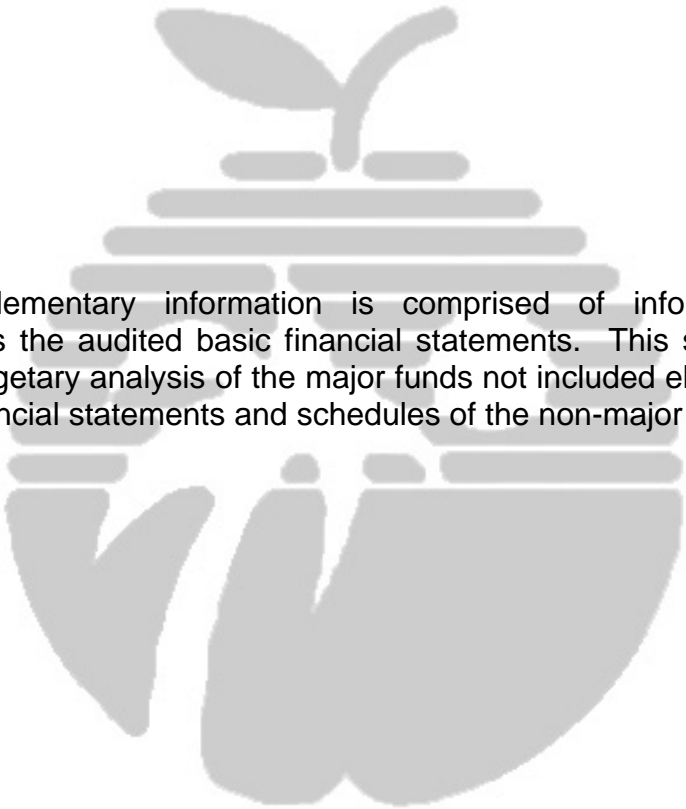
* Reflects changes in population and trend revision during the year ending 6/30/2012

Broward County Public Schools



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Other Supplemental Information



Other supplementary information is comprised of information that accompanies the audited basic financial statements. This section deals with the budgetary analysis of the major funds not included elsewhere and the fund financial statements and schedules of the non-major funds.

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Other Major Fund Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) and Combining, Individual Non-Major Fund Statements and Schedules

The budgetary analysis schedules of the major funds not required to be included as supplemental information are included here with their respective funds.

Combining financial statements and schedules provide a more detailed view of the non-major funds summarized in the “Basic Financial Statements” presented in the preceding subsections.

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (in thousands)
AS OF JUNE 30, 2012

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL
ASSETS:				
Equity in pooled cash and investments	\$ 27,603	\$ 1,607	\$ 7,018	\$ 36,228
Due from other governmental agencies	18,149	-	6,688	24,837
Accrued interest receivable	46	-	12	58
Inventories	2,010	-	-	2,010
Other assets	35	-	-	35
Total assets	\$ 47,843	\$ 1,607	\$ 13,718	\$ 63,168
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued expenditures/expenses	\$ 3,420	\$ -	\$ 258	\$ 3,678
Due to other governmental agencies	-	3	-	3
Due to other funds	13,675	-	-	13,675
Deferred revenue	342	-	6,688	7,030
Retainage payable	5	-	409	414
Liability for compensated absences	126	-	-	126
Total liabilities	17,568	3	7,355	24,926
Fund balances:				
Nonspendable	2,010	-	-	2,010
Restricted	25,752	1,604	6,363	33,719
Assigned	2,513	-	-	2,513
Total fund balance	30,275	1,604	6,363	38,242
Total liabilities and fund balance	\$ 47,843	\$ 1,607	\$ 13,718	\$ 63,168

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (in thousands)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

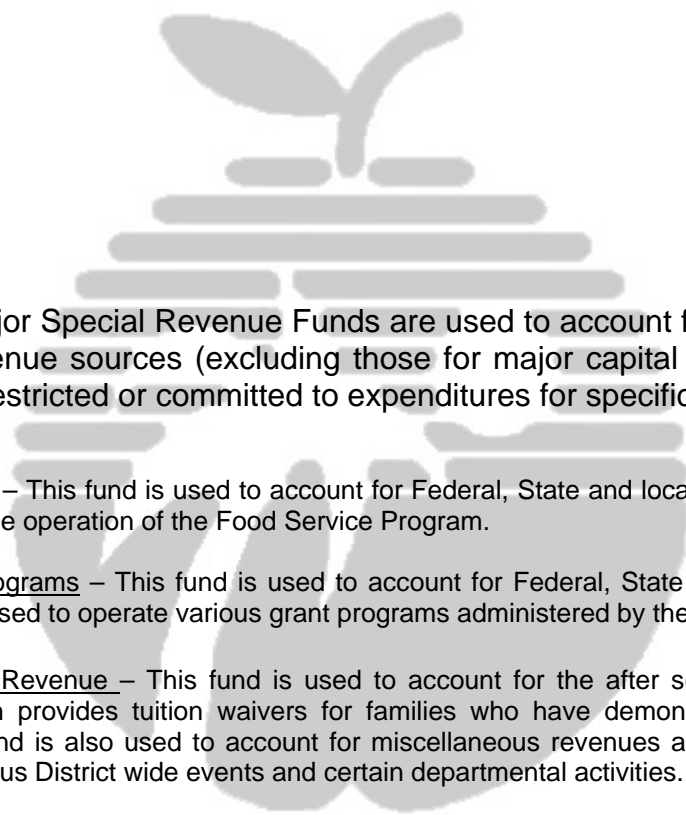
	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL
REVENUES:				
Local sources:				
Ad valorem taxes	\$ -	\$ 21	\$ -	\$ 21
Food sales	21,477	-	-	21,477
Interest on investments	122	1	39	162
Other	3,849	6	34	3,889
Total local sources	<u>25,448</u>	<u>28</u>	<u>73</u>	<u>25,549</u>
State sources:				
Categorical programs and other	2,985	10,084	1,170	14,239
Total state sources	<u>2,985</u>	<u>10,084</u>	<u>1,170</u>	<u>14,239</u>
Federal sources:				
Food service	67,416	-	-	67,416
Grants and other	179,132	-	-	179,132
Total federal sources	<u>246,548</u>	<u>-</u>	<u>-</u>	<u>246,548</u>
Total revenues	<u>274,981</u>	<u>10,112</u>	<u>1,243</u>	<u>286,336</u>
EXPENDITURES:				
Current operating:				
Instructional services	131,999	-	-	131,999
Instructional support services	40,474	-	-	40,474
Pupil transportation services	1,450	-	-	1,450
Operation and maintenance of plant	177	-	-	177
School administration	155	-	-	155
General administration	2,977	-	-	2,977
Food services	85,985	-	-	85,985
Total current operating	<u>263,217</u>	<u>-</u>	<u>-</u>	<u>263,217</u>
Debt service:				
Principal retirement	-	7,500	-	7,500
Interest charges and other	-	2,785	3	2,788
Total debt service	<u>-</u>	<u>10,285</u>	<u>3</u>	<u>10,288</u>
Capital outlay				
Total expenditures	<u>263,217</u>	<u>10,285</u>	<u>10,757</u>	<u>284,259</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,764</u>	<u>(173)</u>	<u>(9,514)</u>	<u>2,077</u>
OTHER FINANCING SOURCES (USES):				
Premium on refunding bonds	-	1,367	-	1,367
Refunding bonds issued	-	12,265	-	12,265
Payments to refunded bond escrow agent	-	(13,597)	-	(13,597)
Transfers in	54	-	-	54
Transfers out	(1,169)	-	(13,527)	(14,696)
Total other financing sources (uses)	<u>(1,115)</u>	<u>35</u>	<u>(13,527)</u>	<u>(14,607)</u>
Net change in fund balances	<u>10,649</u>	<u>(138)</u>	<u>(23,041)</u>	<u>(12,530)</u>
Fund balances, beginning of year	<u>19,626</u>	<u>1,742</u>	<u>29,404</u>	<u>50,772</u>
Fund balances, end of year	<u>\$ 30,275</u>	<u>\$ 1,604</u>	<u>\$ 6,363</u>	<u>\$ 38,242</u>

Broward County Public Schools



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Non-Major Special Revenue Funds



The non-major Special Revenue Funds are used to account for funds from specific revenue sources (excluding those for major capital projects) that are legally restricted or committed to expenditures for specific purposes.

Food Services – This fund is used to account for Federal, State and local funds received and used for the operation of the Food Service Program.

Contracted Programs – This fund is used to account for Federal, State and local funds received and used to operate various grant programs administered by the School Board.

Other Special Revenue – This fund is used to account for the after school child care program which provides tuition waivers for families who have demonstrated financial need. This fund is also used to account for miscellaneous revenues and expenditures related to various District wide events and certain departmental activities.

NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (in thousands)
AS OF JUNE 30, 2012

	FOOD SERVICES	CONTRACTED PROGRAMS	OTHER SPECIAL REVENUE	TOTAL
ASSETS:				
Equity in pooled cash and investments	\$ 25,081	\$ 6	\$ 2,516	\$ 27,603
Due from other governmental agencies	1,842	16,307	-	18,149
Accrued interest receivable	41	-	5	46
Inventories	2,010	-	-	2,010
Other assets	34	-	1	35
Total assets	\$ 29,008	\$ 16,313	\$ 2,522	\$ 47,843
LIABILITIES AND FUND BALANCES:				
LIABILITIES:				
Accounts payable and accrued expenditures	\$ 1,120	\$ 2,291	\$ 9	\$ 3,420
Due to other funds	-	13,675	-	13,675
Deferred revenue	-	342	-	342
Retainages payable	-	5	-	5
Liability for compensated absences	126	-	-	126
Total liabilities	1,246	16,313	9	17,568
FUND BALANCES:				
Nonspendable	2,010	-	-	2,010
Restricted	25,752	-	-	25,752
Assigned	-	-	2,513	2,513
Total fund balances	27,762	-	2,513	30,275
Total liabilities and fund balances	\$ 29,008	\$ 16,313	\$ 2,522	\$ 47,843

**NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	FOOD SERVICES	CONTRACTED PROGRAMS	OTHER SPECIAL REVENUE	TOTAL
REVENUES:				
Local sources:				
Food sales	\$ 21,477	\$ -	\$ -	\$ 21,477
Interest on investments	107	-	15	122
Other	430	2,196	1,223	3,849
Total local sources	<u>22,014</u>	<u>2,196</u>	<u>1,238</u>	<u>25,448</u>
State sources:				
Other	1,422	1,563	-	2,985
Federal sources:				
Food service	67,416	-	-	67,416
USDA	5,528	-	-	5,528
Other	573	173,031	-	173,604
Total federal sources	<u>73,517</u>	<u>173,031</u>	<u>-</u>	<u>246,548</u>
Total revenues	<u>96,953</u>	<u>176,790</u>	<u>1,238</u>	<u>274,981</u>
EXPENDITURES:				
Current operating:				
Instructional services	-	131,610	389	131,999
Instructional support services	-	40,474	-	40,474
Pupil transportation services	-	1,438	12	1,450
Operation and maintenance of plant	-	177	-	177
School administration	-	155	-	155
General administration	-	2,976	1	2,977
Food service	85,985	-	-	85,985
Total current operating	<u>85,985</u>	<u>176,830</u>	<u>402</u>	<u>263,217</u>
Total expenditures	<u>85,985</u>	<u>176,830</u>	<u>402</u>	<u>263,217</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,968</u>	<u>(40)</u>	<u>836</u>	<u>11,764</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	40	14	54
Transfers out	(625)	-	(544)	(1,169)
Total other financing sources (uses)	<u>(625)</u>	<u>40</u>	<u>(530)</u>	<u>(1,115)</u>
Net change in fund balances	10,343	-	306	10,649
Fund balances (deficits), beginning of year	<u>17,419</u>	<u>-</u>	<u>2,207</u>	<u>19,626</u>
Fund balances, end of year	<u>\$ 27,762</u>	<u>\$ -</u>	<u>\$ 2,513</u>	<u>\$ 30,275</u>

NON-MAJOR SPECIAL REVENUE FUND - FOOD SERVICES
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
REVENUES:				
Local sources:				
Food sales	\$ 22,010	\$ 21,479	\$ 21,477	\$ (2)
Interest on investments	29	107	107	-
Other	344	431	430	(1)
Total local sources	<u>22,383</u>	<u>22,017</u>	<u>22,014</u>	<u>(3)</u>
State sources:				
Other	<u>1,348</u>	<u>1,422</u>	<u>1,422</u>	<u>-</u>
Federal sources:				
Federal reimbursement	68,918	67,415	67,416	1
USDA	6,000	5,528	5,528	-
Other	1,343	573	573	-
Total federal sources	<u>76,261</u>	<u>73,516</u>	<u>73,517</u>	<u>1</u>
Total revenues	<u>99,992</u>	<u>96,955</u>	<u>96,953</u>	<u>(2)</u>
EXPENDITURES:				
Salaries	27,564	23,442	23,441	1
Employee benefits	14,714	12,336	12,337	(1)
Purchased services	6,097	4,980	5,059	(79)
Energy services	2,383	2,101	2,101	-
Materials and supplies	43,943	40,761	41,648	(887)
Capital outlay	2,297	1,389	1,709	(320)
Other expenditures	2,994	976	976	-
Total expenditures	<u>99,992</u>	<u>85,985</u>	<u>87,271</u>	<u>(1,286)</u>
Excess (deficiency) of revenues over (under) expenditures (budgetary basis)	<u>-</u>	<u>10,970</u>	<u>9,682</u>	<u>(1,288)</u>
OTHER FINANCING SOURCES:				
Transfers out	<u>-</u>	<u>(625)</u>	<u>(625)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(625)</u>	<u>(625)</u>	<u>-</u>
Excess (Deficiency) of revenues and other sources over (under) expenditures and other uses (budgetary basis)	<u>\$ -</u>	<u>\$ 10,345</u>	<u>9,057</u>	<u>\$ (1,288)</u>
Adjustment to conform with GAAP:				
Elimination of encumbrances			<u>1,286</u>	
Excess(deficiency) of revenues over (under) expenditures (GAAP basis)			10,343	
Fund balances (deficits), beginning of year			<u>17,419</u>	
Fund balances, end of year			<u>\$ 27,762</u>	

**NON-MAJOR SPECIAL REVENUE FUND - CONTRACTED PROGRAMS
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
REVENUES:				
Local sources:				
Other	\$ 1,675	\$ 2,525	\$ 2,196	\$ (329)
State sources:				
Other	191	1,597	1,563	(34)
Federal sources:				
Other	172,177	190,207	173,031	(17,176)
Total revenues	<u>174,043</u>	<u>194,329</u>	<u>176,790</u>	<u>(17,539)</u>
EXPENDITURES:				
Current operating:				
Instructional services	116,451	137,853	135,454	2,399
Instructional support services	45,238	48,059	43,098	4,961
Pupil transportation services	2,845	2,644	1,440	1,204
Operation and maintenance of plant	167	210	177	33
School administration	79	160	155	5
General administration	8,916	5,228	2,976	2,252
Total current operating	<u>173,696</u>	<u>194,154</u>	<u>183,300</u>	<u>10,854</u>
Capital outlay	<u>347</u>	<u>215</u>	<u>-</u>	<u>215</u>
Total expenditures	<u>174,043</u>	<u>194,369</u>	<u>183,300</u>	<u>11,069</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(40)</u>	<u>(6,510)</u>	<u>(6,470)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	40	40	-
Total other financing sources (uses)	<u>-</u>	<u>40</u>	<u>40</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (budgetary basis)	<u>\$ -</u>	<u>\$ -</u>	<u>(6,470)</u>	<u>\$ (6,470)</u>
Adjustment to conform with GAAP:				
Elimination of encumbrances			<u>6,470</u>	
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (GAAP basis)			-	
Fund balances, beginning of year			<u>-</u>	
Fund balances, end of year			<u>\$ -</u>	

**NON-MAJOR SPECIAL REVENUE FUND - OTHER SPECIAL REVENUE
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
REVENUES:				
Local sources:				
Interest on investments	\$ 9	\$ 15	\$ 15	\$ -
Other	1,353	1,222	1,223	1
Total revenues	1,362	1,237	1,238	1
EXPENDITURES:				
Purchased services	185	129	128	1
Materials and supplies	189	246	258	(12)
Capital outlay	7	15	15	-
Other expenditures	14	11	11	-
Total expenditures	395	401	412	(11)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	14	14	-
Transfers out	(831)	(544)	(544)	-
Total other financing uses	(831)	(530)	(530)	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (budgetary basis)	\$ 136	\$ 306	296	\$ (10)
Appropriated beginning fund balances	\$ -	\$ -		
Adjustment to conform with GAAP:				
Elimination of encumbrances			10	
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (GAAP Basis)			306	
Fund balances, beginning of year			2,207	
Fund balances, end of year			\$ 2,513	

Major Debt Service Fund Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) and Non-Major Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources and the payment of general long-term debt principal and interest. The non-major Debt Service Funds are:

Capital Outlay Bond Issue – Used to account for the payment of current year's principal and interest obligations on COBI Bonds.

District Bonds – Used to account for the payment of current year's principal and interest requirements on General Obligation Bonds.

