



Learning for a Lifetime

***Comprehensive Annual
Financial Report***

2008-2009

Fiscal Year Ended June 30, 2009



**District School Board
of Pasco County**

Land O' Lakes, Florida
Heather Fiorentino, Superintendent

Comprehensive Annual Financial Report
of the
District School Board of Pasco County
Land O' Lakes, Florida
for the
Fiscal Year Ended June 30, 2009



Issued by:
Finance Services Department



District School Board of Pasco County Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2009

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INTRODUCTORY SECTION



District School Board of Pasco County

7227 Land O' Lakes Boulevard • Land O' Lakes, Florida 34638 • 813/ 794-2000

Heather Fiorentino, Superintendent

www.pasco.k12.fl.us

December 22, 2009

Dear Chairman, Members of the School Board and Citizens of Pasco County:

State law requires that all local governments publish after the close of each fiscal year, a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP), and audited in accordance with auditing standards generally accepted in the United States of America. Pursuant to that requirement, we hereby issue the comprehensive annual financial report (CAFR) of the District School Board of Pasco County, Florida (District) for the fiscal year ended June 30, 2009.

This report consists of management's representation concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The accounting firm of Cherry, Bekaert & Holland, L.L.P., has audited the District's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2009, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded that there was a reasonable basis for rendering an unqualified opinion that the District's basic financial statements for the fiscal year ended June 30, 2009, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the Management's Discussion and Analysis report (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

Profile of the School District

The District and its governing body were created pursuant to Section 4, Article IX of the Constitution of the State of Florida. The District is an independent taxing and reporting entity managed, controlled, operated, administered, and supervised by the District School Board in accordance with Chapter 1001.30, Florida Statutes. The District School Board consists of five elected officials responsible for the adoption of policies, which govern the operation of public schools in Pasco County.

The elected Superintendent of Schools is the executive officer of the Board and is responsible for the administration and management of the schools within the applicable parameters of Florida Statutes, State Board of Education Rules, and School Board policies. The Superintendent is also specifically delegated the responsibility of maintaining a uniform system of records and accounts in the District by Section 1010.01, Florida Statutes, as prescribed by the State Board of Education.

The geographic boundaries of the District are those of Pasco County. During the 2008-09 fiscal year, the District operated 79 schools, including 44 elementary schools, 15 middle schools, 11 high schools, 4 specialized schools, and 5 charter schools and reported serving approximately 66,190 unweighted full-time equivalent students.

The District serves students from infants through adults. Students in the District represent a diverse community of learners, including a variety of ethnic and cultural backgrounds. The student population is predominately White (72 percent). Other ethnicities include: Hispanic (14 percent), Black (6 percent), Asian/American Indian/Pacific Islander/Alaskan Native/Other (8 percent).

In addition to the educational programs offered to K-12 students, the District offers pre-kindergarten services including: programs for babies of teen parents who are progressing toward achieving high school diplomas; programs for special education for 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 pre-school age students.

The District also 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 who do not demonstrate proficiency with English as a second language have the opportunity to learn communication skills through the District's English Language Learners (ELL) programs, and all citizens can take fee supported courses to increase personal development in various subjects such as computers, photography and personal financial planning.

This report includes all funds of the District, the Pasco County School Board Leasing Corporation (the "Leasing Corporation"), five charter schools and the Pasco Education Foundation, Inc. (the "Foundation"), which comprise the reporting entity. The Leasing Corporation was formed to facilitate financing for the acquisition of educational facilities and equipment. Charter schools are public schools operating under performance contracts with the District. The Foundation is a separate not-for-profit corporation organized and operated as a direct-support organization. The Foundation's purpose is exclusively educational and charitable for the constituents of Pasco County. The charter schools and Foundation are included in the CAFR as discretely presented component units.

Single Audit

The independent audit of the financial statements of the District was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the United States Office of Management and Budget (the "OMB") Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. The standards governing Single Audit engagements require the independent certified public accountants to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards.

Economic Condition and Outlook

Pasco County is a 745 square mile area located centrally on the west coast of Florida, 200 miles south of the State capital of Tallahassee and 300 miles northwest of Miami. The County is approximately 30 miles northwest of the City of Tampa, and approximately 45 miles north of the City of St. Petersburg. It is part of a nine county region referred to as the "Nature Coast" and contains a mix of suburban and rural communities. The County was established in 1887. Within its borders there are six municipalities: the cities of San Antonio, St. Leo, Zephyrhills, Port Richey, Dade City, and New Port Richey. There are also several smaller unincorporated communities such as Darby, Holiday, Hudson, Land O' Lakes, Trinity, and Wesley Chapel. The county is primarily a retirement and tourist area but construction, retail trade, service industries, agriculture, and manufacturing play active parts in the community's financial status.

Since 2000, the population of Pasco County increased 36.6 percent to an estimated 471,028. For the calendar year 2008, the Florida Price Level Index for School Personnel, which is prepared by the Bureau of Economic and Business Research at the University of Florida under the direction of the Florida Department of Education, ranked Pasco County 17th of 67 counties in the State with a value of 99.4.

The Florida Price Level Index for School Personnel is used to represent the cost of hiring equally qualified personnel across Florida school districts and takes into account the cost of goods and services, access to lakes or sandy beaches, the range of available cultural and recreational opportunities, and the mix of public services and taxes that affect standards of living for a county. A value of 100 represents the weighted average cost to hire and retain qualified personnel. In essence, the District's value of 99.4 implies that it cost the District less than the average school district to attract and retain equally qualified personnel. Surrounding counties such as, Hillsborough (101.6) and Pinellas (100.4), which had higher values will need to provide greater compensation to hire and retain equally qualified personnel.

The District recognizes that continued enhancement of the local economy is of mutual benefit to both the School District and Pasco County. An excellent system of public education is a significant factor in improving the standard of living in Pasco County. As the area's largest employer, employing 9,503 full and part-time employees, the District endeavors to improve its education system by focusing on the following major initiatives.

Major Initiatives

Quality Education...A Community Commitment

It is our District's vision to *create a community which works together so all Pasco County students will reach their highest potential*. We believe students are individuals with varying abilities and talents. Each student develops his/her unique characteristics while growing and learning in school, at home and in the community. We also believe learning should be relevant and prepare students for rewarding careers in a changing professional environment.

A Well-rounded Curriculum

An important part of preparing students for global citizenship and global awareness is the development of the "whole child." Therefore, the District provides access to a well-rounded curriculum that engages students in learning, which includes rigorous programs in the arts, world languages, language arts, mathematics, science, social studies and technology. In addition, the District provides a health and physical education curriculum that emphasizes healthy behaviors. The District provides hands-on learning and project-based opportunities to reinforce the concepts learned in the classroom. Such activities include field experiences, guest speakers and interactive learning environments. For example, to engage students in the science curriculum, the District's Environmental Education program features three off-site learning centers that allow students to explore natural habitats as they develop a sense of collective and individual responsibility for the preservation of Florida's precious ecosystem.

Additionally, the District understands that today's students will confront new challenges as they strive to meet the demands of our changing global environment. To better prepare students for these challenges, the District has embarked upon a global initiative that provides opportunities for staff and students to network with their international peers. Through collaboration, we can ensure that all students are equipped with the skills they need for success.

The District also offers an array of extracurricular and co-curricular activities designed to provide students with multiple opportunities to develop or refine skills in a specific area. Creativity, innovation and exploration are encouraged as students discover their talents and abilities.

Certified Career Academies

The Certified Career Academy initiative offers rigorous and relevant career education by providing a vital link between education and industry. It is an effort to prepare students to meet the challenges of the 21st Century and for success in the global marketplace. Future opportunities for Certified Career Academy students are tremendous. Graduates will have the opportunity to continue their education at a college or university, enter the workforce directly upon graduation in high paying careers or both. Certified Career Academies are aligned with the needs of workforce and offer opportunities for students to earn industry certification in high skill, high wage fields along with post-secondary credit. The Certified Career Academies in Pasco County represent the following industries: Automotive Technology, Building Technologies, Business Management, Culinary, e-Commerce, Energy, Engineering, Finance and Health. Every high school in Pasco County has at least one Certified Career Academy. For more information, contact the Community, Career and Technical Education Department.

Class Size Reduction Amendment

In the November 5, 2002 general election, the voters of the State of Florida approved two amendments to the State Constitution that will significantly affect the District's operations. Amendment 9 to the State Constitution requires that the State Legislature provide funding for sufficient classrooms so that class sizes can be reduced to certain constitutional class size maximums by the beginning of the 2010 school year. Amendment 9 was passed by the Florida Legislature during the 2003 special legislative session and signed into law on June 9, 2003. Amendment 9 and Section 1003.03, Florida Statutes, which implements Amendment 9, are referred to herein as the "Class Size Legislation."

The Class Size Legislation establishes constitutional class size maximums limiting students per class to no more than 18 for pre-kindergarten through 3rd grade, 22 for grades 4 through 8 and 25 for grades 9 through 12. These maximums must be implemented by the beginning of the 2010 school year. School districts that exceed these class size maximums were required to reduce the average number of students per class in each of these grade groupings by at least two students each year, beginning with the 2003-2004 fiscal year. For fiscal years 2003-04 through 2005-06, compliance for each of the grade groupings was calculated to be the average at the District level. For fiscal years 2006-07 through 2008-09, compliance was scheduled to be determined at the average on a school-by-school basis. For fiscal year 2009-10 and thereafter, compliance was scheduled to be determined on an individual classroom level.

The Class Size Legislation further creates an "Operating Categorical Fund for Class Size Reduction," the "Classroom for Kids Program," the "District Effort Recognition Grant Program" and the "Class Size Reduction Lottery Revenue Bond Program" to provide funding programs for capital outlays and operating expenditures necessary in relation to these mandated class size reductions.

The Class Size Legislation requires each School Board to consider implementing various policies and methods to meet these constitutional class sizes, including encouraging dual enrollment courses and the Florida Virtual School, maximizing instructional staff, reducing construction costs, using joint-use facilities, implementing alternative class scheduling, redrawing attendance zones, implementing evening and multiple sessions and implementing year-round and non-traditional calendars. Failure to reduce class sizes by at least two students each year until the constitutional maximum is met may result in transfer of class size reduction operating funds to fixed capital outlay appropriations, required implementation of year-round schools, double sessions, extended school year or rezoning, implementation of a state-mandated constitutional compliance plan or withholding of various State funds.

The District presently complies with the requirements of the Class Size Legislation. During its 2009 session, the State Legislature adopted, and the Governor signed into law, legislation to delay implementation of the mandated class size reductions for one year. Such legislation provides that compliance with the Class Size Legislation will be determined on a school-by-school basis through and including fiscal year 2009-10, and that final compliance on an individual classroom basis will be delayed until fiscal year 2010-11. In the event the District receives sufficient State funds for such purpose, the District anticipates it will be in compliance with the Class Size Legislation on an individual classroom basis by fiscal year 2010-11. In the event a school district is not in compliance with such requirements, the legislation provides that the State shall reduce categorical funds due to such school district for operational purposes. While the Class Size Legislation suggests that the State Legislature, and not local school districts, is generally responsible for the cost of compliance, it is uncertain what effect implementation might have upon the District or the School Board. There can be no assurance that these funds will be sufficient to meet the capital and facility needs of the District required by the Class Size Legislation. Further, there can be no assurance that the District

will have funds sufficient to meet the capital and facility needs of the District required by the Class Size Legislation or that compliance therewith will not adversely affect other capital needs and operating costs of the District.

Capital Outlay Program

During the current fiscal year, the District spent \$126,027,219 on several major construction projects. The District opened two new schools in August 2009. Three new schools are currently under construction and will open in the 2010-11 school year.

Accomplishments

One of the ways to judge a school district is to compare the results of its students on national and statewide testing and the accomplishments of its staff. The District believes that its students and staff have performed remarkably well based on various tests and accomplishments, as noted:

- The District School Board of Pasco County earned an "A" from the State of Florida for the second consecutive year.
- Thirty-five (35) of the District's teachers achieved National Board certification in 2009, for a total of 184 teachers who have achieved National Board Certification. This is the highest level of certification a teacher can achieve.
- Increased the graduation rate from 75.4% in 2006-2007, to 79.5% in 2007-2008, placing Pasco above the statewide average.
- Forty-two (42) schools received the 2008-2009 Florida Department of Education's Five Star School Award. The Florida Department of Education presents this award annually to those schools that have shown outstanding involvement with business partners, families, volunteers and student community service.
- The District has received many State and national recycling awards, including the 2009 Teaming Up for the Environment Award from the Tampa Bay Rays and the Governor's Serve to Preserve: Green School Award. Pasco has won this prestigious award in two separate categories: the Student Award and the District Award. This program, co-sponsored by the Florida Department of Environmental Protection and Progress Energy, recognizes the outstanding efforts of students, teachers, classrooms, schools and school districts in "creating healthy, efficient and productive places for learning."
- The Pasco Education Foundation advanced student achievement in Pasco's public schools by funding over \$700,000 in classroom grants, scholarships and curriculum programs throughout the District School Board of Pasco County.
- The District School Board of Pasco County earned the 2009 Best Places to Work Award presented by the Pasco-Hernando Regional Workforce Board. This is the second straight year the District has achieved this special honor.

Financial Information

Internal Controls

In developing the District's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding:

- The safeguarding of assets against loss from unauthorized use or disposition; and
- The reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that:

- The cost of a control should not exceed the benefit likely to be derived; and
- The evaluation of costs and benefits requires estimates and judgment by management.

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

Budgetary Controls

The District maintains budgetary controls, the objective of which is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the District School Board. Activities of all governmental fund types are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is established at the fund-function-object level for all funds.

Budgetary information is integrated into the accounting system. To facilitate budgetary control, budget balances are encumbered when purchase orders are issued. Appropriations lapse at year-end and outstanding encumbrances are honored in the subsequent year's appropriations.

In order to provide budgetary control for salaries, the District utilizes a centralized position control system. On an annual basis, the District adopts a District staffing plan that establishes teaching positions based generally on student populations served. Additionally, support and administrative positions are created based on established criteria.

Cash Management and Investments

The intention of the cash management system is to limit the amount of funds placed in accounts where low or no interest is paid. Idle cash is invested in various instruments with various maturity dates, depending on the anticipated future cash requirements.

The overall strategy of holding deposits and making investments is to expose the District to a minimum amount of credit and market risk. All bank balances, as of the balance sheet date, are entirely insured or collateralized with securities held by the District or its agent in the District's name.

Pension and Other Post Employment Benefits

The Florida Retirement System (FRS) offers a defined benefit retirement plan and a defined contribution retirement plan. All regular employees of the District are covered by one of these plans. Essentially all regular employees of participating employers are eligible and must enroll as members of the FRS. Benefits vest at specified numbers of years of service depending upon the employee's classification. The FRS also includes an early retirement provision but imposes a penalty for each year a member retires before the specified retirement age. The FRS provides retirement, disability, and death benefits and annual cost-of-living adjustments, as well as supplements for certain employees to cover social security benefits lost by virtue of retirement system membership.

As authorized by Section 1012.685, Florida Statutes, the District implemented an Early Retirement Plan (the "Plan"), effective July 1, 1983, and amended as of January 1, 1997. The Plan is a single-employer, defined benefit pension plan. The purpose of the Plan is to provide District employees, who elect to retire under the early retirement provisions of the Florida Retirement System, described in the notes to the financial statements, with a monthly benefit equal to the statutory reduction of the normal retirement benefits when early retirement precedes the normal retirement age of 62.

The District provides postemployment health, life and dental care benefits for certain retirees along with an implicit insurance rate subsidy for all retirees. The cost of providing these benefits is described in the notes.

Risk Management

The District is self-insured up to \$1,000,000 for workers' compensation, general and automobile liability, with outside contractors providing various administrative services. The District also provides medical and prescription plans for employees on a self-insured basis. The medical and prescription plans are administered by insurance carriers under agreements wherein the District reimburses the insurance carriers for claims paid on a monthly basis. The District is fully insured for dental, mental health, and life insurance. Each of the District's funds compensates the applicable Internal Service Fund based upon its personnel staffing levels. Resources have been accumulated in order to meet potential losses.

Reporting Achievement

The Government Finance Officers Association of the United States and Canada (the "GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials International (the "ASBO") awarded its Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2008. This was the ninth consecutive year that the District has received these prestigious awards. In order to be awarded the Certificate of Achievement for Excellence in Financial Reporting and the Certificate of Excellence in Financial Reporting, the District must publish an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement and Certificate of Excellence are valid for a period of one year only. These awards are granted only after an intensive review of financial reports by an expert panel of certified public accountants and practicing school business officials. It is the belief of management that our current CAFR continues to meet the Certificate of Achievement Program's requirements, as well as the Certificate of Excellence Program's requirements. We are submitting this CAFR to GFOA and ASBO to determine its eligibility for another certificate.

Acknowledgements

The preparation of this report on a timely basis was made possible by the dedicated service of the entire staff of the District's Finance Services Department. Each member of the Department has our sincere appreciation for the contributions made in the preparation of this report.

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

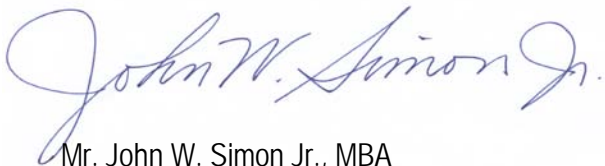
Respectfully submitted,

A handwritten signature in blue ink, reading "Heather Fiorentino".

Ms. Heather Fiorentino
Superintendent of Schools

A handwritten signature in blue ink, reading "Olga Swinson".

Ms. Olga Swinson, CPA, CGFM
Chief Finance Officer

A handwritten signature in blue ink, reading "John W. Simon Jr.".

Mr. John W. Simon Jr., MBA
Finance Services Manager

Certificate of Achievement for Excellence in Financial Reporting

Presented to

District School Board
of Pasco County, Florida

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

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



President

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

DISTRICT SCHOOL BOARD OF PASCO COUNTY, FLORIDA

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2008

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

Angela Piteman

President

John D. Quasar

Executive Director

List of Principal Officials As of June 30, 2009

Principal Officials – Elected

Ms. Heather Fiorentino , Superintendent of Schools Present Term Expires	November 2012
Mr. Allen Altman , Vice-Chairman Member from District 1 Present Term Expires	November 2010
Ms. Joanne Hurley , Member from District 2 Present Term Expires	November 2012
Ms. Cathi Martin , Member from District 3 Present Term Expires	November 2010
Ms. Kathryn Starkey , Member from District 4 Present Term Expires	November 2012
Mr. Frank Parker , Chairman Member from District 5 Present Term Expires	November 2010

Principal Officials – Appointed

Ms. Ruth Reilly, Assistant Superintendent for Curriculum and Instructional Services

Ms. Olga Swinson, CPA, CGFM, Chief Finance Officer

Dr. Renalia DuBose, Assistant Superintendent for Administration

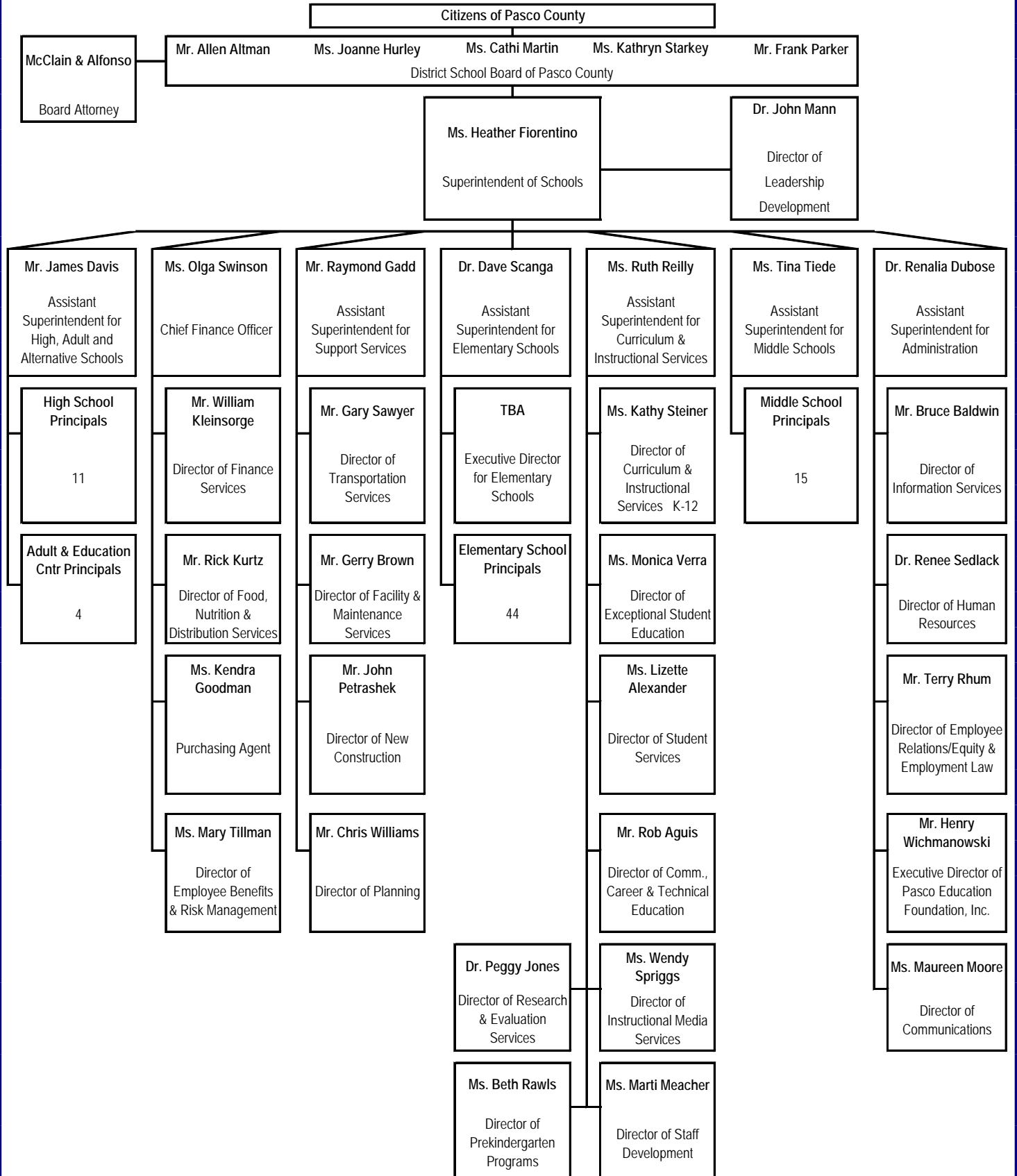
Mr. James Davis, Assistant Superintendent for High, Adult, and Alternative Schools

Dr. David Scanga, Assistant Superintendent for Elementary Schools

Ms. Tina Tiede, Assistant Superintendent for Middle Schools

Mr. Raymond Gadd, Assistant Superintendent for Support Services

Organizational Chart



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FINANCIAL SECTION

REPORT OF INDEPENDENT AUDITORS





Report of Independent Auditors

The Honorable Members of the School Board
District School Board of Pasco County
Land O' Lakes, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District School Board of Pasco County, Florida (the "District"), as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District School Board of Pasco County'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 aggregate discretely presented component units listed in Note 1 to the financial statements. Those financial statements were audited by other auditors whose reports have been provided to us, and our opinions, insofar as they relate to the amounts included for the aggregate discretely presented component units, are 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 standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District School Board of Pasco County, Florida, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgeted comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2009 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control 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 compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis on pages 3 through 14, and the other required supplementary information on page 69 and 70 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information, such as the introductory section, combining and individual fund statements and the statistical section are presented for purposes of additional analysis and is not a required part of the basic financial statements. Additionally, the accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The combining and individual fund financial statements and schedules, including the schedule of expenditures of federal awards, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Cherry, Beckett & Holland, L.L.P.

Orlando, Florida
December 22, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS



**District School Board of Pasco County
Management's Discussion and Analysis
June 30, 2009**

The management of the District School Board of Pasco County (the District) has prepared the following discussion and analysis to (a) assist the reader in focusing on significant financial issues; (b) provide an overview and analysis of the District's financial activities; (c) identify changes in the District's financial position; (d) identify material deviations from the approved budget; and (e) highlight significant issues in individual funds.

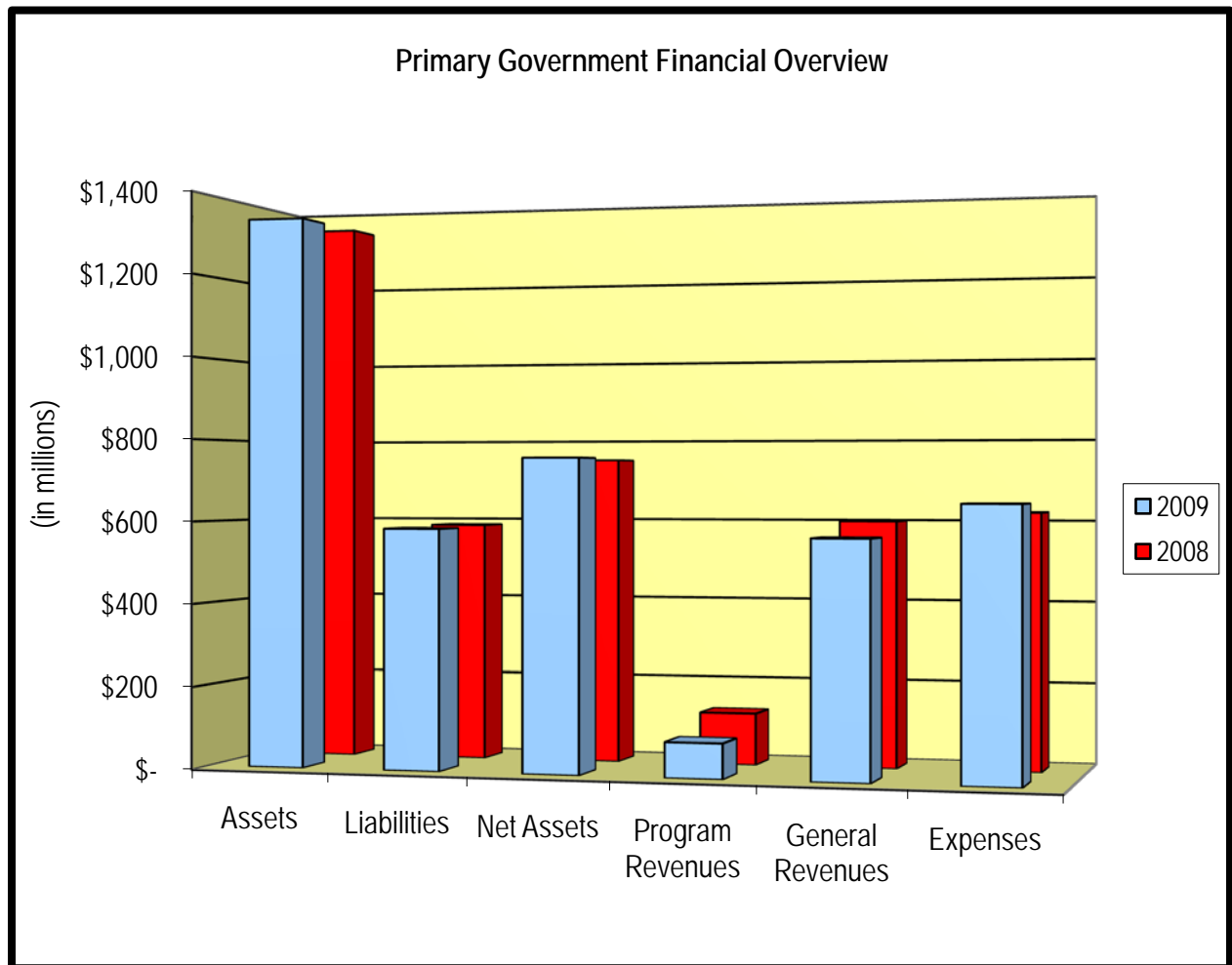
Because the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events and conditions, it should be considered in conjunction with the District's basic financial statements and notes to financial statements.

Financial Highlights

Key financial highlights for the 2008-2009 fiscal year are as follows:

- The District's financial position improved during the fiscal year ended June 30, 2009. In total, net assets increased by \$19,819,493, which represents a 2.64 percent increase from the 2007-2008 fiscal year.
- General revenues total \$565,030,572, or 86.93 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions total \$84,986,160, or 13.07 percent. Total revenues decreased from \$727,458,540 in the 2007-2008 fiscal year to \$650,016,732 in the 2008-2009 fiscal year. The change is attributed to lower property tax valuations and decreases in State operating revenues and Class Size Reduction Construction funds.
- Expenses total \$630,197,239; only \$84,986,160 of these expenses were offset by program specific charges, with the remainder paid from general revenues. Total revenues exceeded total expenses by \$19,819,493. Total expenses decreased \$1,025,213, or 0.16 percent, from \$631,222,452 in the 2007-08 fiscal year. This change is attributed to budget reductions implemented to help offset the revenue shortfall.
- The unreserved, undesignated fund balance of the General Fund, representing the net current financial resources available for general appropriations by the Board, totals \$25,388,077 at June 30, 2009, or 5.31 percent of total General Fund operating revenues.
- The District's total debt decreased by \$19,637,774, or approximately 4.03 percent. This decrease is the result of the regular schedule of maturity of current debt.

The primary government financial overview for the 2007-2008 and 2008-2009 fiscal year is below:

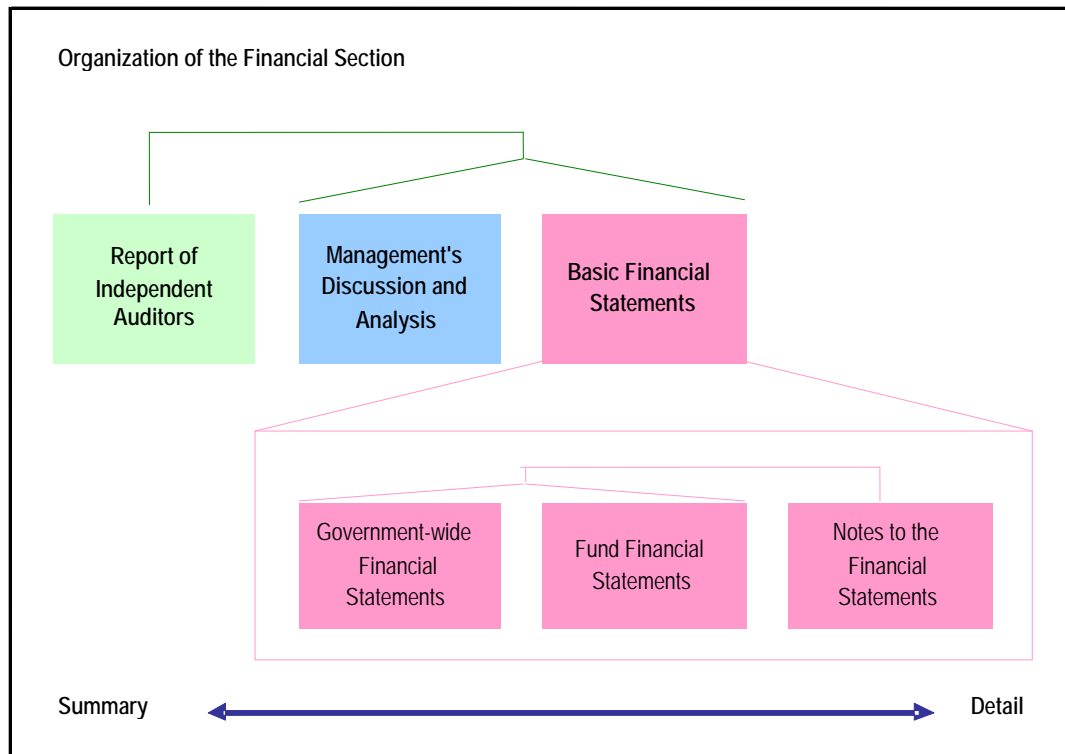


Overview of the Financial Statements

The financial section consists of three parts: Report of Independent Auditors, Management's Discussion and Analysis (this section), and Basic Financial Statements. Management's Discussion and Analysis (the "MD&A") is intended to serve as an introduction to the District's basic financial statements and presents other supplementary information in addition to the basic financial statements themselves. The District's basic financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements.

The first two statements are government-wide financial statements that provide both long-term and short-term information about the District's overall financial status. The remaining statements are fund financial statements that focus on individual parts of the District and provide greater detail of the District's operations than the government-wide statements. The basic financial statements also include notes, which explain some of the information in the statements and provide more detailed data.

The illustration below shows how the various parts of the financial section are arranged and relate to one another.



The basic financial statements consist of three components:

- Government-wide financial statements.
- Fund financial statements.
- Notes to the financial statements.