**NON-MAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET (in thousands)
AS OF JUNE 30, 2012**

	<u>COBI BONDS</u>	<u>DISTRICT BONDS</u>	<u>TOTAL</u>
ASSETS:			
Equity in pooled cash and investments	\$ 1,373	\$ 234	\$ 1,607
Total assets	<u>\$ 1,373</u>	<u>\$ 234</u>	<u>\$ 1,607</u>
LIABILITIES AND FUND BALANCES:			
LIABILITIES:			
Due to other governmental agencies	\$ -	\$ 3	\$ 3
Total liabilities	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ 3</u>
FUND BALANCES:			
Restricted	\$ 1,373	\$ 231	\$ 1,604
Total fund balances	<u>1,373</u>	<u>231</u>	<u>1,604</u>
Total liabilities and fund balances	<u>\$ 1,373</u>	<u>\$ 234</u>	<u>\$ 1,607</u>

**NON-MAJOR DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>COBI BONDS</u>	<u>DISTRICT BONDS</u>	<u>TOTAL</u>
REVENUES:			
Local sources:			
Ad valorem taxes	\$ -	\$ 21	\$ 21
Interest on investments	-	1	1
Other	-	6	6
Total local sources	<u>-</u>	<u>28</u>	<u>28</u>
State sources:			
Other	10,084	-	10,084
Total state sources	<u>10,084</u>	<u>-</u>	<u>10,084</u>
Total revenues	<u>10,084</u>	<u>28</u>	<u>10,112</u>
EXPENDITURES:			
Principal retirement	7,500	-	7,500
Interest charges and other	2,785	-	2,785
Total expenditures	<u>10,285</u>	<u>-</u>	<u>10,285</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(201)</u>	<u>28</u>	<u>(173)</u>
OTHER FINANCING SOURCES (USES):			
Premium on refunding bonds	1,367	-	1,367
Refunding bonds issued	12,265	-	12,265
Payments to refunded bond escrow agent	<u>(13,597)</u>	<u>-</u>	<u>(13,597)</u>
Total other financing sources (uses)	<u>35</u>	<u>-</u>	<u>35</u>
Net change in fund balances	(166)	28	(138)
Fund balances, beginning of year	<u>1,539</u>	<u>203</u>	<u>1,742</u>
Fund balances, end of year	<u>\$ 1,373</u>	<u>\$ 231</u>	<u>\$ 1,604</u>

**MAJOR DEBT SERVICE FUNDS - COP SERIES
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
REVENUES:				
Local sources:				
Interest on investments	\$ -	\$ 486	\$ 486	\$ -
Total revenues	<u>-</u>	<u>486</u>	<u>486</u>	<u>-</u>
EXPENDITURES:				
Principal retirement	70,111	70,111	70,111	-
Interest charges and other	94,375	82,945	82,945	-
Total expenditures	<u>164,486</u>	<u>153,056</u>	<u>153,056</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(164,486)</u>	<u>(152,570)</u>	<u>(152,570)</u>	<u>-</u>
OTHER FINANCING SOURCES:				
Certificates of participation	-	270,650	270,650	-
Net premium on long-term debt issued	-	29,027	29,027	-
Payments to refunded bond escrow agent	-	(297,825)	(297,825)	-
Transfers in	164,486	143,929	143,929	-
Transfers out	-	(13)	(13)	-
Total other financing sources	<u>164,486</u>	<u>145,768</u>	<u>145,768</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ (6,802)</u>	(6,802)	<u>\$ -</u>
Appropriated beginning fund balances	<u>\$ -</u>	<u>\$ 6,802</u>		
Fund balances, beginning of year			<u>10,469</u>	
Fund balances, end of year			<u>\$ 3,667</u>	

**MAJOR DEBT SERVICE FUNDS - ARRA ECONOMIC STIMULUS
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
REVENUES:				
Local sources:				
Interest on investments	\$ -	\$ 1	\$ 1	\$ -
Total revenues	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
EXPENDITURES:				
Interest charges and other	8,061	8,063	8,063	-
Total expenditures	<u>8,061</u>	<u>8,063</u>	<u>8,063</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,061)</u>	<u>(8,062)</u>	<u>(8,062)</u>	<u>-</u>
OTHER FINANCING SOURCES:				
Transfers in	8,061	8,201	8,201	-
Total other financing sources	<u>8,061</u>	<u>8,201</u>	<u>8,201</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ 139</u>	139	<u>\$ -</u>
Appropriated beginning fund balances	<u>\$ -</u>	<u>\$ -</u>		
Fund balances, beginning of year			<u>62</u>	
Fund balances, end of year			<u>\$ 201</u>	

**NON-MAJOR DEBT SERVICE FUNDS - COBI DEBT SERVICE
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
REVENUES:				
Withheld for COBI bonds	\$ 10,222	\$ 10,084	\$ 10,085	\$ 1
Interest on investments	-	-	(1)	(1)
Total revenues	<u>10,222</u>	<u>10,084</u>	<u>10,084</u>	<u>-</u>
EXPENDITURES:				
Principal retirement	6,800	7,500	7,500	-
Interest charges and other	3,422	2,785	2,785	-
Total expenditures	<u>10,222</u>	<u>10,285</u>	<u>10,285</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(201)</u>	<u>(201)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
Premium on refunding bonds	-	1,367	1,367	-
Refunding bonds issued	-	12,265	12,265	-
Payments to refunded bond escrow agent	-	(13,597)	(13,597)	-
Total other financing sources (uses)	<u>-</u>	<u>35</u>	<u>35</u>	<u>-</u>
Excess (Deficiency) of revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ (166)</u>	<u>(166)</u>	<u>\$ -</u>
Appropriated beginning fund balances	<u>\$ -</u>	<u>\$ 166</u>		
Fund balances, beginning of year			<u>1,539</u>	
Fund balances, end of year			<u>\$ 1,373</u>	

**NON-MAJOR DEBT SERVICE FUNDS - DISTRICT BONDS AND SECTION 237.161 LOANS
 COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES (in thousands)
 BUDGET AND ACTUAL (BUDGETARY BASIS)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
REVENUES:				
Local sources:				
Ad valorem taxes	\$ -	\$ 21	\$ 21	\$ -
Interest on investments	-	1	1	-
Other	-	5	6	1
Total revenues	<u>-</u>	<u>27</u>	<u>28</u>	<u>1</u>
EXPENDITURES:				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 27</u>	28	<u>\$ 1</u>
Appropriated beginning fund balances	<u>\$ -</u>	<u>\$ -</u>		
Fund balances, beginning of year			<u>203</u>	
Fund balances, end of year			<u>\$ 231</u>	

Broward County Public Schools



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Major Capital Projects Fund Comparative Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) and Non-Major Capital Projects Funds

Capital Projects Funds are used to account for the accumulation of resources and the payment of acquisition/construction of major facilities and equipment. The non-major Capital Projects Funds are:

Capital Outlay and Debt Service – Used to account for State approved projects financed with bonds sold by the State Board of Education on behalf of School districts.

Capital Outlay Bond Issue – Used to account for major construction projects on the Project Priority List financed by CO&DS revenues.

District Bonds – Used to account for major construction projects and equipment purchases financed by the sale of general obligation bonds.

Public Education Capital Funds – Used to account for funds generated through the levy of the gross receipts tax on utilities and are used to accomplish fixed capital outlay projects of the School District.

F.S. Loans – Used to account for Section 237.161 F.S. Loans. Proceeds of loans authorized under Section 237.161 F.S. permits the school board to borrow money for specific purposes when approved, including installment purchases under Section 237.161 F.S.

NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET (in thousands)
AS OF JUNE 30, 2012

	CAPITAL OUTLAY AND DEBT SERVICE	CAPITAL OUTLAY BOND ISSUE	DISTRICT BONDS	PUBLIC EDUCATION CAPITAL FUND	F.S. LOANS	TOTAL
ASSETS:						
Equity in pooled cash and investments	\$ 4,006	\$ 2,265	\$ 197	\$ 533	\$ 17	\$ 7,018
Due from other governmental agencies	-	-	-	6,688	-	6,688
Accrued interest receivable	6	4	-	2	-	12
Total assets	\$ 4,012	\$ 2,269	\$ 197	\$ 7,223	\$ 17	\$ 13,718
LIABILITIES AND FUND BALANCES:						
LIABILITIES:						
Accounts payable and accrued expenditures	\$ 256	\$ -	\$ -	\$ 2	\$ -	\$ 258
Deferred revenue	-	-	-	6,688	-	6,688
Retainages payable	10	187	-	212	-	409
Total liabilities	266	187	-	6,902	-	7,355
FUND BALANCES:						
Restricted	3,746	2,082	197	321	17	6,363
Total fund balances	3,746	2,082	197	321	17	6,363
Total liabilities and fund balances	\$ 4,012	\$ 2,269	\$ 197	\$ 7,223	\$ 17	\$ 13,718

**NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	CAPITAL OUTLAY AND DEBT SERVICE	CAPITAL OUTLAY BOND ISSUE	DISTRICT BONDS	PUBLIC EDUCATION CAPITAL OUTLAY FUND	F.S. LOANS	TOTAL
REVENUES:						
Local sources:						
Interest on investments	\$ 19	\$ 12	\$ 1	\$ 6	\$ 1	\$ 39
Other	-	28	-	6	-	34
Total local sources	19	40	1	12	1	73
State sources:						
Other	1,170	-	-	-	-	1,170
Total state sources	1,170	-	-	-	-	1,170
Total revenues	1,189	40	1	12	1	1,243
EXPENDITURES:						
Interest charges and other	3	-	-	-	-	3
Capital outlay	450	-	4	10,300	-	10,754
Total expenditures	453	-	4	10,300	-	10,757
Excess (deficiency) of revenues over (under) expenditures	736	40	(3)	(10,288)	1	(9,514)
OTHER FINANCING SOURCES (USES):						
Transfers out	-	-	-	(13,527)	-	(13,527)
Total other financing sources (uses)	-	-	-	(13,527)	-	(13,527)
Net change in fund balances	736	40	(3)	(23,815)	1	(23,041)
Fund balances, beginning of year	3,010	2,042	200	24,136	16	29,404
Fund balances, end of year	\$ 3,746	\$ 2,082	\$ 197	\$ 321	\$ 17	\$ 6,363

**MAJOR CAPITAL PROJECTS FUNDS - LOCAL MILLAGE CAPITAL IMPROVEMENT
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
REVENUES:				
Local sources:				
Ad valorem taxes	\$ 195,295	\$ 194,510	\$ 194,510	\$ -
Interest on investments	-	796	796	-
Other	-	5,223	5,223	-
Total local sources	195,295	200,529	200,529	-
Federal sources:				
Other	4,367	-	-	-
Total revenues	<u>199,662</u>	<u>200,529</u>	<u>200,529</u>	<u>-</u>
EXPENDITURES:				
Capital outlay	89,859	97,801	25,717	72,084
Total expenditures	<u>89,859</u>	<u>97,801</u>	<u>25,717</u>	<u>72,084</u>
Excess (deficiency) of revenues over (under) expenditures	<u>109,803</u>	<u>102,728</u>	<u>174,812</u>	<u>72,084</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets	-	268	268	-
Transfers out	(216,220)	(204,117)	(204,117)	-
Total other financing sources (uses)	<u>(216,220)</u>	<u>(203,849)</u>	<u>(203,849)</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (budgetary basis)	<u>\$ (106,417)</u>	<u>\$ (101,121)</u>	(29,037)	<u>\$ 72,084</u>
Appropriated beginning fund balances	<u>\$ 106,417</u>	<u>\$ 101,121</u>		
Adjustments to conform with GAAP:				
Elimination of encumbrances			14,718	
Excess (deficiency) of revenues over (under) expenditures (GAAP basis)			(14,319)	
Fund balances, beginning of year			<u>101,121</u>	
Fund balances, end of year			<u>\$ 86,802</u>	

**MAJOR CAPITAL PROJECTS FUNDS - ARRA ECONOMIC STIMULUS
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Local sources:				
Interest on investments	\$ -	\$ 141	\$ 141	\$ -
Total local sources	-	141	141	-
Total revenues	-	141	141	-
EXPENDITURES:				
Debt service:				
Interest charges and other	-	17	17	-
Total debt service	-	17	17	-
Capital outlay	91,261	89,098	46,770	42,328
Total expenditures	91,261	89,115	46,787	42,328
Excess (deficiency) of revenues over (under) expenditures	(91,261)	(88,974)	(46,646)	42,328
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(133)	(133)	-
Total other financing sources (uses)	-	(133)	(133)	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (budgetary basis)	<u>\$ (91,261)</u>	<u>\$ (89,107)</u>	(46,779)	<u>\$ 42,328</u>
Appropriated beginning fund balances	<u>\$ 91,261</u>	<u>\$ 89,107</u>		
Adjustment to conform with GAAP:				
Elimination of encumbrances			23,468	
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (GAAP basis)			(23,311)	
Fund balances, beginning of year			89,107	
Fund balances, end of year			<u>\$ 65,796</u>	

**MAJOR CAPITAL PROJECTS FUNDS - OTHER CAPITAL IMPROVEMENT
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
REVENUES:				
Local sources:				
Interest on investments	\$ 2,555	\$ 474	\$ 475	\$ 1
Other	-	6,586	4,257	(2,329)
Total local sources	<u>2,555</u>	<u>7,060</u>	<u>4,732</u>	<u>(2,328)</u>
State sources:				
Other	10,000	10,545	10,545	-
Total state sources	<u>10,000</u>	<u>10,545</u>	<u>10,545</u>	<u>-</u>
Federal sources:				
Other	2,000	2,822	2,822	-
Total revenues	<u>14,555</u>	<u>20,427</u>	<u>18,099</u>	<u>(2,328)</u>
EXPENDITURES:				
Debt service:				
Interest charges and other	1,832	-	-	-
Total debt service	<u>1,832</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlay	<u>192,228</u>	<u>216,427</u>	<u>43,353</u>	<u>173,074</u>
Total expenditures	<u>194,060</u>	<u>216,427</u>	<u>43,353</u>	<u>173,074</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(179,505)</u>	<u>(196,000)</u>	<u>(25,254)</u>	<u>170,746</u>
OTHER FINANCING SOURCES (USES):				
Sale of capital assets	12,200	11,932	2,411	9,521
Other loss recoveries	-	90	90	-
Transfers in	-	1,913	1,913	-
Transfers out	(19,319)	(12,076)	(12,076)	-
Total other financing sources (uses)	<u>(7,119)</u>	<u>1,859</u>	<u>(7,662)</u>	<u>9,521</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (budgetary basis)	<u>\$ (186,624)</u>	<u>\$ (194,141)</u>	<u>(32,916)</u>	<u>\$ 180,267</u>
Appropriated beginning fund balances	<u>\$ 186,624</u>	<u>\$ 194,141</u>		
Adjustment to conform with GAAP:				
Elimination of encumbrances			<u>18,407</u>	
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (GAAP basis)			(14,509)	
Fund balances, beginning of year			<u>194,141</u>	
Fund balances, end of year			<u>\$ 179,632</u>	

**NON-MAJOR CAPITAL PROJECTS FUNDS - CAPITAL OUTLAY AND DEBT SERVICE
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
REVENUES:				
Local sources:				
Interest on investments	\$ -	\$ 20	\$ 19	\$ (1)
Other	-	(1)	-	1
Total local sources	-	19	19	-
State sources:				
Other	1,210	1,170	1,170	-
Total state sources	1,210	1,170	1,170	-
Total revenues	1,210	1,189	1,189	-
EXPENDITURES:				
Interest charges and other	-	5	3	2
Capital outlay	4,215	4,194	764	3,430
Total expenditures	4,215	4,199	767	3,432
Excess (deficiency) of revenues over (under) expenditures (budgetary basis)	\$ (3,005)	\$ (3,010)	422	\$ 3,432
Appropriated beginning fund balances	\$ 3,005	\$ 3,010		
Adjustments to conform with GAAP:				
Elimination of encumbrances			314	
Excess (deficiency) of revenues over (under) expenditures (GAAP basis)			736	
Fund balances, beginning of year			3,010	
Fund balances, end of year			\$ 3,746	

**NON-MAJOR CAPITAL PROJECTS FUNDS - CAPITAL OUTLAY BOND ISSUES
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
REVENUES:				
Local sources:				
Interest on investments	\$ -	\$ 11	\$ 12	\$ 1
Other	-	28	28	-
Total revenues	-	39	40	1
EXPENDITURES:				
Capital outlay	2,039	2,081	-	2,081
Total expenditures	2,039	2,081	-	2,081
Excess (deficiency) of revenues over (under) expenditures (budgetary basis)	\$ (2,039)	\$ (2,042)	40	\$ 2,082
Appropriated beginning fund balances	\$ 2,039	\$ 2,042		
Adjustment to conform with GAAP:				
Elimination of encumbrances			-	
Excess (deficiency) of revenues and other sources over (under) expenditures (GAAP basis)			40	
Fund balances, beginning of year			2,042	
Fund balances, end of year			\$ 2,082	

**NON-MAJOR CAPITAL PROJECTS FUNDS - DISTRICT BONDS
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
REVENUES:				
Local sources:				
Interest on investments	\$ -	\$ 1	\$ 1	\$ -
Total revenues	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
EXPENDITURES:				
Capital outlay	200	201	4	197
Total expenditures	<u>200</u>	<u>201</u>	<u>4</u>	<u>197</u>
Excess (deficiency) of revenues over (under) expenditures (budgetary basis)	<u>\$ (200)</u>	<u>\$ (200)</u>	<u>(3)</u>	<u>\$ 197</u>
Appropriated beginning fund balances	<u>\$ 200</u>	<u>\$ 200</u>		
Adjustment to conform with GAAP:				
Elimination of encumbrances			<u>-</u>	
Excess (deficiency) of revenues and other sources over (under) expenditures (GAAP basis)			(3)	
Fund balances, beginning of year			<u>200</u>	
Fund balances, end of year			<u>\$ 197</u>	

**NON-MAJOR CAPITAL PROJECTS FUNDS - PUBLIC EDUCATION CAPITAL OUTLAY
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
REVENUES:				
Local sources:				
Interest on investments	\$ -	\$ 6	\$ 6	\$ -
Other	-	6	6	-
Total local sources	-	12	12	-
State sources:				
Public education capital outlay	6,688	6,688	-	(6,688)
Total state sources	6,688	6,688	-	(6,688)
Total revenues	6,688	6,700	12	(6,688)
EXPENDITURES:				
Capital outlay	30,899	17,309	10,681	6,628
Total expenditures	30,899	17,309	10,681	6,628
Excess (deficiency) of revenues over (under) expenditures (budgetary basis)	(24,211)	(10,609)	(10,669)	(60)
OTHER FINANCING USES:				
Transfers out	-	(13,527)	(13,527)	-
Total other financing uses	-	(13,527)	(13,527)	-
Excess (Deficiency) of revenues over (under) expenditures and other uses (budgetary basis)	\$ (24,211)	\$ (24,136)	(24,196)	\$ (60)
Appropriated beginning fund balances	\$ 24,211	\$ 24,136		
Adjustments to conform with GAAP:				
Elimination of encumbrances			381	
Excess (deficiency) of revenues over (under) expenditures (GAAP basis)			(23,815)	
Fund balances, beginning of year			24,136	
Fund balances, end of year			\$ 321	

**NON MAJOR CAPITAL PROJECTS FUNDS - F.S. LOANS
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (in thousands)
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
REVENUES:				
Local sources:				
Interest on investments	\$ -	\$ 1	\$ 1	\$ -
Total local sources	-	1	1	-
Total revenues	-	1	1	-
EXPENDITURES:				
Capital outlay	16	17	-	17
Total expenditures	16	17	-	17
Excess (deficiency) of revenues over (under) expenditures (budgetary basis)	\$ (16)	\$ (16)	1	\$ 17
Appropriated beginning fund balances	\$ 16	\$ 16		
Adjustments to conform with GAAP:				
Elimination of encumbrances			-	
Excess (deficiency) of revenues over (under) expenditures (GAAP basis)			1	
Fund balances, beginning of year			16	
Fund balances, end of year			\$ 17	

Broward County Public Schools



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Internal Service Funds

Internal Service Funds are used to account for the financing of services provided by one department to another on a cost reimbursement basis.

Self-Insurance Fund – Used to account for the cost of workers' compensation, automobile and general liability self-insurance, and funding OPEB liability. The District utilizes the services of a risk management and claims adjustment firm to facilitate the processing of claims. In addition, the District has purchased specific excess insurance for large claims.

Other Services – Used to account for the cost and services of the printing department and facility project management, which are charged to other departments and schools on a cost reimbursement basis.

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS (in thousands)
AS OF JUNE 30, 2012**

	<u>SELF- INSURANCE</u>	<u>OTHER SERVICES</u>	<u>TOTAL</u>
ASSETS:			
Current assets:			
Equity in pooled cash and investments	\$ 27,859	\$ 44	\$ 27,903
Accrued interest receivable	54	-	54
Inventories	-	11	11
Prepays	12,258	-	12,258
Other assets	1,150	-	1,150
Total current assets	41,321	55	41,376
Noncurrent assets:			
Machinery and equipment (net of accumulated depreciation)	-	3	3
Total assets	\$ 41,321	\$ 58	\$ 41,379
LIABILITIES:			
Current liabilities:			
Accounts payable and accrued expenses	\$ 475	\$ 21	\$ 496
Estimated liability for self-insured risks	19,060	-	19,060
Total current liabilities	19,535	21	19,556
Long-term liabilities:			
Estimated liability for self-insured risks	38,628	-	38,628
Total liabilities	58,163	21	58,184
NET ASSETS:			
Invested in capital assets	-	3	3
Unrestricted	(16,842)	34	(16,808)
Total net assets (deficits)	\$ (16,842)	\$ 37	\$ (16,805)

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS (in thousands)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>SELF- INSURANCE</u>	<u>OTHER SERVICES</u>	<u>TOTAL</u>
OPERATING REVENUES:			
Premium revenues	\$ 24,259	\$ -	\$ 24,259
Charges for services	-	57,819	57,819
Other	2	-	2
Total operating revenues	<u>24,261</u>	<u>57,819</u>	<u>82,080</u>
OPERATING EXPENSES:			
Claims	17,747	-	17,747
Insurance	16,417	-	16,417
Personnel services	1,379	56,614	57,993
Depreciation	-	2	2
Other	19,348	1,362	20,710
Total operating expenses	<u>54,891</u>	<u>57,978</u>	<u>112,869</u>
Operating income (loss)	(30,630)	(159)	(30,789)
NON-OPERATING REVENUE:			
Interest and other	245	(1)	244
Net income (loss) before transfers	(30,385)	(160)	(30,545)
Transfers in	-	185	185
Net income (loss)	(30,385)	25	(30,360)
Total net assets, beginning of year	<u>13,543</u>	<u>12</u>	<u>13,555</u>
Total net assets (deficits), end of year	<u>\$ (16,842)</u>	<u>\$ 37</u>	<u>\$ (16,805)</u>

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS (in thousands)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>SELF- INSURANCE</u>	<u>OTHER SERVICES</u>	<u>TOTAL</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from governmental customers	\$ 22,078	\$ 57,825	\$ 79,903
Cash payments for goods and services	(37,002)	(1,451)	(38,453)
Cash payments to employees	(1,378)	(56,610)	(57,988)
Net cash provided (used) by operating activities	<u>(16,302)</u>	<u>(236)</u>	<u>(16,538)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers (to) from other funds	-	185	185
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>185</u>	<u>185</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received on investments	245	(1)	244
Net change in cash and cash equivalents	(16,057)	(52)	(16,109)
CASH AND CASH EQUIVALENTS:			
Beginning of year	43,916	96	44,012
End of year	<u>\$ 27,859</u>	<u>\$ 44</u>	<u>\$ 27,903</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (30,630)	\$ (159)	\$ (30,789)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	-	2	2
Change in assets and liabilities:			
(Increase) decrease in interest receivable	(14)	-	(14)
(Increase) decrease in inventory, prepaids & other assets	72	8	80
Increase (decrease) in accounts payable and accrued expenditures	465	(87)	378
Increase (decrease) in estimated liability for self-insured risks	13,805	-	13,805
Net cash provided (used) by operating activities	<u>(16,302)</u>	<u>(236)</u>	<u>(16,538)</u>

Agency Fund

An Agency Fund is used to account for the custody of funds for individual school activities. The District holds the assets in this fund in a fiduciary capacity.

Agency Fund – Used to account for the custody of funds for school activities.

**AGENCY FUND
STATEMENT OF ASSETS AND LIABILITIES (in thousands)
AS OF JUNE 30, 2012**

	AGENCY FUND
ASSETS:	
Equity in pooled cash and investments	\$ 5,284
Cash and cash equivalents	8,204
Total assets	\$ 13,488
LIABILITIES:	
Accounts payable	\$ 567
Due to student organizations and other agencies	12,921
Total liabilities	\$ 13,488

**AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (in thousands)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

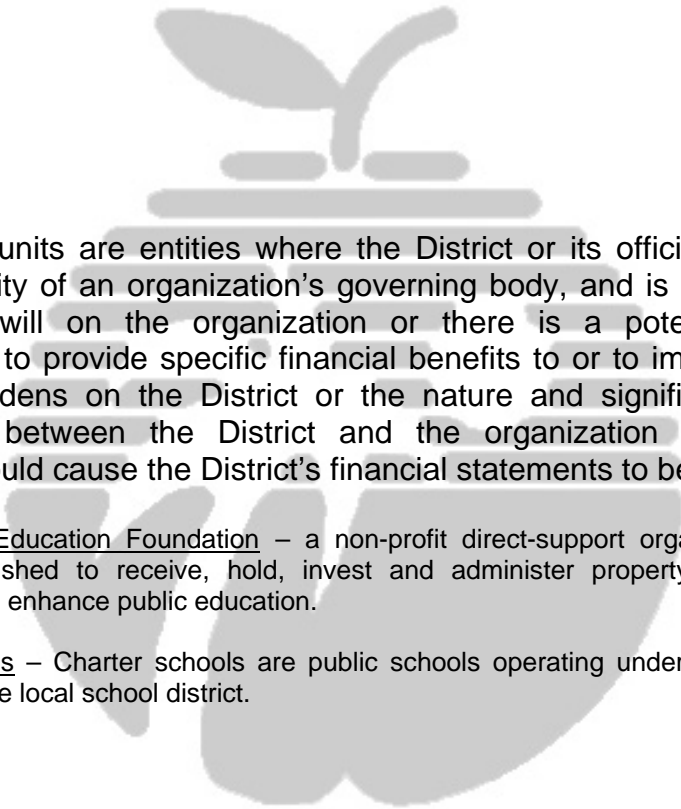
	AGENCY FUND			
	2011	Increases	Decreases	2012
ASSETS:				
Equity in pooled cash and investments	\$ 5,415	\$ 5,284	\$ (5,415)	\$ 5,284
Cash and cash equivalents	7,983	74,653	(74,432)	8,204
Interest receivable	5	-	(5)	-
Total assets	\$ 13,403	\$ 79,937	\$ (79,852)	\$ 13,488
LIABILITIES:				
Accounts payable	\$ 760	\$ 567	\$ (760)	\$ 567
Due to student organizations and other agencies	12,643	79,369	(79,091)	12,921
Total liabilities	\$ 13,403	\$ 79,936	\$ (79,851)	\$ 13,488

Broward County Public Schools



***Educating Today's Students
For Tomorrow's World***

Component Units



Component units are entities where the District or its officials appoint a voting majority of an organization's governing body, and is either able to impose its will on the organization or there is a potential for the organization to provide specific financial benefits to or to impose specific financial burdens on the District or the nature and significance of the relationship between the District and the organization is such that exclusion would cause the District's financial statements to be incomplete.

The Broward Education Foundation – a non-profit direct-support organization of the District, established to receive, hold, invest and administer property and to make expenditures to enhance public education.

Charter Schools – Charter schools are public schools operating under a performance contract with the local school district.

COMBINING SCHEDULE OF NET ASSETS
COMPONENT UNITS (in thousands)
AS OF JUNE 30, 2012

	Ben Gamla Charter	Ben Gamla Charter High School	Ben Gamla Charter School Hallandale	Ben Gamla North	Ben Gamla South
ASSETS:					
Cash, cash equivalents and investments	\$ 123	\$ 8	\$ 6	\$ 25	\$ 9
Due from other governmental agencies	-	-	-	-	-
Due from other schools	204	-	-	-	65
Prepays	135	22	1	1	121
Other assets	-	-	-	15	4
Total Current Assets	462	30	7	41	199
Non-current assets:					
Capital assets:					
Depreciable, net	561	27	-	84	311
Total assets	1,023	57	7	125	510
LIABILITIES:					
Current liabilities:					
Accounts payable and accrued expenses	252	6	6	12	113
Due to other schools	-	-	-	-	-
Unearned revenue	-	-	-	4	-
Management fees payable	-	-	-	-	-
Debt, net of premiums and discounts	-	-	-	50	-
Other liabilities	6	-	-	-	8
Total current liabilities	258	6	6	66	121
Non-current liabilities:					
Debt, net of premiums and discounts	115	10	-	-	75
Total non-current liabilities	115	10	-	-	75
Total liabilities	373	16	6	66	196
NET ASSETS (DEFICITS):					
Invested in capital assets, net of related debt	446	27	-	34	236
Restricted for:					
Other	79	-	-	-	-
Unrestricted net assets (deficits)	125	14	1	25	78
Total net assets (deficits)	\$ 650	\$ 41	\$ 1	\$ 59	\$ 314

Broward Community Charter School	Broward Community Charter School West	Central Charter School	Charter School of Excellence	Charter School of Excellence 2	Charter School of Excellence at Davie	Charter School of Excellence at Davie 2
\$ 3	\$ 45	\$ 1,722	\$ 82	\$ 207	\$ 30	\$ 233
-	-	-	-	-	72	-
-	-	517	-	-	-	-
14	42	27	1	-	-	-
21	97	46	115	-	19	7
<u>38</u>	<u>184</u>	<u>2,312</u>	<u>198</u>	<u>207</u>	<u>121</u>	<u>240</u>
1	83	529	687	-	210	23
<u>39</u>	<u>267</u>	<u>2,841</u>	<u>885</u>	<u>207</u>	<u>331</u>	<u>263</u>
36	184	312	79	5	53	30
-	-	-	-	-	-	-
-	-	-	-	97	-	46
-	-	-	-	-	-	-
-	-	11	75	-	-	-
-	-	-	44	100	-	162
<u>36</u>	<u>184</u>	<u>323</u>	<u>198</u>	<u>202</u>	<u>53</u>	<u>238</u>
-	-	70	79	-	-	-
-	-	70	79	-	-	-
<u>36</u>	<u>184</u>	<u>393</u>	<u>277</u>	<u>202</u>	<u>53</u>	<u>238</u>
1	83	449	534	-	210	23
-	-	-	-	-	-	-
2	-	1,999	74	5	68	2
<u>\$ 3</u>	<u>\$ 83</u>	<u>\$ 2,448</u>	<u>\$ 608</u>	<u>\$ 5</u>	<u>\$ 278</u>	<u>\$ 25</u>

COMBINING SCHEDULE OF NET ASSETS
COMPONENT UNITS (in thousands)
AS OF JUNE 30, 2012

	Charter School of Excellence at Riverland	Charter School of Excellence at Riverland 2	Charter School of Excellence at Tamarac	Charter School of Excellence at Tamarac 2	Discovery Middle Charter
ASSETS:					
Cash, cash equivalents and investments	\$ 57	\$ 8	\$ 23	\$ 17	\$ 169
Due from other governmental agencies	14	100	28	23	-
Due from other schools	-	-	-	-	-
Prepays	-	-	-	-	21
Other assets	16	8	35	18	38
Total Current Assets	<u>87</u>	<u>116</u>	<u>86</u>	<u>58</u>	<u>228</u>
Non-current assets:					
Capital assets:					
Depreciable, net	160	19	185	116	2
Total assets	<u>247</u>	<u>135</u>	<u>271</u>	<u>174</u>	<u>230</u>
LIABILITIES:					
Current liabilities:					
Accounts payable and accrued expenses	53	23	54	37	64
Due to other schools	-	-	-	-	-
Unearned revenue	-	72	-	-	-
Management fees payable	-	-	-	-	-
Debt, net of premiums and discounts	75	-	30	-	-
Other liabilities	-	-	-	-	-
Total current liabilities	<u>128</u>	<u>95</u>	<u>84</u>	<u>37</u>	<u>64</u>
Non-current liabilities:					
Debt, net of premiums and discounts	79	-	-	-	-
Total non-current liabilities	<u>79</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>207</u>	<u>95</u>	<u>84</u>	<u>37</u>	<u>64</u>
NET ASSETS (DEFICITS):					
Invested in capital assets, net of related debt	5	19	185	116	2
Restricted for:					
Other	-	-	-	-	-
Unrestricted net assets (deficits)	35	21	2	21	164
Total net assets (deficits)	<u>\$ 40</u>	<u>\$ 40</u>	<u>\$ 187</u>	<u>\$ 137</u>	<u>\$ 166</u>

Exhibit H1 (continued)

Dolphin Park High	Eagles' Nest Elementary	Eagles' Nest Middle	Excelsior Charter of Broward	Florida Intercultural Academy	Florida Intercultural Academy West	Franklin Academy A
\$ 391	\$ 209	\$ 87	\$ 231	\$ 251	\$ 79	\$ 174
-	14	-	-	-	64	15
-	-	-	-	-	-	333
-	-	-	32	-	-	45
-	12	6	-	18	30	-
<u>391</u>	<u>235</u>	<u>93</u>	<u>263</u>	<u>269</u>	<u>173</u>	<u>567</u>
13	56	9	120	7,130	-	779
<u>404</u>	<u>291</u>	<u>102</u>	<u>383</u>	<u>7,399</u>	<u>173</u>	<u>1,346</u>
263	7	1	80	188	158	501
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	14	-	-	-	-
<u>263</u>	<u>7</u>	<u>15</u>	<u>80</u>	<u>188</u>	<u>158</u>	<u>501</u>
-	-	-	-	6,855	-	218
-	-	-	-	6,855	-	218
<u>263</u>	<u>7</u>	<u>15</u>	<u>80</u>	<u>7,043</u>	<u>158</u>	<u>719</u>
13	-	9	120	275	-	561
53	-	-	-	-	-	-
75	284	78	183	81	15	66
<u>\$ 141</u>	<u>\$ 284</u>	<u>\$ 87</u>	<u>\$ 303</u>	<u>\$ 356</u>	<u>\$ 15</u>	<u>\$ 627</u>