Government-Wide Financial Statements

The government-wide financial statements provide both short-term and long-term information about the District's overall financial condition in a manner similar to those of a private-sector business. The statements include a statement of net assets and a statement of activities that are designed to provide consolidated financial information about the governmental and business-type activities of the primary government presented on the accrual basis of accounting. The statement of net assets provides information about the government's financial position, its assets and liabilities, using an economic resources measurement focus. The difference between the assets and liabilities and the net assets is a measurement of the financial health of the District. The statement of activities presents information about the change in the District's net assets and the results of its operations, during the fiscal year. An increase or decrease in net assets is an indication of whether the District's financial health is improving or deteriorating.

The government-wide statements present the District's activities in three categories:

- **Governmental Activities** – This represents most of the District's services, including its educational programs: basic, vocational, adult and exceptional education. Support functions, such as operation and maintenance of plant, pupil transportation and administration, are also included. Local property taxes and the State's education finance program provide most of the resources that support these activities.
- **Business-type Activity** – The District charges fees to cover the cost of certain services it provides. The Pasco Learning and Activity Centers of Enrichment (the "PLACE"), a before and after school child care program, is reported as a business-type activity.
- **Component Units** – The District presents the following charter schools: Academy at the Farm, Inc., Athenian Academy of Pasco County, Inc, Countryside Montessori Charter School, Inc., Dayspring Academy for Education and the Arts, Imagine School at Land O'Lakes LLC.; and the Pasco Education Foundation, Inc. (the "Foundation") as separate legal entities in this report. Although legally separate organizations, the component units are included in this report because they meet the criteria for inclusion provided by accounting principles generally accepted in the United States ("GAAP").
- The Pasco County School Board Leasing Corporation (the "Leasing Corporation"), a legally separate entity, was formed to facilitate financing for the acquisition of facilities and equipment for the District. Due to the substantive economic relationship between the District and the Leasing Corporation, the Leasing Corporation has been included as an integral part of the primary government.

Fund Financial Statements

Fund financial statements are one of the components of the basic financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and prudent fiscal management. Certain funds are established by law while others are created by legal agreements, such as bond covenants. Fund financial statements provide more detailed information about the District's financial activities, focusing on its most significant or "major" funds rather than fund types. This is in contrast to the entity-wide perspective contained in the government-wide statements.

All of the District's funds may be classified within one of three broad categories:

- **Governmental Funds** – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental funds utilize a spendable financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements. The financial resources measurement focus allows the governmental fund statements to provide

information on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year.

The governmental fund statements provide a detailed short-term view that may be used to evaluate the District's near-term financing requirements. This short-term view is useful when compared to the long-term view presented as governmental activities in the government-wide financial statements. To facilitate this comparison, both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation of governmental funds to governmental activities.

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the District's most significant funds. The District's major funds are the General Fund and Capital Projects - Other Fund. Data from the other governmental funds are combined into a single, aggregated presentation.

The District adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the budget.

- **Proprietary Funds** – Proprietary funds may be established to account for activities in which a fee is charged for services. Two types of proprietary funds are maintained:
 - Enterprise funds are used to report the same functions as business-type activities in the government-wide financial statements. The District uses the enterprise fund to account for its before and after school child care program.
 - Internal service funds are used to report activities that provide goods and services to support the District's other programs and functions through user charges. The District uses the internal service fund to account for its fully insured dental, life and mental health programs; individual self-insurance programs for liability, workers' compensation, health and pharmacy programs; the employee assistance program; graphic services; the energy management program; and exclusive agreements administered by the School Board. Since these services predominantly benefit governmental rather than business-type functions, the internal service funds have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail, for those enterprise funds determined to be major. Conversely, the internal service funds are combined into a single, aggregated column in the proprietary fund financial statements.

- **Fiduciary Funds** – Fiduciary funds are used to report assets held in a trustee or fiduciary capacity for the benefit of external parties, such as student activity funds. Fiduciary funds are not reflected in the government-wide statements because the resources are not available to support the District's own programs. In its fiduciary capacity, the District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes.

The District uses private-purpose trust funds to account for scholarship funds established by private donors. The District uses a pension trust fund to account for resources used to finance its early retirement program. The District uses agency funds to account for resources held for student activities and groups.

Notes to Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

Net assets may serve over time as a useful indicator of the government's financial position. The following is a summary of the District's net assets as of June 30, 2009, compared to net assets as of June 30, 2008:

Net Assets, End of Year							
	Governmental Activities		Business-Type Activities		Total		Percentage Change
	6-30-09	6-30-08	6-30-09	6-30-08	6-30-09	6-30-08	
Current and Other Assets	\$ 404,899,729	\$ 464,017,629	\$ 3,608,812	\$ 3,268,374	\$ 408,508,541	\$ 467,286,003	
Capital Assets	944,433,751	869,299,209	184,707	228,564	944,618,458	869,527,773	
Total Assets	1,349,333,480	1,333,316,838	3,793,519	3,496,938	1,353,126,999	1,336,813,776	1.22%
Long-Term Liabilities	527,041,244	538,739,134	722,629	701,295	527,763,873	539,440,429	
Other Liabilities	55,138,459	47,004,776	119,236	82,633	55,257,695	47,087,409	
Total Liabilities	582,179,703	585,743,910	841,865	783,928	583,021,568	586,527,838	-0.60%
Net Assets:							
Invested in Capital Assets -							
Net of Debt	532,017,595	477,656,475	184,707	228,564	532,202,302	477,885,039	
Restricted	199,546,968	239,259,651	-	-	199,546,968	239,259,651	
Unrestricted	35,589,214	30,656,802	2,766,947	2,484,446	38,356,161	33,141,248	
Total Net Assets	\$ 767,153,777	\$ 747,572,928	\$ 2,951,654	\$ 2,713,010	\$ 770,105,431	\$ 750,285,938	2.64%

The largest portion of the District's net assets (69.11 percent) reflects its investment in capital assets (e.g. land, buildings, furniture and equipment, motor vehicles) less any related debt still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending.

The restricted portion of the District's net assets (25.91 percent) represents resources, which are subject to external restrictions on how they may be used. The unrestricted net assets (4.98 percent) may be used to meet the government's ongoing obligations to students, employees and creditors.

The key elements of the changes in the District's net assets for the fiscal year ended June 30, 2009, and June 30, 2008, are as follows:

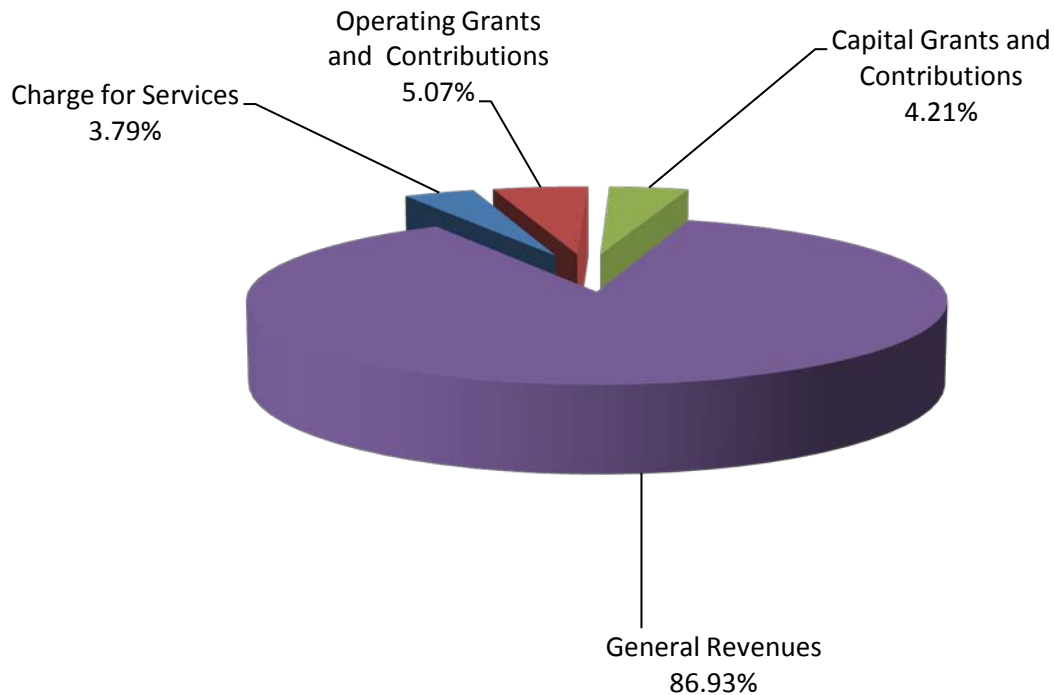
Operating Results for the Year						
	Governmental Activities		Business-Type Activities		Total	
	6-30-09	6-30-08	6-30-09	6-30-08	6-30-09	6-30-08
Program Revenues:						
Charges for Services	\$ 15,503,883	\$ 17,474,888	\$ 9,144,709	\$ 9,320,202	\$ 24,648,592	\$ 26,795,090
Operating Grants and Contributions	32,957,214	32,184,868	-	-	32,957,214	32,184,868
Capital Grants and Contributions	27,380,354	68,481,567	-	-	27,380,354	68,481,567
General Revenues:						
Property Taxes, Levied for Operational Purposes	163,132,311	159,132,655	-	-	163,132,311	159,132,655
Property Taxes, Levied for Debt Service	-	5,361,489	-	-	-	5,361,489
Property Taxes, Levied for Capital Projects	42,857,117	43,207,373	-	-	42,857,117	43,207,373
Local Sales Taxes	26,452,520	27,157,517	-	-	26,452,520	27,157,517
Grants and Contributions Not Restricted to Specific Programs	322,280,550	342,888,614	-	-	322,280,550	342,888,614
Unrestricted Investment Earnings	379,403	10,595,698	37,709	103,894	417,112	10,699,592
Transfers	-	154,071	-	(154,071)	-	-
Miscellaneous	9,890,216	11,549,775	746	-	9,890,962	11,549,775
Total Revenues	640,833,568	718,188,515	9,183,164	9,270,025	650,016,732	727,458,540
Functions/Program Expenses:						
Instruction	351,559,669	348,572,526	-	-	351,559,669	348,572,526
Pupil Personnel Services	29,943,982	30,462,893	-	-	29,943,982	30,462,893
Instructional Media Services	8,979,508	10,360,657	-	-	8,979,508	10,360,657
Instruction and Curriculum Development Services	11,411,106	10,969,233	-	-	11,411,106	10,969,233
Instructional Staff Training Services	8,281,128	9,810,582	-	-	8,281,128	9,810,582
Instruction Related Technology	6,531,075	6,342,050	-	-	6,531,075	6,342,050
Board of Education	2,717,695	2,438,957	-	-	2,717,695	2,438,957
General Administration	1,805,179	2,842,753	-	-	1,805,179	2,842,753
School Administration	34,476,174	35,422,367	-	-	34,476,174	35,422,367
Facilities Acquisition and Construction	17,033,887	14,328,177	-	-	17,033,887	14,328,177
Fiscal Services	2,419,295	2,302,729	-	-	2,419,295	2,302,729
Food Services	29,605,467	29,733,446	-	-	29,605,467	29,733,446
Central Services	6,455,741	1,657,766	-	-	6,455,741	1,657,766
Pupil Transportation Services	28,153,490	30,352,782	-	-	28,153,490	30,352,782
Operation of Plant	43,875,230	45,807,271	-	-	43,875,230	45,807,271
Maintenance of Plant	13,258,894	13,161,025	-	-	13,258,894	13,161,025
Administrative Technology Services	3,229,763	3,066,415	-	-	3,229,763	3,066,415
Community Services	816,613	833,011	8,944,520	9,517,699	9,761,133	10,350,710
Interest on Long-Term Debt	20,698,823	23,240,113	-	-	20,698,823	23,240,113
Total Functions/Program Expenses	621,252,719	621,704,753	8,944,520	9,517,699	630,197,239	631,222,452
Increase (Decrease) in Net Assets	\$ 19,580,849	\$ 96,483,762	\$ 238,644	\$ (247,674)	\$ 19,819,493	\$ 96,236,088

Total revenues decreased by \$77,441,808 or 10.65 percent, primarily due to a decrease in State revenues, a decrease in assessed property value and elimination of Class Size Reduction Construction funds for the construction of new schools. State revenues decreased by \$57,938,721 or 15.31 percent.

Revenues from State sources for current operations are primarily received through the Florida Education Finance Program ("FEFP") funding formula. The FEFP formula utilizes student enrollment data and is designed to maintain equity in funding across all Florida school districts, taking into consideration the District's funding ability based on the local property tax base.

Other State revenues are primarily for the acquisition, construction, and maintenance of educational facilities.

Sources of Revenue for Fiscal Year 2009



Instructional expenses increased by \$2,987,143 or 0.85 percent from the previous year due mainly to employment of additional instructional staff related to the opening of two new schools.

The total cost, of all programs and services, decreased by \$1,025,213 or 0.16 percent. Teaching alone comprises approximately 55.79 percent of all expenditures. Teaching combined with other school-level programs such as transportation, media, counseling, psychological services, school administration, community services, capital outlay and operations and maintenance comprise 89.54 percent of total expenses. Curriculum development and staff training comprise 3.13 percent of total expenses. District services such as human resources, employee benefits, finance, purchasing, warehouse, data processing and mail couriers comprise 5.91 percent of total expenses and the activities of the PLACE program comprise 1.42 percent of total expenses.

Primary Government Activities - By Functions		
	6-30-09	Percentage of Total Expenditures
School Level Services:		
Instruction	\$ 351,559,669	55.79%
Pupil Personnel Services	29,943,982	4.75%
Instructional Media Services	8,979,508	1.42%
Instruction Related Technology	6,531,075	1.04%
Pupil Transportation	28,153,490	4.47%
Sub-Total - Direct Services to Students	425,167,724	67.47%
Operations and Maintenance of Plant	57,134,124	9.07%
School Administration	34,476,174	5.47%
Food Services	29,605,467	4.70%
Community Services	816,613	0.13%
Facilities Acquisitions and Construction	17,033,887	2.70%
Sub-Total - Indirect Services to Students	139,066,265	22.07%
Total School Level Services	564,233,989	89.54%
Curriculum & Staff Development		
Instructional and Curriculum Development Services	11,411,106	1.81%
Instructional Staff Training Services	8,281,128	1.32%
Total Curriculum & Staff Development	19,692,234	3.13%
District Services:		
Fiscal Services	2,419,295	0.38%
Central Services	6,455,741	1.02%
Board of Education	2,717,695	0.43%
Administrative Technology Services	3,229,763	0.51%
Interest on Long-Term Liabilities	20,698,823	3.28%
General Administration	1,805,179	0.29%
Total District Services	37,326,496	5.91%
Business Activity - PLACE Program	8,944,520	1.42%
Total Primary Government Activities by Function	\$ 630,197,239	100.00%

Financial Analysis of the District's Funds

Major Governmental Funds

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unreserved fund balance is \$32,803,154 while the total fund balance is \$47,270,880. The unreserved fund balance decreased by \$3,283,885 while the total fund balance decreased by \$13,649,693 during the fiscal year. Key factors impacting fund balance are as follows:

- An increase in the local property tax rate increased tax revenues by \$3,801,890.
- Total expenditures decreased by \$2,602,865 or 0.53 percent due mainly to budget reductions established to accommodate declining revenues, created mostly by the reduction of State funding to most programs.
- Factors affecting total fund balance decrease include: a decrease in the unexpended balance of State categorical program revenues which are required to be carried forward to the following year to be expended for specific categorical educational programs, and a hiring freeze implemented in December 2008.
- For the most part, increases in non-energy related expenses closely paralleled inflation.

The Capital Projects – Other Fund is used to account for resources generated by various sources for educational capital outlay needs. The fund balance for this fund at fiscal year-end is \$172,937,682. During the 2008-09 fiscal year, expenditures decreased by \$51,154,946 or 41.99 percent. This is mainly due to the decrease in new school construction and reduction in Class Size Capital funding from the State.

An overall analysis of the District's Capital Projects – Other Fund is presented below:

Capital Projects - Other Fund				
	<u>6/30/2009</u>	<u>6/30/2008</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Revenue	\$ 31,212,526	\$ 79,257,002	\$ (48,044,476)	-60.62%
Other Financing Sources	4,175,945	372,038,364	(367,862,419)	-98.88%
Beginning Fund Balance	225,282,723	135,059,675	90,223,048	66.80%
Total	<u>\$ 260,671,194</u>	<u>\$ 586,355,041</u>	<u>\$ (325,683,847)</u>	<u>-55.54%</u>
Expenditures	\$ 70,669,277	\$ 121,824,223	\$ (51,154,946)	-41.99%
Other Financing Uses	17,064,235	239,248,095	(222,183,860)	-92.87%
Ending Fund Balance	172,937,682	225,282,723	(52,345,041)	-23.24%
Total	<u>\$ 260,671,194</u>	<u>\$ 586,355,041</u>	<u>\$ (325,683,847)</u>	<u>-55.54%</u>

Business-Type Activities

The business-type activity presented is the PLACE program, a before and after school child care program. Total revenues of the program were \$9,144,709 and expenses totaled \$8,944,520. Expenses are supported by charges paid by users. The program had an increase in net assets of \$238,644 due primarily to budget cuts and a hiring freeze implemented during the year.

General Fund Budgetary Highlights

During the current fiscal year, the District received \$15,401,963 of State formula revenues less than the initially budgeted amounts. This decrease was primarily due to Legislative reductions in revenue programs. The projected unweighted full-time equivalent student increase for the year (upon which the budget was based) was 1,387. The actual unweighted full-time equivalent student increase for the year was 279.

Budget amendments for expenditures amounted to a decrease of \$129,025 or 0.03 percent decrease to the original budget.

Capital Assets and Long-Term Debt

Capital Assets

The District's investment in capital assets for its governmental and business-type activity as of June 30, 2009, amounts to \$944,618,458 (net of accumulated depreciation). This investment in capital assets includes land, improvements other than buildings, buildings and fixed equipment, furniture, fixtures, and equipment, motor vehicles, construction in progress, audio visual materials and computer software.

<u>Capital Assets (net of depreciation)</u>							
	Governmental Activities		Business-Type Activity		Total School District		%
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>Change</u>
Land	\$ 74,217,524	\$ 67,786,439	\$ -	\$ -	\$ 74,217,524	\$ 67,786,439	9.5%
Construction in Progress	260,818,479	242,769,535	-	-	260,818,479	242,769,535	7.4%
Improvements Other Than Buildings	13,831,093	12,090,797	5,664	6,382	13,836,757	12,097,179	14.4%
Buildings and Fixed Equipment	543,370,549	495,910,406	27,272	29,347	543,397,821	495,939,753	9.6%
Furniture, Fixtures and Equipment	29,829,591	29,186,425	137,745	171,985	29,967,336	29,358,410	2.1%
Motor Vehicles	20,425,377	19,359,737	-	-	20,425,377	19,359,737	5.5%
Audio Visual Materials	61,690	76,113	-	-	61,690	76,113	-18.9%
Computer Software	1,879,448	2,119,757	14,026	20,850	1,893,474	2,140,607	-11.5%
Total	\$ 944,433,751	\$ 869,299,209	\$ 184,707	\$ 228,564	\$ 944,618,458	\$ 869,527,773	8.6%

Additional information on the District's capital assets can be found in Note 5 to the financial statements.

Long-term Debt

As of June 30, 2009, the District has total long-term debt outstanding of \$467,407,399. This amount is comprised of \$98,313,776 of bonds payable and \$369,093,623 of certificates of participation notes. During the year, retirement of debt amounted to \$20,115,000 and the District issued \$1,170,010 in certificates of participation notes to provide funds for improvements to Pasco High School.

The following is a summary of the District's long-term debt as of June 30, 2009:

<u>Outstanding Long-Term Debt</u>			
	<u>Total School District</u>		<u>Percentage</u>
	<u>2009</u>	<u>2008</u>	<u>Change</u>
SBE Bonds	\$ 20,078,502	\$ 21,412,537	-6.23%
District Revenue Bonds	3,170,563	3,247,970	-2.38%
Sales Tax Revenue Bonds	75,064,711	85,861,130	-12.57%
Certificates of Participation	369,093,623	376,523,536	-1.97%
Total	<u>\$ 467,407,399</u>	<u>\$ 487,045,173</u>	-4.03%

Additional information on the District's long-term debt can be found in Notes 6 through 11 to the financial statements.

Other Matters of Significance

Due to recent State revenue shortfalls, the Legislature used Federal stimulus funds to balance the budget. These funds have been distributed to school districts in amounts necessary to provide funding for the 2009-2010 school year at a level approximately equal to the funding level for the 2008-2009 school year. These funds must be used to save or create jobs. The District has established a method of allocation of the funds to save as many jobs as possible or create new jobs when possible.

Requests for Information

These financial statements are designed to provide the District's citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided or requests for additional financial information should be addressed to:

Director of Finance Services
District School Board of Pasco County
7227 Land O' Lakes Boulevard
Land O' Lakes, Florida 34638

BASIC FINANCIAL STATEMENTS



District School Board of Pasco County
Statement of Net Assets
June 30, 2009

Exhibit A

	Primary Government			Component Units
	Governmental Activities	Business-type Activity	Total	
ASSETS:				
Cash	\$ 10,251,589	\$ 22,533	\$ 10,274,122	\$ 1,242,174
Cash with Fiscal Agent	6,015,007	-	6,015,007	-
Cash Equivalents	-	3,468,011	3,468,011	-
Investments	276,305,553	-	276,305,553	1,662,833
Accounts Receivable, Net	3,684,365	118,268	3,802,633	21,737
Accrued Interest Receivable	208	-	208	-
Capital Credits Receivable	3,335,447	-	3,335,447	-
Deferred Charges	16,165,647	-	16,165,647	-
Prepaid Items	68,980	-	68,980	1,872,339
Deposits Receivable	-	-	-	23,291
Due From Other Agencies	83,413,948	-	83,413,948	54,675
Inventories	5,658,985	-	5,658,985	-
Capital Assets (net of accumulated depreciation):				
Land	74,217,524	-	74,217,524	300,483
Construction in Progress	260,818,479	-	260,818,479	-
Improvements Other Than Buildings	13,831,093	5,664	13,836,757	-
Leasehold Property and Improvements	-	-	-	137,985
Buildings and Fixed Equipment	543,370,549	27,272	543,397,821	1,746,415
Furniture, Fixtures, and Equipment	29,829,591	137,745	29,967,336	176,553
Motor Vehicles	20,425,377	-	20,425,377	162,282
Audio Visual Materials	61,690	-	61,690	551
Computer Software	1,879,448	14,026	1,893,474	-
TOTAL ASSETS	\$ 1,349,333,480	\$ 3,793,519	\$ 1,353,126,999	\$ 7,401,318
LIABILITIES:				
Salaries, Benefits Payable	\$ 15,892,582	\$ 1,434	\$ 15,894,016	\$ 283,045
Payroll Deductions and Withholdings	564,296	9,918	574,214	-
Accounts Payable	23,872,252	37,355	23,909,607	261,795
Construction Contracts Payable	6,454,626	-	6,454,626	-
Construction Contracts Payable-Retainage	3,310,783	-	3,310,783	-
Due to Fiscal Agent	-	-	-	282,000
Due to Other Agencies	-	-	-	52,916
Sales Tax Payable	4,521	-	4,521	-
Deposits Payable	35,348	-	35,348	-
Accrued Interest Payable	4,724,843	-	4,724,843	-
Unearned Revenue	279,208	70,529	349,737	-
Non-Current Liabilities Due Within One Year:				
Notes Payable	-	-	-	821,851
Obligations Under Capital Leases	-	-	-	8,221
Bonds Payable	12,712,861	-	12,712,861	-
Certificates of Participation Payable	8,834,924	-	8,834,924	-
Estimated Insurance Claims Payable	2,242,454	-	2,242,454	-
Compensated Absences Payable	26,099,988	345,734	26,445,722	50,898
Long-Term Debt and Liabilities:				
Notes Payable	-	-	-	992,155
Obligations Under Capital Leases	-	-	-	15,715
Bonds Payable	85,600,915	-	85,600,915	-
Certificates of Participation Payable	360,258,699	-	360,258,699	-
Estimated Insurance Claims Payable	4,590,838	-	4,590,838	-
Compensated Absences Payable	11,064,879	108,309	11,173,188	-
Arbitrage Rebate Payable	557,695	-	557,695	-
Other Post-employment Benefits Obligation	15,077,991	268,586	15,346,577	-
Total Liabilities	582,179,703	841,865	583,021,568	2,768,596
NET ASSETS:				
Invested in Capital Assets, Net of Related Debt	532,146,394	184,707	532,331,101	686,327
Restricted for:				
State Categorical Programs	7,454,411	-	7,454,411	-
Debt Service	13,969,095	-	13,969,095	-
Capital Projects	175,556,369	-	175,556,369	-
Special Revenue	2,567,093	-	2,567,093	-
Other Purposes	-	-	-	1,790,801
Unrestricted	35,460,415	2,766,947	38,227,362	2,155,594
Total Net Assets	767,153,777	2,951,654	770,105,431	4,632,722
TOTAL LIABILITIES AND NET ASSETS	\$ 1,349,333,480	\$ 3,793,519	\$ 1,353,126,999	\$ 7,401,318

The accompanying notes to financial statements are an integral part of this statement.

District School Board of Pasco County
Statement of Activities
For the Fiscal Year Ended June 30, 2009

Exhibit B

Functions/Programs:	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government			
Governmental Activities:			
Instruction	\$ 351,559,669	\$ 1,645,400	\$ -
Pupil Personnel Services	29,943,982	-	-
Instructional Media Services	8,979,508	-	-
Instruction and Curriculum Development Services	11,411,106	-	-
Instructional Staff Training Services	8,281,128	-	-
Instruction Related Technology	6,531,075	-	-
Board of Education	2,717,695	-	-
General Administration	1,805,179	-	-
School Administration	34,476,174	-	-
Facilities Acquisition and Construction	17,033,887	-	-
Fiscal Services	2,419,295	-	-
Food Services	29,605,467	12,998,964	17,618,088
Central Services	6,455,741	-	-
Pupil Transportation Services	28,153,490	859,519	15,339,126
Operation of Plant	43,875,230	-	-
Maintenance of Plant	13,258,894	-	-
Administrative Technology Services	3,229,763	-	-
Community Services	816,613	-	-
Interest on Long-term Liabilities	20,698,823	-	-
Total Governmental Activities	<u>621,252,719</u>	<u>15,503,883</u>	<u>32,957,214</u>
Business-Type Activity:			
PLACE Program	8,944,520	9,144,709	-
Total Business-Type Activity	<u>8,944,520</u>	<u>9,144,709</u>	<u>-</u>
Total Primary Government	<u>\$ 630,197,239</u>	<u>\$ 24,648,592</u>	<u>\$ 32,957,214</u>
Educational Foundation	\$ 1,127,967	\$ -	\$ -
Charter Schools	<u>11,251,518</u>	<u>-</u>	<u>230,800</u>
Total Component Units	<u>\$ 12,379,485</u>	<u>\$ -</u>	<u>\$ 230,800</u>

General Revenues:

Property Taxes, Levied for Operational Purposes

Property Taxes, Levied for Capital Projects

Local Sales Taxes

Grants and Contributions not Restricted to Specific Programs

Unrestricted Investment Earnings (Losses)

Miscellaneous

Total General Revenues

Change in Net Assets

Net Assets, July 1, 2008, as previously reported

Prior period adjustments

Net Assets, June 30, 2009

The accompanying notes to financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets					
Capital Grants and Contributions	Primary Government			Component Units	
	Governmental Activities	Business-type Activity	Total		
\$ -	\$ (349,914,269)	\$ -	\$ (349,914,269)	\$ -	
-	(29,943,982)	-	(29,943,982)	-	
-	(8,979,508)	-	(8,979,508)	-	
-	(11,411,106)	-	(11,411,106)	-	
-	(8,281,128)	-	(8,281,128)	-	
-	(6,531,075)	-	(6,531,075)	-	
-	(2,717,695)	-	(2,717,695)	-	
-	(1,805,179)	-	(1,805,179)	-	
-	(34,476,174)	-	(34,476,174)	-	
24,883,437	7,849,550	-	7,849,550	-	
-	(2,419,295)	-	(2,419,295)	-	
-	1,011,585	-	1,011,585	-	
-	(6,455,741)	-	(6,455,741)	-	
-	(11,954,845)	-	(11,954,845)	-	
-	(43,875,230)	-	(43,875,230)	-	
-	(13,258,894)	-	(13,258,894)	-	
-	(3,229,763)	-	(3,229,763)	-	
-	(816,613)	-	(816,613)	-	
2,496,917	(18,201,906)	-	(18,201,906)	-	
27,380,354	(545,411,268)	-	(545,411,268)	-	
-	-	200,189	200,189	-	
-	-	200,189	200,189	-	
\$ 27,380,354	(545,411,268)	200,189	(545,211,079)	-	
\$ -	-	-	-	(1,127,967)	
98,520	-	-	-	(10,922,198)	
\$ 98,520	-	-	-	(12,050,165)	
-	163,132,311	-	163,132,311	-	
-	42,857,117	-	42,857,117	-	
-	26,452,520	-	26,452,520	-	
-	322,280,550	-	322,280,550	12,373,113	
-	379,403	37,709	417,112	(417,209)	
-	9,890,216	746	9,890,962	-	
-	564,992,117	38,455	565,030,572	11,955,904	
-	19,580,849	238,644	19,819,493	(94,261)	
-	747,572,928	2,713,010	750,285,938	4,770,947	
-	-	-	-	(43,964)	
-	\$ 767,153,777	\$ 2,951,654	\$ 770,105,431	\$ 4,632,722	

District School Board of Pasco County
Balance Sheet
Governmental Funds
June 30, 2009

Exhibit C

	Major Funds			
	General	Capital Projects		
	Primary Operating Fund	Other Funds	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS:				
Cash	\$ 10,217,249	\$ -	\$ 34,340	\$ 10,251,589
Cash with Fiscal Agent	-	5,116,840	866,195	5,983,035
Investments	33,660,538	144,587,901	52,733,695	230,982,134
Accounts Receivable	2,313,266	-	23,985	2,337,251
Accrued Interest Receivable	-	198	10	208
Due from Other Funds	18,147,033	5,485,614	-	23,632,647
Due from Other Agencies	4,854,008	49,341,489	29,218,451	83,413,948
Inventories	4,611,789	-	1,017,378	5,629,167
Prepaid Items	68,980	-	-	68,980
TOTAL ASSETS	\$ 73,872,863	\$ 204,532,042	\$ 83,894,054	\$ 362,298,959
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Salaries and Benefits Payable	\$ 15,661,871	\$ -	\$ 211,994	\$ 15,873,865
Payroll Deductions and Withholdings Payable	502,638	-	58,435	561,073
Accounts Payable	10,402,126	2,161,210	3,159,196	15,722,532
Construction Contracts Payable	-	4,273,142	2,181,484	6,454,626
Construction Contracts Payable-Retainage	-	2,514,566	796,217	3,310,783
Arbitrage Rebate Payable	-	557,695	-	557,695
Due to Other Funds	-	22,087,747	1,544,900	23,632,647
Deposits Payable	35,348	-	-	35,348
Deferred Revenue	-	-	277,515	277,515
Total Liabilities	26,601,983	31,594,360	8,229,741	66,426,084
Fund Balances:				
Reserved for:				
State Categorical Programs	7,454,411	32,321,064	-	39,775,475
Encumbrances	7,013,315	15,611,033	21,178,155	43,802,503
Debt Service	-	-	18,693,938	18,693,938
Unreserved:				
Reported in General Fund				
Designated for Compensated Absences	3,845,042	-	-	3,845,042
Designated for Special Projects	3,570,035	-	-	3,570,035
Reported in Capital Projects Funds	-	125,005,585	34,091,586	159,097,171
Reported in Special Revenue Fund				
Designated for Compensated Absences	-	-	932,558	932,558
Designated for Food Services	-	-	768,076	768,076
Undesignated, Reported in:				
General Fund	25,388,077	-	-	25,388,077
Total Fund Balances	47,270,880	172,937,682	75,664,313	295,872,875
TOTAL LIABILITIES AND FUND BALANCES	\$ 73,872,863	\$ 204,532,042	\$ 83,894,054	\$ 362,298,959

The accompanying notes to financial statements are an integral part of this statement.

District School Board of Pasco County
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
June 30, 2009

Exhibit D

Total fund balances for total governmental funds (page 18). \$ 295,872,875

Amounts reported for governmental activities in the statement of net assets (page 15)
are different because:

Capital assets, net of depreciation, used in governmental activities are not
financial resources and, therefore, are not reported as assets in the
governmental funds. 944,304,952

Capital credits to be received in future years are not available to liquidate liabilities in
governmental funds, but are accrued in the government-wide statements. 3,335,447

Long-term liabilities are not due and payable in the current period, therefore,
are not reported in the governmental funds.