COMBINING SCHEDULE OF NET ASSETS
COMPONENT UNITS (in thousands)
AS OF JUNE 30, 2012

	Franklin Academy B	Henry McNeal Turner Learning Academy	Hollywood Academy of Arts	Hollywood Academy of Arts Middle	Imagine at Broward
ASSETS:					
Cash, cash equivalents and investments	\$ 5	\$ 32	\$ 306	\$ 106	\$ 958
Due from other governmental agencies	-	-	25	5	-
Due from other schools	174	-	-	-	19
Prepays	-	-	-	1	9
Other assets	-	5	1,029	459	73
Total Current Assets	<u>179</u>	<u>37</u>	<u>1,360</u>	<u>571</u>	<u>1,059</u>
Non-current assets:					
Capital assets:					
Depreciable, net	-	67	12,231	4,730	114
Total assets	<u>179</u>	<u>104</u>	<u>13,591</u>	<u>5,301</u>	<u>1,173</u>
LIABILITIES:					
Current liabilities:					
Accounts payable and accrued expenses	-	23	224	48	423
Due to other schools	332	-	-	-	25
Unearned revenue	-	-	-	-	385
Management fees payable	-	-	-	-	-
Debt, net of premiums and discounts	-	-	-	-	-
Other liabilities	-	-	-	99	76
Total current liabilities	<u>332</u>	<u>23</u>	<u>224</u>	<u>147</u>	<u>909</u>
Non-current liabilities:					
Debt, net of premiums and discounts	-	-	13,780	5,634	-
Total non-current liabilities	<u>-</u>	<u>-</u>	<u>13,780</u>	<u>5,634</u>	<u>-</u>
Total liabilities	<u>332</u>	<u>23</u>	<u>14,004</u>	<u>5,781</u>	<u>909</u>
NET ASSETS (DEFICITS):					
Invested in capital assets, net of related debt	-	67	(956)	(593)	114
Restricted for:					
Other	-	-	-	-	-
Unrestricted net assets (deficits)	(153)	14	543	113	150
Total net assets (deficits)	<u>\$ (153)</u>	<u>\$ 81</u>	<u>\$ (413)</u>	<u>\$ (480)</u>	<u>\$ 264</u>

Imagine at Broward Middle	Imagine at North Lauderdale	Imagine at North Lauderdale Middle	Imagine at Weston	International School of Broward	Kathleen C Wright Leadership Academy	Kidz Choice Charter
\$ 147	\$ 143	\$ 113	\$ 742	\$ -	\$ -	\$ 34
-	285	45	-	-	-	-
21	-	-	-	-	-	-
-	49	92	132	23	9	4
-	-	-	179	13	125	-
<u>168</u>	<u>477</u>	<u>250</u>	<u>1,053</u>	<u>36</u>	<u>134</u>	<u>38</u>
157	71	33	349	169	111	132
<u>325</u>	<u>548</u>	<u>283</u>	<u>1,402</u>	<u>205</u>	<u>245</u>	<u>170</u>
60	232	84	659	166	154	37
-	2	1	-	-	-	-
-	-	-	64	-	65	-
1	-	-	-	-	-	-
-	276	84	156	106	25	-
-	58	27	26	-	-	-
<u>61</u>	<u>568</u>	<u>196</u>	<u>905</u>	<u>272</u>	<u>244</u>	<u>37</u>
-	591	-	547	100	50	-
-	591	-	547	100	50	-
<u>61</u>	<u>1,159</u>	<u>196</u>	<u>1,452</u>	<u>372</u>	<u>294</u>	<u>37</u>
157	70	33	349	-	37	132
-	-	-	-	-	-	-
107	(681)	54	(399)	(167)	(86)	1
<u>\$ 264</u>	<u>\$ (611)</u>	<u>\$ 87</u>	<u>\$ (50)</u>	<u>\$ (167)</u>	<u>\$ (49)</u>	<u>\$ 133</u>

COMBINING SCHEDULE OF NET ASSETS
COMPONENT UNITS (in thousands)
AS OF JUNE 30, 2012

	Lauderdale Lakes Academy *	Lauderhill High	Life Skills	Mavericks High of Central Broward	Mavericks High of North Broward
ASSETS:					
Cash, cash equivalents and investments	\$ -	\$ 442	\$ 91	\$ 130	\$ 67
Due from other governmental agencies	-	-	-	-	-
Due from other schools	-	-	-	-	225
Prepays	-	-	-	47	47
Other assets	-	-	56	3	52
Total Current Assets	-	442	147	180	391
Non-current assets:					
Capital assets:					
Depreciable, net	-	13	54	309	414
Total assets	-	455	201	489	805
LIABILITIES:					
Current liabilities:					
Accounts payable and accrued expenses	-	208	7	88	138
Due to other schools	-	-	-	225	-
Unearned revenue	-	-	56	-	-
Management fees payable	-	-	9	13	14
Debt, net of premiums and discounts	-	-	18	-	-
Other liabilities	-	-	-	-	-
Total current liabilities	-	208	90	326	152
Non-current liabilities:					
Debt, net of premiums and discounts	-	-	18	-	-
Total non-current liabilities	-	-	18	-	-
Total liabilities	-	208	108	326	152
NET ASSETS (DEFICITS):					
Invested in capital assets, net of related debt	-	13	18	309	414
Restricted for:					
Other	-	172	-	-	-
Unrestricted net assets (deficits)	-	62	75	(146)	239
Total net assets (deficits)	\$ -	\$ 247	\$ 93	\$ 163	\$ 653

* The audited financial information was not reported to the District as of the date of publication of the CAFR.

North Broward Academy of Excellence	North Broward Academy of Excellence Middle	North University High	Parangon Academy of Technology	Parangon Elementary	Parkway Academy *	Pompano Charter Middle
\$ 308	\$ 592	\$ 317	\$ 88	\$ 60	\$ -	\$ 50
152	26	-	-	27	-	29
243	-	-	-	4	-	-
2	1	-	1	-	-	-
36	3	-	16	5	-	2
<u>741</u>	<u>622</u>	<u>317</u>	<u>105</u>	<u>96</u>	<u>-</u>	<u>81</u>
6,935	3,132	12	12	-	-	-
<u>7,676</u>	<u>3,754</u>	<u>329</u>	<u>117</u>	<u>96</u>	<u>-</u>	<u>81</u>
412	9	260	40	99	-	85
-	243	-	-	-	-	4
17	-	-	-	-	-	-
10	21	-	-	-	-	-
79	37	-	-	-	-	-
-	-	-	-	-	-	-
<u>518</u>	<u>310</u>	<u>260</u>	<u>40</u>	<u>99</u>	<u>-</u>	<u>89</u>
6,779	3,190	-	-	-	-	-
<u>6,779</u>	<u>3,190</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>7,297</u>	<u>3,500</u>	<u>260</u>	<u>40</u>	<u>99</u>	<u>-</u>	<u>89</u>
77	(95)	12	12	-	-	-
-	-	-	-	-	-	-
302	349	57	65	(3)	-	(8)
<u>\$ 379</u>	<u>\$ 254</u>	<u>\$ 69</u>	<u>\$ 77</u>	<u>\$ (3)</u>	<u>\$ -</u>	<u>\$ (8)</u>

**COMBINING SCHEDULE OF NET ASSETS
COMPONENT UNITS (in thousands)
AS OF JUNE 30, 2012**

	Renaissance Charter School at Coral Springs	Renaissance Charter School at Plantation	Rise Academy School of Sciences & Technology I	Rise Academy School of Sciences & Technology II	Smart School Middle *
ASSETS:					
Cash, cash equivalents and investments	\$ 21	\$ 169	\$ 26	\$ 33	\$ -
Due from other governmental agencies	110	142	-	-	-
Due from other schools	58	63	-	-	-
Prepays	3	-	-	-	-
Other assets	1,542	35	64	-	-
Total Current Assets	1,734	409	90	33	-
Non-current assets:					
Capital assets:					
Depreciable, net	18,966	383	142	69	-
Total assets	20,700	792	232	102	-
LIABILITIES:					
Current liabilities:					
Accounts payable and accrued expenses	366	263	29	94	-
Due to other schools	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Management fees payable	19	-	-	-	-
Debt, net of premiums and discounts	-	-	-	-	-
Other liabilities	-	-	-	-	-
Total current liabilities	385	263	29	94	-
Non-current liabilities:					
Debt, net of premiums and discounts	21,420	-	-	-	-
Total non-current liabilities	21,420	-	-	-	-
Total liabilities	21,805	263	29	94	-
NET ASSETS (DEFICITS):					
Invested in capital assets, net of related debt	(1,434)	383	143	68	-
Restricted for:					
Other	-	-	-	-	-
Unrestricted net assets (deficits)	329	146	60	(60)	-
Total net assets (deficits)	\$ (1,105)	\$ 529	\$ 203	\$ 8	\$ -

* The audited financial information was not reported to the District as of the date of publication of the CAFR.

** includes Somerset Neighborhood

Exhibit H1 (continued)

Somerset Academy **	Somerset Academy Davie	Somerset Academy Middle	Somerset Academy High	Somerset Academy Miramar	Somerset Acad. Miramar Mid.	Somerset Acad. Miramar High
\$ 1,055	\$ 730	\$ 687	\$ 936	\$ 2,366	\$ 573	\$ 50
-	-	-	-	-	-	150
19	-	54	25	89	-	-
269	22	245	148	146	70	44
557	4	-	226	430	14	-
<u>1,900</u>	<u>756</u>	<u>986</u>	<u>1,335</u>	<u>3,031</u>	<u>657</u>	<u>244</u>
1,711	35	955	3,570	793	354	308
<u>3,611</u>	<u>791</u>	<u>1,941</u>	<u>4,905</u>	<u>3,824</u>	<u>1,011</u>	<u>552</u>
479	39	188	742	226	100	58
22	-	7	-	-	84	40
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	73	-	-	94
-	-	-	-	-	-	-
<u>501</u>	<u>39</u>	<u>195</u>	<u>815</u>	<u>226</u>	<u>184</u>	<u>192</u>
80	-	226	1,676	-	-	359
80	-	226	1,676	-	-	359
<u>581</u>	<u>39</u>	<u>421</u>	<u>2,491</u>	<u>226</u>	<u>184</u>	<u>551</u>
1,711	35	955	1,992	793	355	-
492	-	260	256	-	-	-
827	717	305	166	2,805	472	1
<u>\$ 3,030</u>	<u>\$ 752</u>	<u>\$ 1,520</u>	<u>\$ 2,414</u>	<u>\$ 3,598</u>	<u>\$ 827</u>	<u>\$ 1</u>

COMBINING SCHEDULE OF NET ASSETS
COMPONENT UNITS (in thousands)
AS OF JUNE 30, 2012

	Somerset Conservatory	Somerset East Preparatory	Somerset Pines Academy	Somerset Preparatory Acad. CS at North Lauderdale
ASSETS:				
Cash, cash equivalents and investments	\$ 449	\$ 766	\$ 426	\$ 445
Due from other governmental agencies	-	-	10	-
Due from other schools	-	-	28	26
Prepays	1	55	59	3
Other assets	45	-	-	49
Total Current Assets	<u>495</u>	<u>821</u>	<u>523</u>	<u>523</u>
Non-current assets:				
Capital assets:				
Depreciable, net	34	305	381	948
Total assets	<u>529</u>	<u>1,126</u>	<u>904</u>	<u>1,471</u>
LIABILITIES:				
Current liabilities:				
Accounts payable and accrued expenses	28	77	139	276
Due to other schools	-	-	-	-
Unearned revenue	-	-	-	-
Management fees payable	-	-	-	-
Debt, net of premiums and discounts	-	-	-	-
Other liabilities	-	-	-	-
Total current liabilities	<u>28</u>	<u>77</u>	<u>139</u>	<u>276</u>
Non-current liabilities:				
Debt, net of premiums and discounts	-	-	-	-
Total non-current liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>28</u>	<u>77</u>	<u>139</u>	<u>276</u>
NET ASSETS (DEFICITS):				
Invested in capital assets, net of related debt	34	305	381	948
Restricted for:				
Other	-	-	-	-
Unrestricted net assets (deficits)	467	744	384	247
Total net assets (deficits)	<u>\$ 501</u>	<u>\$ 1,049</u>	<u>\$ 765</u>	<u>\$ 1,195</u>

* The audited financial information was not reported to the District as of the date of publication of the CAFR.

Somerset Preparatory Charter High at North Lauderdale	Somerset Preparatory Charter Middle	Somerset Village Academy	Somerset Village Academy Middle	Sunshine Elementary	Touchdowns 4life *	Broward Education Foundation	Total NonMajor Component Units
\$ 97	\$ 115	\$ 754	\$ 316	\$ 161	\$ -	\$ 2,388	\$ 21,483
-	-	-	9	-	-	-	1,345
-	-	-	-	-	-	-	2,167
8	1	24	12	1	-	5,126	6,975
-	-	68	-	48	-	815	6,599
<u>105</u>	<u>116</u>	<u>846</u>	<u>337</u>	<u>210</u>	<u>-</u>	<u>8,329</u>	<u>38,569</u>
352	357	410	324	13	-	-	70,560
<u>457</u>	<u>473</u>	<u>1,256</u>	<u>661</u>	<u>223</u>	<u>-</u>	<u>8,329</u>	<u>109,129</u>
41	89	94	33	46	-	147	9,527
26	-	-	-	-	-	-	1,011
-	-	-	181	-	-	-	987
-	-	-	-	-	-	-	87
-	-	-	-	-	-	-	1,189
-	-	-	-	-	-	-	620
<u>67</u>	<u>89</u>	<u>94</u>	<u>214</u>	<u>46</u>	<u>-</u>	<u>147</u>	<u>13,421</u>
-	95	-	40	-	-	-	62,086
-	95	-	40	-	-	-	62,086
<u>67</u>	<u>184</u>	<u>94</u>	<u>254</u>	<u>46</u>	<u>-</u>	<u>147</u>	<u>75,507</u>
352	262	410	284	13	-	-	11,508
-	-	40	-	-	-	5,126	6,478
38	27	712	123	164	-	3,056	15,636
<u>\$ 390</u>	<u>\$ 289</u>	<u>\$ 1,162</u>	<u>\$ 407</u>	<u>\$ 177</u>	<u>\$ -</u>	<u>\$ 8,182</u>	<u>\$ 33,622</u>

COMBINING SCHEDULE OF ACTIVITIES
COMPONENT UNITS (in thousands)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Ben Gamla Charter	Ben Gamla Charter High School	Ben Gamla Charter School Hallandale	Ben Gamla North	Ben Gamla South
EXPENSES:					
Instructional services	\$ 2,090	\$ 127	\$ 11	\$ 243	\$ 1,323
Instructional support services	3	7	-	9	1
Pupil transportation services	-	19	-	-	45
Operation and maintenance of plant	1,159	42	27	108	437
School administration	428	30	50	50	379
General administration	180	15	5	24	134
Food services	188	8	4	16	72
Scholarships and programs	-	-	-	-	-
Facility acquisition and construction	-	-	-	-	-
Interest expense	-	-	-	-	-
Depreciation - unallocated ⁽¹⁾	-	-	-	-	-
Total expenses	<u>4,048</u>	<u>248</u>	<u>97</u>	<u>450</u>	<u>2,391</u>
PROGRAM REVENUES:					
Charges for services	286	3	1	5	100
Operating grants and contributions	72	29	2	127	33
Capital grants and contributions	184	22	-	19	124
Total program revenues	<u>542</u>	<u>54</u>	<u>3</u>	<u>151</u>	<u>257</u>
Net program expense	<u>(3,506)</u>	<u>(194)</u>	<u>(94)</u>	<u>(299)</u>	<u>(2,134)</u>
GENERAL REVENUES:					
Grants and contributions not restricted to specific programs	3,211	235	95	269	2,109
Other federal sources	-	-	-	-	-
Other state sources	-	-	-	-	-
Other local sources	297	-	-	23	1
Unrestricted investment earnings	-	-	-	-	-
Total general revenues	<u>3,508</u>	<u>235</u>	<u>95</u>	<u>292</u>	<u>2,110</u>
Change in net assets (deficits)	<u>2</u>	<u>41</u>	<u>1</u>	<u>(7)</u>	<u>(24)</u>
Total net assets (deficits), beginning of year	<u>648</u>	<u>-</u>	<u>-</u>	<u>66</u>	<u>338</u>
Total net assets (deficits), end of year	<u>\$ 650</u>	<u>\$ 41</u>	<u>\$ 1</u>	<u>\$ 59</u>	<u>\$ 314</u>

⁽¹⁾ This amount excludes the depreciation that is included in the direct expenses of the various programs

Broward Community Charter School	Broward Community Charter School West	Central Charter School	Charter School of Excellence	Charter School of Excellence 2	Charter School of Excellence at Davie	Charter School of Excellence at Davie 2
\$ 422	\$ 933	\$ 2,759	\$ 978	\$ 66	\$ 476	\$ 467
3	68	198	26	7	28	19
44	162	89	42	42	42	42
54	212	718	258	6	84	45
37	139	379	205	18	161	221
122	344	790	383	208	239	560
43	342	381	123	-	48	48
-	-	-	-	-	-	-
151	587	-	126	14	57	57
-	-	6	11	-	-	-
-	75	-	-	-	-	-
<u>876</u>	<u>2,862</u>	<u>5,320</u>	<u>2,152</u>	<u>361</u>	<u>1,135</u>	<u>1,459</u>
70	161	125	135	-	65	64
22	64	497	120	153	46	250
38	112	249	92	10	52	50
130	337	871	347	163	163	364
<u>(746)</u>	<u>(2,525)</u>	<u>(4,449)</u>	<u>(1,805)</u>	<u>(198)</u>	<u>(972)</u>	<u>(1,095)</u>
730	2,065	4,127	1,645	179	905	892
-	-	-	-	-	-	-
-	-	-	-	-	-	-
18	384	198	109	12	64	57
-	-	-	2	2	-	2
<u>748</u>	<u>2,449</u>	<u>4,325</u>	<u>1,756</u>	<u>193</u>	<u>969</u>	<u>951</u>
2	(76)	(124)	(49)	(5)	(3)	(144)
1	159	2,572	657	10	281	169
<u>\$ 3</u>	<u>\$ 83</u>	<u>\$ 2,448</u>	<u>\$ 608</u>	<u>\$ 5</u>	<u>\$ 278</u>	<u>\$ 25</u>

COMBINING SCHEDULE OF ACTIVITIES
COMPONENT UNITS (in thousands)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Charter School of Excellence at Riverland	Charter School of Excellence at Riverland 2	Charter School of Excellence at Tamarac	Charter School of Excellence at Tamarac 2	Discovery Middle Charter
EXPENSES:					
Instructional services	\$ 540	\$ 348	\$ 629	\$ 584	\$ 504
Instructional support services	32	15	49	36	3
Pupil transportation services	75	42	91	42	52
Operation and maintenance of plant	68	33	84	42	78
School administration	68	103	115	134	107
General administration	216	447	213	379	198
Food services	68	62	79	75	70
Scholarships and programs	-	-	-	-	-
Facility acquisition and construction	56	54	181	183	180
Interest expense	11	-	4	-	-
Depreciation - unallocated ⁽¹⁾	-	-	-	-	-
Total expenses	1,134	1,104	1,445	1,475	1,192
PROGRAM REVENUES:					
Charges for services	29	32	82	76	67
Operating grants and contributions	59	237	62	68	61
Capital grants and contributions	-	36	62	64	68
Total program revenues	88	305	206	208	196
Net program expense	(1,046)	(799)	(1,239)	(1,267)	(996)
GENERAL REVENUES:					
Grants and contributions not restricted to specific programs	924	660	1,117	1,146	1,010
Other federal sources	-	-	-	-	-
Other state sources	-	-	-	-	-
Other local sources	53	42	76	75	13
Unrestricted investment earnings	-	-	-	-	-
Total general revenues	977	702	1,193	1,221	1,023
Change in net assets (deficits)	(69)	(97)	(46)	(46)	27
Total net assets (deficits), beginning of year	109	137	233	183	139
Total net assets (deficits), end of year	\$ 40	\$ 40	\$ 187	\$ 137	\$ 166

⁽¹⁾ This amount excludes the depreciation that is included in the direct expenses of the various programs

Dolphin Park High	Eagles' Nest Elementary	Eagles' Nest Middle	Excelsior Charter of Broward	Florida Intercultural Academy	Florida Intercultural Academy West	Franklin Academy A
\$ 616	\$ 423	\$ 163	\$ 565	\$ 996	\$ 1,572	\$ 3,302
235	160	45	57	-	-	114
96	50	32	-	-	55	-
417	87	11	80	186	408	1,619
923	219	41	94	573	493	1,158
56	89	41	242	79	128	527
4	23	1	46	111	124	302
-	108	-	-	-	-	-
117	-	31	183	36	305	-
-	-	-	-	288	-	-
-	6	1	17	204	-	164
<u>2,464</u>	<u>1,165</u>	<u>366</u>	<u>1,284</u>	<u>2,473</u>	<u>3,085</u>	<u>7,186</u>
-	8	305	22	16	27	708
-	950	25	1	80	118	390
-	57	14	66	93	-	13
-	1,015	344	89	189	145	1,111
<u>(2,464)</u>	<u>(150)</u>	<u>(22)</u>	<u>(1,195)</u>	<u>(2,284)</u>	<u>(2,940)</u>	<u>(6,075)</u>
2,476	-	-	49	171	140	6,702
-	31	52	-	-	-	-
-	-	-	1,183	1,717	2,815	-
-	1	-	-	-	-	-
-	-	-	-	-	-	-
<u>2,476</u>	<u>32</u>	<u>52</u>	<u>1,232</u>	<u>1,888</u>	<u>2,955</u>	<u>6,702</u>
12	(118)	30	37	(396)	15	627
129	402	57	266	752	-	-
<u>\$ 141</u>	<u>\$ 284</u>	<u>\$ 87</u>	<u>\$ 303</u>	<u>\$ 356</u>	<u>\$ 15</u>	<u>\$ 627</u>

COMBINING SCHEDULE OF ACTIVITIES
COMPONENT UNITS (in thousands)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Franklin Academy B	Henry McNeal Turner Learning Academy	Hollywood Academy of Arts	Hollywood Academy of Arts Middle	Imagine at Broward
EXPENSES:					
Instructional services	\$ 569	\$ 145	\$ 1,511	\$ 741	\$ 2,100
Instructional support services	-	2	14	13	140
Pupil transportation services	-	35	-	-	-
Operation and maintenance of plant	86	29	825	482	1,272
School administration	-	81	298	145	810
General administration	43	38	420	171	16
Food services	-	11	90	-	92
Scholarships and programs	-	-	-	-	-
Facility acquisition and construction	-	56	-	-	-
Interest expense	-	-	1,008	597	-
Depreciation - unallocated ⁽¹⁾	-	13	-	-	-
Total expenses	698	410	4,166	2,149	4,430
PROGRAM REVENUES:					
Charges for services	-	-	147	-	399
Operating grants and contributions	-	19	234	110	345
Capital grants and contributions	1	-	146	96	-
Total program revenues	1	19	527	206	744
Net program expense	(697)	(391)	(3,639)	(1,943)	(3,686)
GENERAL REVENUES:					
Grants and contributions not restricted to specific programs	544	432	2,553	1,273	3,664
Other federal sources	-	-	-	-	-
Other state sources	-	-	-	-	-
Other local sources	-	-	-	5	134
Unrestricted investment earnings	-	-	1	-	-
Total general revenues	544	432	2,554	1,278	3,798
Change in net assets (deficits)	(153)	41	(1,085)	(665)	112
Total net assets (deficits), beginning of year	-	40	672	185	152
Total net assets (deficits), end of year	\$ (153)	\$ 81	\$ (413)	\$ (480)	\$ 264

⁽¹⁾ This amount excludes the depreciation that is included in the direct expenses of the various programs

Imagine at Broward Middle	Imagine at North Lauderdale	Imagine at North Lauderdale Middle	Imagine at Weston	International School of Broward	Kathleen C Wright Leadership Academy	Kidz Choice Charter
\$ 363	\$ 1,099	\$ 601	\$ 3,259	\$ 805	\$ 419	\$ 330
32	420	9	112	45	23	1
-	82	44	169	19	85	-
280	620	355	2,188	39	212	59
128	537	273	923	372	453	142
11	18	12	23	324	183	138
19	251	131	-	12	17	5
-	-	-	-	-	-	-
-	-	-	-	174	22	85
-	69	2	-	-	-	-
-	-	-	44	45	21	6
<u>833</u>	<u>3,096</u>	<u>1,427</u>	<u>6,718</u>	<u>1,835</u>	<u>1,435</u>	<u>766</u>
-	44	5	699	110	1	-
120	791	324	416	-	282	1
87	51	-	-	132	7	39
<u>207</u>	<u>886</u>	<u>329</u>	<u>1,115</u>	<u>242</u>	<u>290</u>	<u>40</u>
<u>(626)</u>	<u>(2,210)</u>	<u>(1,098)</u>	<u>(5,603)</u>	<u>(1,593)</u>	<u>(1,145)</u>	<u>(726)</u>
698	2,298	1,093	5,442	1,558	883	707
-	-	-	-	-	-	-
-	-	-	-	-	-	-
33	36	1	211	124	213	-
-	-	-	-	-	-	-
<u>731</u>	<u>2,334</u>	<u>1,094</u>	<u>5,653</u>	<u>1,682</u>	<u>1,096</u>	<u>707</u>
105	124	(4)	50	89	(49)	(19)
159	(735)	91	(100)	(256)	-	152
<u>\$ 264</u>	<u>\$ (611)</u>	<u>\$ 87</u>	<u>\$ (50)</u>	<u>\$ (167)</u>	<u>\$ (49)</u>	<u>\$ 133</u>

**COMBINING SCHEDULE OF ACTIVITIES
 COMPONENT UNITS (in thousands)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Lauderdale Lakes Academy *	Lauderhill High	Life Skills	Mavericks High of Central Broward	Mavericks High of North Broward
EXPENSES:					
Instructional services	\$ -	\$ 557	\$ 657	\$ 702	\$ 676
Instructional support services	-	217	338	396	236
Pupil transportation services	-	93	75	162	150
Operation and maintenance of plant	-	301	473	810	709
School administration	-	700	317	-	-
General administration	-	57	217	803	675
Food services	-	10	-	-	-
Scholarships and programs	-	-	-	-	-
Facility acquisition and construction	-	182	6	-	-
Interest expense	-	-	-	25	-
Depreciation - unallocated ⁽¹⁾	-	-	-	-	-
Total expenses	-	2,117	2,083	2,898	2,446
PROGRAM REVENUES:					
Charges for services	-	-	-	-	-
Operating grants and contributions	-	-	5	160	380
Capital grants and contributions	-	-	-	-	-
Total program revenues	-	-	5	160	380
Net program expense	-	(2,117)	(2,078)	(2,738)	(2,066)
GENERAL REVENUES:					
Grants and contributions not restricted to specific programs	-	2,174	1,665	3,036	2,717
Other federal sources	-	-	-	-	-
Other state sources	-	-	-	-	-
Other local sources	-	-	286	2	2
Unrestricted investment earnings	-	-	-	-	-
Total general revenues	-	2,174	1,951	3,038	2,719
Change in net assets (deficits)	-	57	(127)	300	653
Total net assets (deficits), beginning of year	-	190	220	(137)	-
Total net assets (deficits), end of year	\$ -	\$ 247	\$ 93	\$ 163	\$ 653

⁽¹⁾ This amount excludes the depreciation that is included in the direct expenses of the various programs

* The audited financial information was not reported to the District as of the date of publication of the CAFR.

North Broward Academy of Excellence	North Broward Academy of Excellence Middle	North University High	Parangon Academy of Technology	Parangon Elementary	Parkway Academy *	Pompano Charter Middle
\$ 2,276	\$ 958	\$ 532	\$ 294	\$ 596	\$ -	\$ 246
77	22	228	94	3	-	1
-	-	112	42	53	-	33
877	458	459	35	54	-	29
288	143	788	86	168	-	94
654	232	54	69	104	-	121
355	-	1	4	10	-	5
-	-	-	-	-	-	-
-	-	51	72	103	-	53
496	233	-	-	-	-	-
-	-	-	-	-	-	-
<u>5,023</u>	<u>2,046</u>	<u>2,225</u>	<u>696</u>	<u>1,091</u>	<u>-</u>	<u>582</u>
245	-	-	-	-	-	-
672	184	-	90	57	-	69
214	135	-	35	51	-	27
<u>1,131</u>	<u>319</u>	<u>-</u>	<u>125</u>	<u>108</u>	<u>-</u>	<u>96</u>
<u>(3,892)</u>	<u>(1,727)</u>	<u>(2,225)</u>	<u>(571)</u>	<u>(983)</u>	<u>-</u>	<u>(486)</u>
3,790	1,806	2,191	515	915	-	387
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	7	-	17	-	-	-
-	-	-	-	-	-	-
<u>3,790</u>	<u>1,813</u>	<u>2,191</u>	<u>532</u>	<u>915</u>	<u>-</u>	<u>387</u>
(102)	86	(34)	(39)	(68)	-	(99)
481	168	103	116	65	-	91
<u>\$ 379</u>	<u>\$ 254</u>	<u>\$ 69</u>	<u>\$ 77</u>	<u>\$ (3)</u>	<u>\$ -</u>	<u>\$ (8)</u>

**COMBINING SCHEDULE OF ACTIVITIES
COMPONENT UNITS (in thousands)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Renaissance Charter School at Coral Springs	Renaissance Charter School at Plantation	Rise Academy School of Sciences & Technology I	Rise Academy School of Sciences & Technology II	Smart School Middle *
EXPENSES:					
Instructional services	\$ 2,894	\$ 2,084	\$ 185	\$ 984	\$ -
Instructional support services	238	98	3	2	-
Pupil transportation services	-	-	26	148	-
Operation and maintenance of plant	1,341	986	87	370	-
School administration	538	367	50	392	-
General administration	760	270	102	284	-
Food services	290	252	20	218	-
Scholarships and programs	-	-	-	-	-
Facility acquisition and construction	-	-	-	-	-
Interest expense	1,789	-	-	-	-
Depreciation - unallocated ⁽¹⁾	-	-	68	34	-
Total expenses	7,850	4,057	541	2,432	-
PROGRAM REVENUES:					
Charges for services	401	206	4	36	-
Operating grants and contributions	591	644	124	361	-
Capital grants and contributions	322	209	-	-	-
Total program revenues	1,314	1,059	128	397	-
Net program expense	(6,536)	(2,998)	(413)	(2,035)	-
GENERAL REVENUES:					
Grants and contributions not restricted to specific programs	5,407	3,506	454	1,965	-
Other federal sources	-	-	-	-	-
Other state sources	-	-	-	-	-
Other local sources	24	21	16	8	-
Unrestricted investment earnings	-	-	-	-	-
Total general revenues	5,431	3,527	470	1,973	-
Change in net assets (deficits)	(1,105)	529	57	(62)	-
Total net assets (deficits), beginning of year	-	-	146	70	-
Total net assets (deficits), end of year	\$ (1,105)	\$ 529	\$ 203	\$ 8	\$ -

⁽¹⁾ This amount excludes the depreciation that is included in the direct expenses of the various programs

* The audited financial information was not reported to the District as of the date of publication of the CAFR.

** includes Somerset Neighborhood

Somerset Academy **	Somerset Academy Davie	Somerset Academy Middle	Somerset Academy High	Somerset Academy Miramar	Somerset Acad. Miramar Mid.	Somerset Acad. Miramar High
\$ 5,093	\$ 442	\$ 2,018	\$ 2,509	\$ 2,760	\$ 1,117	\$ 961
6	3	3	7	5	9	2
57	-	64	58	-	-	38
2,464	244	1,928	1,291	1,532	684	293
1,347	181	582	705	886	279	239
415	62	292	260	294	127	82
343	34	206	181	164	109	64
-	-	-	-	-	-	-
87	-	69	70	49	20	-
-	-	-	-	-	-	9
-	-	-	-	-	-	-
<u>9,812</u>	<u>966</u>	<u>5,162</u>	<u>5,081</u>	<u>5,690</u>	<u>2,345</u>	<u>1,688</u>
1,089	87	113	208	570	61	248
205	28	109	96	302	189	196
446	48	326	390	274	139	110
<u>1,740</u>	<u>163</u>	<u>548</u>	<u>694</u>	<u>1,146</u>	<u>389</u>	<u>554</u>
<u>(8,072)</u>	<u>(803)</u>	<u>(4,614)</u>	<u>(4,387)</u>	<u>(4,544)</u>	<u>(1,956)</u>	<u>(1,134)</u>
8,049	879	4,628	4,291	4,915	1,908	1,135
-	-	-	-	-	-	-
-	-	-	-	-	-	-
53	-	23	128	-	-	-
-	-	-	-	-	-	-
<u>8,102</u>	<u>879</u>	<u>4,651</u>	<u>4,419</u>	<u>4,915</u>	<u>1,908</u>	<u>1,135</u>
30	76	37	32	371	(48)	1
3,000	676	1,483	2,382	3,227	875	-
<u>\$ 3,030</u>	<u>\$ 752</u>	<u>\$ 1,520</u>	<u>\$ 2,414</u>	<u>\$ 3,598</u>	<u>\$ 827</u>	<u>\$ 1</u>

COMBINING SCHEDULE OF ACTIVITIES
COMPONENT UNITS (in thousands)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Somerset Conservatory	Somerset East Preparatory	Somerset Pines Academy	Somerset Preparatory Acad. CS at North Lauderdale	Somerset Preparatory Charter High at North Lauderdale
EXPENSES:					
Instructional services	\$ 228	\$ 911	\$ 1,318	\$ 2,552	\$ 344
Instructional support services	1	3	5	14	5
Pupil transportation services	5	-	-	-	-
Operation and maintenance of plant	128	455	651	947	166
School administration	40	326	346	634	99
General administration	35	120	132	260	43
Food services	22	133	114	343	56
Scholarships and programs	-	-	-	-	-
Facility acquisition and construction	-	-	-	-	-
Interest expense	-	-	-	-	-
Depreciation - unallocated ⁽¹⁾	-	-	-	-	-
Total expenses	459	1,948	2,566	4,750	713
PROGRAM REVENUES:					
Charges for services	12	82	155	32	3
Operating grants and contributions	12	161	274	777	199
Capital grants and contributions	47	100	132	249	59
Total program revenues	71	343	561	1,058	261
Net program expense	(388)	(1,605)	(2,005)	(3,692)	(452)
GENERAL REVENUES:					
Grants and contributions not restricted to specific programs	492	1,845	2,281	4,156	625
Other federal sources	-	-	-	-	-
Other state sources	-	-	-	-	-
Other local sources	-	-	-	3	-
Unrestricted investment earnings	-	-	-	-	-
Total general revenues	492	1,845	2,281	4,159	625
Change in net assets (deficits)	104	240	276	467	173
Total net assets (deficits), beginning of year	397	809	489	728	217
Total net assets (deficits), end of year	\$ 501	\$ 1,049	\$ 765	\$ 1,195	\$ 390

⁽¹⁾ This amount excludes the depreciation that is included in the direct expenses of the various programs

* The audited financial information was not reported to the District as of the date of publication of the CAFR.