Long-term liabilities at year-end consist of:

Bonds Payable	\$	(98,313,776)	
Certificates of Participation Payable		(369,093,623)	
Compensated Absences Payable		(36,701,124)	
Other Post-employment Benefits Obligation		(15,077,991)	
			(519,186,514)

Interest on long-term debt is accrued as a liability in the government-wide statements,
but is not recognized in the governmental funds until due. (4,724,843)

Debt issuance costs and underwriter's discounts are not expended in the
government-wide statements but are reported as deferred charges, and
amortized over the life of the debt. 16,165,647

Internal service funds are used by management to charge the costs of certain activities,
such as insurance, to individual funds. The assets and liabilities of the internal
service funds are included in governmental activities in the statement of net assets 31,386,213

Total Net Assets - Governmental Activities **\$ 767,153,777**

The accompanying notes to financial statements are an integral part of this statement.

District School Board of Pasco County
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2009

	Major Funds		Nonmajor Governmental Funds	Total Governmental Funds
	General	Capital Projects		
	Primary Operating Fund	Other Funds		
Revenues:				
Federal Sources:				
Federal Direct	\$ 477,086	\$ -	\$ 5,490,554	\$ 5,967,640
Federal Through State	2,155,092	-	31,348,367	33,503,459
Food Services	-	-	17,236,057	17,236,057
Federal Through Local	-	-	54,812	54,812
State Sources:				
Florida Education Finance Program	195,130,222	-	-	195,130,222
Public Education Capital Outlay	-	-	19,148,129	19,148,129
Food Services	-	-	382,031	382,031
CO & DS Withheld for State Education Bonds	40,383	-	2,272,990	2,313,373
Racing Commission Funds	-	-	223,250	223,250
CO & DS Interest	-	-	26,746	26,746
CO & DS Distributed	-	-	413,180	413,180
State Grants and Other	102,776,460	-	184,542	102,961,002
Local Sources:				
Property Taxes	163,132,311	-	42,857,117	205,989,428
Local Sales Taxes	-	26,452,520	-	26,452,520
Impact Fees	-	5,295,383	-	5,295,383
Food Services	-	-	12,998,169	12,998,169
Investment Earnings	2,723,326	(535,589)	(1,807,539)	380,198
Local Grants and Other	11,409,282	212	-	11,409,494
Total Revenues	477,844,162	31,212,526	130,828,405	639,885,093
Expenditures:				
Current-Education:				
Instruction	302,697,579	-	21,974,674	324,672,253
Pupil Personnel Services	26,119,490	-	3,409,122	29,528,612
Instructional Media Services	9,861,473	-	27,682	9,889,155
Inst. and Curriculum Development Services	6,526,303	-	4,188,797	10,715,100
Instructional Staff Training Services	5,185,516	-	3,098,325	8,283,841
Instruction Related Technology	6,351,304	-	184,550	6,535,854
Board of Education	2,630,591	-	-	2,630,591
General Administration	1,324,761	-	1,000,544	2,325,305

	Major Funds		Nonmajor Governmental Funds	Total Governmental Funds
	General	Capital Projects		
	Primary Operating Fund	Other Funds		
Expenditures (continued):				
School Administration	34,093,343	-	-	34,093,343
Facilities Acquisition and Construction	2,006,565	1,903,307	2,282,247	6,192,119
Fiscal Services	2,350,098	-	72,462	2,422,560
Food Services	192,978	-	29,081,613	29,274,591
Central Services	6,450,627	-	450,217	6,900,844
Pupil Transportation Services	26,585,911	-	345,505	26,931,416
Operation of Plant	42,954,905	-	120,783	43,075,688
Maintenance of Plant	12,707,863	-	138,536	12,846,399
Administrative Technology Services	3,022,763	-	95,417	3,118,180
Community Services	682,052	-	123,751	805,803
Capital Outlay:				
Facilities Acquisition and Construction	-	68,765,970	37,302,164	106,068,134
Other Capital Outlay	380,099	-	1,796,303	2,176,402
Debt Service:				
Principal	-	-	20,115,000	20,115,000
Interest	-	-	19,679,686	19,679,686
Fiscal Charges	-	-	1,174,013	1,174,013
Total Expenditures	492,124,221	70,669,277	146,661,391	709,454,889
Excess (Deficiency) of Revenues Over Expenditures	(14,280,059)	(39,456,751)	(15,832,986)	(69,569,796)
Other Financing Sources (Uses):				
Certificates of Participation Issued	-	1,120,260	49,750	1,170,010
Proceeds from the Sale of Capital Assets	133,327	-	-	133,327
Transfers In	497,039	3,055,685	39,043,000	42,595,724
Transfers Out	-	(17,064,235)	(25,731,489)	(42,795,724)
Total Other Financing Sources (Uses)	630,366	(12,888,290)	13,361,261	1,103,337
Net Change in Fund Balances	(13,649,693)	(52,345,041)	(2,471,725)	(68,466,459)
Fund Balances, July 1, 2008	60,920,573	225,282,723	78,136,038	364,339,334
Fund Balances, June 30, 2009	\$ 47,270,880	\$ 172,937,682	\$ 75,664,313	\$ 295,872,875

The accompanying notes to financial statements are an integral part of this statement.

**District School Board of Pasco County
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balance for Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2009**

Exhibit F

Net Change in Fund Balances - Governmental Funds (page 21). \$ (68,466,459)

Amounts reported for governmental activities on the statement of activities (pages 16 & 17) are different because:

Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Expenditures for capital assets	\$ 108,244,536	
Less current year depreciation	<u>(32,655,031)</u>	75,589,505

Capital assets donated to the District increase net assets on the statement of activities. However, they do not provide current financial resources that are not reported as revenues in the governmental funds.	276,590
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The undepreciated cost of capital assets disposed of during the period is reported in the statement of activities. In the governmental funds, the cost of these assets was recognized as an expenditure in the year purchased. Thus, the change in net assets differs from the change in fund balance by the undepreciated cost of the disposed assets.	(707,193)
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Long-term debt proceeds provide current financial resources to the governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. Additionally, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized over the life of the debt in the statement of activities.

Proceeds from debt issuance	(1,170,010)	
Principal payments	20,115,000	
Net increase in deferred charges	(803,237)	
Net increase in premiums	<u>692,784</u>	18,834,537

Capital credits to be received in future years are accrued in the government-wide statements, but the credits do not provide current financial resources and are not recognized in the governmental funds. This is the net amount of capital credits earned in excess of the amount paid in the current period.	92,600
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In the statement of activities, the cost of compensated absences is measured by the amounts earned during the year, while in the governmental funds expenditures are not recognized based on the amounts actually paid for compensated absences. This is the net amount of compensated absences earned in excess of the amount paid in the current period.	(5,837)
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Interest on long-term debt is recognized as an expenditure in the governmental funds when due, but is recognized as interest accrues in the statement of activities.	265,330
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The net change in the liability for post-employment health care benefits is reported in the government-wide statements, but not in the governmental fund statements.	(7,443,532)
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Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The net revenue of internal service funds is reported with governmental activities.	<u>1,145,308</u>
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Change in Net Assets - Governmental Activities (pages 16 & 17).	<u><u>\$ 19,580,849</u></u>
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The accompanying notes to financial statements are an integral part of this statement.

District School Board of Pasco County
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental:				
Federal Sources:				
Federal Direct	\$ 563,953	\$ 569,910	\$ 477,086	\$ (92,824)
Federal Through State	580,000	1,530,000	2,155,092	625,092
State Sources:				
Florida Education Finance Program	210,112,420	195,130,222	195,130,222	-
State Grants and Other	107,786,245	103,277,285	102,816,843	(460,442)
Local Sources:				
Property Taxes	158,515,283	159,744,378	163,132,311	3,387,933
Investment Earnings	4,000,000	4,000,000	2,723,326	(1,276,674)
Local Grants and Other	12,546,441	12,660,280	11,409,282	(1,250,998)
Total Revenues	494,104,342	476,912,075	477,844,162	932,087
Expenditures:				
Current-Education:				
Instruction				
Salaries	211,431,472	209,427,380	209,414,918	12,462
Employee Benefits	60,526,577	63,007,339	62,830,470	176,869
Purchased Services	25,235,324	21,070,245	18,076,989	2,993,256
Materials and Supplies	12,805,587	11,001,752	8,848,846	2,152,906
Capital Outlay	359,607	1,185,116	456,608	728,508
Other Expenses	3,911,105	3,108,361	3,069,748	38,613
Pupil Personnel Services				
Salaries	18,199,962	18,656,849	18,341,434	315,415
Employee Benefits	5,402,578	5,909,994	5,840,794	69,200
Purchased Services	1,955,734	2,277,139	1,633,161	643,978
Materials and Supplies	320,615	263,548	199,548	64,000
Capital Outlay	19,028	44,122	24,558	19,564
Other Expenses	7,774	89,389	79,995	9,394
Instructional Media Services				
Salaries	6,009,212	6,138,599	6,131,328	7,271
Employee Benefits	1,801,980	1,876,685	1,875,977	708
Purchased Services	278,718	279,585	247,910	31,675
Materials and Supplies	296,744	349,162	324,018	25,144
Capital Outlay	1,486,314	1,534,251	1,275,131	259,120
Other Expenses	12,124	8,392	7,109	1,283
Instructional and Curriculum Development Services				
Salaries	5,109,138	5,336,548	4,869,198	467,350
Employee Benefits	1,552,907	1,609,186	1,379,630	229,556
Purchased Services	276,064	257,104	186,932	70,172
Materials and Supplies	244,547	77,682	58,593	19,089
Capital Outlay	7,610	81,597	15,675	65,922
Other Expenses	32,768	29,978	16,275	13,703

District School Board of Pasco County
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Expenditures (continued):				
Instructional Staff Training Services				
Salaries	4,658,810	4,627,637	3,889,569	738,068
Employee Benefits	1,191,283	1,145,304	1,091,950	53,354
Purchased Services	252,509	218,794	93,452	125,342
Materials and Supplies	98,001	158,462	82,119	76,343
Capital Outlay	2,600	10,021	2,822	7,199
Other Expenses	37,660	75,247	25,604	49,643
Instruction Related Technology				
Salaries	4,575,396	4,784,831	4,777,318	7,513
Employee Benefits	1,380,153	1,573,883	1,573,801	82
Materials and Supplies	365	185	185	-
Board of Education				
Salaries	339,821	348,799	348,690	109
Employee Benefits	1,570,041	1,772,041	1,772,022	19
Purchased Services	496,407	483,651	432,737	50,914
Materials and Supplies	3,300	2,480	1,802	678
Capital Outlay	1,000	1,650	1,108	542
Other Expenses	72,500	74,270	74,232	38
General Administration				
Salaries	1,158,542	1,158,542	953,063	205,479
Employee Benefits	379,762	379,762	255,558	124,204
Purchased Services	235,961	154,818	105,371	49,447
Materials and Supplies	24,542	15,507	8,405	7,102
Capital Outlay	3,950	3,500	524	2,976
Other Expenses	41,301	39,301	1,840	37,461
School Administration				
Salaries	24,226,841	24,235,648	24,229,760	5,888
Employee Benefits	7,568,271	7,567,182	7,565,641	1,541
Purchased Services	1,188,975	1,251,746	1,251,620	126
Materials and Supplies	410,711	509,285	471,117	38,168
Capital Outlay	96,232	205,884	116,832	89,052
Other Expenses	559,346	558,239	458,373	99,866
Facilities Acquisition and Construction				
Salaries	1,194,323	1,194,323	1,057,817	136,506
Employee Benefits	319,502	319,502	280,455	39,047
Purchased Services	792,611	747,384	656,226	91,158
Materials and Supplies	17,075	13,725	8,503	5,222
Capital Outlay	130,050	1,102,815	2,814	1,100,001
Other Expenses	8,574	8,574	750	7,824

District School Board of Pasco County
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Expenditures (continued):				
Fiscal Services				
Salaries	1,521,803	1,522,033	1,479,746	42,287
Employee Benefits	465,938	491,006	472,436	18,570
Purchased Services	172,000	204,518	175,774	28,744
Materials and Supplies	46,505	694,113	24,070	670,043
Capital Outlay	2,000	3,675	2,315	1,360
Other Expenses	134,825	204,425	195,757	8,668
Food Services				
Salaries	-	169,149	169,028	121
Employee Benefits	-	13,003	12,925	78
Materials and Supplies	-	29,679	10,975	18,704
Capital Outlay	-	50	50	-
Central Services				
Salaries	4,072,180	4,075,731	4,023,334	52,397
Employee Benefits	1,314,244	1,314,500	1,243,305	71,195
Purchased Services	1,286,025	1,314,075	764,546	549,529
Materials and Supplies	84,284	142,566	123,313	19,253
Capital Outlay	15,086	19,654	8,687	10,967
Other Expenses	321,662	325,627	287,442	38,185
Pupil Transportation Services				
Salaries	15,906,714	15,654,011	15,237,564	416,447
Employee Benefits	6,502,007	6,672,264	6,613,688	58,576
Purchased Services	899,719	1,032,216	714,329	317,887
Energy Services	7,028,500	6,882,979	3,060,210	3,822,769
Materials and Supplies	964,080	969,501	927,820	41,681
Capital Outlay	1,950	6,075	1,633	4,442
Other Expenses	9,574	31,325	30,667	658
Operation of Plant				
Salaries	14,979,013	15,140,041	15,086,049	53,992
Employee Benefits	5,406,630	5,546,890	5,545,426	1,464
Purchased Services	11,758,478	11,553,575	10,726,547	827,028
Energy Services	10,745,846	10,741,678	10,669,993	71,685
Materials and Supplies	727,413	840,297	802,347	37,950
Capital Outlay	27,087	29,581	21,147	8,434
Other Expenses	2,995	106,139	103,396	2,743
Maintenance of Plant				
Salaries	6,884,078	7,031,078	7,030,219	859
Employee Benefits	2,143,369	2,125,368	2,124,568	800
Purchased Services	3,233,310	2,989,562	2,879,722	109,840
Materials and Supplies	496,435	653,939	653,079	860
Capital Outlay	12,900	11,430	7,525	3,905
Other Expenses	16,379	15,159	12,750	2,409

District School Board of Pasco County
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued):				
Administrative Technology Services				
Salaries	2,003,069	2,003,069	1,914,698	88,371
Employee Benefits	558,599	558,599	526,423	32,176
Purchased Services	873,415	833,242	536,578	296,664
Materials and Supplies	39,500	47,571	37,370	10,201
Capital Outlay	1,400	7,630	6,667	963
Other Expenses	15,574	8,574	1,027	7,547
Community Services				
Salaries	230,262	273,257	269,433	3,824
Employee Benefits	64,256	145,812	144,889	923
Purchased Services	224,714	244,651	238,982	5,669
Materials and Supplies	33,871	23,714	19,312	4,402
Capital Outlay	9,630	14,923	6,429	8,494
Other Expenses	37,242	4,392	3,007	1,385
Capital Outlay:				
Facilities Acquisition and Construction	-	-	-	-
Other Capital Outlay	-	380,099	380,099	-
Total Expenditures	511,594,465	511,465,440	492,124,221	19,341,219
Excess (Deficiency) of Revenues Over Expenditures	(17,490,123)	(34,553,365)	(14,280,059)	20,273,306
Other Financing Sources:				
Proceeds from the Sale of Capital Assets	185,000	185,000	133,327	(51,673)
Transfers In	584,186	497,039	497,039	-
Net Change in Fund Balance	(16,720,937)	(33,871,326)	(13,649,693)	20,221,633
Fund Balance, July 1, 2008	60,920,573	60,920,573	60,920,573	-
Fund Balance, June 30, 2009	\$ 44,199,636	\$ 27,049,247	\$ 47,270,880	\$ 20,221,633

The accompanying notes to financial statements are an integral part of this statement.

District School Board of Pasco County
Statement of Fund Net Assets
Proprietary Funds
June 30, 2009

Exhibit H

	Business-type Activity Nonmajor Enterprise Fund	Governmental Activities Internal Service Funds
ASSETS:		
Current Assets:		
Cash	\$ 22,533	\$ -
Cash with Fiscal Agent	-	31,972
Cash Equivalents	3,468,011	45,323,419
Accounts Receivable, Net	118,268	1,347,114
Inventories	-	29,818
Total Current Assets	<u>3,608,812</u>	<u>46,732,323</u>
Noncurrent Assets:		
Improvements Other Than Buildings, Net	5,664	-
Buildings and Fixed Equipment, Net	27,272	-
Furniture, Fixtures, and Equipment, Net	137,745	128,799
Computer Software, Net	14,026	-
Total Noncurrent Assets	<u>184,707</u>	<u>128,799</u>
TOTAL ASSETS	<u><u>\$ 3,793,519</u></u>	<u><u>\$ 46,861,122</u></u>
LIABILITIES:		
Current Liabilities:		
Salaries and Benefits Payable	\$ 1,434	\$ 18,717
Payroll Deductions and Withholdings Payable	9,918	3,223
Accounts Payable	37,355	8,154,241
Deferred Revenues	70,529	1,693
Current Portion of Long-Term Liabilities:		
Compensated Absences Payable	345,734	203,764
Estimated Insurance Claims Payable	-	2,242,454
Total Current Liabilities	<u>464,970</u>	<u>10,624,092</u>
Noncurrent Liabilities:		
Compensated Absences Payable	108,309	259,979
Estimated Insurance Claims Payable	-	4,590,838
Other Post-employment Benefits Obligation	268,586	-
Total Noncurrent Liabilities	<u>376,895</u>	<u>4,850,817</u>
Total Liabilities	<u>841,865</u>	<u>15,474,909</u>
NET ASSETS:		
Net Assets, Invested in Capital Assets	184,707	128,799
Unrestricted	2,766,947	31,257,414
Total Net Assets	<u>2,951,654</u>	<u>31,386,213</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 3,793,519</u></u>	<u><u>\$ 46,861,122</u></u>

The accompanying notes to financial statements are an integral part of this statement.

District School Board of Pasco County
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2009

Exhibit I

	Business-type Activity <u>Nonmajor Enterprise Fund</u>	Governmental Activities <u>Internal Service Funds</u>
Operating Revenues:		
Charges for Services Provided	\$ 9,144,709	\$ 13,293,913
Insurance Premiums:		
Board Contributions	-	55,371,606
Employees	-	6,489,503
Retirees	-	1,960,190
Other Operating Revenues	-	756,331
Total Operating Revenues	<u>9,144,709</u>	<u>77,871,543</u>
Operating Expenses:		
Salaries	5,148,115	1,254,343
Employee Benefits	2,121,561	491,758
Purchased Services	393,322	5,172,811
Insurance Premiums	-	29,548,866
Energy Services	486,636	10,666,383
Materials and Supplies	312,219	222,779
Capital Outlay	28,489	4,465
Insurance Claims	-	30,034,003
Other	397,245	84,463
Depreciation	56,933	34,769
Total Operating Expenses	<u>8,944,520</u>	<u>77,514,640</u>
Operating Income	<u>200,189</u>	<u>356,903</u>
Nonoperating Revenues:		
Investment Earnings	37,709	332,576
Gifts, Grants and Bequests	-	109,072
Insurance Loss Recoveries	-	146,757
Miscellaneous	746	-
Total Nonoperating Revenues	<u>38,455</u>	<u>588,405</u>
Income Before Transfers	<u>238,644</u>	<u>945,308</u>
Transfers In	-	200,000
Change in Net Assets	<u>238,644</u>	<u>1,145,308</u>
Total Net Assets, July 1, 2008	<u>2,713,010</u>	<u>30,240,905</u>
Total Net Assets, June 30, 2009	<u><u>\$ 2,951,654</u></u>	<u><u>\$ 31,386,213</u></u>

The accompanying notes to financial statements are an integral part of this statement.

District School Board of Pasco County
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2009

Exhibit J

	Business-type Activity <u>Nonmajor Enterprise Fund</u>	Governmental Activities <u>Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Services	\$ 9,248,241	\$ 13,184,359
Cash Received from Premiums	-	63,172,920
Cash Received from Other Operating Revenues	-	756,331
Cash Payments to Suppliers for Goods and Services	(1,616,089)	(39,767,296)
Cash Payments to Employees for Services	(7,284,089)	(1,749,377)
Cash Payments for Insurance Claims	-	(30,082,389)
Net Cash Provided by Operating Activities	<u>348,063</u>	<u>5,514,548</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Insurance Loss Recoveries	-	146,757
Gifts, Grants and Bequests	-	109,072
Miscellaneous	746	-
Transfers In	-	200,000
Net Cash Provided by Noncapital Financing Activities	<u>746</u>	<u>455,829</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and Construction of Capital Assets	(13,077)	(10,408)
Net Cash Used by Capital and Related Financing Activities	<u>(13,077)</u>	<u>(10,408)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment Earnings	37,709	332,576
Net Cash Provided by Investing Activities	<u>37,709</u>	<u>332,576</u>
Net Increase in Cash and Cash Equivalents	373,441	6,292,545
Cash and Cash Equivalents, Beginning	3,117,103	39,062,846
Cash and Cash Equivalents, Ending	<u>\$ 3,490,544</u>	<u>\$ 45,355,391</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income	\$ 200,189	\$ 356,903
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	56,933	34,769
Change in Assets and Liabilities:		
Increase (Decrease) in Accounts Receivable	33,003	(759,626)
Decrease in Inventory	-	1,679
Increase (Decrease) in Accounts Payable	1,822	5,930,792
Increase Salaries and Benefits Payable	(35,747)	15,518
Increase (Decrease) in Deferred Revenues	70,529	1,693
Increase in Compensated Absences Payable	(110,478)	(18,794)
Increase in Other Post-employment Benefits Obligation	131,812	-
Decrease in Estimated Insurance Claims Payable	-	(48,386)
Total Adjustments	<u>147,874</u>	<u>5,157,645</u>
Net Cash Provided by Operating Activities	<u>\$ 348,063</u>	<u>\$ 5,514,548</u>

The accompanying notes to financial statements are an integral part of this statement.

District School Board of Pasco County
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2009

Exhibit K

	Pension Trust	Private-Purpose Trust	Agency
ASSETS:			
Cash and Cash Equivalents	\$ 1,006,045	\$ -	\$ 5,958,789
Collateralized Mortgage Obligations	5,126,401	-	-
Corporate Bonds	727,925	-	-
Mutual Fund - Government Securities	3,869,743	28,144	46,880
Accounts Receivable	-	-	4,556
Interest Receivable	47,939	-	-
Inventories	-	-	29,454
TOTAL ASSETS	\$ 10,778,053	\$ 28,144	\$ 6,039,679
LIABILITIES:			
Accounts Payable	\$ 950	\$ -	\$ 409,336
Internal Accounts Payable	-	-	5,583,463
ABC Program Payable	-	-	46,880
Total Liabilities	950	-	\$ 6,039,679
NET ASSETS:			
Assets Held in Trust for Pension Benefits	10,777,103	-	
Assets Held in Trust for Medical Benefits	-	28,144	
Total Net Assets	10,777,103	28,144	
TOTAL LIABILITIES AND NET ASSETS	\$ 10,778,053	\$ 28,144	

The accompanying notes to financial statements are an integral part of this statement.

District School Board of Pasco County
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2009

	Pension Trust	Private-Purpose Trust
ADDITIONS:		
Contributions:		
Employer	\$ 1,437,237	\$ -
Total Contributions	<u>1,437,237</u>	<u>-</u>
Investment Earnings:		
Net Increase in Fair Value of Investments	(257,917)	-
Interest, Dividends and Other	<u>437,531</u>	<u>303</u>
Net Investment Income	<u>179,614</u>	<u>303</u>
Total Additions	<u>1,616,851</u>	<u>303</u>
DEDUCTIONS:		
Benefits Paid to Participants	617,676	256
Administrative Expense	<u>1,600</u>	<u>-</u>
Total Deductions	<u>619,276</u>	<u>256</u>
Change in Net Assets	997,575	47
Net Assets, July 1, 2008	<u>9,779,528</u>	<u>28,097</u>
Net Assets, June 30, 2009	<u><u>\$ 10,777,103</u></u>	<u><u>\$ 28,144</u></u>

The accompanying notes to financial statements are an integral part of this statement.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

➤ Reporting Entity

The District School Board has direct responsibility for operation, control, and supervision of District schools and is considered a primary government for financial reporting. The Pasco County School District is considered part of the Florida system of public education. The governing body of the school district is the Pasco County District School Board which is composed of five elected members. The elected Superintendent of Schools is the executive officer of the School Board. Geographic boundaries of the District correspond with those of Pasco County.

Criteria for determining if other entities are potential component units which should be reported within the District's basic financial statements are identified and described in the Governmental Accounting Standards Board's (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 School Board is financially accountable and other organizations for which the nature and significance of their relationship with the School 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, the following component units are included within the District School Board's reporting entity:

- Blended Component Unit. The Pasco County School Board Leasing Corporation, Inc., was formed to facilitate financing for the acquisition of facilities and equipment as further discussed in Note 6. Due to the substantive economic relationship between the Pasco County District School Board and the Leasing Corporation, the financial activities of the Leasing Corporation are included in the accompanying basic financial statements. Separate financial statements for the Leasing Corporation are not published.
- Discretely Presented Component Units. The component unit columns in the basic financial statements, Exhibits A and B, include financial data for Academy at the Farm, Inc.; Athenian Academy of Pasco County, Inc. (the "Athenian Academy"); Countryside Montessori Charter School, Inc. (the "Montessori Center"); Dayspring Academy for Education and the Arts (the "Dayspring Academy"); Imagine School at Land O'Lakes and the Pasco Education Foundation, Inc. (the "Foundation").
- The School Board has entered into charters with Academy at the Farm; Inc., Athenian Academy, Montessori Center; Dayspring Academy; and Imagine School at Land O'Lakes. The charters were created pursuant to authority established by Section 1002.33, Florida Statutes. Charter schools are publicly financed, small and specialized schools, which operate under the auspices of the School Board. The charters between the School Board and charter schools allow School Board administrators a limited role in monitoring charter schools' finances, business operations and student progress, and little participation in its teaching practices. The charter schools receive funding similar to other public schools in the District.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

- ◇ Academy at the Farm, Inc., focuses on creatively integrating equestrian, horticultural, and farm animal components into an interactive, inclusive learning environment.
- ◇ Athenian Academy is a K through 8th grade school offering students a program that incorporates the Greek language and culture.
- ◇ Montessori Center's programs focus on providing an alternative elementary education program.
- ◇ Dayspring Academy emphasizes the fine arts, offering students specialized instruction in dance, music, and art.
- ◇ Imagine School at Land O'Lakes is a K through 7th grade school providing an alternative education program.

The Foundation is a separate not-for-profit corporation organized and operated as a direct-support organization under Section 1001.453, Florida Statutes, to receive, hold, invest, and administer property and to make expenditures to or for the benefit of the District.

Annual audits of the discretely presented component units' financial statements are conducted by other auditors. Financial statements for the component units may be obtained at the component units' or the District's administrative offices.

➤ **Basis of Presentation**

Government-wide Financial Statements - Government-wide financial statements, including the statement of net assets and the statement of activities, present information about the School District as a whole. These statements include the nonfiduciary financial activity of the primary government and its component units. The statements distinguish between governmental activities of the District and those that are considered business-type activities.

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities and for each segment of the business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

The effects of interfund activity have been eliminated from the government-wide financial statements.

Fund Financial Statements - Fund financial statements report detailed information about the District in the governmental, proprietary, and fiduciary funds. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Nonmajor funds are aggregated and reported in a single column. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, a reconciliation is presented with each of the governmental fund financial statements.

The District reports the following major governmental funds:

- General Fund – 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.
- Capital Projects – Other Funds – To account for other miscellaneous funds from various sources which are restricted for capital outlay purposes.

Additionally, the District reports the following proprietary and fiduciary fund types:

- Nonmajor Enterprise Fund – Pasco Learning and Activity Centers of Enrichment (PLACE) Fund – To account for the financial resources of the District's PLACE programs, a before and after school child care program.
- Internal Service Funds – To account for the District's fully insured programs for employees' group dental, life insurance and property/casualty; individual self-insurance programs for liability, auto, workers' compensation, medical, pharmacy and behavioral health programs; the employee assistance program; graphics services; the energy management center; and exclusive agreements administered by the School Board.
- Pension Trust Fund – To account for resources used to finance the early retirement program.
- Private-Purpose Trust Fund – To account for resources legally held in the Baertschi Trust and administered by the District's Student Services Department devoted to providing financial assistance for medical care benefits to students in Pasco County. All resources of the fund, including any earnings on invested resources, may be used to support qualifying activities. There is no requirement that any portion of these resources be preserved as capital.
- Agency Funds – To account for resources of the school internal funds which are used to administer monies collected at the several schools in connection with school, student athletic, class, and club activities; and the Assist, Believe and Care (ABC) program which is funded by employee and public donations, to assist financially disadvantaged students in District schools.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

➤ **Basis of Accounting**

Basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are prepared using the accrual basis of accounting, as are the proprietary funds and fiduciary funds financial statements. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are prepared using the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized when due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

The Proprietary Funds are accounted for as proprietary activities under standards issued by the Financial Accounting Standards Board through November 1989 and applicable standards issued by the Governmental Accounting Standards Board. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds' principal ongoing operations. The principal operating revenues of the District's enterprise and internal service funds are from services provided for before and after school child care and charges for employee health insurance premiums. The principal operating expenses for the enterprise and internal service funds include salaries and benefits, administrative expenses, claims, and insurance premiums for excess coverage. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

The charter schools are accounted for as governmental organizations and follow the same accounting model as the District's governmental activities.

The Pasco Education Foundation, Inc., shown as a discretely presented component unit, is accounted for under the not-for-profit basis of accounting and uses the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

➤ **Deposits and Investments**

Cash deposits are held by banks qualified as public depositories under Florida law. All deposits are insured by Federal depository insurance and collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes. The statement of cash flows considers cash and cash equivalents as those accounts used as demand deposit accounts, all highly liquid investments with an original maturity of three months or less, cash held by fiscal agents, and considers cash equivalents as those amounts on deposit in money market accounts.

Investments consist of amounts placed in the State Board of Administration Debt Service accounts for investment of debt service monies, amounts placed with the State Board of Administration for participation in the Local Government Surplus Funds Trust Fund and the Fund B Surplus Trust Fund investment pool created by Section 218.405, Florida Statutes, and those made locally. The investment pool operates under investment guidelines established by Section 215.47, Florida Statutes. The District's investments in the Local Government Surplus Funds Trust Fund, a Securities and Exchange Commission Rule 2a7-like external investment pool, are reported at fair value, which is amortized cost. The District's investments in the Fund B Surplus Trust Fund are accounted for as a fluctuating net asset value pool, with a Fair Value factor of 0.51370946 at June 30, 2009.

Investments made locally consist of money market and bond mutual funds, corporate debt obligations, and collateralized mortgage obligations and are reported at fair value. Types and amounts of investments held at fiscal year-end are described in a subsequent note on investments.

➤ **Inventories**

Inventories consist of expendable supplies held for consumption in the course of District operations. The valuation of the inventories is based on various methods and is presented at the lower of cost or market. Warehouse (including purchased foods and supplies used by the District's Food and Nutrition Services Department), maintenance, and transportation items are based on a weighted average. Technology Services' items and inventory kept at the schools (mainly bookstore and concession stand supplies) are specifically identified and stated at actual cost. Telecommunications and Graphics Services' inventory items are stated at last invoice price, which approximates the first-in, first-out basis. The United States Department of Agriculture surplus commodities are stated at their fair value as determined at the time of donation to the District's food service program by the Florida Department of Agriculture and Consumer Services, Bureau of Food Distribution. The costs of inventories are recorded as expenditures when used rather than purchased.

➤ **Capital Assets**

Expenditures for capital assets acquired or constructed for general District purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of net assets but are not reported in the governmental fund financial statements. Capital assets are defined by the District as those costing

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more than \$750. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at fair value at the date of donation. Land and buildings acquired or constructed prior to July 1, 1972, are stated at estimated historical cost using price levels at the time of acquisition and, as a result, \$1,348,251 of stated land values and \$15,047,877 of stated building values are based on these estimates.

Interest costs incurred during construction of capital assets are not considered material and are not capitalized as part of the costs of construction.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Improvements Other than Buildings	15 years
Buildings and Fixed Equipment	10 - 40 years
Furniture, Fixtures, and Equipment	6 years
Motor Vehicles	5 years
Audio Visual Materials and Computer Software	5 years

Current-year information relative to changes in capital assets is described in a subsequent note.

➤ **Long-Term Liabilities**

Long-term obligations that will be financed from resources to be received in the future by governmental funds are reported as liabilities in the government-wide statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the governmental fund financial statements, bonds and other long-term obligations are not recognized as liabilities until due. Governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources, while premiums and discounts on debt issuances are reported as other financing sources and uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

In the government-wide financial statements, compensated absences (i.e., paid absences for employee vacation leave and sick leave) are accrued as liabilities to the extent that it is probable that the benefits will result in termination payments. A liability is reported in the governmental fund

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financial statements only for the current portion of compensated absences expected to be paid using expendable available resources.

Changes in long-term liabilities for the current year are reported in a subsequent note.