Somerset Preparatory Charter Middle	Somerset Village Academy	Somerset Village Academy Middle	Sunshine Elementary	Touchdowns 4life *	Broward Education Foundation	Total NonMajor Component Units
\$ 999	\$ 1,121	\$ 465	\$ 445	\$ -	\$ -	\$ 69,003
3	1	3	40	-	-	3,989
4	-	-	42	-	-	2,658
411	507	219	55	-	-	31,674
359	296	128	92	-	-	20,757
113	126	54	84	-	397	14,314
100	175	68	13	-	-	6,156
-	-	-	-	-	1,896	2,004
-	5	-	40	-	-	3,462
-	-	-	-	-	-	4,548
-	-	-	-	-	-	698
<u>1,989</u>	<u>2,231</u>	<u>937</u>	<u>811</u>	<u>-</u>	<u>2,293</u>	<u>159,263</u>
38	56	7	-	-	80	7,525
311	246	272	46	-	1,774	14,642
<u>123</u>	<u>116</u>	<u>57</u>	<u>39</u>	<u>-</u>	<u>-</u>	<u>5,632</u>
<u>472</u>	<u>418</u>	<u>336</u>	<u>85</u>	<u>-</u>	<u>1,854</u>	<u>27,799</u>
<u>(1,517)</u>	<u>(1,813)</u>	<u>(601)</u>	<u>(726)</u>	<u>-</u>	<u>(439)</u>	<u>(131,464)</u>
1,694	2,084	805	684	-	-	123,001
-	-	-	-	-	-	83
-	-	-	-	-	-	5,715
-	-	-	47	-	-	2,817
-	-	-	-	-	10	17
<u>1,694</u>	<u>2,084</u>	<u>805</u>	<u>731</u>	<u>-</u>	<u>10</u>	<u>131,633</u>
177	271	204	5	-	(429)	169
112	891	203	172	-	8,611	33,453
<u>\$ 289</u>	<u>\$ 1,162</u>	<u>\$ 407</u>	<u>\$ 177</u>	<u>\$ -</u>	<u>\$ 8,182</u>	<u>\$ 33,622</u>

Broward County Public Schools



***Educating Today's Students
For Tomorrow's World***



Broward County Public Schools

**Statistical
Section**

Broward County Public Schools



***Educating Today's Students
For Tomorrow's World***

Statistical Tables

This section of the School Board of Broward County's Comprehensive Annual Financial Report (CAFR) is the chief source of information regarding the School Board's economic condition. It presents detailed information for understanding what the information in the financial statements, note disclosures and required supplemental information says about the School Board's overall financial position. All of the information presented in the statistical section is organized around five specific objectives.

Financial Trends (Table 1 – 4)

These schedules contain trend information to assist the reader in understanding how the School Board's financial position has changed over time.

Revenue Capacity (Table 5 – 8)

These schedules contain information to assist the reader in understanding and assessing the School Board's major revenue sources.

Debt Capacity (Table 9 – 13)

These schedules present information to assist the reader in understanding the School Board's current levels of outstanding debt and its ability to issue additional debt in the future.

Demographic & Economic Information (Table 14 - 17)

These schedules offer demographic and economic indicators to assist the reader in understanding the environment in which the School Board's financial activities take place.

Operating Information (Table 18 – 21)

These schedules contain service and infrastructure data to assist the reader in understanding how the information in the School Board's financial report relates to the service the School Board provides and the activities it performs.

TABLE 1 - NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS (accrual basis of accounting)
(dollars in thousands)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
PRIMARY GOVERNMENT:										
NET ASSETS:										
Invested in capital assets, net of related debt	\$ 1,128,245	\$ 1,183,094	\$ 1,292,131	\$ 1,375,410	\$ 1,429,092	\$ 1,467,281	\$ 1,528,246	\$ 1,469,885	\$ 1,459,470	\$ 1,354,057
Restricted for:										
State required carryover programs	10,095	11,947	8,817	9,613	18,179	12,934	2,882	5,104	4,660	6,521
Debt service	8,155	25,201	25,919	25,837	30,433	23,605	13,324	12,318	15,310	11,763
Capital projects	363,448	413,033	336,947	316,111	324,154	359,238	263,636	207,636	126,574	128,358
Special revenue	37,225	21,643	15,053	4,748	2,576	1,380	2,611	11,354	19,626	30,275
Unrestricted (deficits)	19,979	36,727	(5,896)	(11,752)	(54,951)	(40,486)	(90,842)	(108,596)	(76,872)	(145,677)
Total net assets	<u>\$ 1,567,147</u>	<u>\$ 1,691,645</u>	<u>\$ 1,672,971</u>	<u>\$ 1,719,967</u>	<u>\$ 1,749,483</u>	<u>\$ 1,823,952</u>	<u>\$ 1,719,857</u>	<u>\$ 1,597,701</u>	<u>\$ 1,548,768</u>	<u>\$ 1,385,297</u>

SOURCE: The School Board of Broward County - Accounting & Financial Reporting Department

(UNAUDITED)

TABLE 2 - CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS (accrual basis of accounting)
(dollars in thousands)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
PRIMARY GOVERNMENT:										
PROGRAM EXPENSES:										
Instructional services	\$ 1,043,226	\$ 1,179,520	\$ 1,304,527	\$ 1,391,571	\$ 1,458,996	\$ 1,535,029	\$ 1,570,848	\$ 1,500,822	\$ 1,544,961	\$ 1,374,058
Instructional support services	216,844	227,624	228,344	251,724	262,062	269,177	274,977	254,985	236,635	219,525
Pupil transportation services	71,572	70,485	81,628	83,456	85,097	92,070	91,121	102,714	93,605	87,777
Operation and maintenance of plant	190,932	203,328	222,763	233,472	249,784	256,039	256,559	250,936	247,447	229,195
School administration	105,638	113,350	119,513	121,995	130,786	134,685	136,038	133,619	134,051	122,644
General administration	80,321	79,856	87,172	89,612	120,302	111,333	100,440	102,111	92,854	79,246
Food services	67,414	81,903	89,662	90,871	89,644	94,192	93,785	90,025	93,200	90,191
Interest expense	53,214	46,754	88,443	85,380	115,679	151,433	97,615	60,652	24,517	32,646
Facilities acquisition and construction	79,415	79,968	54,952	64,849	90,227	89,550	71,259	102,028	102,841	128,897
Total expenses	<u>\$ 1,908,576</u>	<u>\$ 2,082,788</u>	<u>\$ 2,277,004</u>	<u>\$ 2,412,930</u>	<u>\$ 2,602,577</u>	<u>\$ 2,733,508</u>	<u>\$ 2,692,642</u>	<u>\$ 2,597,892</u>	<u>\$ 2,570,111</u>	<u>\$ 2,364,179</u>
PROGRAM REVENUES:										
Charges for services										
Instructional services	\$ 17,881	\$ 19,967	\$ 18,220	\$ 18,822	\$ 20,103	\$ 20,470	\$ 20,576	\$ 21,038	\$ 21,169	\$ 23,201
Pupil transportation services	892	805	848	838	1,134	1,054	1,338	1,375	1,114	1,140
Food services	22,883	23,596	24,551	24,563	29,662	29,460	27,894	24,794	23,025	21,479
Total charges for services	<u>41,656</u>	<u>44,368</u>	<u>43,619</u>	<u>44,223</u>	<u>50,899</u>	<u>50,984</u>	<u>49,808</u>	<u>47,207</u>	<u>45,308</u>	<u>45,820</u>
Operating grants and contributions	76,732	80,815	85,086	81,455	85,858	90,974	93,765	67,242	73,666	74,915
Capital grants and contributions	54,022	104,151	20,546	47,959	31,620	128,579	47,632	32,883	27,270	28,657
Total program revenues	<u>\$ 172,410</u>	<u>\$ 229,334</u>	<u>\$ 149,251</u>	<u>\$ 173,637</u>	<u>\$ 168,377</u>	<u>\$ 270,537</u>	<u>\$ 191,205</u>	<u>\$ 147,332</u>	<u>\$ 146,244</u>	<u>\$ 149,392</u>
GENERAL REVENUES:										
Ad valorem taxes levied for:										
General purposes	\$ 584,120	\$ 601,061	\$ 663,239	\$ 743,610	\$ 864,254	\$ 926,121	\$ 961,492	\$ 906,798	\$ 831,155	\$ 757,984
Debt service	30,672	28,804	28,187	28,189	28,867	28,980	210	51	51	21
Capital outlays	178,433	200,957	215,966	254,586	304,126	338,057	297,268	229,963	200,622	192,258
Grants and contributions not restricted to specific programs:										
Florida education finance program	770,036	808,127	768,967	730,799	679,652	616,014	486,418	502,051	611,112	577,416
Other federal sources	131,270	158,451	181,255	202,916	171,201	193,891	183,247	348,546	381,178	205,162
Other state sources	89,027	134,019	191,207	242,855	304,479	351,042	338,170	303,494	312,309	300,459
Other local sources	26,338	34,764	34,008	43,123	40,210	28,290	93,412	28,913	34,035	13,002
Unrestricted investment earnings	25,349	11,769	26,250	40,211	70,927	55,045	37,125	8,588	4,472	5,014
Total general revenues	<u>1,835,245</u>	<u>1,977,952</u>	<u>2,109,079</u>	<u>2,286,289</u>	<u>2,463,716</u>	<u>2,537,440</u>	<u>2,397,342</u>	<u>2,328,404</u>	<u>2,374,934</u>	<u>2,051,316</u>
Total revenues	<u>\$ 2,007,655</u>	<u>\$ 2,207,286</u>	<u>\$ 2,258,330</u>	<u>\$ 2,459,926</u>	<u>\$ 2,632,093</u>	<u>\$ 2,807,977</u>	<u>\$ 2,588,547</u>	<u>\$ 2,475,736</u>	<u>\$ 2,521,178</u>	<u>\$ 2,200,708</u>
Change in net assets	<u>\$ 99,079</u>	<u>\$ 124,498</u>	<u>\$ (18,674)</u>	<u>\$ 46,996</u>	<u>\$ 29,516</u>	<u>\$ 74,469</u>	<u>\$ (104,095)</u>	<u>\$ (122,156)</u>	<u>\$ (48,933)</u>	<u>\$ (163,471)</u>

SOURCE: The School Board of Broward County - Accounting & Financial Reporting Department

(UNAUDITED)

**TABLE 3 - FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (modified accrual basis of accounting)
(dollars in thousands)**

	<u>2003 *</u>	<u>2004 *</u>	<u>2005 *</u>	<u>2006 *</u>
GENERAL FUND:				
Nonspendable	\$ 10,305	\$ 16,706	\$ 12,183	\$ 10,657
Restricted	10,095	11,947	8,817	9,613
Committed	2,016	2,103	2,103	2,103
Assigned	7,233	36,106	15,120	4,024
Unassigned	81,658	77,873	81,165	90,419
Total General Fund	<u>\$ 111,307</u>	<u>\$ 144,735</u>	<u>\$ 119,388</u>	<u>\$ 116,816</u>
Total Change in General Fund Balance	<u>\$ 16,970</u>	<u>\$ 33,428</u>	<u>\$ (25,347)</u>	<u>\$ (2,572)</u>
ALL OTHER GOVERNMENTAL FUNDS:⁽¹⁾				
Nonspendable	\$ 2,956	\$ 2,096	\$ 2,951	\$ 3,428
Restricted	726,840	854,036	860,529	913,480
Committed	-	-	-	-
Assigned	474	726	1,677	1,387
Unassigned	-	-	-	-
Total All Other Governmental Funds	<u>\$ 730,270</u>	<u>\$ 856,858</u>	<u>\$ 865,157</u>	<u>\$ 918,295</u>
Total Change in Other Gov Funds Balance	<u>\$ 19,324</u>	<u>\$ 126,588</u>	<u>\$ 8,299</u>	<u>\$ 53,138</u>

(1) Includes Special Revenue, Debt Service and Capital Projects Funds.

* The District implemented GASB 54 for the fiscal year ended June 30, 2011.
The fund balances from the prior fiscal years were restated for comparison purposes.

SOURCE: The School Board of Broward County - Accounting & Financial Reporting Department

Table 3 (concluded)

2007 *	2008 *	2009 *	2010 *	2011	2012
\$ 14,895	\$ 18,392	\$ 19,401	\$ 11,105	\$ 10,571	\$ 10,015
18,179	12,934	2,882	5,104	4,660	6,521
2,103	2,103	2,103	2,103	2,103	1,690
7,478	14,119	2,365	2,510	25,497	9,274
56,213	68,351	58,206	48,628	57,000	49,646
<u>\$ 98,868</u>	<u>\$ 115,899</u>	<u>\$ 84,957</u>	<u>\$ 69,450</u>	<u>\$ 99,831</u>	<u>\$ 77,146</u>
<u>\$ (17,948)</u>	<u>\$ 17,031</u>	<u>\$ (30,942)</u>	<u>\$ (15,507)</u>	<u>\$ 30,381</u>	<u>\$ (22,685)</u>
\$ 2,661	\$ 2,139	\$ 1,699	\$ 1,677	\$ 1,968	\$ 2,010
906,141	964,778	721,383	510,346	439,693	369,817
-	-	-	-	-	-
1,844	1,981	1,982	1,950	4,011	2,513
-	-	-	-	-	-
<u>\$ 910,646</u>	<u>\$ 968,898</u>	<u>\$ 725,064</u>	<u>\$ 513,973</u>	<u>\$ 445,672</u>	<u>\$ 374,340</u>
<u>\$ (7,649)</u>	<u>\$ 58,252</u>	<u>\$ (243,834)</u>	<u>\$ (211,091)</u>	<u>\$ (68,301)</u>	<u>\$ (71,332)</u>

(UNAUDITED)

TABLE 4 - GENERAL GOVERNMENT SUMMARY OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION ⁽¹⁾ (modified accrual basis of accounting)
LAST TEN FISCAL YEARS
(dollars in thousands)

	2003	2004	2005	2006
REVENUES:				
Local sources:				
Ad valorem taxes	\$ 787,404	\$ 832,371	\$ 914,028	\$ 1,028,902
Food sales	22,883	23,596	24,551	24,563
Interest income	22,324	10,390	23,455	36,860
Other	51,003	58,765	62,852	68,526
Total local sources	<u>883,614</u>	<u>925,122</u>	<u>1,024,886</u>	<u>1,158,851</u>
State sources:				
Florida education finance program	770,036	808,127	768,967	730,797
Public education capital outlay	23,403	26,045	-	31,662
Classrooms for kids	-	43,227	8,688	4,386
Effort Index Grants	6,381	-	-	-
Discretionary lottery funds	20,614	13,903	15,818	13,656
Categorical programs and other	113,607	186,593	221,142	274,891
Total state sources	<u>934,041</u>	<u>1,077,895</u>	<u>1,014,615</u>	<u>1,055,392</u>
Federal sources:				
Food service	41,534	44,051	45,885	42,638
Grants and other	137,482	162,719	183,564	200,218
Total federal sources	<u>179,016</u>	<u>206,770</u>	<u>229,449</u>	<u>242,856</u>
TOTAL REVENUES	<u>\$ 1,996,671</u>	<u>\$ 2,209,787</u>	<u>\$ 2,268,950</u>	<u>\$ 2,457,099</u>
EXPENDITURES:				
Current operating:				
Instructional services	\$ 995,797	\$ 1,121,289	\$ 1,223,377	\$ 1,284,930
Instructional support services	211,888	220,155	217,428	237,445
Pupil transportation services	66,559	66,883	78,026	80,005
Operation and maintenance of plant	187,140	198,368	216,215	225,552
School administration	104,580	111,408	116,383	118,487
General administration	84,838	86,327	104,260	98,451
Food services	67,739	81,949	86,447	84,848
Total current operating	<u>1,718,541</u>	<u>1,886,379</u>	<u>2,042,136</u>	<u>2,129,718</u>
Debt service:				
Principal retirement	54,320	62,406	72,280	97,361
Interest charges	50,477	52,736	61,142	71,273
Total debt service	<u>104,797</u>	<u>115,142</u>	<u>133,422</u>	<u>168,634</u>
Capital outlay:				
Facilities acquisition & construction-non capitalized	59,118	58,185	59,772	65,918
Facilities acquisition & construction-capitalized	298,537	265,062	311,320	400,930
Total capital outlay	<u>357,655</u>	<u>323,247</u>	<u>371,092</u>	<u>466,848</u>
TOTAL EXPENDITURES	<u>\$ 2,180,993</u>	<u>\$ 2,324,768</u>	<u>\$ 2,546,650</u>	<u>\$ 2,765,200</u>
Excess of revenues over (under)				
Expenditures	<u>(184,322)</u>	<u>(114,981)</u>	<u>(277,700)</u>	<u>(308,101)</u>
Other financing sources (uses):				
Proceeds of bonds sold	117,846	10,391	-	460
Premium on refunding bonds	-	-	-	-
Proceeds of refunding bonds issued	-	-	-	-
Proceeds of certificates of participation	212,535	366,165	243,607	267,105
Premium (discount) on long-term debt issued	-	17,722	10,231	6,740
Capital leases	-	8,284	3,600	81,355
Proceeds from sale of capital assets	5,107	4,627	2,487	257
Proceeds of loss recovery	444	388	201	2,750
Payments to refunded bond escrow agents	(113,025)	(140,725)	-	-
Miscellaneous other uses	(2,291)	-	-	-
Transfers in	168,134	130,091	140,951	167,598
Transfers out	(168,134)	(121,946)	(140,951)	(167,598)
Total other financing sources (uses)	<u>220,616</u>	<u>274,997</u>	<u>260,126</u>	<u>358,667</u>
Net change in fund balances	<u>\$ 36,294</u>	<u>\$ 160,016</u>	<u>\$ (17,574)</u>	<u>\$ 50,566</u>
Debt service as a percentage of noncapital expenditures	5.57%	5.59%	5.97%	7.13%

(1) Includes General, Special Revenue, Debt Service and Capital Projects Funds

SOURCE: The School Board of Broward County - Accounting & Financial Reporting Department

Table 4 (concluded)