➤ **State Revenue Sources**

Revenues from State sources for current operations are primarily from the Florida Education Finance Program administered by the Florida Department of Education (Department) under the provisions of Section 1011.62, Florida Statutes. In accordance with this law, the District determines and reports the number of full-time equivalent (FTE) students and related data to the Department. The Department performs certain edit checks on the reported number of FTE and related data, and calculates the allocation of funds to the District. The District is permitted to amend its original reporting for a period of nine months following the date of the original reporting. Such amendments may impact funding allocations for subsequent years. The Department may also adjust subsequent fiscal period allocations based upon an audit of the District's compliance in determining and reporting FTE and related data. Normally, such adjustments are treated as reductions or additions of revenue in the year when the adjustments are made.

The State provides financial assistance to administer certain categorical educational programs. State Board of Education rules require that revenue earmarked for certain 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. The Department generally requires that categorical educational program revenues be accounted for in the General Fund. A portion of the fund balance of the General Fund is reserved in the governmental fund financial statements for the unencumbered balance of categorical educational program resources.

The State allocates gross receipts taxes, generally known as Public Education Capital Outlay money, to the District on an annual basis. The District also received an allocation under the Class Size Reduction Construction Program. The District is authorized to expend these funds only upon applying for and receiving an encumbrance authorization from the Department. Accordingly, the District recognizes the allocation of Public Education Capital Outlay and Class Size Reduction Construction funds as deferred revenue until such time as an encumbrance authorization is received.

A schedule of revenue from State sources for the current year is presented in a subsequent note.

➤ **District Property Taxes**

The School Board is authorized by State law to levy property taxes for District School operations, capital improvements, and debt service.

Property taxes consist of ad valorem taxes on real and personal property within the District. Property values are determined by the Pasco County Property Appraiser, and property taxes are collected by the Pasco County Tax Collector.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
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The School Board adopted the 2008 tax levy on September 16, 2008. 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 4 percent for early payment.

Taxes become delinquent on April 1 of the year following the year of assessment. State law provides 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 tax certificates to satisfy unpaid taxes. The procedures result in the collection of essentially all taxes prior to June 30 of the year following the year of assessment.

Property tax revenues are recognized in the government-wide financial statements when the Board adopts the tax levy. Property tax revenues are recognized in the governmental fund financial statements when taxes are received by the District, except that revenue is accrued for taxes collected by the Pasco County Tax Collector at fiscal year-end but not yet remitted to the District.

Millages and taxes levied for the current year are presented in a subsequent note.

➤ **Federal Revenue 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 in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred.

2. BUDGETARY COMPLIANCE AND ACCOUNTABILITY

The Board follows procedures established by State statutes and State Board of Education rules in establishing budget balances for governmental funds, as described below:

- 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.
- Appropriations are controlled at the object level (e.g., salaries, purchased services, and capital outlay) within each activity (e.g., instruction, pupil personnel services, and school administration) and may be amended by resolution at any School Board meeting prior to the due date for the annual financial report.
- Budgets are prepared using the same modified accrual basis as is used to account for governmental funds.
- Budgetary information is integrated into the accounting system and, to facilitate budget control, budget balances are encumbered when purchase orders are issued. Appropriations lapse at fiscal year-end and encumbrances outstanding are honored from the subsequent year's appropriations.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
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3. INVESTMENTS

As of June 30, 2009, the District has the following investments and maturities:

<u>Investments</u>	<u>Maturities</u>	<u>Fair Value</u>
State Board of Administration Local Government Surplus Funds Trust Fund Investment Pool - LGIP	45 Day Average	\$ 317,568
State Board of Administration Local Government Surplus Funds Trust Fund Investment Pool - Fund B	6.87 Years Average	6,313,844
State Board of Administration Debt Service Account	6 Months	536,012
Morgan Stanley Institutional Liquidity Fund - Government & Agency	60 Day Average	187,194,271
AIM Fund Government & Agency Corporate	60 Day Average	1,003,555
Wachovia Public Funds - State and Municipal MoneyMarket	Interest Bearing Account	1,062,649
WertzYork Short-term Government Bond Mutual Fund	6 Months	79,877,654
Total Investments, Primary Government		<u>276,305,553</u>
Component Units:		
Cash/MoneyMarket Fund		412,653
Corporate Bonds		173,767
Mutual Funds		617,481
Equities		458,932
Total Investments, Reporting Entity		<u>\$ 277,968,386</u>

The District also held invested funds on deposit in the operating account in the amount of \$10,217,249 in a Public Funds Interest Checking account pursuant to a master banking services agreement with a financial institution. These investments ranged daily up to \$144,512,408, with an average monthly investment of \$10,419,035.

Interest Rate Risk

- Section 218.415(17), Florida Statutes, limits investment maturities to provide sufficient liquidity to pay obligations as they come due. The District's investment policy authorizes investments in securities exceeding one year if the maturities of such investments are made to coincide as nearly as practical with cash flow needs as a means of managing its exposure to fair value losses arising from increasing interest rates.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Credit Risk

- Section 218.415(17), Florida Statutes, provides the authority to invest in the State Board of Administration Local Government Surplus Trust Fund Investment Pool and limits investments in money market funds to Securities and Exchange Commission (SEC) registered money market funds with the highest credit quality rating from a nationally recognized rating agency, and investments in interest-bearing time deposits to qualified public depositories, as defined in Section 280.02, Florida Statutes. The District's investment policy authorizes the District to participate in the State Board of Administration Investment Pool. The policy also authorizes the District to invest in interest-bearing time deposits or savings accounts, direct obligations of the United States Treasury, money market funds with the Securities and Exchange Commission, and United States government funds registered under the Investment Act of 1940. The policy further provides that the securities shall only be purchased from financial institutions which are qualified as public depositories by the Treasurer of the State of Florida, Florida-based regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1, or from primary security dealers as designated by the Federal Reserve of New York.
- The District's investments in the State Board of Administration Debt Service Accounts are to provide for debt service payments on bond debt issued by the State Board of Education for the benefit of the District. The District relies on policies developed by the State Board of Administration for managing credit risk for this account.
- As of June 30, 2009, the District's investment in the Local Government Surplus Funds Trust Fund investment pool (LGIP) was rated AAAM by Standard and Poor's.
- The State Board of Education Bond Investment Funds, the Wachovia Public Funds - State and Municipal Money Market mutual fund and the Fund B Surplus Funds Trust Fund (Fund B) were unrated.
- The District's investment in the Wertz York Short-term Government Bond Mutual Fund (Core Fund) was rated AAAs/S1 by Standard and Poor's. Investment in the Morgan Stanley Institutional Liquidity Funds – Government Portfolio was rated AAAM by Standard and Poor's and Aaa by Moody's. Investment in the AIM Fund – Government Agency and Corporate was rated AAA. Investments in the Collateralized Mortgage Obligations were rated AAA by Bloomberg.

Concentration of Credit Risk

- The District's investment policy places no limit on the amount that may be invested in any one issuer; however, the policy does provide that certain market conditions require investment in certain securities over other investments under different market conditions. It is the policy of the District to diversify its investment portfolio to protect against issuer defaults.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
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4. RECEIVABLES

The majority of receivables are due from other agencies. These receivables and the remaining accounts receivables are considered to be fully collectible, as such, no allowance for uncollectible is accrued.

Government funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities on the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

As of June 30, 2009, the various components of unearned revenue reported in the governmental funds were as follows:

	<u>Unearned</u>
Food and Nutrition Services Program - Prepaid Meals	\$ 277,515
Internal Service Fund - Prepaid Health Insurance Premiums	<u>\$ 1,693</u>
Total Unearned Revenue for Governmental Funds	<u><u>\$ 279,208</u></u>

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

5. CHANGE IN CAPITAL ASSETS

Changes in capital assets, as of June 30, 2009, are presented in the table below:

GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	\$ 67,786,439	\$ 6,431,085	\$ -	\$ 74,217,524
Construction in Progress	242,769,535	87,827,881	69,778,937	260,818,479
Total Capital Assets Not Being Depreciated	310,555,974	94,258,966	69,778,937	335,036,003
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	33,713,250	2,657,498	-	36,370,748
Buildings and Fixed Equipment	751,125,280	68,545,978	-	819,671,258
Furniture, Fixtures, and Equipment (1)	70,931,558	8,186,172	3,768,497	75,349,233
Motor Vehicles	37,832,028	4,375,176	2,283,434	39,923,770
Audio Visual Materials	288,813	1,587	2,574	287,826
Computer Software	7,310,418	285,095	68,937	7,526,576
Total Capital Assets Being Depreciated	901,201,347	84,051,506	6,123,442	979,129,411
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	21,622,453	917,202	-	22,539,655
Buildings and Fixed Equipment	255,214,874	21,085,835	-	276,300,709
Furniture, Fixtures, and Equipment (1)	41,745,133	7,071,308	3,296,799	45,519,642
Motor Vehicles	18,472,291	3,081,192	2,055,090	19,498,393
Audio Visual Materials	212,700	15,753	2,317	226,136
Computer Software	5,190,661	518,510	62,043	5,647,128
Total Accumulated Depreciation	342,458,112	32,689,800	5,416,249	369,731,663
Total Capital Assets Being Depreciated, Net	558,743,235	51,361,706	707,193	609,397,748
Governmental Activities Capital Assets, Net	\$ 869,299,209	\$ 145,620,672	\$ 70,486,130	\$ 944,433,751

Note (1) Includes Internal Service Fund assets of \$203,968 and \$75,169 of accumulated depreciation.

BUSINESS-TYPE ACTIVITY

Capital Assets Being Depreciated:				
Improvements Other Than Buildings	\$ 7,424	\$ -	\$ -	\$ 7,424
Buildings and Fixed Equipment	34,575	-	-	34,575
Furniture, Fixtures, and Equipment	352,868	13,077	6,646	359,299
Computer Software	37,909	-	-	37,909
Total Capital Assets Being Depreciated	432,776	13,077	6,646	439,207
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	1,042	718	-	1,760
Buildings and Fixed Equipment	5,228	2,075	-	7,303
Furniture, Fixtures, and Equipment	180,883	46,652	5,981	221,554
Computer Software	17,059	6,824	-	23,883
Total Accumulated Depreciation	204,212	56,269	5,981	254,500
Business Type Activity Capital Assets, Net	\$ 228,564	\$ (43,192)	\$ 665	\$ 184,707

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
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Depreciation expense was charged to functions as follows:

Function	Amount
GOVERNMENTAL ACTIVITIES	
Instruction	\$ 23,313,047
Pupil Personnel Services	55,621
Instructional Media Services	305,206
Instruction and Curriculum Dev Services	88,562
Instructional Staff Training Services	50,790
Instructional Related Technology	4,384
School Administration	37,265
Facilities Acquisition and Construction	7,775,259
Fiscal Services	-
Food Services	12,096
Central Services	76,073
Pupil Transportation Services	805,977
Operation of Plant	12,054
Maintenance of Plant	152,304
Community Services	<u>1,162</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 32,689,800</u></u>
BUSINESS - TYPE ACTIVITIES	
PLACE Program	<u><u>\$ 56,269</u></u>

6. CERTIFICATES OF PARTICIPATION

The District entered into a financing arrangement on April 1, 1992, which was characterized as a lease-purchase agreement, with the Florida School Boards Association and supplemental arrangements dated December 1, 1996, March 1, 2004, September 15, 2004, July 1, 2005, December 23, 2005, July 1, 2007, May 1, 2008, June 1, 2008, and September 23, 2008 with the Pasco County School Board Leasing Corporation, whereby the District secured financing of various educational facilities in the total amount of \$106,770,000, \$63,970,000, \$4,546,000, \$66,415,000, \$785,612, \$76,045,000, \$88,515,000 and \$74,115,000, and \$1,170,010, respectively. The financing was accomplished through the issuance of Certificates of Participation to be repaid from the proceeds of rents paid by the District. On March 1, 2004, the financing agreements with the Florida School Boards Association were assigned to the Pasco County School Board Leasing Corporation.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
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Certificates of Participation payable at June 30, 2009 are as follows:

	Amount Issued	Amount Outstanding	Remaining Interest Rates (Percent)	Annual Maturity To
Certificates of Participation				
Series 1996 (1)	\$ 106,770,000	\$ 2,815,000	5.000	2009
Series 2004	63,970,000	57,180,000	2.000 - 5.000	2029
Series 2004 - QZAB	4,546,000	4,546,000	1.100	2018
Series 2005A	35,915,000	34,065,000	3.000 - 5.000	2030
Series 2005B (2)	30,500,000	30,500,000	Weekly ARS	2030
Series 2005 - QZAB	785,612	785,612	0.00	2020
Series 2007A	76,045,000	73,500,000	3.700 - 5.000	2027
Series 2008A (3)	88,515,000	87,840,000	Weekly	2026
Series 2008C (4)	74,115,000	73,935,000	Weekly	2032
Series 2008 - QZAB	1,170,010	1,170,010	0.00	2018
Total Certificates of Participation	<u>\$ 482,331,622</u>	<u>\$ 366,336,622</u>		

- Note: (1) The 1996 Certificates of Participation were also issued, in part, to provide the funds necessary to advance refund the Series 1992A Certificates of Participation and refinance the Series 1992 facilities which the School Board acquired, constructed, and installed from the proceeds of the Series 1992A.
- (2) The Series 2005B Certificates of Participation were initially issued as auction rate securities and bear interest at Auction Rates for generally successive 7-day Auction Periods. The principal portion of the Basic Lease Payments represented by the Series 2005B Certificates is payable on August 1, 2030. The interest rate for the 7-day Auction Period, including June 30, 2009, was 1.74%.
- (3) On May 29, 2008, the School Board caused the issuance of the Certificates of Participation, Series 2008A in the aggregate principal amount of \$88,515,000 for the principal purpose of refunding, on a current basis, a portion of the outstanding Series 1996 Certificates. The Certificates of Participation, Series 2008A pay interest at a Weekly Rate determined by the Remarketing Agent. The interest rate for June 30, 2009 was 0.27%.
- (4) On June 5, 2008, the School Board caused the issuance of the Certificates of Participation, Series 2008C in the aggregate principal amount of \$74,115,000 for the principal purpose of refunding, on a current basis, all of the outstanding Series 2007B Certificates. The Certificates of Participation, Series 2008C pay interest at a Weekly Rate determined by the Remarketing Agent. The interest rate for June 30, 2009 was 0.32%.

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
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As a condition of the financing arrangement, the District has given a ground lease on District property to the Pasco School Board Leasing Corporation, with a rental fee of \$1 per year. The District has the following ground leases at June 30, 2009:

	Ground Lease	
	Commencement Date	Run Through
Certificates of Participation		
Series 1996	December 1, 1996	August 1, 2009
Series 2004	March 1, 2004	August 1, 2029
Series 2004 - QZAB	September 15, 2004	September 15, 2018
Series 2005A	July 1, 2005	August 1, 2030
Series 2005B	July 1, 2005	August 1, 2030
Series 2005 - QZAB	December 23, 2005	December 23, 2020
Series 2007A	July 1, 2007	August 1, 2032
Series 2008A	December 1, 1996	July 31, 2031
Series 2008C	July 1, 2007	August 1, 2032
Series 2008 - QZAB	September 23, 2008	September 23, 2018

The District properties included in the ground lease agreement are as follows:

Certificates of Participation, Series 1992-A

Cotee River Elementary School
Seven Springs Middle School
Hudson Elementary School Media Center Addition
Mitty P. Locke Elementary School ESE Addition
R. B. Stewart Middle School ESE Addition
Lake Myrtle Elementary School ESE Addition
West Zephyrhills Elementary School Addition

Certificates of Participation, Series 2004-QZAB

Additions and Renovations for the following facilities:
Bayonet Point Middle School
Chasco Middle School
Cypress Elementary School
Gulf High School
Gulf Middle School
Hudson High School
Mitty P. Locke Elementary School
Lacoochee Elementary School
Pasco High School
Rodney B. Cox Elementary School
Ridgewood High School
Sanders Memorial Elementary School
Woodland Elementary School
T. E. Weightman Middle School
Zephyrhills High School

Certificates of Participation, Series 2005-A and B

Gulf Highlands Elementary School
Trinity Oaks Elementary School
Dr. John Long Middle School
Odessa Elementary School

Certificates of Participation, Series 1996

Sand Pine Elementary School
Chasco Elementary School
Wesley Chapel High School, Phases I and II
James E. Marlowe Elementary School
J. W. Mitchell High School
Pine View Elementary School

Certificates of Participation, Series 2005-QZAB

Additions and Renovations for the following facilities:
Fox Hollow Elementary School
Dr. Mary Giella Elementary School
Moore Mickens Education Center
Hudson Elementary School
Calusa Elementary School

Certificates of Participation, Series 2004

Paul R. Smith Middle School
Wiregrass Ranch High School
Odessa Elementary School Equipment

Certificates of Participation, Series 2007-A and B

Sunlake High School
New River Elementary School
Veterans Elementary School
Ridgewood High School Classroom Additions
Charles S. Rushe Middle School
Gulf Trace Elementary School
Zephyrhills High School Classroom Additions

Certificates of Participation, Series 2008-QZAB

Renovations for Pasco High School

DISTRICT SCHOOL BOARD OF PASCO COUNTY
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The lease payments for the Series 1996, Series 2004-A, Series 2005-A, and Series 2007-A Certificates are payable by the District, semiannually, on August 1 and February 1 at interest rate of 5.00 percent for the Series 1996 and ranging from 2.125 to 5.00 percent, 3.00 to 5.00 percent, and 3.80 to 5.00 percent respectively for the others. Interest payments for the Series 2005-B Certificates are payable weekly at auction interest rates set weekly until the final maturity date. Interest payments for the Series 2008-A and 2008-C Certificates are payable weekly at a rate determined by the Remarketing Agent. The lease payments for the Series 2004-QZAB Certificates are payable by the District, semiannually, on September 15 and March 15 at an interest rate of 1.10 percent. The lease payments for the Series 2005-QZAB and the Series 2008-QZAB are payable by the District, annually, on December 23rd and September 23rd respectively. The following is a schedule by years of future minimum lease payments under the lease agreements together with the present value of minimum lease payments as of June 30:

Fiscal Year Ending June 30	Total	Principal	Interest
2010	\$ 23,499,698	\$ 8,695,000	\$ 14,804,698
2011	23,461,882	9,010,000	14,451,882
2012	23,231,594	9,070,000	14,161,594
2013	23,246,232	9,445,000	13,801,232
2014	23,260,938	9,810,000	13,450,938
2015-2019	123,730,281	62,631,622	61,098,659
2020-2024	120,441,774	72,995,000	47,446,774
2025-2029	121,747,813	92,340,000	29,407,813
2030-2034	<u>98,919,627</u>	<u>92,340,000</u>	<u>6,579,627</u>
Subtotal	581,539,839	366,336,622	215,203,217
Add: Unamortized Premium on Debt	<u>2,757,001</u>	<u>2,757,001</u>	<u>-</u>
Total Minimum Lease Payments	<u>\$ 584,296,840</u>	<u>\$ 369,093,623</u>	<u>\$ 215,203,217</u>

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7. INTEREST RATE SWAP AGREEMENT

Objectives of the Interest Rate Swap Agreement – In order to protect against the potential of rising interest rates, the District entered into a pay-fixed, receive-variable interest rate swap agreement for \$88,515,000 with Wachovia Bank, N.A. for the Certificates of Participation, Series 2008A in May 2008 and for \$74,115,000 with Bank of America, N.A. for the Certificates of Participation, Series 2008C in June 2008. The intention of the swap agreements was to effectively change the District's variable interest rate on the certificates of participation to a synthetically fixed rate of 3.58 percent and 3.91 percent respectively.

Terms – The Certificates of Participation, Series 2008A and related swap agreement mature on August 1, 2026. The swap's notional amount of \$88,515,000 matches the \$88,515,000 variable-rate certificates of participation. The swap agreement was entered into at the same time the Series 2008A Certificates of Participation were issued. The notional value of the swap declines in direct relationship to the certificates of participation principal payments. Under the swap agreement, the District pays the trustee, U.S. Bank, a fixed payment of 3.58 percent and Wachovia Bank, N.A. pays the trustee the variable interest payment for the certificates of participation, which is based on USD-SIFMA Municipal Swap Index.

The Certificates of Participation, Series 2008C and related swap agreement mature on August 1, 2032. The swap's notional amount of \$74,115,000 matches the \$74,115,000 variable-rate certificates of participation. The swap agreement was entered into at the same time the Series 2008C Certificates of Participation were issued. The notional value of the swap declines in direct relationship to the certificates of participation principal payments. Under the swap agreement, the District pays the trustee, U.S. Bank, a fixed payment of 3.91 percent and Bank of America, N.A. pays the trustee the variable interest payment for the certificates of participation, which is based on USD-SIFMA Municipal Swap Index.

Fair Value – Because interest rates have declined since inception of these swaps, these swaps have a fair value of negative \$3,049,987 and negative \$3,700,540 for the Certificates of Participation, Series 2008A and 2008C respectively as of June 30, 2009. Wachovia Bank, N.A. estimated the fair value of the Certificates of Participation, Series 2008A using a mathematical approximation of market value derived from both proprietary models as of a given date based on certain assumptions regarding past, present and future market conditions and certain financial information from sources believed to be reliable. Bank of America, N.A. estimated the fair value of the Certificates of Participation, Series 2008C using estimated prices or spread levels at which the bank, in its capacity as an agent for the customer, might find liquidity for a round lot transaction within the relevant market.

Credit Risk – According to the terms of the swap agreements, the District is not exposed to credit risk. A rise or decline in interest rates does not affect or change the net amount of payments made by the District to the trustees.

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Termination Risk – For the Certificates of Participation, Series 2008A, the District or Wachovia Bank, N.A. may terminate the swap agreement if the other party fails to perform under the terms of the agreement. Termination due to lack of performance would be considered a termination event. The swap agreement also includes an early termination date of all payment obligations, provided that, if the date selected would result in a payment to Wachovia Bank, N.A., the District provides evidence satisfactory to Wachovia Bank, N.A. that such payment will be made on the due date.

For the Certificates of Participation, Series 2008C, the District or Bank of America, N.A. may terminate the swap agreement if the other party fails to perform under the terms of the agreement. Termination due to lack of performance would be considered a termination event. The swap agreement also includes an early termination date of all payment obligations, provided that, if the date selected would result in a payment to Bank of America, N.A., the District provides evidence satisfactory to Bank of America, N.A. that such payment will be made on the due date.

8. BONDS PAYABLE

Bonds payable at June 30, 2009, are as follows:

Bond Type	Amount Outstanding	Original Amount	Interest Rates (Percent)	Annual Maturity To
State School Bonds:				
Series 1999-A	\$ 1,370,000	\$ 2,000,000	4.125 - 4.75	2019
Series 2000-A	45,000	900,000	5.00 - 5.125	2010
Series 2002-B	1,010,000	1,755,000	4.00 - 5.375	2015
Series 2003-A	1,730,000	1,990,000	3.00 - 4.25	2023
Series 2004-A	1,295,000	1,445,000	3.50 - 4.625	2024
Series 2005-A	7,545,000	8,910,000	4.00 - 5.00	2025
Series 2005-B, Refunding	1,655,000	1,740,000	5.00	2020
Series 2008-A	5,145,000	5,295,000	3.25 - 5.00	2028
District Revenue Bonds:				
Series 2003, Refunding	3,220,000	3,660,000	3.00 - 4.00	2033
Series 2007, Sales Tax	72,195,000	88,590,000	4.00 - 5.00	2014
Subtotal	95,210,000			
Unamortized Premium on Debt	3,167,113			
Unamortized Discount on Debt	(63,337)			
Total Bonds Payable	<u>\$ 98,313,776</u>			

DISTRICT SCHOOL BOARD OF PASCO COUNTY
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The various bonds were issued to finance capital outlay projects of the District. The following is a description of the bonded debt issues:

➤ **State School Bonds**

These bonds are issued by the State Board of Education on behalf of the District. The bonds mature serially, and are secured by a pledge of the District's portion of the State assessed motor vehicle license tax. The State's full faith and credit is also pledged as security for these bonds. Principal and interest payments, investment of Debt Service Fund resources, and compliance with reserve requirements are administered by the State Board of Education and the State Board of Administration.

➤ **District Revenue Bonds**

District Revenue Bonds, Refunding Series 2003 - These bonds are authorized by Chapter 79-547 and 79-548, Special Acts of 1979, Laws of Florida, which provides that the bonds be secured from the pari-mutuel tax proceeds distributed annually to Pasco County from the State's Pari-Mutuel Tax Collection Trust Fund pursuant to Chapter 550, Florida Statutes (effective July 1, 2000, tax proceeds are distributed pursuant to Section 212.20(6)(d)7.a., Florida Statutes). The annual distribution is remitted by the Florida Department of Financial Services to the District. As required by the bond resolution, the District has established the sinking fund and reserve account and has accumulated and maintained adequate resources in the sinking fund and reserve account.

Sales Tax Revenue Bonds, Series 2007 – These bonds are authorized by the Constitution and Laws of the State of Florida, particularly Chapter 1001, Florida Statutes, Chapter 212, Part I, Florida Statutes, Chapter 2006-340, Laws of Florida, and other applicable provisions of law. The bonds are secured by a pledge of the proceeds received pursuant to an Interlocal Agreement from the levy by the County and collection by the Florida Department of Revenue of a one cent local infrastructure sales surtax. These bonds were issued for the purpose of providing funds, together with other available funds of the District, to finance the acquisition and construction of elementary, middle, and high schools within the District.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
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Annual requirements to amortize all bonded debt outstanding as of June 30, 2009, are as follows:

	Total	Principal	Interest
State School Bonds:			
2010	\$ 2,306,374	\$ 1,375,000	\$ 931,374
2011	2,307,093	1,440,000	867,093
2012	2,339,341	1,540,000	799,341
2013	2,354,366	1,625,000	729,366
2014	2,362,173	1,710,000	652,173
2015-2019	8,829,619	6,740,000	2,089,619
2020-2024	4,385,466	3,455,000	930,466
2025-2028	<u>2,138,612</u>	<u>1,910,000</u>	<u>228,612</u>
Total State School Bonds	<u>27,023,044</u>	<u>19,795,000</u>	<u>7,228,044</u>
District Revenue Bonds:			
2010	14,211,925	10,785,000	3,426,925
2011	14,147,125	11,215,000	2,932,125
2012	14,134,030	11,775,000	2,359,030
2013	14,117,185	12,360,000	1,757,185
2014	14,105,250	12,980,000	1,125,250
2015-2019	14,967,675	14,050,000	917,675
2020-2024	1,106,031	650,000	456,031
2025-2029	1,106,056	810,000	296,056
2030-2034	<u>883,194</u>	<u>790,000</u>	<u>93,194</u>
Total District Revenue Bonds	<u>88,778,471</u>	<u>75,415,000</u>	<u>13,363,471</u>
Subtotal	115,801,515	95,210,000	20,591,515
Unamortized Discount on Debt	(63,337)	(63,337)	-
Unamortized Premium on Debt	<u>3,167,113</u>	<u>3,167,113</u>	<u>-</u>
Total	<u>\$ 118,905,291</u>	<u>\$ 98,313,776</u>	<u>\$ 20,591,515</u>

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
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9. DEFEASED DEBT

In prior years, the State Board of Education Capital Outlay Bonds (SBE Bonds), Series 1998A and 2000A, were defeased in substance by placing a portion of the proceeds of new SBE Bonds in an irrevocable trust to provide for all future debt service payments on the old SBE Bonds. Accordingly, the trust account assets and the liability for the in-substance defeased SBE Bonds are not included in the District's financial statements. On June 30, 2009, SBE Bond, Series 1998A, totaling \$1,175,000 outstanding, and SBE Bond, Series 2000A, totaling \$615,000 outstanding, are considered defeased in substance.

10. ESTIMATED ARBITRAGE REBATE

The District has an interim cumulative arbitrage rebate liability of \$169,401 and \$388,294 for the \$35,915,000 Certificates of Participation, Series 2005A and the \$30,500,000 Certificates of Participation, Series 2005B respectively. Ninety percent (90%) of the cumulative rebate liability is required to be rebated to the United States no later than 60 days after July 19, 2010. Such cumulative rebate liability is subject to change, however, pursuant to computations undertaken up to and including July 19, 2010.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
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11. CHANGES IN LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities:

Description	Balance 7/1/2008	Additions	Deductions	Balance 6/30/2009	Due in One Year
GOVERNMENTAL ACTIVITIES					
Certificates of Participation Payable	\$ 373,626,612	\$ 1,170,010	\$ 8,460,000	\$ 366,336,622	\$ 8,695,000
Add: Unamortized Premium on Debt	2,896,924	-	139,923	2,757,001	139,924
Total Certificates of Participation Payable	<u>376,523,536</u>	<u>1,170,010</u>	<u>8,599,923</u>	<u>369,093,623</u>	<u>8,834,924</u>
Bonds Payable	106,865,000	-	11,655,000	95,210,000	12,160,000
Add: Unamortized Premium (Discount) on Debt	3,656,637	-	552,861	3,103,776	552,861
Total Bonds Payable	<u>110,521,637</u>	<u>-</u>	<u>12,207,861</u>	<u>98,313,776</u>	<u>12,712,861</u>
Estimated Insurance Claims Payable	6,881,678	30,034,003	30,082,389	6,833,292	2,242,454
Other Post Employment Benefits	7,634,459	10,919,769	3,476,237	15,077,991	-
Compensated Absences Payable (1)	<u>37,177,824</u>	<u>28,004,997</u>	<u>28,017,954</u>	<u>37,164,867</u>	<u>26,099,988</u>
Total Governmental Activities	<u>\$ 538,739,134</u>	<u>\$ 70,128,779</u>	<u>\$ 82,384,364</u>	<u>\$ 526,483,549</u>	<u>\$ 49,890,227</u>
BUSINESS - TYPE ACTIVITY					
Other Post Employment Benefits	\$ 136,774	\$ 193,369	\$ 61,557	\$ 268,586	\$ -
Compensated Absences Payable	<u>564,521</u>	<u>587,410</u>	<u>697,888</u>	<u>454,043</u>	<u>345,734</u>
Total Business - Type Activity	<u>\$ 701,295</u>	<u>\$ 780,779</u>	<u>\$ 759,445</u>	<u>\$ 722,629</u>	<u>\$ 345,734</u>

Note (1) includes balances at June 30 2009, of the Internal Service Funds of \$463,743 with \$203,764 due in one year, and additions and deductions of \$179,855 and \$198,650 respectively.

For the governmental activities, compensated absences are generally liquidated with resources of the General Fund.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
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12. RESERVE FOR ENCUMBRANCES

Appropriations in governmental funds are encumbered upon issuance of purchase orders for goods and services. Even though appropriations lapse at the end of the fiscal year, unfilled purchase orders of the current year are carried forward and the next year's appropriations are likewise encumbered.

The Florida Department of Education requires that fund balances be reserved at fiscal year-end to report an amount likely to be expended from the 2009-10 fiscal year budget as a result of purchase orders outstanding at June 30, 2009.

13. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The following is a summary of interfund receivables and payables reported in the fund financial statements:

Funds	Interfund	
	Receivables	Payables
Major Funds:		
General	\$ 18,147,033	\$ -
Capital Project:		
Other	5,485,614	22,087,747
Nonmajor Governmental Funds	-	1,544,900
Total	<u>\$ 23,632,647</u>	<u>\$ 23,632,647</u>

Interfund receivables and payables are temporary loans of cash between funds allowable under Section 1011.09, Florida Statutes, for a period of less than 13 months. The temporary loans do not restrict, impede, or limit implementation or fulfillment of the original purpose for which the monies were received in the fund providing the advancement.

The following is a summary of interfund transfers reported in the fund financial statements:

Funds	Interfund	
	Transfers In	Transfers Out
Major Funds:		
General	\$ 497,039	\$ -
Capital Project:		
Other	3,055,685	17,064,235
Nonmajor Governmental Funds	39,043,000	25,731,489
Internal Service Funds	200,000	-
Total	<u>\$ 42,795,724</u>	<u>\$ 42,795,724</u>

DISTRICT SCHOOL BOARD OF PASCO COUNTY
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Interfund transfers represent permanent transfers of monies between funds. In general, funds are transferred from Capital Projects to the Debt Service Funds to make debt service payments for certificates of participation. The transfer to the Internal Service Fund is to provide funding for environmental regulation compliance issues.

14. SCHEDULE OF STATE REVENUE SOURCES

The following is a schedule of the District's State revenue for the 2008-09 fiscal year:

Florida Education Finance Program	\$ 195,130,222
Categorical Educational Programs:	
Class Size Reduction Operating	68,806,596
Transportation	15,339,126
Instructional Materials	6,286,049
Other	4,862,914
Gross Receipts Tax (Public Education Capital Outlay)	18,651,090
Workforce Development Program	3,582,395
Motor Vehicle License Tax (Capital Outlay and Debt Service)	2,753,299
Discretionary Lottery Funds	1,642,280
Charter School Capital Outlay (Public Education Capital Outlay)	497,039
Food Service Supplement	382,031
Mobile Home License Tax	415,999
Pari-Mutuel Tax	223,250
Fuel Tax Refund	157,416
School Health Supplement	137,177
Full Service Schools	139,245
Miscellaneous	<u>1,591,805</u>
 Total	 <u><u>\$ 320,597,933</u></u>

Accounting policies relating to certain State revenue sources are described in Note 1.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

15. **PROPERTY TAXES**

The following is a summary of millages and taxes levied on the 2008 tax roll for the 2008-09 fiscal year:

	<u>Millages</u>	<u>Taxes Levied</u>
<u>GENERAL FUND</u>		
Nonvoted School Tax		
Required Local Effort	4.969	\$ 146,248,904
Basic Discretionary Local Effort	0.241	\$ 7,093,175
Supplemental Discretionary Local Effort	0.498	\$ 14,657,266
<u>CAPITAL PROJECTS FUND</u>		
Nonvoted Tax:		
Local Capital Improvements	1.500	\$ 44,148,392
Total	<u>7.208</u>	<u>\$ 212,147,737</u>

16. **STATE RETIREMENT PROGRAM**

Defined Benefit Plan – All regular employees of the District are covered by the Florida Retirement System (FRS). The FRS is primarily 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 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 FRS.