2007	2008	2009	2010	2011	2012
\$ 1,197,247	\$ 1,293,158	\$ 1,258,970	\$ 1,129,024	\$ 1,016,239	\$ 961,867
29,663	29,461	27,896	24,794	23,025	21,477
68,737	50,388	33,697	6,992	4,274	2,838
64,613	69,389	67,662	59,439	66,600	56,770
<u>1,360,260</u>	<u>1,442,396</u>	<u>1,388,225</u>	<u>1,220,249</u>	<u>1,110,138</u>	<u>1,042,952</u>
679,652	616,014	486,418	502,051	611,112	577,416
19,626	105,718	25,570	10,894	5,000	-
-	-	-	-	-	-
-	-	-	-	-	-
10,833	13,012	6,608	749	1,003	870
<u>342,176</u>	<u>397,823</u>	<u>389,270</u>	<u>326,109</u>	<u>334,929</u>	<u>322,957</u>
<u>1,052,287</u>	<u>1,132,567</u>	<u>907,866</u>	<u>839,803</u>	<u>952,044</u>	<u>901,243</u>
45,381	51,096	55,767	62,534	65,604	67,416
188,273	185,369	196,824	352,119	387,888	211,264
<u>233,654</u>	<u>236,465</u>	<u>252,591</u>	<u>414,653</u>	<u>453,492</u>	<u>278,680</u>
<u>\$ 2,646,201</u>	<u>\$ 2,811,428</u>	<u>\$ 2,548,682</u>	<u>\$ 2,474,705</u>	<u>\$ 2,515,674</u>	<u>\$ 2,222,875</u>
\$ 1,364,798	\$ 1,427,580	\$ 1,455,381	\$ 1,396,303	\$ 1,440,371	\$ 1,281,602
249,491	254,565	258,476	239,841	221,500	205,933
83,540	89,126	88,616	97,486	89,432	85,530
242,697	247,274	247,376	242,354	238,992	221,986
127,287	130,432	131,907	129,519	129,971	118,847
124,842	116,385	107,400	99,396	102,259	79,904
83,855	87,492	86,656	83,625	89,138	85,985
<u>2,276,510</u>	<u>2,352,854</u>	<u>2,375,812</u>	<u>2,288,524</u>	<u>2,311,663</u>	<u>2,079,787</u>
102,083	106,839	89,484	79,303	79,553	77,611
96,128	107,318	103,359	101,653	98,668	93,968
<u>198,211</u>	<u>214,157</u>	<u>192,843</u>	<u>180,956</u>	<u>178,221</u>	<u>171,579</u>
96,361	142,072	71,189	60,652	24,517	32,646
389,542	318,606	408,389	189,031	96,646	37,355
<u>485,903</u>	<u>460,678</u>	<u>479,578</u>	<u>249,683</u>	<u>121,163</u>	<u>70,001</u>
<u>\$ 2,960,624</u>	<u>\$ 3,027,689</u>	<u>\$ 3,048,233</u>	<u>\$ 2,719,163</u>	<u>\$ 2,611,047</u>	<u>\$ 2,321,367</u>
(314,423)	(216,261)	(499,551)	(244,458)	(95,373)	(98,492)
40,757	4,875	-	4,217	-	-
-	-	-	-	1,124	1,367
-	-	-	-	6,995	12,265
272,625	270,560	133,963	-	227,155	270,650
13,695	4,627	(816)	-	8,924	29,027
-	10,896	16,972	8,902	-	-
217	386	3,211	626	2,001	2,679
2,928	200	198	7,116	2,289	94
(41,396)	-	-	(3,001)	(191,035)	(311,422)
-	-	-	-	-	-
230,279	260,734	353,096	251,564	251,274	234,336
<u>(230,279)</u>	<u>(260,734)</u>	<u>(281,849)</u>	<u>(251,564)</u>	<u>(251,274)</u>	<u>(234,521)</u>
<u>288,826</u>	<u>291,544</u>	<u>224,775</u>	<u>17,860</u>	<u>57,453</u>	<u>4,475</u>
<u>\$ (25,597)</u>	<u>\$ 75,283</u>	<u>\$ (274,776)</u>	<u>\$ (226,598)</u>	<u>\$ (37,920)</u>	<u>\$ (94,017)</u>
7.71%	7.91%	7.31%	7.15%	7.09%	7.51%

(UNAUDITED)

**TABLE 5 - ASSESSED VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(dollars in thousands)**

FISCAL YEAR	ASSESSED VALUE ⁽¹⁾		EXEMPTIONS ⁽²⁾		NET ASSESSED TAXABLE PROPERTY VALUE	DIRECT TAX RATE
	REAL PROPERTY	PERSONAL PROPERTY	REAL PROPERTY	PERSONAL PROPERTY		
2003	\$ 113,848,917	\$ 7,680,054	\$ 29,375,911	\$ 108,446	\$ 92,044,614	8.8825
2004	133,033,884	7,904,298	36,863,946	97,406	103,976,830	8.4176
2005	152,761,535	7,736,460	44,300,477	107,407	116,090,111	8.2695
2006	182,205,008	7,858,592	56,377,574	113,389	133,572,637	8.0623
2007	228,312,740	8,133,702	77,337,384	83,781	159,025,277	7.8687
2008	255,456,494	7,983,385	86,564,782	104,821	176,770,276	7.6484
2009	239,733,615	7,993,405	70,349,768	160,322	177,216,930	7.4170
2010	202,144,709	7,955,487	50,824,776	189,290	159,086,130	7.4310
2011	171,869,596	7,732,226	40,219,956	187,099	139,194,767	7.6310
2012	169,479,765	7,421,889	41,083,095	196,897	135,621,662	7.4180

(1) The basis of assessed value is approximately 100% of actual value.

(2) Exemptions allowed by Florida Statutes, Chapter 196

SOURCE: Broward County Property Appraiser

(UNAUDITED)

**TABLE 6 - PROPERTY TAX RATES AND LEVIES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(dollars in thousands)**

FISCAL YEAR	THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA				BROWARD COUNTY COMMISSION	SPECIAL TAXING DISTRICTS ⁽¹⁾	TOTAL
	GENERAL FUND	CAPITAL PROJECTS	DEBT SERVICE	TOTAL			
2003	6.5410	2.0000	0.3415	8.8825	7.3650	0.6970	16.9445
2004	6.1240	2.0000	0.2936	8.4176	7.1880	0.6970	16.3026
2005	6.0140	2.0000	0.2555	8.2695	7.0230	0.6970	15.9895
2006	5.8410	2.0000	0.2213	8.0623	6.7830	0.6970	15.5423
2007	5.6790	2.0000	0.1897	7.8687	6.0660	0.6970	14.6317
2008	5.4770	2.0000	0.1714	7.6484	5.2868	0.6240	13.5592
2009	5.6670	1.7500	0.0000	7.4170	5.3150	0.6240	13.3560
2010	5.9310	1.5000	0.0000	7.4310	4.8890	0.6240	12.9440
2011	6.1310	1.5000	0.0000	7.6310	5.1020	0.6240	13.3570
2012	5.9180	1.5000	0.0000	7.4180	5.1860	0.4360	13.0400
Property Tax Levies							
2003	\$ 602,064	\$ 184,089	\$ 31,433	\$ 817,586	\$ 677,909	\$ 64,155	\$ 1,559,650
2004	636,754	207,954	30,528	875,236	747,385	72,472	1,695,093
2005	698,166	232,180	29,661	960,007	815,301	80,915	1,856,223
2006	780,198	267,145	29,560	1,076,903	906,023	93,100	2,076,026
2007	903,105	318,051	30,167	1,251,323	964,647	110,841	2,326,811
2008	968,171	353,541	30,298	1,352,010	934,549	110,305	2,396,864
2009	1,004,289	310,130	-	1,314,419	941,819	110,583	2,366,821
2010	943,539	238,629	-	1,182,168	777,756	99,270	2,059,194
2011	853,403	208,789	-	1,062,192	710,172	86,858	1,859,222
2012	802,609	203,432	-	1,006,041	703,334	59,172	1,768,547

(1) Includes South Florida Water Management

SOURCE: Broward County Property Appraiser

(UNAUDITED)

Broward County Public Schools



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TABLE 7 - PRINCIPAL TAXPAYERS - BROWARD COUNTY
CURRENT YEAR AND NINE YEARS AGO
 (dollars in thousands)

TAXPAYER	2012			2003		
	TAX LEVY ⁽¹⁾	RANK	PERCENT OF TOTAL AGGREGATE TAX LEVY	TAX LEVY ⁽¹⁾	RANK	PERCENT OF TOTAL AGGREGATE TAX LEVY
Florida Power & Light Co	\$ 34,398	1	1.14%	\$ 29,025	1	1.19%
Bellsouth Telecommunications Inc	7,504	2	0.25%	17,647	2	0.73%
Sunrise Mills Ltd Prtnr	8,061	3	0.27%	7,152	4	0.29%
Diplomat Properties Ltd Prtnr	5,475	4	0.18%	11,289	3	0.46%
Wal-Mart Stores East LP	5,630	5	0.19%			-
Northwestern Mutal Life Ins Co	3,201	6	0.11%	2,617	7	0.11%
SPUSV5 Pembroke Pines LLC	3,450	7	0.11%			-
Publix Super Markets, Inc	3,236	8	0.11%	2,329	10	0.10%
US Las Olas LLC	3,017	9	0.10%			-
City of Fort Lauderdale	2,950	10	0.10%			-
AT&T Communications	-	-	-	6,019	5	0.25%
Wheelabrator	-	-	-	6,433	6	0.26%
Marriott Ownership Resorts Inc.	-	-	-	2,408	8	0.10%
Keystone - Florida Property Holdings	-	-	-	2,374	9	0.10%
Total principal taxpayers	<u>76,922</u>		<u>2.56%</u>	<u>87,293</u>		<u>3.59%</u>
All other taxpayers	<u>2,928,443</u>		<u>97.44%</u>	<u>2,345,392</u>		<u>96.41%</u>
Total aggregate tax levy	<u>\$ 3,005,365</u>		<u>100.00%</u>	<u>\$ 2,432,685</u>		<u>100.00%</u>

(1) Includes Tax Levy from all taxing jurisdictions within Broward County.

SOURCE: Broward County Revenue Collections Department
 SOURCE: Broward County School Board

(UNAUDITED)

TABLE 8 - PROPERTY TAX LEVIES AND COLLECTIONS
ALL GOVERNMENTAL FUND TYPES
LAST TEN FISCAL YEARS
(dollars in thousands)

FISCAL YEAR	TOTAL TAX LEVY	LESS ADJUSTMENTS		NET TAX LEVY	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY	
		DEDUCTIONS ⁽¹⁾	DISCOUNTS ⁽²⁾		AMOUNT	PERCENTAGE OF LEVY
2003	\$ 817,586	\$ 10,855	\$ 27,618	\$ 779,113	\$ 774,179	99.37%
2004	875,236	16,150	29,688	829,398	822,321	99.15%
2005	960,007	12,964	32,614	914,429	909,490	99.46%
2006	1,076,903	8,137	36,051	1,032,715	1,025,439	99.30%
2007	1,251,323	6,739	40,646	1,203,938	1,194,144	99.19%
2008	1,352,010	9,019	42,928	1,300,063	1,289,033	99.15%
2009	1,314,419	6,670	42,216	1,265,533	1,249,478	98.73%
2010	1,182,168	12,390	38,689	1,131,089	1,115,273	98.60%
2011	1,062,192	10,880	35,658	1,015,654	1,004,118	98.86%
2012	1,006,041	5,680	34,340	966,021	961,815	99.56%

(1) Deductions reflect adjustments by Value Adjustment Board

(2) Reflects discounts for early payment

SOURCE: The School Board of Broward County - Treasurer's Office

Table 8 (concluded)

COLLECTED IN SUBSEQUENT YEARS	TOTAL COLLECTIONS THRU JUNE 30, 2012	
	AMOUNT	PERCENTAGE OF LEVY
\$ -	\$ 774,179	99.37%
-	822,321	99.15%
-	909,490	99.46%
-	1,025,439	99.30%
-	1,194,144	99.19%
-	1,289,033	99.15%
-	1,249,478	98.73%
-	1,115,273	98.60%
-	1,004,118	98.86%
-	961,815	99.56%

(UNAUDITED)

**TABLE 9 - RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(dollars in thousands, except per capita amount)**

FISCAL YEAR	CAPITAL OUTLAY BONDS	GENERAL OBLIGATION BONDS	CERTIFICATES OF PARTICIPATION	CAPITAL LEASES	TOTAL	PERCENT OF ASSESSED TAXABLE PROPERTY VALUATION ⁽²⁾	PERCENT OF TOTAL OUTSTANDING DEBT TO PERSONAL INCOME ⁽¹⁾	PER CAPITA ⁽¹⁾
2003	\$ 92,810	\$ 125,882	\$ 835,993	\$ 23,867	\$ 1,078,552	1.17%	1.92%	\$ 620
2004	97,480	103,018	1,031,509	28,253	1,260,260	1.21%	2.09%	731
2005	92,105	79,088	1,237,558	26,902	1,435,653	1.24%	2.20%	813
2006	86,925	54,056	1,460,917	86,013	1,687,911	1.26%	2.40%	941
2007	79,090	27,949	1,687,556	62,743	1,857,338	1.17%	2.58%	1,056
2008	77,545	-	1,903,179	48,744	2,029,468	1.15%	2.76%	1,156
2009	71,050	-	1,980,665	39,204	2,090,919	1.18%	2.87%	1,199
2010	65,190	-	1,921,583	34,816	2,021,589	1.27%	2.80%	1,152
2011	63,490	-	1,907,842	23,740	1,995,072	1.43%	NA	1,138
2012	55,340	-	1,834,975	16,361	1,906,676	1.41%	NA	1,057

NA Not Available

(1) Refer to TABLE 14 for Personal Income and Per Capita

(2) Refer to TABLE 5 for Net Assessed Taxable Property Value

SOURCE: The School Board of Broward County - Accounting & Financial Reporting Department

(UNAUDITED)

**TABLE 10 - RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS**

(dollars in thousands, except net bonded debt per capita and per pupil)

FISCAL YEAR	NET ASSESSED TAXABLE VALUE⁽¹⁾	TOTAL BONDED DEBT	LESS DEBT SERVICE FUNDS	NET BONDED DEBT⁽²⁾	RATIO OF NET BONDED DEBT TO TAXABLE VALUE	NET BONDED DEBT PER CAPITA⁽³⁾	NET BONDED DEBT PER PUPIL⁽³⁾
2003	\$ 92,044,614	\$ 218,692	\$ 8,175	\$ 210,517	0.23%	\$ 121	\$ 791
2004	103,976,830	200,498	8,046	192,452	0.19%	112	709
2005	116,090,111	171,193	6,879	164,314	0.14%	93	603
2006	133,572,637	140,981	8,046	132,935	0.10%	74	491
2007	159,025,277	107,039	8,046	98,993	0.06%	56	377
2008	176,770,276	77,545	8,046	69,499	0.04%	40	268
2009	177,216,930	71,050	8,046	63,004	0.04%	36	246
2010	159,086,130	65,190	8,046	57,144	0.04%	33	224
2011	139,194,767	63,490	1,742	61,748	0.04%	35	240
2012	135,621,662	55,340	1,604	53,736	0.04%	30	208

(1) SOURCE: Broward County Property Appraiser

(2) SOURCE: The School Board of Broward County - Accounting & Financial Reporting Department

(3) Refer to TABLE 14 for population and school enrollment data.

(UNAUDITED)

Broward County Public Schools



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**TABLE 11 - COMPUTATION OF DIRECT AND OVERLAPPING DEBT
CURRENT YEAR AND NINE YEARS AGO
(dollars in thousands, except per capita amount)**

<u>FINANCIAL PARAMETERS</u>	<u>JUNE 30, 2012</u>	<u>JUNE 30, 2003</u>
Direct debt:		
General obligation bonds	\$ -	\$ 125,882
Certificates of Participation	1,834,975	835,993
Special obligation bonds ⁽¹⁾	<u>55,340</u>	<u>92,810</u>
TOTAL DIRECT DEBT	1,890,315	1,054,685
Overlapping debt: ⁽²⁾		
Broward County ⁽³⁾	<u>356,215</u>	<u>334,095</u>
TOTAL DIRECT AND OVERLAPPING DEBT	<u>\$ 2,246,530</u>	<u>\$ 1,388,780</u>
Population ⁽⁴⁾	1,803,223	1,740,792
Assessed property valuation ⁽⁵⁾	\$ 176,901,654	\$ 121,528,971
Net Assessed taxable property valuation ⁽⁵⁾	\$ 135,621,662	\$ 92,044,614

DEBT RATIOS

PERCENT OF ASSESSED PROPERTY VALUATION

Direct debt	1.07%	0.87%
Overlapping debt	0.20%	0.27%
Direct and overlapping debt	1.27%	1.14%

PERCENT OF ASSESSED TAXABLE PROPERTY VALUATION

Direct debt	1.39%	1.15%
Overlapping debt	0.26%	0.36%
Direct and overlapping debt	1.66%	1.51%

PER CAPITA

Direct debt	\$ 1,048	\$ 606
Overlapping debt	\$ 198	\$ 192
Direct and overlapping debt	\$ 1,246	\$ 798

(1) Special obligation debt is payable from motor vehicle and gross receipts taxes.

(2) Overlapping debt includes only general obligation debt secured by ad valorem taxes as of September 30, 2011.

(3) Because the county and the school district coincide, the percentage of overlap is 100%.