Benefits in the defined benefit plan vest at six years of creditable service. All members are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, which may include up to four years of credit for military service. The Plan also includes an early retirement provision, but imposes a penalty for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, and death benefits and annual cost-of-living adjustments.

A Deferred Retirement Option Program (DROP) subject to the provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in the DROP for a period not to exceed 60 months from date first eligible to participate, except instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
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Funding Policy – The contribution rates for members are established, and may be amended, by the State of Florida. During the 2008-09 fiscal year, contribution rates were as follows:

Class or Plan	Percent of Gross Salary	
	Employee	Employer (A)
Florida Retirement System, Regular	0.00	9.85
Florida Retirement System, Elected County Officers	0.00	16.53
Florida Retirement System, Senior Management Service	0.00	13.12
Teachers' Retirement System, Plan E	6.25	11.35
Deferred Retirement Option Program, Applicable to Members of All of the Above Classes or Plans	0.00	10.91
Florida Retirement System, Reemployed Retiree	(B)	(B)

Note: (A) Employer rates include 1.11 percent for the post-employment health insurance supplement. Also, employer rates, other than for DROP participants, include .05 percent for administrative costs of the Public Employee Optional Retirement Program.

(B) Contribution rates are dependent upon the retirement class in which reemployed.

The District's liability for participation is limited to the payment of the required contribution at the rates and frequencies established by law on future payrolls of the District. The District's contributions, including employee contributions, for the fiscal years ending June 30, 2007, June 30, 2008, and June 30, 2009, totaled \$28,676,402, \$30,672,472, and \$30,544,000 respectively, which were equal to the required contributions for each fiscal year.

Defined Contribution Plan – Effective July 1, 2002, the Public Employee Optional Retirement Program (PEORP) was implemented as a defined contribution plan alternative available to all FRS members in lieu of the FRS defined benefit plan. Employer contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The PEORP is funded by employer contributions that are based on salary and membership class (Regular Class, Special Risk Class, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. There were 1,495 District participants during the 2008-09 fiscal year. Required contributions made to the PEORP totaled \$4,493,318.

Pension Reporting – The financial statements and other supplemental information of the FRS are included in the comprehensive annual financial report of the State of Florida, which may be obtained from the Florida Department of Financial Services. Also, an annual report on the FRS, which includes its financial statements, required supplemental information, actuarial report and other relevant information is available from the Florida Department of Management Services, Division of Retirement.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
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17. EARLY RETIREMENT PROGRAM

Plan Description

As authorized by Section 1012.685, Florida Statutes, the Board implemented an Early Retirement Plan (the "Plan"), effective July 1, 1983, and amended as of January 1, 1997. The Plan is a single-employer, defined benefit pension plan. The purpose of the Plan is to provide District employees, who elect to retire under the early retirement provisions of the Florida Retirement System, as described in Note 16, with a monthly benefit equal to the statutory reduction of the normal retirement benefits when early retirement precedes the normal retirement. The Board administers Plan assets in a Pension Trust Fund and is responsible for their investment. The Board acts as the administrative agent for the Plan.

Based on an actuarial report as of July 1, 2007, employee membership data related to the Plan was as follows.

Retirees and Beneficiaries Currently Receiving Benefits	124
Active Plan Participants	<u>3,722</u>
Total	<u>3,846</u>

A summary of eligibility and benefits follow:

➤ Eligibility

The participant must have elected early retirement under the FRS; attained the age of 50 but not have attained the age of 62 upon early retirement; been credited with at least 25 years (and who have reached the final step on the appropriate salary schedule) of service under the FRS upon early retirement; and (for nonunion contract employees) completed at least 12 years of service in the District.

➤ Benefits

The amount of the monthly benefit will be equal to the reduction imposed on the retirement benefit by the FRS due to early retirement. The benefit amount will be based on the initial benefit amount determined by the FRS prior to any cost-of-living adjustments and will remain unchanged, once established, unless a specific increase is authorized by the Board. Effective July 1, 1997, the amount of early retirement benefits for new participants ages 50 through 54 has been reduced to a flat 35 percent of the FRS benefit, with this reduction phased-in over a period of four years. Total benefits provided by the Plan for the fiscal years ending June 30, 2007, June 30, 2008 and June 30, 2009, totaled \$501,580, \$524,267 and \$617,676 respectively.

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Funded Status and Funding Progress

The plan's unfunded liability was \$10,889,244 as of July 1, 2005 and was projected to be \$10,863,968 as of July 1, 2007, taking into account contributions which totaled \$2,466,881 for the July 1, 2005 through July 1, 2007 period. However, the unfunded liability is actually \$10,783,948 as of July 1, 2007 due to investment and demographic experience different from that assumed, as well as the assumption change discussed below.

The average annual investment return on the fund's assets (determined on a cash basis) was 3.83% for the past two fiscal years as compared with an assumed return of 6.25%. The effect of the plan's asset loss increased the unfunded liability by \$331,452. This asset loss was offset, however, by demographic gains which decreased the unfunded liability by \$474,236.

Summary of Significant Accounting Policies

Significant accounting policies related to basis of accounting and method of asset valuation are disclosed in Note 1. Investment disclosures related to the Pension Trust Fund are in Note 3.

Contributions and Reserves

The District's Early Retirement Plan was established by the Board on July 1, 1983, and amended as of January 1, 1997. Pursuant to the Plan Agreement, no contribution shall be required or permitted from any member. Board contributions shall be sufficient to meet the annual pension cost of the Plan for the year and amortization payments sufficient to completely amortize the initial unfunded liability within 30 years from the effective date and any subsequent increase in the unfunded liability within 30 years of being so increased based on an actuarial study. The Plan, as amended, resulted in revisions to the amortization of the initial unfunded liability.

Periodic employer contributions to the Plan are determined on an actuarial basis using the "Entry Age Normal Cost Method." Annual pension cost is funded on a current basis. Pursuant to Section 112.64, Florida Statutes, the unfunded actuarial accrued liability is funded over a 30-year period for participants prior to July 1, 1997, and funded over a 40-year period for the revised plan. Periodic contributions for both normal cost and the amortization of the unfunded actuarial liability are based on the level percentage of payroll method.

Significant actuarial assumptions used to compute annual required contributions are the same as those used to determine the actuarial accrued liability.

Total contributions to the Plan in the 2008-09 fiscal year, amounting to \$1,437,237, all of which were paid by the Board, were made in accordance with actuarially determined contribution requirements determined through an actuarial valuation performed as of July 1, 2007.

The computation of the annual required contribution for the 2008-09 fiscal year was based on the same: (a) actuarial assumptions, (b) benefit provisions, (c) actuarial funding method and (d) other significant factors used to determine the required annual contributions for the previous years.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
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All of the assets in the District's Pension Trust Fund are legally required reserves. None of the assets have been designated by the Board for any other specific purpose.

Costs of administering the Plan are financed through the Plan's resources (employer contributions and investment earnings).

Concentrations

The Plan's investments at June 30, 2009, consisted of the following:

	Credit Rating Range	Maturity Range	Balance June 30, 2009
Collateralized Mortgage Obligations	CCC - AAA	11 Years - 27 Years	\$ 5,126,401
Corporate Bonds	BBB - AAA	11 Mon - 23.25 Years	727,925
Morgan Stanley Institutional Liquidity Fund	AAAm	45 Days	3,869,743
Total			<u>\$ 9,724,069</u>

Schedule of Employer Contributions:

Ended June 30	Required Contribution	Percentage Contribution
2000	759,816	100%
2001	806,371	100%
2002	874,746	100%
2003	926,422	100%
2004	807,918	100%
2005	926,422	100%
2006	1,202,825	100%
2007	1,264,056	100%
2008	1,368,154	100%
2009	1,437,237	100%

DISTRICT SCHOOL BOARD OF PASCO COUNTY
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Additional information as of the latest actuarial valuation is as follows:

Valuation Date	July 1, 2007
Actual Cost Method	Entry Age Normal
Amortization Method	Level Percent Open
Remaining Amortization Period	30 Years
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment Rate of Return*	6.25%
Projected Salary Increases*	5.00%
*Includes Inflation at	3.25%
Cost-of-Living Adjustments	None

18. POST EMPLOYMENT BENEFITS

Effective for the 2007-08 fiscal year, the District implemented Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for certain postemployment health care and life insurance benefits provided by the District. The requirements of this Statement are being implemented prospectively, with the actuarially determined liability of \$120,914,118 at the July 1, 2007, date of transition amortized over 30 years. Accordingly, for financial reporting purposes, no liability is reported for the postemployment health care benefits liability at the date of transition.

Description

The Postemployment Health Care Benefits Plan is a single-employer defined benefit plan administered by the District. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees who retire from the District and their eligible dependents, may continue to participate in the District's health and hospitalization plan for medical, prescription drug, dental, mental health/substance abuse, employee assistance program and life insurance. The District subsidizes the premium rates paid by retirees by allowing them to participate in the plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. Additionally for certain retirees, the District pays a portion of the cost of health, pharmacy and dental care insurance benefits. For those retirees, the School Board contributes the same amount toward the retiree's health insurance premium each year as it does toward an active employee's premium. This contribution begins upon retirement and continues until the retiree is eligible to receive Medicare benefits. This contribution is contingent upon the retiree meeting all of the following conditions: 1) 30 years of service under Florida Retirement System or 25 years of service under FRS and at least age 50 at retirement; 2) 20 years of service in the District; 3) contributes his/her health insurance subsidy received from the State of Florida toward the cost of this medical premium; and 4) continues to participate in one of the Board-approved health plans after his/her retirement. An eligible retiree may receive a cash payment in lieu of receiving these benefits.

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In addition, the District contributed \$20 per month toward health insurance premiums for eligible former employees. This contribution will continue as long as the eligible retiree maintains health benefits through the District. New retirees are not eligible for this program. At June 30, 2009, benefits were being provided to 332 retired former employees. The cost of the benefits provided is recognized as an expense each month. For the 2008-09 fiscal year, the District's contributions totaled \$1,437,237 for all post-employment benefits.

Funding Policy

The District has not advance-funded or established a funding methodology for the annual Other Postemployment Benefits (OPEB) costs or the net OPEB obligation. For the 2008-09 fiscal year, 443 retirees received postemployment health care benefits. The District provided required contributions of \$3,537,795 toward the annual OPEB cost, comprised of medical, dental and life insurance premiums, pharmacy claims expense and administrative expenses net of retiree contributions totaling \$1,577,605.

Annual OPEB cost and Net OPEB Obligation

The District's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The ARC represents a level of funding that if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

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The following table shows 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 Postemployment Health Care Benefits:

<u>Description</u>	<u>Amount</u>
Normal Cost (Service cost for one year)	\$ 6,387,467
Amortization of Unfunded Actuarial Accrued Liability	4,413,087
Interest on Normal Cost and Amortization	<u>240,338</u>
Annual Required Contribution	11,040,892
Interest on Net OPEB Obligation	349,705
Adjustment to Annual Required Contribution	<u>(277,458)</u>
Annual OPEB Cost (Expense)	11,113,139
Contribution Toward the OPEB Cost	<u>(3,537,795)</u>
Increase in Net OPEB Obligation	7,575,344
Net OPEB Obligation, Beginning of Year	<u>7,771,233</u>
Net OPEB Obligation, End of Year	<u><u>\$ 15,346,577</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of June 30, 2009, are as follows:

Fiscal Year	Annual OPEB Cost	Amount Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2007-08	\$ 10,800,554	\$ 3,029,321	28.05%	\$ 7,771,233
2008-09	\$ 11,113,139	\$ 3,537,795	31.83%	\$ 15,346,577

Funded Status and Funding Progress

As of January 1, 2008, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$120,914,118, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$120,914,118. The covered payroll (annual payroll of active participating employees) was \$327,137,624, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 36.96 percent. The required schedule of funding progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits

DISTRICT SCHOOL BOARD OF PASCO COUNTY
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JUNE 30, 2009

Actuarial Methods and Assumptions

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. Examples include assumptions about future employment and termination, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan provisions, as understood by the employer and participating members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The District's initial OPEB actuarial valuation used the entry age normal cost actuarial method to estimate the unfunded actuarial liability as of June 30, 2009. Because the OPEB liability is currently unfunded, the actuarial assumption included a 4.5 percent rate of return on invested assets, which is the District's long-term expectation of investment returns under its investment policy. The actuarial assumptions also included a payroll growth rate of 4.0 percent per year, and an annual healthcare cost trend rate of 10 percent initially for the 2007-08 fiscal year, reduced by 0.5 percent per year, to an ultimate rate of 5 percent after ten years. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The unfunded actuarial accrued liability was amortized over 30 years in calculating the District's 2007-08 fiscal year annual required contribution and the 2008-2009 unfunded actuarial accrued liability used the remaining 29 years of amortization.

19. MEMBERSHIP IN NONPROFIT CORPORATION

The District participated in a nonprofit electric cooperative, the Withlacoochee River Electric Cooperative, Inc., established under the provisions of Chapter 425, Florida Statutes. In accordance with this Statute, revenues in excess of operating expenses, unless determined by a vote of the membership, are distributed by the Cooperative on a pro rata basis to its members. The policy of the Cooperative is to credit the excess revenues to members' accounts. Capital credits are distributed only after the Cooperative attains a certain margin of profit required by the Rural Electrification Administration. At June 30, 2009, the accumulated credits to the District's account are \$3,335,447. During the 2008-2009 fiscal year, the District received capital credits of \$138,540.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

20. CONSTRUCTION CONTRACT COMMITMENTS

The following is a summary of major construction contract commitments remaining at fiscal year-end:

Project	Contract Amount	Completed to Date	Balance Committed
Connerton Elementary School - "R"			
Architect	\$ 564,100	\$ 394,182	\$ 169,918
Construction Manager	16,333,753	5,126,934	11,206,819
Odessa Elementary School - "S"			
Architect	792,590	532,671	259,919
Construction Manager	13,715,550	317,516	13,398,034
Watergrass Elementary School			
Architect	644,150	565,115	79,035
Construction Manager	14,822,720	13,041,107	1,781,613
Fivay High School - "EEE"			
Architect	1,683,000	1,284,411	398,589
Construction Manager	48,854,391	18,887,649	29,966,742
Anclote High School			
Architect	1,592,500	1,209,883	382,617
Construction Manager	40,696,298	36,252,851	4,443,447
Zephyrhills High School-Classroom Additions			
Architect	138,305	119,719	18,586
Construction Manager	2,948,115	1,761,000	1,187,115
Calusa Elementary HVAC System			
Construction Manager	2,458,591	1,500,692	957,899
Total	<u>\$ 145,244,063</u>	<u>\$ 80,993,730</u>	<u>\$ 64,250,333</u>

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

21. RISK MANAGEMENT PROGRAMS

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 natural disasters. Workers' compensation, automobile liability, general liability, as well as medical, behavioral health and prescription plan coverages are being provided on a self-insured basis up to specified limits. The District has entered into agreements with various insurance companies to provide specific excess coverage of claim amounts above the stated amount on an individual claim basis, and aggregate excess coverage when total claims minus specific excess coverage exceeds the loss fund established annually by the District. The District has contracted with an insurance administrator to administer these self-insurance programs, including the processing, investigating, and payment of claims.

Settled claims resulting from the risks described above have not exceeded commercial insurance coverage in any of the past three fiscal years.

A liability in the amount of \$6,833,292 was actuarially determined to cover estimated incurred, but not reported, workers' compensation, automobile liability and general liability insurance claims payable at June 30, 2009.

The following schedule represents the changes in claims liability for the past two fiscal years for the District's self-insurance program:

	Beginning of Fiscal Year Liability	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2007-08	\$ 6,871,898	\$ 12,858,649	\$ 12,848,869	\$ 6,881,678
2008-09	6,881,678	30,034,003	30,082,389	6,833,292

Dental and life insurance coverages are being provided through purchased commercial insurance with minimum deductibles for each line of coverage.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

22. INTERNAL SERVICE FUNDS

The following is a summary of financial information as reported in the Internal Service Funds for the 2008-2009 fiscal year:

	Fully-Insured Benefit Plans	Flexible Benefits Plan	Property, Casualty, Workers' Compensation	Self-Insured Benefit Plans	Employee Assistance Program	District Print Center	Energy Management Program	Exclusive Agreement	Total
Total Assets	\$ 259,974	\$ 1,292,658	\$ 27,404,910	\$ 9,104,893	\$ 84,330	\$ 328,617	\$ 6,646,907	\$ 1,738,833	\$ 46,861,122
Liabilities and Net Assets:									
Accounts Payable	\$ 27,613	\$ 13,846	\$ 6,661	\$ 7,653,882	\$ 16,974	\$ 5,096	\$ 420,570	\$ 9,599	\$ 8,154,241
Salaries and Benefits Payable	17,637	-	313	-	98	401	268	-	18,717
Payroll Deduction Withholdings Payable	1,064	-	603	-	217	636	703	-	3,223
Deferred Revenue	-	-	-	1,693	-	-	-	-	1,693
Estimated Insurance Claims Payable	-	-	6,833,292	-	-	-	-	-	6,833,292
Compensated Absences Payable	166,839	-	152,091	-	42,715	57,952	44,146	-	463,743
Net Assets:	-	-	-	-	-	-	-	-	-
Invested in Capital Assets	-	-	-	-	-	127	-	128,672	128,799
Unrestricted Net Assets	46,821	1,278,812	20,411,950	1,449,318	24,326	264,405	6,181,220	1,600,562	31,257,414
Total Liabilities and Net Assets	\$ 259,974	\$ 1,292,658	\$ 27,404,910	\$ 9,104,893	\$ 84,330	\$ 328,617	\$ 6,646,907	\$ 1,738,833	\$ 46,861,122
Revenues:									
Premium Contributions	\$ 25,371,813	\$ 1,223,040	\$ 7,158,057	\$ 29,759,804	\$ 308,585	\$ -	\$ -	\$ -	\$ 63,821,299
Charges for Services	-	-	-	-	-	710,795	12,583,118	-	13,293,913
Insurance Loss Recoveries	-	-	146,757	-	-	-	-	-	146,757
Interest Income	1,414	14,943	227,985	4,766	875	3,526	60,911	18,156	332,576
Other	111,997	17,046	267,371	220,651	245	-	138,540	109,553	865,403
Total Revenues	25,485,224	1,255,029	7,800,170	29,985,221	309,705	714,321	12,782,569	127,709	78,459,948
Total Expenses	25,448,980	1,218,534	8,088,594	28,545,401	304,885	750,779	12,951,083	206,384	77,514,640
Transfers In (Out)	-	-	200,000	-	-	-	-	-	200,000
Change in Net Assets	\$ 36,244	\$ 36,495	\$ (88,424)	\$ 1,439,820	\$ 4,820	\$ (36,458)	\$ (168,514)	\$ (78,675)	\$ 1,145,308

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

23. LITIGATION

The Board is involved in several pending and threatened legal actions, the range of potential loss from which, as estimated by the Board's attorney, should not materially affect the financial condition of the District. However, one case has completed the initial trial and a verdict of \$1,670,364 has been rendered in favor of the plaintiff. The District intends to defend itself vigorously through the appeals and Claims Bill process with the State Legislature and has not recorded an obligation in relation to this case. Final determination of liability, if any, is unlikely for a number of years.

24. SUBSEQUENT EVENTS

The American Recovery and Reinvestment Act of 2009 established the Qualified School Construction Bond (QSCB) Program. Eleven of Florida's largest districts received an allocation directly from the federal government for the 2009 calendar year. Pasco received an allocation of \$11,028,000. Board approval to proceed with the financing was granted on July 7, 2009.

The District is in the process of entering into a supplemental trust agreement with the Pasco County School Board Leasing Corporation to effect a lease purchase financing for completion of the construction of Fivay High School, or upon approval from the Department of Education, the construction and equipping of the Culinary Arts Academy at Land O Lakes High School and a portion of Richey Elementary School. The financing will be accomplished through the issuance of \$11,000,000 of Certificates of Participation, Series 2009 QSCB, to be repaid from rents paid by the District.

The bonds will be sold by negotiated sale and the purchaser of the bonds receives a federal tax credit in lieu of a portion of the interest that it would require. Due to the tax credit, the all-in interest paid by the District is reduced. The bonds would mature in accordance with IRS requirements which is presently 17 years but changes daily and could be more or less at the time of issuance.

REQUIRED SUPPLEMENTARY INFORMATION



DISTRICT SCHOOL BOARD OF PASCO COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2009

EARLY RETIREMENT PROGRAM

Trend Information

Schedule of Funding Progress:

Actuarial Valuation Date	Actuarial Values of Plan Assets	Actuarial Accrued Liability (1)	Unfunded Actuarial Accrued Liability (2)	Funded Ratio (3)	Covered Payroll	Ratio of Unfunded Actuarial Accrued Liability Covered Payroll
2000	3,202,191	12,152,701 (4)	8,950,510	26.3%	101,477,155 (4)	8.8%
2001	4,192,866	13,304,440 (4)	9,111,574	31.5%	107,293,070 (4)	8.5%
2002	5,187,341	14,424,748 (5)	9,237,407	36.0%	106,204,704 (5)	8.7%
2003	5,859,574	13,630,135 (5)	7,770,561	43.0%	105,127,379 (5)	7.4%
2004	5,868,121	13,736,412 (5)	7,868,291	42.7%	117,802,339 (5)	6.7%
2005	6,519,604	17,408,848 (5)	10,889,244	37.4%	130,477,299 (5)	8.3%
2006	7,227,924	18,121,827 (5)	10,893,903 (5)	39.9%	141,590,433 (5)	7.7%
2007	8,433,556 (5)	19,217,504 (5)	10,783,948 (5)	43.9%	152,703,567 (5)	7.1%
2008	9,779,528 (6)	20,496,358 (7)	10,716,830 (5)	47.7%	152,703,567 (8)	7.0%
2009	10,777,103 (6)	21,384,889 (7)	10,607,786 (5)	50.4%	152,703,567 (8)	6.9%

Notes:

- (1) The actuarial method used is the Entry Age Normal Cost Method.
- (2) The unfunded actuarial accrued liability is the actuarial accrued liability minus the actuarial value of plan assets.
- (3) The percentage funded is derived by dividing the actuarial value of assets by the actuarial accrued liability.
- (4) Based on data from an actuarial valuation report as of July 1, 2005.
- (5) Based on data from an actuarial valuation report as of July 1, 2007.
- (6) Based on the District's financial statements.
- (7) The actuarial accrued liability is the unfunded actuarial accrued liability plus the actuarial value of plan assets.
- (8) Estimated for fiscal years 2007-2008 and 2008-2009 based on July 1, 2007 actuarial valuation report

Isolated analysis of the dollar amounts of the actuarial value of assets, actuarial accrued liability, and unfunded actuarial accrued liability can be misleading. Expressing the actuarial value of assets as a percentage of the actuarial accrued liability provides one indication of the Plan's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the Plan is becoming financially stronger or weaker; generally, the greater this percentage, the stronger the Plan.

Trends in the unfunded actuarial accrued liability and covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of covered payroll approximately adjusts for the effects of inflation, and aids analysis of the progress made in accumulating assets to pay benefits when due, generally, the smaller this percentage, the stronger the Plan.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2009

OTHER POST EMPLOYMENT BENEFITS

Trend Information

Schedule of Funding Progress:

Actuarial Valuation Date	Actuarial Values of Plan Assets	Actuarial Accrued Liability (1)	Actuarial Accrued Liability (2)	Funded Ratio (3)	Covered Payroll	Actuarial Accrued Liability Covered Payroll
January 1, 2008	\$ -	\$ 120,914,118	\$ 120,914,118	0.0%	\$ 320,836,541	37.69%
January 1, 2008	\$ -	\$ 120,914,118	\$ 120,914,118	0.0%	\$ 327,137,624 (4)	36.96%

Notes:

- (1) The actuarial method used is the Entry Age Normal Cost Method.
- (2) The unfunded actuarial accrued liability is the actuarial accrued liability minus the actuarial value of plan assets.
- (3) The percentage funded is derived by dividing the actuarial value of assets by the actuarial accrued liability.
- (4) Based on data from an actuarial roll-forward letter dated August 7, 2009, supplement to Actuarial Report dated January 1, 2008.

Isolated analysis of the dollar amounts of the actuarial value of assets, actuarial accrued liability, and unfunded actuarial accrued liability can be misleading. Expressing the actuarial value of assets as a percentage of the actuarial accrued liability provides one indication of the Plan's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the Plan is becoming financially stronger or weaker, generally, the greater this percentage, the stronger the Plan.

Trends in the unfunded actuarial accrued liability and covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of covered payroll approximately adjusts for the effects of inflation, and aids analysis of the progress made in accumulating assets to pay benefits when due, generally, the smaller this percentage, the stronger the Plan.

COMBINING AND INDIVIDUAL FUND STATEMENTS

Combining Schedules of Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

Nonmajor Special Revenue Funds are used to account for proceeds of specific revenue sources that are legally restricted to pay for specified activities.

Food and Nutrition Services Fund – To account for food and nutrition services activities, including the serving of breakfast and lunch at the schools.

Other Federal Programs Fund – To account for the receipt and use of Federal grant proceeds.

Nonmajor Debt Service Funds

Nonmajor Debt Service Funds are used to account for resources accumulated, primarily from tax proceeds and earnings on temporary investments, for the payment of principal and interest of long-term liabilities.

State Board of Education Bonds Fund – To account for payment of principal and interest on various bond issues serviced by the State of Florida on the District's behalf.

District Revenue Bonds Fund – To account for payment of principal and interest on Motor Vehicle License Tax Revenue Bonds, which are secured by racetrack funds and jai alai fronton funds received annually by Pasco County pursuant to Chapter 79-548, Special Acts of 1979, Laws of Florida.

General Obligation Bonds Fund – To account for payments of principal and interest for the voter-approved bond referendum issued to finance the construction of new schools and facilities.

Certificates of Participation Fund – To account for payments of principal and interest for obligations pertaining to lease payments from debt issued to finance acquisition and construction of schools and ancillary facilities.

Nonmajor Capital Projects Funds

Nonmajor Capital Projects Funds are used to account for resources to be used for the acquisition and construction of major capital assets; such as: land, new school buildings, additions to existing buildings, major renovation projects, school buses, and equipment and furniture.

State Board of Education Bonds Fund – To account for proceeds of bonds, issued on the District's behalf, by the State Board of Education, to be used for the construction and maintenance of schools.

District Revenue Bonds Fund – To account for District Revenue Bond proceeds to be used for the acquisition and/or construction and maintenance of schools.

Public Education Capital Outlay Fund – To account for Gross Receipts Tax to be used for construction, remodeling, renovation, and site improvement of educational facilities.

Capital Outlay and Debt Service Fund - To account for the excess dollars from the debt service funds used for construction and maintenance of schools.

Local Optional Millage Levy Fund – To account for funds received from the assessment of property taxes for construction and maintenance of schools.

District School Board of Pasco County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2009

Schedule A

	Special Revenue			Debt Service		
	Food and Nutrition Services Fund	Other Federal Programs Fund	Total Nonmajor Special Revenue Funds	State Board of Education Bonds Fund	District Revenue Bonds Fund	General Obligation Bonds Fund
Assets:						
Cash	\$ 34,340	\$ -	\$ 34,340	\$ -	\$ -	\$ 2,515
Investments	-	-	-	536,012	26,880	9,922,512
Accounts Receivable	23,985	-	23,985	-	-	-
Accrued Interest Receivable	-	-	-	-	-	-
Due from Other Agencies	1,959,074	2,942,561	4,901,635	-	-	-
Inventories	1,017,378	-	1,017,378	-	-	-
Total Assets	3,034,777	2,942,561	5,977,338	536,012	26,880	9,925,027
Liabilities and Fund Balances:						
Liabilities:						
Salaries and Benefits Payable	43,092	168,902	211,994	-	-	-
Payroll Deductions and Withholdings Payable	3,025	55,410	58,435	-	-	-
Accounts Payable	31,604	1,285,797	1,317,401	-	345	-
Construction Contracts Payable	-	-	-	-	-	-
Construction Contracts Payable - Retainage	-	-	-	-	-	-
Due to Other Funds	112,448	1,432,452	1,544,900	-	-	-
Deferred Revenue	277,515	-	277,515	-	-	-
Total Liabilities	467,684	2,942,561	3,410,245	-	345	-
Fund Balances:						
Reserved for:						
Encumbrances	866,459	-	866,459	-	-	-
Debt Service	-	-	-	536,012	26,535	9,925,027
Unreserved:						
Designated for:						
Compensated Absences	932,558	-	932,558	-	-	-
Undesignated, Reported in:						
Special Revenue Funds	768,076	-	768,076	-	-	-
Capital Projects Funds	-	-	-	-	-	-
Total Fund Balance	2,567,093	-	2,567,093	536,012	26,535	9,925,027
Total Liabilities and Fund Balances	\$ 3,034,777	\$ 2,942,561	\$ 5,977,338	\$ 536,012	\$ 26,880	\$ 9,925,027

Schedule A

Debt Service		Capital Projects						
Certificates of Participation Fund	Total Nonmajor Debt Service Funds	State Board of Education Bonds Fund	District Revenue Bonds Fund	Public Education Capital Outlay Fund	Capital Outlay and Debt Service Fund	Local Optional Millage Levy Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
\$ 863,680	\$ 866,195	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 900,535
7,707,897	18,193,301	2,442,371	124,910	4,043,840	7,417,569	20,511,704	34,540,394	52,733,695
-	-	-	-	-	-	-	-	23,985
10	10	-	-	-	-	-	-	10
-	-	-	-	23,453,392	-	863,424	24,316,816	29,218,451
-	-	-	-	-	-	-	-	1,017,378
8,571,587	19,059,506	2,442,371	124,910	27,497,232	7,417,569	21,375,128	58,857,210	83,894,054
-	-	-	-	-	-	-	-	211,994
-	-	-	-	-	-	-	-	58,435
365,223	365,568	279,384	-	548,902	-	647,941	1,476,227	3,159,196
-	-	-	-	1,022,005	-	1,159,479	2,181,484	2,181,484
-	-	-	-	550,072	-	246,145	796,217	796,217
-	-	-	-	-	-	-	-	1,544,900
-	-	-	-	-	-	-	-	277,515
365,223	365,568	279,384	-	2,120,979	-	2,053,565	4,453,928	8,229,741
-	-	2,065,490	124,864	14,063,355	-	4,057,987	20,311,696	21,178,155
8,206,364	18,693,938	-	-	-	-	-	-	18,693,938
-	-	-	-	-	-	-	-	932,558
-	-	-	-	-	-	-	-	768,076
-	-	97,497	46	11,312,898	7,417,569	15,263,576	34,091,586	34,091,586
8,206,364	18,693,938	2,162,987	124,910	25,376,253	7,417,569	19,321,563	54,403,282	75,664,313
\$ 8,571,587	\$ 19,059,506	\$ 2,442,371	\$ 124,910	\$ 27,497,232	\$ 7,417,569	\$ 21,375,128	\$ 58,857,210	\$ 83,894,054

District School Board of Pasco County
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2009

	Special Revenue			Debt Service				
	Food and Nutrition Services Fund	Other Federal Programs Fund	Total Nonmajor Special Revenue Funds	State Board of Education Bonds Fund	District Revenue Bonds Fund	General Obligation Bonds Fund	Certificates of Participation Fund	Total Nonmajor Debt Service Funds
Revenues:								
Federal Sources:								
Federal Direct	\$ -	\$ 5,490,554	\$ 5,490,554	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Through State	-	31,348,367	31,348,367	-	-	-	-	-
Food Services	17,236,057	-	17,236,057	-	-	-	-	-
Federal Through Local	-	54,812	54,812	-	-	-	-	-
State Sources:								
Food Services	382,031	-	382,031	-	-	-	-	-
CO & DS Withheld for State Education Bonds	-	-	-	2,272,990	-	-	-	2,272,990
Racing Commission Funds	-	-	-	-	223,250	-	-	223,250
CO & DS Distributed	-	-	-	-	-	-	-	-
Public Education Capital Outlay	-	-	-	-	-	-	-	-
State Grants and Other	-	183,865	183,865	677	-	-	-	677
Local Sources:								
Property Taxes	-	-	-	-	-	-	-	-
Food Services	12,998,169	-	12,998,169	-	-	-	-	-
Investment Earnings	795	-	795	-	319	17,525	224,803	242,647
Total Revenues	30,617,052	37,077,598	67,694,650	2,273,667	223,569	17,525	224,803	2,739,564
Expenditures:								
Current-Education:								
Instruction	-	21,974,674	21,974,674	-	-	-	-	-
Pupil Personnel Services	-	3,409,122	3,409,122	-	-	-	-	-
Instructional Media Services	-	27,682	27,682	-	-	-	-	-
Instruction and Curriculum Development Services	-	4,188,797	4,188,797	-	-	-	-	-
Instructional Staff Training Services	-	3,098,325	3,098,325	-	-	-	-	-
Instruction Related Technology	-	184,550	184,550	-	-	-	-	-
General Administration	-	1,000,544	1,000,544	-	-	-	-	-
Facilities Acquisition and Construction	-	-	-	-	-	-	-	-