(4) SOURCE: Broward County Government, Planning Services Division

(5) SOURCE: Broward County Property Appraiser

(UNAUDITED)

TABLE 12 - LEGAL DEBT MARGIN INFORMATION**LAST TEN FISCAL YEARS**

(dollars in thousands)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Limit on bond indebtedness	\$ 9,204,461	\$ 10,397,683	\$ 11,609,011	\$ 13,357,264
Total net debt applicable to limit	<u>210,517</u>	<u>192,452</u>	<u>163,147</u>	<u>132,934</u>
Legal debt margin on bonded debt	<u>\$ 8,993,944</u>	<u>\$ 10,205,231</u>	<u>\$ 11,445,864</u>	<u>\$ 13,224,330</u>
Total net debt applicable to limit as a percentage of debt limit	2.29%	1.85%	1.41%	1.00%

The Florida State Board of Education Administrative Rule 6A-1.037(2), establishes a limit on bonded indebtedness for school districts in Florida. The limit for each school district is computed using a stated percentage of the net assessed value of taxable property as of the most current year.
Rule repealed April 18, 2006.

SOURCE: The School Board of Broward County - Accounting & Financial Reporting Department

Table 12 (concluded)

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 15,902,528	\$ 17,677,028	\$ 17,721,693	\$ 15,908,613	\$ 13,919,477	\$ 13,562,166
98,993	69,499	63,004	57,144	61,748	53,736
<u>\$ 15,803,535</u>	<u>\$ 17,607,529</u>	<u>\$ 17,658,689</u>	<u>\$ 15,851,469</u>	<u>\$ 13,857,729</u>	<u>\$ 13,508,430</u>
0.62%	0.39%	0.36%	0.36%	0.44%	0.40%

LEGAL DEBT MARGIN CALCULATION FOR FISCAL YEAR

Net Assessed Taxable Property Value - January 2012	<u>\$ 135,621,662</u>
Limit on Bond Indebtedness, 10% of net assessed taxable property value	\$ 13,562,166
Total Bonded Debt	55,340
Less:	
Net Assets in Debt Service Funds	<u>(1,604)</u>
TOTAL AMOUNT APPLICABLE TO DEBT LIMIT	<u>53,736</u>
LEGAL DEBT MARGIN ON BONDED DEBT	<u>\$ 13,508,430</u>

(UNAUDITED)

TABLE 13 - RATIO OF ANNUAL DEBT SERVICE FOR GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES LAST TEN FISCAL YEARS
(dollars in thousands)

FISCAL YEAR	PRINCIPAL⁽¹⁾	INTEREST⁽¹⁾	TOTAL DEBT SERVICE	TOTAL GENERAL EXPENDITURES	RATIO OF DEBT SERVICE TO GENERAL EXPENDITURES
2003	\$ 27,410	\$ 11,698	\$ 39,108	\$ 2,180,993	1.79%
2004	28,585	10,265	38,850	2,324,768	1.67%
2005	29,940	9,054	38,994	2,546,650	1.53%
2006	31,350	7,629	38,979	2,765,200	1.41%
2007	32,825	5,209	38,034	2,960,624	1.28%
2008	27,007	4,486	31,493	3,027,689	1.04%
2009	6,495	3,591	10,086	3,048,233	0.33%
2010	6,835	3,406	10,241	2,719,163	0.38%
2011	7,160	3,011	10,171	2,611,047	0.39%
2012	7,500	2,744	10,244	2,321,367	0.44%

(1) Excludes Certificates of Participation (COPs)

SOURCE: The School Board of Broward County - Accounting & Financial Reporting Department

(UNAUDITED)

**TABLE 14 - DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR	POPULATION⁽¹⁾	PER CAPITA INCOME⁽¹⁾	CIVILIAN LABOR FORCE⁽¹⁾	UNEMPLOYMENT RATE⁽²⁾	PERSONAL INCOME⁽²⁾	FALL SCHOOL ENROLLMENT⁽³⁾
2003	1,740,792	\$ 31,785	863,331	5.90%	\$ 56,254,396	266,272
2004	1,723,131	32,844	908,224	4.50%	60,265,418	271,339
2005	1,765,855	34,560	949,061	3.50%	65,213,329	272,691
2006	1,793,998	37,403	963,022	3.10%	70,454,147	270,935
2007	1,759,591	39,743	1,002,106	3.40%	71,994,871	262,616
2008	1,756,087	41,169	1,010,017	5.20%	73,591,000	258,905
2009	1,744,590	41,974	1,008,628	9.50%	72,752,000	255,738
2010	1,754,893	41,185	986,391	10.10%	72,092,767	255,203
2011	1,753,162	NA	988,080	9.60%	NA	256,872
2012	1,803,223 *	NA	996,526	7.80%	NA	258,803

NA Not Available

* Population Estimates

(1) SOURCE: Broward County Government, Planning and Redevelopment Division

(2) SOURCE: Bureau of Labor Statistics, United States Department of Labor

(3) SOURCE: Broward School Board Twentieth Day Membership Count

(UNAUDITED)

**TABLE 15 - SCHEDULE OF DISTRICT STATISTICS
LAST TEN FISCAL YEARS**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Student Enrollment: ⁽¹⁾				
Pre-K	5,194	5,236	4,881	4,321
K	18,272	18,556	18,178	18,086
Pre-1	75	-	-	-
1	19,206	19,687	19,707	19,039
2	19,394	19,208	19,482	19,205
3	19,785	21,561	20,979	20,757
4	20,096	18,352	19,804	18,580
5	20,181	20,137	18,632	19,985
6	20,536	20,399	20,057	18,668
7	20,420	20,519	20,202	19,781
8	19,669	20,067	20,096	19,790
9	23,408	25,159	21,802	21,676
10	15,523	15,458	19,329	19,236
11	15,529	15,970	16,709	17,336
12	13,253	14,415	14,918	15,403
Centers	4,347	4,160	4,354	3,936
Charter Schools	11,384	12,455	13,561	15,136
Total	<u>266,272</u>	<u>271,339</u>	<u>272,691</u>	<u>270,935</u>
Average Class Size:				
Grades Pre-K - 3	24.87	20.80	18.98	18.05
Grades 4 - 8	27.16	23.68	21.77	20.95
Grades 9 - 12	28.22	25.96	24.82	24.29
Number of Schools:				
Elementary	136	136	137	138
Middle	39	39	41	41
High	25	27	30	31
Adult/Vocational	5	5	5	5
Centers	10	10	10	10
Charter	22	24	28	38
K-8				
Total	<u>237</u>	<u>241</u>	<u>251</u>	<u>263</u>

(1) SOURCE: Broward School Board Twentieth Day Membership Count

Table 15 (concluded)

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
3,876	4,042	4,002	4,244	4,465	4,345
17,039	16,471	15,814	15,772	16,035	15,741
-	-	-	-	-	-
18,571	18,010	17,244	16,468	16,603	16,389
17,918	18,022	17,467	17,062	16,296	16,488
18,926	18,603	18,524	18,262	17,690	17,011
18,916	17,785	17,643	17,509	17,331	16,484
17,967	18,486	17,671	17,422	17,389	17,139
19,011	17,603	18,154	17,315	16,952	16,713
18,069	18,627	17,577	18,238	17,418	16,890
18,875	17,513	18,112	17,399	17,999	17,287
20,778	20,240	19,320	18,488	17,486	18,176
18,887	18,394	18,167	17,941	18,211	17,331
17,264	16,974	16,785	17,345	16,872	17,227
15,704	15,770	15,968	16,460	16,947	16,187
4,715	5,243	4,592	4,676	5,904	5,906
16,100	17,122	18,698	20,602	23,274	29,489
<u>262,616</u>	<u>258,905</u>	<u>255,738</u>	<u>255,203</u>	<u>256,872</u>	<u>258,803</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
138	138	138	141	141	141
41	42	43	42	42	42
32	32	33	33	33	33
5	5	5	5	5	5
12	12	10	10	10	12
48	52	56	56	68	76
				1	1
<u>276</u>	<u>281</u>	<u>285</u>	<u>287</u>	<u>300</u>	<u>310</u>

(UNAUDITED)

**TABLE 16 - COMPARATIVE ENROLLMENT TRENDS ⁽¹⁾
TEN LARGEST U.S. SCHOOL DISTRICTS
LAST TEN FISCAL YEARS**

SCHOOL DISTRICT	2002	2003	2004	2005
New York City, NY	1,049,831	1,077,381	1,023,674	1,023,674
Los Angeles, CA	735,058	746,852	747,009	741,367
Chicago, IL	437,418	436,048	434,419	426,812
Miami-Dade County, FL	375,836	373,395	371,785	368,933
Clark County, NV (Las Vegas)	245,659	256,574	270,529	283,221
Broward County, FL ⁽²⁾	260,892	266,272	271,339	272,691
Houston, TX	210,950	212,099	211,499	208,945
Hillsborough County, FL	169,789	175,454	181,900	189,469
State of Hawaii	184,546	183,829	183,609	183,185
Orange County, FL	NA	NA	NA	NA

NA Not Available

(1) Based on students enrolled in grades kindergarten through twelve during the fall with 1/2 day kindergarten students counted as 1/2 student.

SOURCE: American School & University Magazine Sept 2012 Issue

(2) SOURCE: Broward School Board Twentieth Day Membership Count

Table 16 (concluded)

2006	2007	2008	2009	2010	2011
1,014,058	999,150	1,035,406	1,029,459	1,038,741	1,043,886
727,319	707,627	693,680	687,534	670,746	667,273
420,982	413,694	407,510	421,430	407,157	405,644
362,070	353,790	348,128	345,525	345,804	347,366
294,131	303,448	309,051	312,761	307,059	314,059
270,935	262,616	258,905	255,738	255,203	256,872
210,292	202,936	199,534	200,225	202,773	204,245
193,757	193,517	193,180	192,007	193,265	194,525
182,818	180,728	179,897	179,478	180,196	179,601
NA	NA	174,142	172,257	173,259	176,008

(UNAUDITED)

**TABLE 17 - LARGEST EMPLOYERS IN BROWARD COUNTY
CURRENT YEAR AND NINE YEARS AGO**

<u>EMPLOYERS</u>	<u>2012</u>		
	<u>EMPLOYEES</u>	<u>RANK</u>	<u>PERCENTAGE OF TOTAL COUNTY EMPLOYMENT</u>
School Board of Broward County	25,511	1	2.6%
Broward County Government	12,039	2	1.2%
Memorial Healthcare System	10,700	3	1.1%
Broward Health	8,207	4	0.8%
Nova Southeastern University	3,971	5	0.4%
American Express	3,000	6	0.3%
Kaplan Higher Education	2,800	7	0.3%
The Answer Group	2,800	8	0.3%
Interbond Corp. of America (dba BrandsMart USA)	2,600	9	0.3%
Alorica	2,000	10	0.2%
	<u>73,628</u>		<u>7.5%</u>

	<u>2003</u>		
	<u>EMPLOYEES</u>	<u>RANK</u>	<u>PRODUCTS/ SERVICE</u>
School Board of Broward County	27,289	1	Public Education
Memorial Healthcare System	7,700	2	Hospital/Health Care
Broward County Government	7,629	3	County Government
North Broward Hospital District	6,330	4	Hospital/Health Care
American Express	6,300	5	Financial Services
Aviation Sales Co	3,800	6	Aviation
Motorola	3,000	7	Communications Equipment
Seabulk International, Inc.	2,600	8	Marine Services
Holy Cross Hospital	2,500	9	Hospital/Health Care
City of Fort Lauderdale	2,420	10	Government
	<u>69,568</u>		

**SOURCE: 2012 Greater Fort Lauderdale Alliance/Broward County
(Economic Sourcebook & Market Profile)**

SOURCE: 2003 School Board of Broward County CAFR - Statistical Section

(UNAUDITED)

**TABLE 18 - CLASSIFICATION OF FULL-TIME PERSONNEL
LAST TEN FISCAL YEARS**

FISCAL YEAR	INSTRUCTIONAL STAFF⁽¹⁾	TEACHER AIDES	PRINCIPALS & ASSISTANT PRINCIPALS	MANAGEMENT & SUPPORT STAFF⁽²⁾	TOTAL
2003	14,813	2,790	612	9,074	27,289
2004	16,109	2,873	635	9,546	29,163
2005	17,199	2,871	636	9,779	30,485
2006	17,253	2,629	648	9,620	30,150
2007	17,527	2,605	677	9,794	30,603
2008	17,178	2,631	654	9,714	30,177
2009	16,848	2,398	665	9,408	29,319
2010	15,490	2,207	651	8,934	27,282
2011	16,143	2,377	650	8,621	27,791
2012	14,432	2,343	644	8,092	25,511

(1) Includes Elementary and Secondary Teachers, Exceptional Student Teachers, Other Teachers, Guidance/Psychological, Librarians, Other Professional Instructional Staff.

(2) Includes Officials, Administrators and Managers (Instructional and Non-Instructional), Supervisors of Instructional, Technicians, Clerical/Secretarial Staff, Service Workers, Skilled Crafters, Laborers.

SOURCE: The School Board of Broward County - Accounting & Financial Reporting Department

(UNAUDITED)

**TABLE 19 - TEACHERS' SALARIES
LAST TEN FISCAL YEARS**

FISCAL YEAR	MINIMUM SALARY	MAXIMUM SALARY	AVERAGE SALARY
2003	\$ 32,600	\$ 65,959	\$ 49,280
2004	32,700	67,161	49,931
2005	34,000	69,954	51,977
2006	35,000	73,000	54,000
2007	37,000	75,488	56,244
2008	38,500	78,000	58,250
2009	39,000	79,250	59,125
2010	39,000	79,250	59,125
2011	39,000	79,250	59,125
2012	39,000	79,250	59,125

SOURCE: The School Board of Broward County - Employee Relations Department

(UNAUDITED)

**TABLE 20 - SCHEDULE OF OPERATING STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES	COST PER PUPIL	INSTRUCTIONAL STAFF
2003	266,272	\$ 1,718,541,000	\$ 6,454	14,813
2004	271,339	1,886,379,000	6,952	16,109
2005	272,691	2,042,136,000	7,489	17,199
2006	270,935	2,129,718,000	7,861	17,253
2007	262,616	2,276,510,000	8,669	17,527
2008	258,905	2,352,854,000	9,088	17,178
2009	255,738	2,375,812,000	9,290	16,848
2010	255,203	2,288,524,000	8,967	15,490
2011	256,872	2,311,663,000	8,999	16,143
2012	258,803	2,079,787,000	8,036	14,432

SOURCE: The School Board of Broward County - Accounting & Financial Reporting Department

(UNAUDITED)

TABLE 21 - CAPITAL ASSET INFORMATION
LAST TEN FISCAL YEARS

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Schools										
Elementary										
Permanent Buildings:										
Number	988	1,026	1,045	1,059	1,068	1,108	1,134	1,136	1,135	1,135
Square Feet	12,937,628	13,288,015	13,750,615	14,166,090	14,270,778	15,236,061	15,512,619	15,566,992	15,512,260	15,512,260
Portables:										
Number	689	685	688	693	664	636	583	579	579	625
Square Feet	585,723	582,147	593,475	595,131	567,399	546,631	500,487	496,475	496,475	533,027
Student stations			118,465	122,549	122,462	127,910	126,865	126,122	125,016	124,962
Enrollment	122,959	123,020	121,109	119,973	113,213	111,419	108,365	106,739	105,746	103,597
Middle										
Permanent Buildings:										
Number	348	348	368	375	379	385	383	385	387	387
Square Feet	6,716,283	6,723,424	7,084,243	7,404,206	7,482,753	7,567,767	7,549,176	7,524,411	7,599,063	7,599,063
Portables:										
Number	464	455	646	648	643	629	593	575	571	474
Square Feet	364,599	357,291	521,281	523,049	519,361	510,217	479,893	467,813	463,393	378,175
Student stations			71,634	75,016	72,824	73,708	73,075	71,636	71,353	71,353
Enrollment	59,846	60,677	60,351	58,239	55,955	53,743	53,843	52,952	52,432	50,890
High										
Permanent Buildings:										
Number	402	407	430	440	447	458	486	493	493	493
Square Feet	8,361,366	8,403,522	8,710,614	8,990,446	9,319,756	9,531,424	9,946,842	9,918,353	9,895,698	9,895,698
Portables:										
Number	601	611	560	557	574	599	589	588	587	589
Square Feet	482,348	491,076	451,170	450,474	483,424	503,083	480,429	479,789	478,997	481,261
Student stations			82,600	87,005	89,628	89,693	90,580	89,721	89,258	89,312
Enrollment	67,702	71,002	72,759	73,651	72,633	71,378	70,240	70,234	69,516	68,921
Other										
Permanent Buildings:										
Number	174	179	173	171	170	170	146	141	142	115
Square Feet	1,685,264	1,793,350	1,860,517	1,849,599	1,846,127	1,907,580	1,692,830	1,720,955	1,722,318	1,395,260
Portables:										
Number	106	107	92	110	118	131	136	152	154	202
Square Feet	83,552	84,308	72,444	90,060	99,339	104,572	112,264	122,960	124,984	170,374
Student stations	-	-	12,367	12,362	12,473	12,214	11,278	11,246	11,133	9,673
Enrollment	4,347	4,160	4,891	3,936	4,715	5,243	4,592	4,676	5,904	5,906
Administrative										
Permanent Buildings	90	87	85	86	90	92	102	103	91	91
Portables:	52	53	34	37	47	50	148	147	144	142
Square Feet	1,365,311	1,335,671	1,295,562	1,280,711	1,293,537	1,359,241	1,489,688	1,490,476	1,412,179	1,410,595

SOURCE: The School Board of Broward County - Accounting & Financial Reporting Department

(UNAUDITED)

Broward County



Public Schools

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