	Special Revenue			Debt Service				
	Food and Nutrition Services Fund	Other Federal Program Fund	Total Nonmajor Special Revenue Funds	State Board of Education Bonds Fund	District Revenue Bonds Fund	General Obligation Bonds Fund	Certificates of Participation Fund	Total Nonmajor Debt Service Funds
Expenditures (continued):								
Fiscal Services	-	72,462	72,462	-	-	-	-	-
Food Services	29,045,272	36,341	29,081,613	-	-	-	-	-
Central Services	-	450,217	450,217	-	-	-	-	-
Pupil Transportation Services	-	345,505	345,505	-	-	-	-	-
Operation of Plant	-	120,783	120,783	-	-	-	-	-
Maintenance of Plant	-	138,536	138,536	-	-	-	-	-
Administrative Technology Services	-	95,417	95,417	-	-	-	-	-
Community Services	-	123,751	123,751	-	-	-	-	-
Capital Outlay:								
Facilities Acquisition and Construction	-	14,589	14,589	-	-	-	-	-
Other Capital Outlay	-	1,796,303	1,796,303	-	-	-	-	-
Debt Service:								
Principal	-	-	-	1,285,000	80,000	-	18,750,000	20,115,000
Interest	-	-	-	870,840	140,275	-	18,668,571	19,679,686
Fiscal Charges	-	-	-	-	345	-	1,172,396	1,172,741
Total Expenditures	29,045,272	37,077,598	66,122,870	2,155,840	220,620	-	38,590,967	40,967,427
Excess (Deficiency) of Revenues Over Expenditures	1,571,780	-	1,571,780	117,827	2,949	17,525	(38,366,164)	(38,227,863)
Other Financing Sources (Uses):								
Proceeds of Certificates of Participation	-	-	-	-	-	-	49,750	49,750
Transfers In	-	-	-	-	-	-	38,881,556	38,881,556
Transfers Out	(161,444)	-	(161,444)	-	-	-	-	-
Total Other Financing Sources (Uses)	(161,444)	-	(161,444)	-	-	-	38,931,306	38,931,306
Net Change in Fund Balances	1,410,336	-	1,410,336	117,827	2,949	17,525	565,142	703,443
Fund Balances, Beginning	1,156,757	-	1,156,757	418,185	23,586	9,907,502	7,641,222	17,990,495
Fund Balances, Ending	\$ 2,567,093	\$ -	\$ 2,567,093	\$ 536,012	\$ 26,535	\$ 9,925,027	\$ 8,206,364	\$ 18,693,938

(Continued)

District School Board of Pasco County
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2009

	Capital Projects						Total Nonmajor Governmental Funds
	State Board of Education Bonds Fund	District Revenue Bonds Fund	Public Education Capital Outlay Fund	Capital Outlay and Debt Service Fund	Local Optional Millage Levy Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:							
Federal Sources:							
Federal Direct	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,490,554
Federal Through State	-	-	-	-	-	-	31,348,367
Food Services	-	-	-	-	-	-	17,236,057
Federal Through State	-	-	-	-	-	-	54,812
State Sources:							
Food Services	-	-	-	-	-	-	382,031
CO & DS Withheld for State Education Bonds	-	-	-	-	-	-	2,272,990
Racing Commission Funds	-	-	-	-	-	-	223,250
CO & DS Distributed	-	-	-	413,180	-	413,180	413,180
Public Education Capital Outlay	-	-	19,148,129	-	-	19,148,129	19,148,129
State Grants and Other	-	-	-	26,746	-	26,746	211,288
Local Sources:							
Property Taxes	-	-	-	-	42,857,117	42,857,117	42,857,117
Food Services	-	-	-	-	-	-	12,998,169
Investment Earnings	54,692	13,798	12,628	(2,364,787)	232,688	(2,050,981)	(1,807,539)
Total Revenues	54,692	13,798	19,160,757	(1,924,861)	43,089,805	60,394,191	130,828,405
Expenditures:							
Current-Education:							
Instruction	-	-	-	-	-	-	21,974,674
Pupil Personnel Services	-	-	-	-	-	-	3,409,122
Instructional Media Services	-	-	-	-	-	-	27,682
Instruction and Curriculum Development Services	-	-	-	-	-	-	4,188,797
Instructional Staff Training Services	-	-	-	-	-	-	3,098,325
Instruction Related Technology	-	-	-	-	-	-	184,550
General Administration	-	-	-	-	-	-	1,000,544
Facilities Acquisition and Construction	99,797	234,079	16,524	-	1,931,848	2,282,248	2,282,248

	Capital Projects						
	State Board of Education Bonds Fund	District Revenue Bonds Fund	Public Education Capital Outlay Fund	Capital Outlay and Debt Service Fund	Local Optional Millage Levy Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Expenditures (continued):							
Fiscal Services	-	-	-	-	-	-	72,462
Food Services	-	-	-	-	-	-	29,081,613
Central Services	-	-	-	-	-	-	450,217
Pupil Transportation Services	-	-	-	-	-	-	345,505
Operation of Plant	-	-	-	-	-	-	120,783
Maintenance of Plant	-	-	-	-	-	-	138,536
Administrative Technology Services	-	-	-	-	-	-	95,417
Community Services	-	-	-	-	-	-	123,751
Capital Outlay:							
Facilities Acquisition and Construction	4,079,683	934,873	16,274,265	-	15,998,753	37,287,574	37,302,163
Other Capital Outlay	-	-	-	-	-	-	1,796,303
Debt Service:							
Principal	-	-	-	-	-	-	20,115,000
Interest	-	-	-	-	-	-	19,679,686
Fiscal Charges	-	-	-	1,272	-	1,272	1,174,013
Total Expenditures	4,179,480	1,168,952	16,290,789	1,272	17,930,601	39,571,094	146,661,391
Excess (Deficiency) of Revenues Over Expenditures	(4,124,788)	(1,155,154)	2,869,968	(1,926,133)	25,159,204	20,823,097	(15,832,986)
Other Financing Sources (Uses):							
Proceeds of Certificates of Participation	-	-	-	-	-	-	49,750
Transfers In	-	-	-	-	161,444	161,444	39,043,000
Transfers Out	-	-	(497,039)	-	(25,073,006)	(25,570,045)	(25,731,489)
Total Other Financing Sources (Uses)	-	-	(497,039)	-	(24,911,562)	(25,408,601)	13,361,261
Net Change in Fund Balances	(4,124,788)	(1,155,154)	2,372,929	(1,926,133)	247,642	(4,585,504)	(2,471,725)
Fund Balances, Beginning	6,287,775	1,280,064	23,003,324	9,343,702	19,073,921	58,988,786	78,136,038
Fund Balances, Ending	\$ 2,162,987	\$ 124,910	\$ 25,376,253	\$ 7,417,569	\$ 19,321,563	\$ 54,403,282	\$ 75,664,313

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Schedules
of
Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Governmental Funds

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Special Revenue - Food and Nutrition Services Fund
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Federal Sources:				
Food Service	\$ 16,448,336	\$ 17,178,336	\$ 17,236,057	\$ 57,721
State Sources:				
Food Service	496,762	496,762	382,031	(114,731)
Local Sources:				
Food Service Sales	13,606,484	13,806,484	12,476,176	(1,330,308)
Investment Earnings	-	-	795	795
Local Grants and Other	4,809	55,493	521,993	466,500
Total Revenues	30,556,391	31,537,075	30,617,052	(920,023)
Expenditures:				
Current-Education:				
Food Services				
Salaries	10,421,000	10,351,000	9,866,535	484,465
Employee Benefits	3,848,700	3,908,700	3,908,462	238
Purchased Services	789,642	1,041,782	661,095	380,687
Energy Services	325,000	525,000	486,636	38,364
Materials and Supplies	14,042,856	14,605,072	13,393,865	1,211,207
Other Expenses	793,186	798,370	728,679	69,691
Total Expenditures	30,220,384	31,229,924	29,045,272	2,184,652
Excess (Deficiency) of Revenues Over Expenditures	336,007	307,151	1,571,780	1,264,629
Other Financing Sources (Uses):				
Transfers Out	(300,000)	(300,000)	(161,444)	138,556
Net Change in Fund Balance	36,007	7,151	1,410,336	1,403,185
Fund Balance, Beginning	1,156,757	1,156,757	1,156,757	-
Fund Balance, Ending	\$ 1,192,764	\$ 1,163,908	\$ 2,567,093	\$ 1,403,185

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Special Revenue - Other Federal Programs Fund
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Federal Sources:				
Federal Direct	\$ 5,261,887	\$ 5,872,504	\$ 5,490,554	\$ (381,950)
Federal Through State	33,823,120	37,741,927	31,348,367	(6,393,560)
Federal Through Local	-	28,633	54,812	26,179
State Sources				
Charter School Funding	-	225,000	183,865	(41,135)
Total Revenues	39,085,007	43,868,064	37,077,598	(6,790,466)
Expenditures:				
Current-Education:				
Instruction				
Salaries	13,422,288	12,021,879	11,268,511	753,368
Employee Benefits	5,201,033	4,780,482	4,101,833	678,649
Purchased Services	2,803,406	4,014,830	3,366,480	648,350
Materials and Supplies	601,282	2,371,075	1,942,831	428,244
Capital Outlay	758,063	2,927,164	943,237	1,983,927
Other Expenses	195,317	520,580	351,782	168,798
Pupil Personnel Services				
Salaries	2,559,478	2,702,469	2,465,998	236,471
Employee Benefits	864,368	902,571	779,377	123,194
Purchased Services	154,383	123,345	97,270	26,075
Energy Services	2,540	181	-	181
Materials and Supplies	67,581	71,012	57,680	13,332
Capital Outlay	30,122	12,845	7,925	4,920
Other Expenses	1,000	972	872	100
Instructional Media Services				
Salaries	12,752	26,019	21,913	4,106
Employee Benefits	5,169	8,498	5,769	2,729
Instructional and Curriculum Development Services				
Salaries	2,927,141	3,315,868	3,025,812	290,056
Employee Benefits	739,453	961,358	820,074	141,284
Purchased Services	437,716	318,716	228,397	90,319
Materials and Supplies	105,517	84,567	61,681	22,886
Capital Outlay	112,620	93,169	28,841	64,328
Other Expenses	135,839	27,380	23,992	3,388
Instructional Staff Training Services				
Salaries	2,433,147	2,594,054	1,836,256	757,798
Employee Benefits	521,315	613,405	337,941	275,464
Purchased Services	1,005,511	1,076,723	611,420	465,303
Materials and Supplies	273,466	705,365	250,084	455,281
Capital Outlay	27,602	77,940	15,416	62,524
Other Expenses	257,886	98,762	47,208	51,554

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Special Revenue - Other Federal Programs Fund
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued):				
Instruction Related Technology				
Salaries	143,206	214,942	147,469	67,473
Employee Benefits	38,307	53,456	35,137	18,319
Purchased Services	2,500	1,616	1,616	-
Materials and Supplies	2,605	333	328	5
Capital Outlay	-	452	-	452
General Administration				
Other Expenses	1,135,444	1,269,566	1,000,544	269,022
Facilities Acquisition and Construction				
Capital Outlay	23,462	25,462	-	25,462
Fiscal Services				
Salaries	58,038	57,756	52,364	5,392
Employee Benefits	22,225	20,704	18,006	2,698
Materials and Supplies	900	1,320	874	446
Capital Outlay	300	3,239	1,218	2,021
Food Services				
Purchased Services	32,300	36,300	36,300	-
Materials and Supplies	3,700	329	41	288
Central Services				
Salaries	84,667	164,376	112,161	52,215
Employee Benefits	18,054	70,208	39,215	30,993
Purchased Services	461,000	320,865	233,211	87,654
Capital Outlay	60,000	42,700	40,430	2,270
Other Expenses	28,000	31,101	25,200	5,901
Pupil Transportation Services				
Salaries	69,900	73,528	64,193	9,335
Employee Benefits	23,500	20,210	19,312	898
Purchased Services	881,517	372,325	262,000	110,325
Materials and Supplies	200	150	-	150
Capital Outlay	15,000	8,925	-	8,925
Operation of Plant				
Salaries	300	1,600	-	1,600
Employee Benefits	80	497	-	497
Purchased Services	33,779	25,535	23,543	1,992
Energy Services	130,349	98,331	94,174	4,157
Materials and Supplies	4,100	3,466	3,066	400
Capital Outlay	-	3,654	-	3,654
Maintenance of Plant				
Purchased Services	12,252	166,051	138,536	27,515
Capital Outlay	17,500	101,422	-	101,422

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Special Revenue - Other Federal Programs Fund
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued):				
Administrative Technology Services				
Salaries	-	77,733	77,234	499
Employee Benefits	-	21,823	18,090	3,733
Purchased Services	2,011	3,091	93	2,998
Community Services				
Salaries	50,333	42,653	42,636	17
Employee Benefits	13,124	10,668	10,668	-
Purchased Services	57,659	67,259	67,259	-
Materials and Supplies	700	594	594	-
Other Expenses	2,000	2,595	2,594	1
Capital Outlay:				
Facilities Acquisition and Construction	-	14,589	14,589	-
Other Capital Outlay	-	1,796,303	1,796,303	-
Total Expenditures	39,085,007	45,678,956	37,077,598	8,601,358
Net Change in Fund Balance	-	-	-	-
Fund Balances, Beginning	-	-	-	-
Fund Balances, Ending	\$ -	\$ -	\$ -	\$ -

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Debt Service - State Board of Education Bonds Fund
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
State Sources:				
CO & DS Withheld for State Education Bonds	\$ 1,877,512	\$ 2,273,668	\$ 2,273,667	\$ (1)
Expenditures:				
Debt Service:				
Principal	1,135,000	1,285,000	1,285,000	-
Interest	742,512	870,841	870,840	1
Total Expenditures	1,877,512	2,155,841	2,155,840	1
Net Change in Fund Balance	-	117,827	117,827	-
Fund Balances, Beginning	418,185	418,185	418,185	-
Fund Balances, Ending	\$ 418,185	\$ 536,012	\$ 536,012	\$ -

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Debt Service - District Revenue Bonds Fund
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
State Sources:				
Racing Commission Funds	\$ 223,250	\$ 223,250	\$ 223,250	\$ -
Local Sources:				
Investment Earnings	500	500	319	(181)
Total Revenues	223,750	223,750	223,569	(181)
Expenditures:				
Debt Service:				
Principal	80,000	80,000	80,000	-
Interest	140,276	140,276	140,275	1
Fiscal Charges	1,000	1,000	345	655
Total Expenditures	221,276	221,276	220,620	656
Net Change in Fund Balance	2,474	2,474	2,949	475
Fund Balance, Beginning	23,586	23,586	23,586	-
Fund Balance, Ending	\$ 26,060	\$ 26,060	\$ 26,535	\$ 475

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Debt Service - General Obligation Bonds Fund
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Local Sources:				
Investment Earnings	\$ -	\$ 140,000	\$ 17,525	\$ (122,475)
Total Revenues	-	140,000	17,525	(122,475)
Net Change in Fund Balance	-	140,000	17,525	(122,475)
Fund Balances, Beginning	9,907,502	9,907,502	9,907,502	-
Fund Balances, Ending	\$ 9,907,502	\$ 10,047,502	\$ 9,925,027	\$ (122,475)

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Debt Service - Certificates of Participation Fund
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
State Sources:				
Investment Earnings	\$ 56,477	\$ 56,477	\$ 224,803	\$ 168,326
Expenditures:				
Debt Service:				
Principal	19,127,090	19,074,715	18,750,000	324,715
Interest	19,204,090	19,319,855	18,668,571	651,284
Fiscal Charges	550,376	1,192,708	1,172,396	20,312
Total Expenditures	38,881,556	39,587,278	38,590,967	996,311
Excess (Deficiency) of Revenues Over Expenditures	(38,825,079)	(39,530,801)	(38,366,164)	1,164,637
Other Financing Sources:				
Premium on Sale of Bonds	-	49,750	49,750	-
Transfers In	38,881,556	38,881,556	38,881,556	-
Total Other Financing Sources	38,881,556	38,931,306	38,931,306	-
Net Change in Fund Balance	56,477	(599,495)	565,142	1,164,637
Fund Balances, Beginning	7,641,222	7,641,222	7,641,222	-
Fund Balances, Ending	\$ 7,697,699	\$ 7,041,727	\$ 8,206,364	\$ 1,164,637

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Capital Projects - Public Education Capital Outlay Fund
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
State Sources:				
Public Education Capital Outlay	\$ 17,467,754	\$ 19,148,129	\$ 19,148,129	\$ -
Local Sources:				
Investment Earnings	150,000	150,478	12,628	(137,850)
Total Revenues	17,617,754	19,298,607	19,160,757	(137,850)
Expenditures:				
Current-Education:				
Facilities Acquisition and Construction	-	20,000	16,524	3,476
Capital Outlay:				
Facilities Acquisition and Construction	35,536,869	38,168,424	16,274,265	21,894,159
Total Expenditures	35,536,869	38,188,424	16,290,789	21,897,635
Excess (Deficiency) of Revenues over Expenditures	(17,919,115)	(18,889,817)	2,869,968	21,759,785
Other Financing Sources:				
Transfer Out	(584,186)	(497,039)	(497,039)	-
Total Other Financing Sources	(584,186)	(497,039)	(497,039)	-
Net Change in Fund Balance	(18,503,301)	(19,386,856)	2,372,929	21,759,785
Fund Balances, Beginning	23,003,324	23,003,324	23,003,324	-
Fund Balances, Ending	\$ 4,500,023	\$ 3,616,468	\$ 25,376,253	\$ 21,759,785

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Capital Projects - Other Fund
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Local Sources:				
Local Sales Tax	\$ 26,472,659	\$ 26,472,659	\$ 26,452,520	\$ (20,139)
Impact Fees	6,000,000	6,000,000	5,295,383	(704,617)
Investment Earnings	2,322,047	2,377,275	(535,589)	(2,912,864)
Local Grants and Other	-	-	212	212
Total Revenues	34,794,706	34,849,934	31,212,526	(3,637,408)
Expenditures:				
Current-Education:				
Facilities Acquisition and Construction	-	2,000,000	1,903,307	96,693
Capital Outlay:				
Facilities Acquisition and Construction	142,524,924	190,455,771	68,765,970	121,689,801
Total Expenditures	142,524,924	192,455,771	70,669,277	121,786,494
Excess (Deficiency) of Revenues Over Expenditures	(107,730,218)	(157,605,837)	(39,456,751)	118,149,086
Other Financing Sources (Uses):				
Proceeds from Certificates of Participation Issued	1,100,000	1,100,000	1,120,260	20,260
Transfer In	-	-	3,055,685	3,055,685
Transfer Out	(14,008,550)	(17,064,235)	(17,064,235)	-
Total Other Financing Sources (Uses)	(12,908,550)	(15,964,235)	(12,888,290)	3,075,945
Net Change in Fund Balance	(120,638,768)	(173,570,072)	(52,345,041)	121,225,031
Fund Balances, Beginning	225,282,723	225,282,723	225,282,723	-
Fund Balances, Ending	\$ 104,643,955	\$ 51,712,651	\$ 172,937,682	\$ 121,225,031

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Capital Projects - State Board of Education Bonds Fund
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Local Sources:				
Investment Earnings	\$ 13,333	\$ 60,194	\$ 54,692	\$ (5,502)
Total Revenues	13,333	60,194	54,692	(5,502)
Expenditures:				
Current-Education:				
Facilities Acquisition and Construction	-	100,000	99,797	203
Capital Outlay:				
Facilities Acquisition and Construction	5,896,985	6,152,026	4,079,683	2,072,343
Total Expenditures	5,896,985	6,252,026	4,179,480	2,072,546
Excess (Deficiency) of Revenues Over Expenditures	(5,883,652)	(6,191,832)	(4,124,788)	2,067,044
Net Change in Fund Balance	(5,883,652)	(6,191,832)	(4,124,788)	2,067,044
Fund Balances, Beginning	6,287,774	6,287,775	6,287,775	-
Fund Balances, Ending	\$ 404,122	\$ 95,943	\$ 2,162,987	\$ 2,067,044

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Capital Projects - District Revenue Bonds Fund
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Local Sources:				
Investment Earnings	\$ 5,000	\$ 13,798	\$ 13,798	\$ -
Expenditures:				
Current-Education:				
Facilities Acquisition and Construction	-	250,000	234,078	15,922
Capital Outlay:				
Facilities Acquisition and Construction	166,000	1,043,861	934,874	108,987
Total Expenditures	166,000	1,293,861	1,168,952	124,909
Net Change in Fund Balance	(161,000)	(1,280,063)	(1,155,154)	124,909
Fund Balance, Beginning	1,280,064	1,280,064	1,280,064	-
Fund Balance, Ending	\$ 1,119,064	\$ 1	\$ 124,910	\$ 124,909

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Capital Projects - Capital Outlay and Debt Service Fund
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
State Sources:				
CO & DS Distributed	\$ 802,297	\$ 829,043	\$ 439,926	\$ (389,117)
Local Sources:				
Investment Earnings	62,009	62,009	(2,364,787)	(2,426,796)
Total Revenues	864,306	891,052	(1,924,861)	(2,815,913)
Expenditures:				
Debt Service				
Dues, Fees and Issuance Costs	-	1,272	1,272	-
Net Change in Fund Balance	864,306	889,780	(1,926,133)	(2,815,913)
Fund Balances, Beginning	9,343,702	9,343,702	9,343,702	-
Fund Balances, Ending	\$ 10,208,008	\$ 10,233,482	\$ 7,417,569	\$ (2,815,913)

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Capital Projects - Local Optional Millage Levy Fund
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Local Sources:				
Ad Valorem Taxes	\$ 41,617,979	\$ 41,617,979	\$ 42,857,117	\$ 1,239,138
Investment Earnings	427,286	427,286	232,688	(194,598)
Total Revenues	42,045,265	42,045,265	43,089,805	1,044,540
Expenditures:				
Current-Education:				
Facilities Acquisition and Construction	-	2,000,000	1,931,848	68,152
Capital Outlay:				
Facilities Acquisition and Construction	24,993,657	30,120,389	15,998,753	14,121,636
Total Expenditures	24,993,657	32,120,389	17,930,601	14,189,788
Excess of Revenues Over Expenditures	17,051,608	9,924,876	25,159,204	15,234,328
Other Financing Sources (Uses):				
Transfers In	300,000	300,000	161,444	(138,556)
Transfers Out	(25,073,006)	(25,073,006)	(25,073,006)	-
Total Other Financing Sources (Uses)	(24,773,006)	(24,773,006)	(24,911,562)	(138,556)
Net Change in Fund Balance	(7,721,398)	(14,848,130)	247,642	15,095,772
Fund Balances, Beginning	19,073,921	19,073,921	19,073,921	-
Fund Balances, Ending	\$ 11,352,523	\$ 4,225,791	\$ 19,321,563	\$ 15,095,772

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Combining Statements of Internal Service Funds

Internal Service Funds are used to account for the financing of goods and services provided by one department to another department within the District, on a cost reimbursement basis. This practice provides a separate and complete accounting for all resources accumulated and used in rendering the services and activities listed below.

Fully-Insured Benefit Plans – To account for the financing of the District's fully-insured program for employees' dental and life insurance benefits.

Flexible Benefits Plan – To account for the financing of the District's optional flexible fringe benefits program, for employees', as provided by Internal Revenue Code Section 125.

Property, Casualty, and Liability Self-Insurance Plan – To account for the financing and payment of claims for the District's self-insured liability and workers' compensation program and fully insured property/casualty program.

Self-Insured Benefit Plans – To account for the financing and payment of claims for the District's self-insured medical, behavioral health and prescription plans.

Employee Assistance Program – To account for the financing of services provided by the District's Employee Assistance Program.

District Print Center – To account for the financing of goods and services provided to District schools and departments by the Print Center.

Energy Management Program – To account for the financing of the District's Energy Management Program.

Exclusive Agreement – To account for the receipt and use of funds received from the District's exclusive agreement with National Beverages, Inc.

District School Board of Pasco County
Combining Statement of Fund Net Assets
Internal Service Funds
June 30, 2009

Schedule D

	Fully-Insured Benefit Plans	Flexible Benefits Plan	Property, Casualty, Liability and Workers' Compensation Plans
Assets			
Current Assets:			
Cash with Fiscal Agent	\$ -	\$ 13,846	\$ 18,126
Cash Equivalents	253,793	1,261,766	27,325,739
Accounts Receivable	6,181	17,046	61,045
Inventories	-	-	-
Total Current Assets	259,974	1,292,658	27,404,910
Noncurrent Assets:			
Capital Assets:			
Furniture, Fixtures and Equipment	-	-	-
Accumulated Depreciation	-	-	-
Total Noncurrent Assets	-	-	-
Total Assets	259,974	1,292,658	27,404,910
Liabilities			
Current Liabilities:			
Salaries and Benefits Payable	17,637	-	313
Payroll Deductions and Withholdings Payable	1,064	-	603
Accounts Payable	27,613	13,846	6,661
Deferred Revenues	-	-	-
Current portion of long-term liabilities:			
Compensated Absences Payable	61,792	-	62,614
Estimated Insurance Claims Payable	-	-	2,242,454
Total Current Liabilities	108,106	13,846	2,312,645
Noncurrent Liabilities:			
Compensated Absences Payable	105,047	-	89,477
Estimated Insurance Claims Payable	-	-	4,590,838
Total Noncurrent Liabilities	105,047	-	4,680,315
Total Liabilities	213,153	13,846	6,992,960
Net Assets			
Invested in Capital Assets, Net of Related Debt	-	-	-
Unrestricted	46,821	1,278,812	20,411,950
Total Net Assets	46,821	1,278,812	20,411,950
Total Liabilities and Net Assets	\$ 259,974	\$ 1,292,658	\$ 27,404,910

Self-Insured Benefit Plans	Employee Assistance Program	District Print Center	Energy Management Programs	Exclusive Agreement	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,972
7,954,732	81,412	298,462	6,646,907	1,500,608	45,323,419
1,150,161	2,918	210	-	109,553	1,347,114
-	-	29,818	-	-	29,818
9,104,893	84,330	328,490	6,646,907	1,610,161	46,732,323
-	-	1,270	-	202,698	203,968
-	-	(1,143)	-	(74,026)	(75,169)
-	-	127	-	128,672	128,799
9,104,893	84,330	328,617	6,646,907	1,738,833	46,861,122
-	98	401	268	-	18,717
-	217	636	703	-	3,223
7,653,882	16,974	5,096	420,570	9,599	8,154,241
1,693	-	-	-	-	1,693
-	5,048	50,094	24,216	-	203,764
-	-	-	-	-	2,242,454
7,655,575	22,337	56,227	445,757	9,599	10,624,092
-	37,667	7,858	19,930	-	259,979
-	-	-	-	-	4,590,838
-	37,667	7,858	19,930	-	4,850,817
7,655,575	60,004	64,085	465,687	9,599	15,474,909
-	-	127	-	128,672	128,799
1,449,318	24,326	264,405	6,181,220	1,600,562	31,257,414
1,449,318	24,326	264,532	6,181,220	1,729,234	31,386,213
\$ 9,104,893	\$ 84,330	\$ 328,617	\$ 6,646,907	\$ 1,738,833	\$ 46,861,122

District School Board of Pasco County
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Fiscal Year Ended June 30, 2009

Schedule E

	Fully-Insured Benefit Plans	Flexible Benefits Plan	Property, Casualty, Liability and Workers' Compensation Plans
Operating Revenues			
Insurance Premiums:			
Board Contributions	\$ 22,089,474	\$ 1,223,040	\$ 7,158,057
Employees	2,689,927	-	-
Retirees	592,412	-	-
Charges for Services Provided	-	-	-
Other Operating Revenues	2,925	17,046	267,371
Total Operating Revenues	<u>25,374,738</u>	<u>1,240,086</u>	<u>7,425,428</u>
Operating Expense			
Salaries	460,560	-	204,309
Employee Benefits	129,547	-	189,897
Purchased Services	113,703	-	705,864
Insurance Premiums	24,733,454	1,218,534	3,435,586
Energy Services	-	-	-
Materials and Supplies	3,103	-	4,783
Capital Outlay	180	-	2,491
Insurance Claims	-	-	3,474,818
Other	8,433	-	70,846
Depreciation	-	-	-
Total Operating Expenses	<u>25,448,980</u>	<u>1,218,534</u>	<u>8,088,594</u>
Operating Income (Loss)	<u>(74,242)</u>	<u>21,552</u>	<u>(663,166)</u>
Nonoperating Revenues (Expenses)			
Investment Earnings	1,414	14,943	227,985
Gifts, Grants and Bequests	109,072	-	-
Loss Recoveries	-	-	146,757
Total Nonoperating Revenues (Expenses)	<u>110,486</u>	<u>14,943</u>	<u>374,742</u>
Income (Loss) Before Transfers	36,244	36,495	(288,424)
Transfers In	-	-	200,000
Change in Net Assets	36,244	36,495	(88,424)
Total Net Assets, July 1, 2008	<u>10,577</u>	<u>1,242,317</u>	<u>20,500,374</u>
Total Net Assets, June 30, 2009	<u>\$ 46,821</u>	<u>\$ 1,278,812</u>	<u>\$ 20,411,950</u>

Self-Insured Benefit Plans	Employee Assistance Program	District Print Center	Energy Management Program	Exclusive Agreement	Totals
\$ 24,592,450	\$ 308,585	\$ -	\$ -	\$ -	\$ 55,371,606
3,799,576	-	-	-	-	6,489,503
1,367,778	-	-	-	-	1,960,190
-	-	710,795	12,583,118	-	13,293,913
220,651	245	-	138,540	109,553	756,331
29,980,455	308,830	710,795	12,721,658	109,553	77,871,543
-	-	-	-	-	-
-	84,064	305,943	199,467	-	1,254,343
-	22,340	92,952	57,022	-	491,758
1,864,769	158,543	153,721	2,006,145	170,066	5,172,811
161,292	-	-	-	-	29,548,866
-	-	-	10,666,383	-	10,666,383
-	93	197,295	15,956	1,549	222,779
-	-	868	926	-	4,465
26,519,340	39,845	-	-	-	30,034,003
-	-	-	5,184	-	84,463
-	-	-	-	34,769	34,769
28,545,401	304,885	750,779	12,951,083	206,384	77,514,640
1,435,054	3,945	(39,984)	(229,425)	(96,831)	356,903
4,766	875	3,526	60,911	18,156	332,576
-	-	-	-	-	109,072
-	-	-	-	-	146,757
4,766	875	3,526	60,911	18,156	588,405
1,439,820	4,820	(36,458)	(168,514)	(78,675)	945,308
-	-	-	-	-	200,000
1,439,820	4,820	(36,458)	(168,514)	(78,675)	1,145,308
9,498	19,506	300,990	6,349,734	1,807,909	30,240,905
\$ 1,449,318	\$ 24,326	\$ 264,532	\$ 6,181,220	\$ 1,729,234	\$ 31,386,213

District School Board of Pasco County
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2009

	Fully-Insured Benefit Plans	Flexible Benefits Plan	Property, Casualty, Liability and Workers' Compensation Plans
Cash Flows from Operating Activities:			
Cash Received from Services	\$ -	\$ -	\$ -
Cash Received from Premiums	25,380,182	1,243,361	7,172,833
Cash Received from Other Operating Revenues	2,925	17,046	267,371
Cash Payments to Suppliers for Goods and Services	(24,872,817)	(1,396,577)	(4,400,927)
Cash Payments to Employees for Services	(563,350)	-	(422,255)
Cash Payments to Insurance Claims	-	-	(3,523,204)
Net Cash Provided (Used) by Operating Activities	(53,060)	(136,170)	(906,182)
Cash Flows from Noncapital Financing Activities:			
Insurance Loss Recoveries	-	-	146,757
Gifts, Grants and Bequests	109,072	-	-
Transfers From Other Funds	-	-	200,000
Net Cash Provided by Noncapital Financing Activities	109,072	-	346,757
Cash Flows from Capital and Related Financing Activities:			
Acquisition and Construction of Capital Assets	-	-	-
Net Cash (Used) by Capital and Related Financing Activities	-	-	-
Cash Flows from Investing Activities:			
Investment Income	1,414	14,943	227,985
Net Cash Provided by Investing Activities	1,414	14,943	227,985
Net Change in Cash and Cash Equivalents	57,426	(121,227)	(331,440)
Cash and Cash Equivalents, Beginning	196,367	1,396,839	27,675,305
Cash and Cash Equivalents, Ending	253,793	1,275,612	27,343,865
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	(74,242)	21,552	(663,166)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Depreciation	-	-	-
Change in Assets and Liabilities:			
Accounts Receivable	8,369	20,321	14,776
Inventories	-	-	-
Payroll Deductions and Withholdings Payable	15,903	-	(250)
Accounts Payable	(13,944)	(178,043)	(181,357)
Deferred Revenues	-	-	-
Compensated Absences Payable	10,854	-	(27,799)
Estimated Insurance Claims Payable	-	-	(48,386)
Total Adjustments	21,182	(157,722)	(243,016)
Net Cash Provided (Used) by Operating Activities	\$ (53,060)	\$ (136,170)	\$ (906,182)

Self-Insured Benefit Plans	Employee Assistance Program	District Print Center	Energy Management Program	Exclusive Agreement	Totals
\$ -	\$ -	\$ 710,794	\$ 12,583,118	\$ (109,553)	\$ 13,184,359
29,070,874	305,670	-	-	-	63,172,920
220,651	245	-	138,540	109,553	756,331
4,357,378	(152,954)	(345,304)	(12,767,736)	(188,359)	(39,767,296)
-	(105,493)	(394,824)	(263,455)	-	(1,749,377)
(26,519,340)	(39,845)	-	-	-	(30,082,389)
7,129,563	7,623	(29,334)	(309,533)	(188,359)	5,514,548
-	-	-	-	-	146,757
-	-	-	-	-	109,072
-	-	-	-	-	200,000
-	-	-	-	-	455,829
-	-	-	-	(10,408)	(10,408)
-	-	-	-	(10,408)	(10,408)
4,766	875	3,526	60,911	18,156	332,576
4,766	875	3,526	60,911	18,156	332,576
7,134,329	8,498	(25,808)	(248,622)	(180,611)	6,292,545
820,403	72,914	324,270	6,895,529	1,681,219	39,062,846
7,954,732	81,412	298,462	6,646,907	1,500,608	45,355,391
1,435,054	3,945	(39,984)	(229,425)	(96,831)	356,903
-	-	-	-	34,769	34,769
(690,623)	(2,915)	(1)	-	(109,553)	(759,626)
-	-	1,679	-	-	1,679
-	(106)	197	(226)	-	15,518
6,383,439	5,682	4,901	(73,142)	(16,744)	5,930,792
1,693	-	-	-	-	1,693
-	1,017	3,874	(6,740)	-	(18,794)
-	-	-	-	-	(48,386)
5,694,509	3,678	10,650	(80,108)	(91,528)	5,157,645
\$ 7,129,563	\$ 7,623	\$ (29,334)	\$ (309,533)	\$ (188,359)	\$ 5,514,548

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Combining Statements of Agency Funds

Agency Funds are used to account for financial resources held by the District as an agent. Assets accounted for in an agency fund belong to the party or parties for which the District acts as an agent. Therefore, agency fund assets are offset by liabilities equal in amount. Agency funds do not report net assets.

School Internal Accounts - To account for financial resources collected by the schools and held by the District as an agent, which will be used for school and student athletic activities, class activities and club activities.

ABC Program - To account for employee and public donations, held by the District as an agent, to be used to assist financially disadvantaged students enrolled in Pasco County schools.

District School Board of Pasco County
Combining Statement of Assets and Liabilities
Agency Funds
June 30, 2009

	School Internal Accounts	ABC Program	Total
Assets:			
Cash	\$ 5,958,789	\$ -	\$ 5,958,789
Investments	-	46,880	46,880
Accounts Receivable	4,556	-	4,556
Inventories	29,454	-	29,454
	<u>5,992,799</u>	<u>46,880</u>	<u>6,039,679</u>
Total Assets	<u>\$ 5,992,799</u>	<u>\$ 46,880</u>	<u>\$ 6,039,679</u>
Liabilities:			
Accounts Payable	\$ 409,336	\$ -	\$ 409,336
Internal Accounts Payable	5,583,463	-	5,583,463
ABC Program Payable	-	46,880	46,880
	<u>5,992,799</u>	<u>46,880</u>	<u>6,039,679</u>
Total Liabilities	<u>\$ 5,992,799</u>	<u>\$ 46,880</u>	<u>\$ 6,039,679</u>

District School Board of Pasco County
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2009

School Internal Accounts				
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Cash	\$ 6,066,839	\$ 8,347	\$ 116,397	\$ 5,958,789
Accounts Receivable	7,547	1,956	4,947	4,556
Inventories	40,610	-	11,156	29,454
Total Assets	<u>\$ 6,114,996</u>	<u>\$ 10,303</u>	<u>\$ 132,500</u>	<u>\$ 5,992,799</u>
Liabilities:				
Accounts Payable	\$ 425,015	\$ -	\$ 15,679	409,336
Internal Accounts Payable	5,689,981	8,347	114,865	5,583,463
Total Liabilities	<u>\$ 6,114,996</u>	<u>\$ 8,347</u>	<u>\$ 130,544</u>	<u>\$ 5,992,799</u>
ABC Program				
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Investments	<u>\$ 38,818</u>	<u>\$ 9,527</u>	<u>\$ 1,465</u>	<u>\$ 46,880</u>
Liabilities:				
ABC Program Payable	<u>\$ 38,818</u>	<u>\$ 9,527</u>	<u>\$ 1,465</u>	<u>\$ 46,880</u>
Total Agency Funds				
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Cash	\$ 6,066,839	\$ 8,347	\$ 116,397	\$ 5,958,789
Investments	38,818	9,527	1,465	46,880
Accounts Receivable	7,547	1,956	4,947	4,556
Inventories	40,610	-	11,156	29,454
Total Assets	<u>\$ 6,153,814</u>	<u>\$ 19,830</u>	<u>\$ 133,965</u>	<u>\$ 6,039,679</u>
Liabilities:				
Accounts Payable	\$ 425,015	\$ -	\$ 15,679	\$ 409,336
Internal Accounts Payable	5,689,981	8,347	114,865	5,583,463
ABC Program Payable	38,818	9,527	1,465	46,880
Total Liabilities	<u>\$ 6,153,814</u>	<u>\$ 17,874</u>	<u>\$ 132,009</u>	<u>\$ 6,039,679</u>

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Combining Statements of Component Units

Component units are entities and/or organizations for which the School Board is financially accountable. Due to the nature and significance of their relationship with the School Board, exclusion of these entities and/or organizations would cause the District's basic financial statements to be misleading or incomplete. The component units columns in the government-wide financial statements, Exhibits A and B, include consolidated financial data for the following component units:

Academy at the Farm, Inc. – Focuses on creatively integrating equestrian, horticultural and farm animal components into an interactive, inclusive learning environment.

Athenian Academy, Inc. – A kindergarten through 8th grade school offering students a program that incorporates the Greek language and culture.

Countryside Montessori Charter School, Inc. – Centers programs on providing an alternative elementary education program.

Dayspring Academy for Education and the Arts – Emphasizes the fine arts, offering students specialized instruction in dance, music, and art.

Imagine School at Land O' Lakes – A kindergarten through 7th grade school providing an alternative education program.

Pasco Education Foundation, Inc. – A separate not-for-profit corporation organized and operated as a direct-support organization under Section 1001.453, Florida Statutes, to receive, hold, invest and administer property and to make expenditures to or for the benefit of the District.

District School Board of Pasco County
Combining Statement of Net Assets
Component Units
June 30, 2009

	Academy at the Farm, Inc.	Athenian Academy of Pasco County, Inc.	Countryside Montessori Charter School, Inc.
Assets:			
Cash	\$ 222,871	\$ 115,967	\$ 138,323
Investments	-	-	-
Accounts Receivable	-	5,686	11,860
Due From Other Agencies	16,436	-	10,000
Prepaid Expenses	-	20,822	-
Other Current Assets	-	12,324	-
Capital Assets (net of accumulated depreciation):			
Land	-	-	-
Leasehold Property and Improvements	121,981	-	-
Buildings and Fixed Equipment	596,529	102,020	-
Furniture, Fixtures and Equipment	4,672	47,079	41,401
Motor Vehicles	-	-	-
Computer Equipment	30,656	-	-
Audio Visual Materials	-	-	-
Total Assets	<u>993,145</u>	<u>303,898</u>	<u>201,584</u>
Liabilities:			
Current Liabilities:			
Salaries and Wages Payable	15,086	-	-
Compensated Absences Payable	6,440	-	-
Accounts Payable	4,373	90,001	1,595
Due To Other Agencies	-	24,143	-
Total Current Liabilities	<u>25,899</u>	<u>114,144</u>	<u>1,595</u>
Long-term Liabilities:			
Due within one year:			
Note Payable	38,619	32,314	-
Capital Lease Obligations	-	-	-
Total Due within one year	<u>38,619</u>	<u>32,314</u>	<u>-</u>
Due in more than one year:			
Note Payable	708,538	117,686	-
Capital Lease Obligations	-	-	-
Total Due in more than one year	<u>708,538</u>	<u>117,686</u>	<u>-</u>
Total Liabilities	<u>773,056</u>	<u>264,144</u>	<u>1,595</u>
Net Assets (Deficit):			
Invested in Capital Assets, Net of Related Debt	6,681	(901)	41,401
Restricted	-	-	-
Unrestricted	213,408	40,655	158,588
Total Net Assets	<u>\$ 220,089</u>	<u>\$ 39,754</u>	<u>\$ 199,989</u>

Dayspring Academy for Education and the Arts	Imagine School at Land O'Lakes	Pasco Education Foundation, Inc.	Total Component Units
\$ 241,003	\$ 329,466	\$ 194,544	\$ 1,242,174
-	-	1,662,833	1,662,833
-	-	4,191	21,737
22,240	5,999	-	54,675
-	-	1,851,517	1,872,339
10,967	-	-	23,291
300,483	-	-	300,483
16,004	-	-	137,985
1,047,866	-	-	1,746,415
51,241	1,504	-	145,897
5,260	157,022	-	162,282
-	-	-	30,656
551	-	-	551
1,695,615	493,991	3,713,085	7,401,318
114,675	153,284	-	283,045
44,458	-	-	50,898
5,625	67,185	93,016	261,795
-	282,000	28,773	334,916
164,758	502,469	121,789	930,654
731,015	19,903	-	821,851
8,221	-	-	8,221
739,236	19,903	-	830,072
37,503	128,428	-	992,155
15,715	-	-	15,715
53,218	128,428	-	1,007,870
957,212	650,800	121,789	2,768,596
628,951	10,195	-	686,327
-	-	1,790,801	1,790,801
109,452	(167,004)	1,800,495	2,155,594
\$ 738,403	\$ (156,809)	\$ 3,591,296	\$ 4,632,722

District School Board of Pasco County
Combining Statements of Activities
Component Units
For the Fiscal Year Ended June 30, 2009

Schedule J

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<u>Academy at the Farm, Inc., Activities:</u>					
Instruction	\$ 1,537,473	\$ -	\$ -	\$ -	\$ (1,537,473)
Pupil Personnel Services	21,971	-	-	-	(21,971)
School Administration	292,116	-	-	-	(292,116)
Facilities Acquisition and Construction	1,000	-	-	-	(1,000)
Fiscal Services	101,760	-	-	-	(101,760)
Operation of Plant	118,358	-	-	-	(118,358)
Debt Service - Interest	51,571	-	-	-	(51,571)
Community Service	71,800	-	-	-	(71,800)
Depreciation-Unallocated	52,347	-	-	-	(52,347)
Loss on Disposal of Assets	22,283	-	-	-	(22,283)
Total Academy at the Farm, Inc., Activities	<u>\$ 2,270,679</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(2,270,679)</u>

General Revenues:

State and Local Sources	2,280,041
Total General Revenues	<u>2,280,041</u>
Change in Net Assets	9,362
Net Assets, Beginning	<u>210,727</u>
Net Assets, Ending	<u>\$ 220,089</u>

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<u>Athenian Academy of Pasco County, Inc., Activities:</u>					
Instruction	\$ 872,539	\$ -	\$ -	\$ -	\$ (872,539)
Pupil Personnel Services	16,415	-	-	-	(16,415)
Board of Education	34,536	-	-	-	(34,536)
School Administration	187,253	-	-	-	(187,253)
Fiscal Services	280,714	-	-	-	(280,714)
Food Services	31,348	-	-	-	(31,348)
Pupil Transportation Services	27,378	-	-	-	(27,378)
Operation of Plant	223,849	-	-	-	(223,849)
Total Athenian Academy of Pasco County, Inc., Activities	<u>\$ 1,674,032</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(1,674,032)</u>

General Revenues:

State and Local Sources	1,606,239
Grants and Contributions not restricted to Specific Programs	112,779
Total General Revenues	<u>1,719,018</u>
Change in Net Assets	44,986
Net Assets, Beginning, as previously reported	22,074
Prior period adjustments	(27,306)
Net Assets, Beginning, as restated	<u>(5,232)</u>
Net Assets, Ending	<u>\$ 39,754</u>

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets
			Operating Grants and Contributions	Capital Grants and Contributions	
<u>Countryside Montessori Charter School, Inc., Activities:</u>	<u>Expenses</u>	<u>Charges for Services</u>			
Instruction	\$ 677,278	\$ -	\$ -	\$ -	\$ (677,278)
School Administration	197,360	-	-	-	(197,360)
Facilities Acquisition and Construction	168,000	-	-	98,520	(69,480)
Fiscal Services	55,237	-	-	-	(55,237)
Operation of Plant	58,452	-	-	-	(58,452)
Community Service	243,226	-	-	-	(243,226)
Depreciation-Unallocated	31,392	-	-	-	(31,392)
Total Countryside Montessori Charter School, Inc., Activities	\$ 1,430,945	\$ -	\$ -	\$ 98,520	(1,332,425)

General Revenues:

State and Local Sources	1,294,618
Total General Revenues	<u>1,294,618</u>
Change in Net Assets	(37,807)
Net Assets, Beginning	<u>237,796</u>
Net Assets, Ending	<u>\$ 199,989</u>

		Program Revenues			Net (Expense)
			Operating	Capital	Revenue
<u>Dayspring Academy for Education and the Arts Activities:</u>	<u>Expenses</u>	<u>Charges for</u>	<u>Grants and</u>	<u>Grants and</u>	<u>and Changes</u>
		<u>Services</u>	<u>Contributions</u>	<u>Contributions</u>	<u>in Net Assets</u>
Instruction	\$ 1,419,705	\$ -	\$ -	\$ -	\$ (1,419,705)
Pupil Personnel Services	446	-	-	-	(446)
School Administration	802,413	-	-	-	(802,413)
Facilities Acquisition & Construction	63,271	-	-	-	(63,271)
Fiscal Services	133,872	-	-	-	(133,872)
Food Services	49,859	-	46,935	-	(2,924)
Pupil Transportation Services	45,232	-	-	-	(45,232)
Operation of Plant	244,352	-	-	-	(244,352)
Maintenance of Plant	9,926	-	-	-	(9,926)
Debt Service - Interest	48,846	-	-	-	(48,846)
Community Service	128,698	-	-	-	(128,698)
Depreciation-Unallocated	59,384	-	-	-	(59,384)
Total Dayspring Academy for Education and the Arts Activities	\$ 3,006,004	\$ -	\$ 46,935	\$ -	(2,959,069)

General Revenues:

State and Local Sources	3,005,411
Total General Revenues	<u>3,005,411</u>
Change in Net Assets	46,342
Net Assets, Beginning	<u>692,061</u>
Net Assets, Ending	<u>\$ 738,403</u>

District School Board of Pasco County
Combining Statements of Activities
Component Units
For the Fiscal Year Ended June 30, 2009

Schedule J

<u>Imagine School at Land O'Lakes Charter School, Activities:</u>	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Instruction	\$ 1,281,981	\$ -	\$ 183,865	\$ -	\$ (1,098,116)
Pupil Personnel Services	195	-	-	-	(195)
Instructional Media	52,822	-	-	-	(52,822)
Instructional Staff Training Services	745	-	-	-	(745)
Board of Education	480,484	-	-	-	(480,484)
School Administration	403,208	-	-	-	(403,208)
Fiscal Services	17,063	-	-	-	(17,063)
Central Services	6,895	-	-	-	(6,895)
Pupil Transportation Services	26,459	-	-	-	(26,459)
Operation of Plant	519,956	-	-	-	(519,956)
Maintenance of Plant	36,945	-	-	-	(36,945)
Community Service	23,456	-	-	-	(23,456)
Debt Service - Interest	11,084	-	-	-	(11,084)
Depreciation-Unallocated	8,565	-	-	-	(8,565)
Total Imagine School at Land O'Lakes Charter School, Activities	<u>\$ 2,869,858</u>	<u>\$ -</u>	<u>\$ 183,865</u>	<u>\$ -</u>	<u>(2,685,993)</u>

General Revenues:

State and Local Sources	2,529,184
Total General Revenues	<u>2,529,184</u>
Change in Net Assets	(156,809)
Net Assets, Beginning	<u>-</u>
Net Assets, Ending	<u>\$ (156,809)</u>

<u>Pasco Education Foundation, Inc., Activities:</u>	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Community Service	<u>\$ 1,127,967</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,127,967)</u>

General Revenues:

Grants and Contributions not Restricted to Specific Programs	1,544,841
Investment Losses	(417,209)
Total General Revenues	<u>1,127,632</u>
Change in Net Assets	(335)
Net Assets, Beginning, as previously reported	3,608,289
Prior period adjustments	<u>(16,658)</u>
Net Assets, Beginning, as restated	3,591,631
Net Assets, Ending	<u>\$ 3,591,296</u>

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<u>Total Component Units Activities:</u>	<u>Expenses</u>				
Instruction	\$ 5,788,976	\$ -	\$ 183,865	\$ -	\$ (5,605,111)
Pupil Personnel Services	39,027	-	-	-	(39,027)
Instructional Media	52,822	-	-	-	(52,822)
Instructional Staff Training Services	745	-	-	-	(745)
Board of Education	515,020	-	-	-	(515,020)
School Administration	1,882,350	-	-	-	(1,882,350)
Facilities Acquisition and Construction	232,271	-	-	98,520	(133,751)
Fiscal Services	588,646	-	-	-	(588,646)
Central Services	6,895	-	-	-	(6,895)
Food Services	81,207	-	46,935	-	(34,272)
Pupil Transportation Services	99,069	-	-	-	(99,069)
Operation of Plant	1,164,967	-	-	-	(1,164,967)
Maintenance of Plant	46,871	-	-	-	(46,871)
Community Service	1,595,147	-	-	-	(1,595,147)
Debt Service - Interest	111,501	-	-	-	(111,501)
Depreciation-Unallocated	151,688	-	-	-	(151,688)
Loss on Disposal of Assets	22,283	-	-	-	(22,283)
Total Component Units Activities	<u>\$ 12,379,485</u>	<u>\$ -</u>	<u>\$ 230,800</u>	<u>\$ 98,520</u>	<u>(12,050,165)</u>
<u>General Revenues:</u>					
State and Local Sources					10,715,493
Grants and Contributions not restricted to Specific Programs					1,657,620
Investment Losses					(417,209)
Total General Revenues					<u>11,955,904</u>
Change in Net Assets					(94,261)
Net Assets, Beginning, as previously reported					4,770,947
Prior period adjustments					(43,964)
Net Assets, Beginning, as restated					<u>4,726,983</u>
Net Assets, Ending					<u>\$ 4,632,722</u>

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STATISTICAL SECTION

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Statistical Section

Introduction

This section of the District's CAFR presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the District's overall financial health. This information has not been audited by the independent auditor.

Financial Trends

These tables contain trend information to help the reader understand how the District's financial performance and well-being changed over time.

Table 1	Net Assets by Component – Government-Wide
Table 2	Changes in Net Assets – Primary Government
Table 3	Fund Balances – Governmental Funds
Table 4	Changes in Fund Balances – Governmental Funds and Debt Service Ratio

Revenue Capacity

These tables contain information to help the reader assess the District's significant local revenue sources, the property tax, as well as other revenue sources.

Table 5	Assessed and Estimated Actual Value of Taxable Property
Table 6	General Governmental Tax Revenues by Source
Table 7	Property Tax Levies and Collections
Table 8	Direct and Overlapping Property Tax Rates
Table 9	Principal Property Taxpayers

Debt Capacity

These tables contain information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Table 10	Ratios of Outstanding Debt by Type
Table 11	Ratio of Net General Bonded Debt Outstanding
Table 12	Direct and Overlapping Governmental Activities Debt
Table 13	Legal Debt Margin Information

Economic and Demographic Information

These tables offer economic and demographic indicators to help the reader understand the environment within which the District's financial activities take place.

Table 14	Demographic and Economic Statistics
Table 15	Principal Employers in Pasco County

Operating Information

These tables contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

Table 16	Number of Personnel
Table 17	Teacher Base Salaries
Table 18	Operating Statistics
Table 19	School Building Information

Sources: Unless otherwise noted, the information in this section is derived from the District's comprehensive annual reports for the relevant year. The District implemented the new reporting model, GASB 34, in the fiscal year ending June 30, 2002.

District School Board of Pasco County
Net Assets by Component - Government-Wide
Last Eight Fiscal Years (A)
(Unaudited)

Table 1

	For the Fiscal Year Ending		
	June 30, 2002	June 30, 2003	June 30, 2004
Governmental activities:			
Invested in capital assets, net of related debt	\$ 230,936,279	\$ 253,158,057	\$ 277,057,761
Restricted	79,311,646	86,875,402	92,616,679
Unrestricted	4,571,949	8,190,015	25,890,788
Total Governmental Activities Net Assets	314,819,874	348,223,474	395,565,228
Business-Type Activities:			
Invested in capital assets, net of related debt	74,366	49,670	68,678
Unrestricted	1,748,625	2,121,863	2,583,585
Total Business-Type Activities Net Assets	1,822,991	2,171,533	2,652,263
Primary Government:			
Invested in capital assets, net of related debt	231,010,645	253,207,727	277,126,439
Restricted	79,311,646	86,875,402	92,616,679
Unrestricted	6,320,574	10,311,878	28,474,373
Total Primary Government Net Assets	\$ 316,642,865	\$ 350,395,007	\$ 398,217,491

Note: (A) The District implemented GASB Statement 34 in 2002.

Source: District records

Table 1

For the Fiscal Year Ending				
June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009
\$ 284,226,371	\$ 378,990,397	\$ 464,698,097	\$ 477,656,475	\$ 532,146,394
132,104,422	111,094,082	150,139,097	239,259,651	199,546,968
26,058,611	31,819,974	36,251,972	30,656,802	35,460,415
442,389,404	521,904,453	651,089,166	747,572,928	767,153,777
87,929	301,788	282,704	228,564	184,707
3,175,388	3,257,051	2,677,980	2,484,446	2,766,947
3,263,317	3,558,839	2,960,684	2,713,010	2,951,654
284,314,300	379,292,185	464,980,801	477,885,039	532,331,101
132,104,422	111,094,082	150,139,097	239,259,651	199,546,968
29,233,999	35,077,025	38,929,952	33,141,248	38,227,362
\$ 445,652,721	\$ 525,463,292	\$ 654,049,850	\$ 750,285,938	\$ 770,105,431

District School Board of Pasco County
Changes in Net Assets - Primary Government
Last Seven Fiscal Years (A)
(Unaudited)

	For the Fiscal Year Ending								
	June 30, 2002	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	
Expenses									
Governmental Activities									
Instruction	\$ 173,027,222	\$ 185,522,121	\$ 232,211,511	\$ 249,481,508	\$ 285,454,884	\$ 320,279,886	\$ 348,572,526	\$ 351,559,669	
Pupil Personnel Services	17,473,772	18,778,908	19,469,785	21,156,345	23,764,750	26,571,094	30,462,893	29,943,982	
Instructional Media Services	7,486,080	7,943,809	8,225,851	8,899,097	9,456,379	9,481,851	10,360,657	8,979,508	
Instruction and Curriculum Development Services	8,193,854	6,695,992	8,452,430	8,024,881	9,088,378	8,999,208	10,969,233	11,411,106	
Instructional Staff Training	8,648,679	10,554,709	10,232,251	11,448,750	8,052,983	9,590,108	9,810,582	8,281,128	
Instruction Related Technology	-	-	-	-	4,210,967	5,817,654	6,342,050	6,531,075	
Board of Education	816,580	1,140,096	1,370,793	1,399,327	1,643,566	2,198,040	2,438,957	2,717,695	
General Administration	1,199,112	1,149,336	1,283,059	1,174,386	2,169,506	2,667,580	2,842,753	1,805,179	
School Administration	19,753,941	21,681,662	23,980,247	24,847,257	27,011,932	31,744,739	35,422,367	34,476,174	
Facilities Acquisition and Construction	3,511,569	3,653,309	5,242,411	7,226,608	9,250,352	13,332,062	14,328,177	17,033,887	
Fiscal Services	1,646,776	1,812,594	1,921,790	2,104,263	2,185,931	2,190,039	2,302,729	2,419,295	
Food Services	17,927,530	19,698,367	22,153,742	23,244,513	25,144,171	28,045,838	29,733,446	29,605,467	
Central Services	6,665,024	7,131,988	7,968,624	7,654,273	3,548,220	8,317,630	1,657,766	6,455,741	
Pupil Transportation Services	13,956,938	15,150,867	17,541,767	20,260,829	22,880,871	27,696,272	30,352,782	28,153,490	
Operation of Plant	20,438,905	25,567,173	25,010,607	30,108,432	35,355,100	40,372,538	45,807,271	43,875,230	
Maintenance of Plant	8,200,258	8,651,843	9,648,268	10,598,270	11,565,861	11,512,727	13,161,025	13,258,894	
Administrative Technology Services	-	-	-	-	1,704,019	2,245,453	3,066,415	3,229,763	
Community Services	624,560	587,070	673,936	874,940	690,445	826,818	833,011	816,613	
Interest on Long-term Liabilities	8,123,775	7,404,121	7,872,993	9,274,923	11,446,561	12,066,754	23,240,113	20,698,823	
Depreciation-Unallocated	18,056,664	18,714,146	635,665	-	-	-	-	-	
Total Government Activities Expenses	335,751,239	361,838,111	403,895,730	437,778,602	494,624,876	563,956,291	621,704,753	621,252,719	
Business-Type Activities:									
PLACE Program	4,673,823	4,626,977	5,205,434	5,596,822	6,931,797	8,808,096	9,517,699	8,944,520	
Total Business-Type Activities Expenses	4,673,823	4,626,977	5,205,434	5,596,822	6,931,797	8,808,096	9,517,699	8,944,520	
Total Primary Government Expenses	\$ 340,425,062	\$ 366,465,088	\$ 409,101,164	\$ 443,375,424	\$ 501,556,673	\$ 572,764,387	\$ 631,222,452	\$ 630,197,239	
Program Revenues									
Governmental Activities:									
Charges for services									
Instruction	\$ -	\$ -	\$ 524,953	\$ 498,499	\$ 184,065	\$ 151,873	\$ 3,424,682	\$ 1,645,400	
Food Services	7,890,846	8,174,320	9,337,438	10,080,135	11,271,276	12,582,463	12,995,845	12,998,964	
Pupil Transportation	-	-	800,264	844,600	654,925	877,040	1,054,361	859,519	
Operating grants and contributions	22,411,986	23,947,137	24,749,825	26,955,586	28,133,635	30,662,856	32,184,868	32,957,214	
Capital grants and contributions	15,407,242	19,608,710	35,790,040	25,399,494	38,201,714	85,566,489	68,481,567	27,380,354	
Total Government Activities Program Revenue	45,710,074	51,730,167	71,202,520	63,778,314	78,445,615	129,840,721	118,141,323	75,841,451	

	For the Fiscal Year Ending							
	June 30, 2002	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009
Business-Type Activities:								
Charge for Services	4,438,894	4,956,941	5,652,571	6,131,730	7,057,611	8,012,395	9,320,202	9,144,709
Total Business-Type Activities Expenses	4,438,894	4,956,941	5,652,571	6,131,730	7,057,611	8,012,395	9,320,202	9,144,709
Total Primary Government Program Revenues	<u>\$ 50,148,968</u>	<u>\$ 56,687,108</u>	<u>\$ 76,855,091</u>	<u>\$ 69,910,044</u>	<u>\$ 85,503,226</u>	<u>\$ 137,853,116</u>	<u>\$ 127,461,525</u>	<u>\$ 84,986,160</u>
Net (Expense) Revenues								
Government Activities	\$ (290,041,165)	\$ (310,107,944)	\$ (332,693,210)	\$ (374,000,288)	\$ (416,179,261)	\$ (434,115,570)	\$ (503,563,430)	\$ (545,411,268)
Business-Type Activities	(234,929)	329,964	447,137	534,908	125,814	(795,701)	(197,497)	200,189
Total Primary Government Net (Expenses)Revenues	<u>\$ (290,276,094)</u>	<u>\$ (309,777,980)</u>	<u>\$ (332,246,073)</u>	<u>\$ (373,465,380)</u>	<u>\$ (416,053,447)</u>	<u>\$ (434,911,271)</u>	<u>\$ (503,760,927)</u>	<u>\$ (545,211,079)</u>
General Revenues and Other Changes in Net Assets								
Governmental Activities:								
Property Taxes:								
Levied for general purposes	\$ 67,955,373	\$ 75,505,300	\$ 85,299,507	\$ 96,731,933	\$ 116,114,859	\$ 143,633,620	\$ 159,132,655	\$ 163,132,311
Levied for debt services	6,848,384	6,817,073	5,691,990	5,827,079	5,506,507	5,799,859	5,361,489	-
Levied for capital purposes	21,151,817	23,591,081	26,719,999	23,941,847	28,960,352	37,977,156	43,207,373	42,857,117
Sales taxes	-	-	-	7,009,724	17,137,576	26,642,211	27,157,517	26,452,520
Grants and contributions not restricted to Specific Programs	211,340,660	227,645,628	253,013,763	268,260,814	293,780,194	318,247,859	342,888,614	322,280,550
Transfers	-	-	-	-	-	-	154,071	-
Miscellaneous	7,358,214	7,542,235	7,213,634	13,968,454	22,049,977	19,279,136	11,549,775	9,890,216
Unrestricted investment earnings	2,604,425	2,410,227	2,096,071	5,084,613	12,144,845	11,720,442	10,595,698	379,403
Total Governmental Activities	<u>317,258,873</u>	<u>343,511,544</u>	<u>380,034,964</u>	<u>420,824,464</u>	<u>495,694,310</u>	<u>563,300,283</u>	<u>600,047,192</u>	<u>564,992,117</u>
Business-Type Activities								
Interest	66,722	37,817	34,400	76,146	169,708	197,546	103,894	37,709
Gain on sales of Capital Assets	601,996	(19,239)	(807)	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	746
Transfers	(2,114,390)	-	-	-	-	-	(154,071)	-
Total Business-Type Activities	<u>(1,445,672)</u>	<u>18,578</u>	<u>33,593</u>	<u>76,146</u>	<u>169,708</u>	<u>197,546</u>	<u>(50,177)</u>	<u>38,455</u>
Total Primary Government	<u>\$ 315,813,201</u>	<u>\$ 343,530,122</u>	<u>\$ 380,068,557</u>	<u>\$ 420,900,610</u>	<u>\$ 495,864,018</u>	<u>\$ 563,497,829</u>	<u>\$ 599,997,015</u>	<u>\$ 565,030,572</u>
Changes in Net Assets								
Governmental activities	\$ 27,217,708	\$ 33,403,600	\$ 47,341,754	\$ 46,824,176	\$ 79,515,049	\$ 129,184,713	\$ 96,483,762	\$ 19,580,849
Business-type activities	(1,680,601)	348,542	480,730	611,054	295,522	(598,155)	(247,674)	238,644
Total Primary Government	<u>\$ 25,537,107</u>	<u>\$ 33,752,142</u>	<u>\$ 47,822,484</u>	<u>\$ 47,435,230</u>	<u>\$ 79,810,571</u>	<u>\$ 128,586,558</u>	<u>\$ 96,236,088</u>	<u>\$ 19,819,493</u>

Note: (A) The District implemented GASB Statement 34 in 2002.

Source: District records

District School Board of Pasco County
Fund Balances - Governmental Funds
Last 10 Fiscal Years
(Unaudited)

	For the Fiscal Year Ending			
	June 30, 2000	June 30, 2001	June 30, 2002	June 30, 2003
General Fund:				
Reserved	\$ 13,966,662	\$ 15,062,635	\$ 13,813,138	\$ 19,023,621
Unreserved	8,227,445	14,436,136	22,228,986	23,759,323
Total General Fund	<u>\$ 22,194,107</u>	<u>\$ 29,498,771</u>	<u>\$ 36,042,124</u>	<u>\$ 42,782,944</u>
 All Other Governmental Funds				
Reserved	\$ 11,599,223	\$ 26,066,926	\$ 12,540,865	\$ 41,226,410
Unreserved, reported in:				
Capital Projects funds	63,854,132	43,463,967	55,313,926	31,418,093
Special Revenue funds	1,080,238	886,391	1,006,579	67,732
Total all other government funds	<u>\$ 76,533,593</u>	<u>\$ 70,417,284</u>	<u>\$ 68,861,370</u>	<u>\$ 72,712,235</u>

Source: District records

Table 3

For the Fiscal Year Ending					
June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009
\$ 20,765,087	\$ 29,826,188	\$ 30,718,655	\$ 25,400,645	\$ 24,833,534	\$ 14,467,726
27,424,436	22,854,329	22,662,970	33,724,599	36,087,039	32,803,154
<u>\$ 48,189,523</u>	<u>\$ 52,680,517</u>	<u>\$ 53,381,625</u>	<u>\$ 59,125,244</u>	<u>\$ 60,920,573</u>	<u>\$ 47,270,880</u>
\$ 17,114,439	\$ 52,272,443	\$ 84,322,255	\$ 67,080,440	\$ 111,256,904	\$ 87,804,190
137,603,806	117,450,717	66,991,443	122,514,782	191,033,956	159,097,171
7,615,190	414,307	1,112,459	1,390,340	1,127,901	1,700,634
<u>\$ 162,333,435</u>	<u>\$ 170,137,467</u>	<u>\$ 152,426,157</u>	<u>\$ 190,985,562</u>	<u>\$ 303,418,761</u>	<u>\$ 248,601,995</u>

Table 4

District School Board of Pasco County
Changes in Fund Balances - Governmental Funds
and Debt Service Ratio
Last 10 Fiscal Years
(Unaudited)

	For the Fiscal Year Ending			
	June 30, 2000	June 30, 2001	June 30, 2002	June 30, 2003
Revenues:				
Federal Sources:				
Federal Grants	\$ 21,067,200	\$ 21,791,222	\$ 24,137,321	\$ 26,678,188
Food Services	8,427,703	9,238,077	10,433,683	11,193,116
Total Federal Sources	<u>29,494,903</u>	<u>31,029,299</u>	<u>34,571,004</u>	<u>37,871,304</u>
State Sources:				
Florida Education Finance Program	136,001,545	158,568,220	159,962,932	178,891,142
Public Education Capital Outlay	4,092,481	6,725,315	6,939,814	9,188,024
Food Services	305,707	300,233	328,015	344,530
State Grants and Other	48,792,771	60,681,349	38,816,085	35,685,425
Total State Sources	<u>189,192,504</u>	<u>226,275,117</u>	<u>206,046,846</u>	<u>224,109,121</u>
Local Sources:				
Property Taxes	85,200,310	89,115,509	96,079,073	106,045,757
Food Service sales	6,422,854	7,233,973	7,763,522	8,131,164
Interest Income and other	7,640,598	5,331,475	2,604,425	2,245,513
Local grants and other	6,503,589	5,870,809	13,415,153	16,444,875
Total local sources	<u>105,767,351</u>	<u>107,551,766</u>	<u>119,862,173</u>	<u>132,867,309</u>
Total Revenues	<u>324,454,758</u>	<u>364,856,182</u>	<u>360,480,023</u>	<u>394,847,734</u>
Expenditures:				
Current-Education:				
Instruction	153,563,579	162,849,720	172,207,491	186,201,942
Pupil Personnel Services	15,089,529	16,526,054	17,439,150	18,749,083
Instructional Media Services	6,929,048	7,360,835	7,350,072	7,955,608
Instruction and Curriculum Development Services	11,065,757	12,056,880	8,347,745	7,800,511
Instructional Staff Training	3,202,895	3,962,652	8,645,969	9,590,885
Instruction Related Technology	-	-	-	-
Board of Education	515,692	644,358	816,580	1,131,241
General Administration	897,961	1,105,118	1,207,812	1,137,085
School Administration	16,569,988	18,296,006	19,585,052	21,450,583
Facilities Acquisition and Construction	62,410,412	54,688,949	3,509,163	4,042,513
Fiscal Services	1,520,806	1,587,112	1,642,500	1,776,948
Food Services	14,865,824	16,138,072	17,927,530	19,698,367
Central Services	6,103,036	6,919,305	6,818,844	7,043,454
Pupil Transportation Services	12,438,044	13,356,634	13,800,235	15,090,707
Operation of Plant	19,084,291	20,256,022	22,164,077	25,367,491
Maintenance of Plant	7,366,646	7,319,157	7,994,871	8,629,940
Administrative Technology Services	-	-	-	-
Community Services	684,672	580,016	623,996	477,035
Capital Outlay:				
Facilities Acquisition and Construction	666,613	887,934	28,151,070	31,781,067
Other Capital Outlay	3,670,565	3,154,679	2,591,791	2,612,226
Debt Service:				
Principal	7,721,000	8,036,000	8,536,000	8,872,000
Interest	6,992,489	6,762,724	5,030,994	4,125,435
Fiscal Charges	2,417,415	1,303,386	3,287,634	3,569,026
Total Expenditures	<u>353,776,262</u>	<u>363,791,613</u>	<u>357,678,576</u>	<u>387,103,147</u>
Excess (Deficiency) of Revenues Over Expenditures	(29,321,504)	1,064,569	2,801,447	7,744,587
Other Financing Sources (Uses):				
Bonds Issued	(743,174)	-	-	2,314,443
Certificates of Participation Issued	-	-	-	-
Refunding Certificates of Participation Issued	-	-	-	-
Premiums on Bonds Issued	-	-	-	-
Proceeds from the Sale of Capital Assets	422,525	408,395	271,602	732,655
Payments to Refunded Bond Escrow	-	-	-	-
Transfers In	12,088,049	8,643,988	10,818,479	10,349,265
Transfers Out	(12,394,910)	(8,928,597)	(8,904,089)	(10,549,265)
Total Other Financing Sources (Uses)	<u>(627,510)</u>	<u>123,786</u>	<u>2,185,992</u>	<u>2,847,098</u>
Net Change in Fund Balances	\$ (29,949,014)	\$ 1,188,355	\$ 4,987,439	\$ 10,591,685
Debt service as a percentage of noncapital expenditures	4.90%	4.48%	5.16%	4.70%

Table 4

For the Fiscal Year Ending					
June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009
\$ 29,851,174	\$ 32,356,248	\$ 39,534,258	\$ 35,062,439	\$ 41,047,707	\$ 39,525,911
11,711,559	12,809,355	13,241,412	14,638,784	15,555,805	17,236,057
41,562,733	45,165,603	52,775,670	49,701,223	56,603,512	56,761,968
186,318,235	193,043,959	200,638,043	210,168,920	212,672,606	195,130,222
2,591,195	8,532,339	6,276,697	16,678,822	20,051,633	19,148,129
346,848	355,324	450,066	461,379	488,356	382,031
72,217,070	63,561,130	74,807,937	141,270,054	145,324,059	105,937,551
261,473,348	265,492,752	282,172,743	368,579,175	378,536,654	320,597,933
117,711,496	126,476,401	150,581,718	187,410,636	243,273,917	237,737,331
9,337,438	10,080,135	11,218,023	12,631,122	12,995,845	12,998,964
1,931,693	4,732,004	12,119,203	11,720,442	10,595,698	379,403
18,959,383	32,711,282	61,410,331	58,504,551	14,407,476	11,409,494
147,940,010	173,999,822	235,329,275	270,266,751	281,272,936	262,525,192
450,976,091	484,658,177	570,277,688	688,547,149	716,413,102	639,885,093
217,194,639	233,509,362	267,722,522	298,891,425	322,304,412	324,672,253
19,477,582	21,062,301	23,602,641	26,420,325	29,726,490	29,528,612
7,917,753	8,668,730	9,174,479	9,299,160	9,859,723	9,889,155
7,516,009	8,218,853	9,055,144	9,242,792	10,507,790	10,715,100
9,931,680	11,271,261	8,514,846	9,487,305	9,612,129	8,283,841
-	-	3,601,604	5,740,027	6,232,514	6,535,854
1,307,482	1,419,980	1,694,729	2,196,541	2,324,216	2,630,591
1,219,732	1,192,890	1,695,006	2,616,659	2,767,340	2,325,305
22,842,424	24,595,874	27,011,757	31,362,443	34,253,024	34,093,343
3,673,013	5,143,051	5,813,105	8,342,020	7,826,662	6,192,119
1,795,050	2,018,434	2,230,050	2,300,185	2,211,103	2,422,560
21,457,407	23,103,185	25,057,154	27,918,172	29,541,716	29,274,591
7,425,925	7,444,562	7,097,572	7,191,057	7,317,591	6,900,844
16,674,101	19,003,325	21,827,807	25,471,695	29,248,215	26,931,416
26,927,868	31,827,115	35,057,234	39,315,801	45,123,394	43,075,688
9,401,376	10,192,985	11,191,370	12,349,335	12,800,678	12,846,399
-	-	1,704,019	2,815,871	3,029,555	3,118,180
703,861	836,651	714,491	764,654	816,942	805,803
30,235,927	49,969,607	152,246,322	202,581,398	143,463,842	106,068,134
2,309,026	2,593,958	3,421,282	3,084,807	3,614,880	2,176,402
7,615,000	8,010,000	10,060,000	11,115,000	17,470,000	20,115,000
3,670,519	6,132,698	8,850,650	10,418,172	20,787,539	19,679,686
4,519,550	3,022,013	3,206,317	2,536,961	15,951,113	1,174,013
423,815,924	479,236,835	640,550,101	751,461,805	766,790,868	709,454,889
27,160,167	5,421,342	(70,272,413)	(62,914,656)	(50,377,766)	(69,569,796)
1,990,000	2,880,000	-	88,590,000	5,295,000	-
63,970,000	4,018,097	67,833,454	-	143,605,000	1,170,010
-	-	-	-	162,630,000	-
2,010,597	55,692	-	4,051,356	859,010	-
97,015	119,895	236,031	169,048	193,213	133,327
-	-	-	-	(147,930,000)	-
7,596,261	9,604,411	41,977,480	16,507,160	114,192,061	42,595,724
(7,796,261)	(9,804,411)	(42,177,480)	(16,707,160)	(114,237,990)	(42,795,724)
67,867,612	6,873,684	67,869,485	92,610,404	164,606,294	1,103,337
\$ 95,027,779	\$ 12,295,026	\$ (2,402,928)	\$ 29,695,748	\$ 114,228,528	\$ (68,466,459)
4.04%	4.02%	4.56%	4.41%	8.75%	6.81%

District School Board of Pasco County
Assessed and Estimated Actual Value of Taxable Property
Last 10 Fiscal Years
(in thousands)
(Unaudited)

Table 5

	Estimated Actual Value (1)		Exemptions (2)		Taxable Assessed Value				(4) Assessed Value as a Percentage of Estimated Actual Value	(5) Total Direct Tax Rate
Fiscal Year	Real Property	Personal Property	Real Property	Personal Property	Real Property	Personal Property	Centrally (3) Assessed Value	Total		
2009 ⁽⁶⁾	\$ 39,790,825	\$ 3,474,265	\$ 12,525,773	\$ 1,324,267	27,267,980	2,149,998	\$ 14,283	\$ 29,432,261	68.01%	6.37
2008	42,731,726	3,026,634	15,219,564	847,859	27,512,162	2,178,775	3,678	29,694,615	64.89%	5.43
2007	37,956,299	2,912,306	14,134,555	843,243	23,821,744	2,069,063	3,186	25,893,993	63.35%	5.99
2006	27,816,171	2,703,034	9,780,678	801,281	18,035,493	1,901,753	12,278	19,949,524	65.34%	7.01
2005	22,176,530	2,514,555	7,692,987	754,442	14,483,543	1,760,113	20,075	16,263,731	65.82%	8.90
2004	18,856,854	2,378,108	6,536,758	724,111	12,320,096	1,653,997	17,233	13,991,326	65.83%	9.82
2003	16,827,459	2,028,809	5,984,669	607,132	10,842,790	1,421,677	10,918	12,275,385	65.06%	10.21
2002	14,926,055	1,963,446	5,302,122	589,344	9,623,933	1,374,102	10,376	11,008,411	65.14%	9.77
2001	13,152,045	1,868,291	4,618,086	553,376	8,533,959	1,314,915	11,610	9,860,484	65.60%	10.15
2000	12,088,754	1,789,152	4,427,416	538,894	7,841,338	1,250,258	12,513	9,104,109	65.54%	9.55

(1) Section 192.00(2), Florida Statutes, defines assessed value of property as "an annual determination of the just or fair market value of an item or property. . . ." Consequently, estimated actual value, above, is assessed value before exemptions.

(2) Chapter 196, Florida Statutes, grants various exemptions for qualifying historic, economic development, governmental, and institutional property, the latter including charitable, religious, scientific, literary and educational property. Exemptions are also granted for residential property for widows/widowers, disabled/blind, homestead exemption (\$25,000), additional homestead exemption (age 65 or older, \$25,000), and homestead differential (just value minus a capped value)

(3) Property, such as railroad property, for which valuation is provided to the Property Appraiser by the Florida Department of Revenue [see sec. 193.085(4), Florida Statutes].

(4) Centrally Assessed Property has been added to the total estimated actual value of Real and Personal Property when computing this percentage.

(5) Total Tax Levy (See P. 173 of 2006 Pasco County CAFR) to Total Taxable Assessed Value (above). Tax rates are per \$1,000 of assessed value.

(6) Pasco County Tax Assessor's Office - total tax levied obtained from the Tax Assessor

Source: Pasco County Property Appraiser

District School Board of Pasco County
General Governmental Tax Revenues by Source
Last 10 Fiscal Years
(Unaudited)

Table 6

Fiscal Year	Property Tax			Sales Tax (2)	Total
	General Purposes	Debt Service (1)	Capital Projects		
2009	\$ 163,132,311	\$ -	\$ 42,857,117	\$ 26,452,520	\$ 232,441,948
2008	159,132,655	5,361,489	43,207,373	27,157,517	234,859,034
2007	143,633,620	5,799,859	37,977,156	26,642,211	214,052,846
2006	116,114,859	5,506,507	28,960,352	17,137,576	167,719,294
2005	96,731,933	5,827,079	23,941,847	7,009,724	133,510,583
2004	85,299,507	5,691,990	26,719,999	-	117,711,496
2003	75,505,300	6,817,073	23,591,081	-	105,913,454
2002	67,955,373	6,848,384	21,151,817	-	95,955,574
2001	63,355,380	7,106,969	18,653,160	-	89,115,509
2000	60,499,456	7,153,922	17,546,932	-	85,200,310

(1) The voter approved property tax for Debt Service has ended
The final payment was made in fiscal year 2007-2008.

(2) Fiscal year ending June 30, 2005, was the first year that sales tax was collected.

Source: District Records

**District School Board of Pasco County
Property Tax Levies and Collections
Last 10 Fiscal Years
(Unaudited)**

Table 7

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount (A)	Percentage of Levy		Amount (A)	Percentage of Levy
2009	\$ 212,147,737	\$ 205,271,904	96.8%	717,524	\$ 205,989,428	97.1%
2008	214,038,792	207,240,160	96.8%	461,357	207,701,517	97.0%
2007	191,838,693	180,711,833	94.2%	6,675,656	187,387,489	97.7%
2006	154,434,507	150,217,909	97.3%	319,664	150,537,573	97.5%
2005	129,207,056	124,863,501	96.6%	1,612,900	126,476,401	97.9%
2004	123,221,609	117,152,441	95.1%	534,027	117,686,468	95.5%
2003	109,957,798	105,435,769	95.9%	609,990	106,045,759	96.4%
2002	99,301,605	95,447,537	96.1%	594,490	96,042,027	96.7%
2001	92,244,944	88,594,238	96.0%	417,095	89,011,333	96.5%
2000	88,391,793	85,046,937	96.2%	153,373	85,200,310	96.4%

Note: Property Taxes become due and payable on November 1st of each year. A four percent (4%) discount is allowed if the taxes are paid in November, with the discount declining by one percent (1%) each month thereafter.

Accordingly, taxes collected will never be 100% of the tax levy. Taxes become delinquent on April 1st of each year and tax certificates for the full amount of any unpaid taxes and assessments must be sold no later than June 1st of each year.

(A) Net of allowable discounts

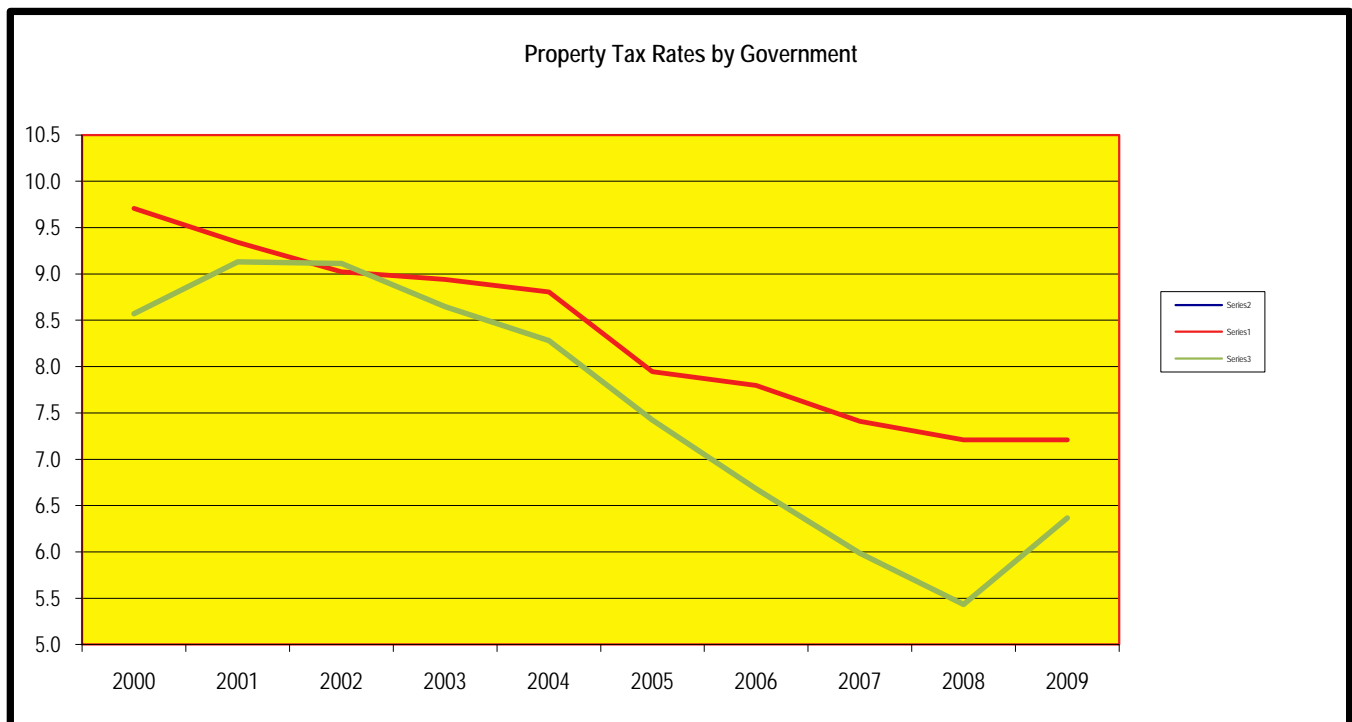
Source: District records

Table 8

District School Board of Pasco County
Direct and Overlapping Property Tax Rates
Last 10 Fiscal Years
(per \$1,000 assessed valuation)
(Unaudited)

Fiscal Year	Local Required Effort Millage	Discretionary Local Millage	Supplemental Discretionary Millage	Capital Improvement Millage	Debt Service Millage	Total Pasco Schools	Pasco County
2009	4.969	0.498	0.241	1.500	0.000	7.208	6.366
2008	4.781	0.510	0.231	1.500	0.186	7.208	5.433
2007	4.921	0.510	0.250	1.500	0.228	7.409	5.988
2006	5.253	0.510	0.250	1.500	0.285	7.798	6.681
2005	5.378	0.510	0.192	1.500	0.364	7.944	7.423
2004	5.658	0.510	0.214	2.000	0.425	8.807	8.282
2003	5.623	0.510	0.232	2.000	0.574	8.939	8.648
2002	5.631	0.510	0.241	2.000	0.643	9.025	9.114
2001	5.884	0.510	0.250	2.000	0.697	9.341	9.132
2000	6.134	0.510	0.250	2.000	0.815	9.709	8.570

Source: Pasco County website - www.pascocountyfl.net/menu/oindex.htm



**District School Board of Pasco County
Principal Property Taxpayers
Current and 10 Years Ago
(Unaudited)**

Table 9

<u>Taxpayer</u>	<u>Rank</u>	<u>2009</u>		<u>Rank</u>	<u>1999</u>	
		<u>Taxable Assessed Valuation</u>	<u>Percentage of Total Assessed Value</u>		<u>Taxable Assessed Valuation</u>	<u>Percentage of Total Assessed Value</u>
Florida Power Corporation	1	\$ 284,381,135	0.76%	1	\$ 229,128,882	1.90%
Withlacoochee River Electric Cooperative	2	208,018,824	0.55%	3	96,334,880	0.81%
Verizon Communications Inc.	3	186,953,318	0.50%	2	167,912,368	1.35%
Shady Hills Power Company LLC	4	122,019,334	0.32%			
Bright House Networks	5	106,954,371	0.28%			
Wal-Mart Stores	6	81,029,307	0.21%			
Zephyrhills Bottled Water	7	67,564,940	0.18%	7	19,068,160	0.23%
HCA Health Services of Florida	8	78,991,615	0.21%	9	27,060,113	0.22%
Target Corporation	9	51,116,984	0.13%			
Gulf View Associates	10	48,925,930	0.13%	8	31,747,155	0.28%
Lykes Pasco, Inc.				4	57,728,947	0.46%
Pasco Cogen, Ltd.				5	51,262,071	0.39%
New Port Richey Hospital, Inc.				6	31,808,444	0.23%
Saddlebrook Resorts, Inc.				10	22,000,452	0.17%
Total		<u>\$ 1,235,955,758</u>	<u>3.27%</u>		<u>\$ 734,051,472</u>	<u>6.04%</u>

HCA Health Services of Florida

Source: Pasco County Government - 2000 CAFR
Pasco County Property Appraiser - 2009 Data
Pasco County Property Appraiser Unable to Provide 2000 Data

District School Board of Pasco County
Ratios of Outstanding Debt by Type
Last 10 Fiscal Years
(Unaudited)

Fiscal Year	Governmental Activities										Personal Income (thousands of dollars)	Ratio of Outstanding Debt To Personal Income
	State Board of Education Bonds	District Revenue Bonds	General Obligation Bonds	Sales Tax Revenue Bonds	Certificates of Participation	Note Payable	Capital Leases	Total Primary Government	Estimated Population	Per Capita		
2009	\$ 19,795,000	\$ 3,220,000	\$ -	\$ 72,195,000	\$ 366,336,622	\$ -	\$ -	\$ 461,546,622	471,028	\$ 980	N/A	N/A
2008	21,080,000	3,300,000	-	82,485,000	373,626,612	-	-	480,491,612	462,715	1,038	12,750,465	38
2007	15,875,000	3,380,000	5,320,000	88,590,000	220,196,612	-	-	333,361,612	450,171	741	13,304,700	25
2006	18,545,000	3,455,000	10,400,000	-	224,901,612	-	-	257,301,612	424,355	606	12,569,000	20
2005	19,755,035	3,470,188	15,250,000	-	161,661,000	-	-	200,136,223	406,898	492	11,442,000	17
2004	17,930,000	3,605,000	19,885,000	-	159,325,000	-	-	200,745,000	389,776	515	10,263,464	20
2003	16,950,000	3,660,000	24,320,000	-	97,470,000	-	-	142,400,000	375,318	379	9,431,508	15
2002	17,905,000	1,260,000	29,610,000	-	99,495,000	607,000	-	148,877,000	361,468	412	8,853,085	17
2001	18,800,000	1,350,000	34,620,000	-	101,430,000	1,213,000	-	157,413,000	352,380	447	8,401,592	19
2000	19,655,000	1,430,000	39,260,000	-	103,285,000	1,819,000	-	165,449,000	344,765	480	7,844,336	21

Note: Details regarding the District's outstanding debt can be found in the notes to financial statements

Source: District records
Pasco County Government

District School Board of Pasco County
Ratio of Net General Bonded Debt Outstanding
Last 10 Fiscal Years
(Unaudited)

Table 11

Fiscal Year	Estimated Population (1)	Net Taxable Assessed Value (2)	Gross Bonded Debt (3)	Less Debt Service Funds (4)	Net Bonded Debt	Ratio of Net General Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2009	471,028	\$ 29,432,261	\$ -	\$ -	\$ -	0.00%	-
2008	462,715	29,694,362	-	-	-	0.00%	-
2007	450,171	25,892,657	5,320,000	-	5,320,000	0.02%	12
2006	424,355	19,949,524	10,400,000	5,320,000	5,080,000	0.03%	12
2005	406,898	16,263,731	15,250,000	8,900,003	6,349,997	0.04%	16
2004	389,776	13,991,326	19,885,000	8,453,142	11,431,858	0.08%	29
2003	375,318	12,275,385	24,320,000	8,260,380	16,059,620	0.13%	43
2002	361,468	11,008,411	29,610,000	7,987,892	21,622,108	0.20%	60
2001	352,380	9,860,484	34,620,000	7,673,079	26,946,921	0.27%	76
2000	344,765	9,104,109	39,260,000	6,514,280	32,745,720	0.36%	95

(1) Population was obtained from the United States Department of Commerce, Bureau of Economic Analysis.

(2) Net Taxable Assessed Values are expressed in thousands.

(3) Includes General Obligation Bonds only.

(4) Reserved for Debt Service - General Obligation Bonds only.

Note: Details regarding the District's outstanding debt can be found in the notes to financial statements.

Source: District records

District School Board of Pasco County
Direct and Overlapping Governmental Activities Debt
As of June 30, 2009
(Unaudited)

Table 12

Jurisdiction	Net Debt Outstanding	Percentage Applicable to this Governmental Unit	Amount Applicable to this Governmental Unit
Pasco County Board of County Commissioners Overlapping Debt	\$ 116,457,000	0%	\$ -
District School Board of Pasco County Direct Debt	461,546,622	100%	461,546,622
Totals	<u>\$ 578,003,622</u>		<u>\$ 461,546,622</u>

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

Source: District records
Pasco County CAFR, September 30, 2008

District School Board of Pasco County
Legal Debt Margin Information
Last 10 Fiscal Years
(Unaudited)

Table 13

	For the Fiscal Year Ending			
	June 30, 2000	June 30, 2001	June 30, 2002	June 30, 2003
Assessed Valuation	\$ 9,104,109,000	\$ 9,860,484,000	\$ 11,008,411,000	\$ 12,275,385,000
Debt Limit	\$ 910,410,900	\$ 986,048,400	\$ 1,100,841,100	\$ 1,227,538,500
Less: Net Debt applicable to the limit	165,449,000	157,413,000	148,877,000	142,400,000
Legal debt margin	<u>\$ 744,961,900</u>	<u>\$ 828,635,400</u>	<u>\$ 951,964,100</u>	<u>\$ 1,085,138,500</u>
Total net debt applicable to the limit as a percentage of debt	18.17%	15.96%	13.52%	11.60%

Note:

This schedule was previously presented as a requirement of Rule 6A-1.037(2) State Board of Education, Florida Administration Code, which established a legal debt limit of 10 percent of the assessed valuation of the District. Rule 6A-1.037 was repealed in March 2006; however, Management believes this information may still be of value to users.

Source: District Records
Pasco Property Appraisers Office

Table 13

For the Fiscal Year Ending					
June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009
\$ 13,991,326,000	\$ 16,263,731,000	\$ 19,949,524,000	\$ 25,892,656,671	\$ 29,694,362,126	\$ 29,432,260,894
\$ 1,399,132,600	\$ 1,626,373,100	\$ 1,994,952,400	\$ 2,589,265,667	\$ 2,969,436,213	\$ 2,943,226,089
200,745,000	200,136,223	257,301,612	333,361,612	480,491,612	461,546,622
<u>\$ 1,198,387,600</u>	<u>\$ 1,426,236,877</u>	<u>\$ 1,737,650,788</u>	<u>\$ 2,255,904,055</u>	<u>\$ 2,488,944,601</u>	<u>\$ 2,481,679,467</u>
14.35%	12.31%	12.90%	12.87%	16.18%	15.68%

District School Board of Pasco County
Demographic and Economic Statistics
Last 10 Fiscal Years
(Unaudited)

Table 14

Fiscal Year	Estimated Population (1)	Personal Income (thousands of dollars)	Per Capita Personal Income (4)	Unemployment Rate (2)	Student Membership (3)
2009	471,028	N/A	N/A	N/A	66,190
2008	438,668 (4)	12,750,465 (4)	29,066	8.1%	66,313
2007	434,425 (4)	13,304,700 (4)	30,626	3.4%	64,688
2006	424,355 (4)	12,569,000 (4)	29,619	4.4%	62,085
2005	406,898 (4)	11,442,000 (4)	28,120	4.8%	59,722
2004	389,776 (4)	10,263,464	26,332	5.0%	56,822
2003	375,318	9,431,508	25,129	3.6%	54,595
2002	361,468	8,853,085	24,492	2.8%	51,674
2001	352,380	8,401,592	23,842	3.3%	47,526
2000	344,765	7,844,336	22,753	4.2%	45,283

N/A = Data not currently available

Source: (1) Bureau of Economic and Business Research for 1999 - 2003
(2) Florida Agency for Workforce Innovation, Office of Workforce Information Services, Labor Market Statistics
(3) District records
(4) Pasco County Government
(5) U.S. Census Bureau

**District School Board of Pasco County
Principal Employers in Pasco County
Current and 9 Years Ago
(Unaudited)**

Table 15

<u>Employer</u>	2009			2000		
	<u>Rank</u>	<u>Employees</u>	<u>Percentage of Total County Employment</u>	<u>Rank</u>	<u>Employees</u>	<u>Percentage of Total County Employment</u>
District School Board of Pasco County	1	9,783	5.63%	1	6,175	4.27%
Pasco County Government	2	2,290	1.32%	2	1,597	1.10%
State of Florida Government	3	1,297	0.75%	3	1,356	0.94%
Pasco County Sheriff	4	1,261	0.73%	7	899	0.62%
Community Hospital of New Port Richey	5	1,050	0.60%	5	1,057	0.73%
HCA Health Services of Florida	6	1,000	0.58%			
Regional Medical Center Bayonet Point	7	977	0.56%	4	1,250	0.86%
Florida Hospital Zephyrhills	8	944	0.54%			
Saddlebrook Resort	9	720	0.41%	6	973	0.67%
Pasco-Hernando Community College	10	622	0.36%			
East Pasco Medical Center				8	796	0.55%
U.S. Postal Service				9	602	0.42%
Pasco Beverage, Inc.				10	600	0.41%
Total		<u>19,944</u>	<u>11.48%</u>		<u>15,305</u>	<u>10.57%</u>

Source: Pasco Economic Development Council

District School Board of Pasco County
Number of Personnel
Last 10 Fiscal Years
(Unaudited)

Table 16

Fiscal Year	Instructional	Administrative	Other Support Personnel	Total	Ratio of Instructional and Administrative Personnel to Pupils
2009	6,261	329	3,193	9,783	10.04
2008	6,045	324	2,841	9,210	10.41
2007	5,746	321	2,608	8,675	10.66
2006	5,469	290	2,422	8,181	10.78
2005	5,049	266	2,566	7,881	11.24
2004	4,365	247	2,454	7,066	12.32
2003	4,278	253	2,390	6,921	12.05
2002	4,252	239	2,320	6,811	11.51
2001	4,059	238	2,200	6,497	11.06
2000	3,991	225	2,095	6,311	10.74

Source: State of Florida Data for Budget Advertisement
District records

District School Board of Pasco County
Teacher Base Salaries
Last 10 Fiscal Years
(Unaudited)

Table 17

<u>Fiscal Year</u>	<u>Minimum Salary (1)</u>	<u>Maximum Salary (1)</u>	<u>County Average Salary (2)</u>	<u>Statewide Average Salary (2)</u>
2009	\$ 36,420	\$ 63,870	\$ 43,901	\$ 46,938
2008	36,420	63,870	45,211	46,655
2007	35,300	61,750	43,472	45,296
2006	33,100	59,300	41,600	42,702
2005	31,550	56,750	39,600	41,578
2004	31,100	54,900	38,800	40,598
2003	31,000	53,800	38,000	40,275
2002	28,700	50,800	37,080	39,275
2001	28,400	50,800	35,310	38,230
2000	26,700	49,000	33,000	36,722

Source: (1) District Records
(2) Florida Department of Education

District School Board of Pasco County
Operating Statistics
Last 10 Fiscal Years
(Unaudited)

Table 18

<u>Fiscal Year</u>	<u>Average Daily Membership</u>	<u>Operating Expenditures (1)</u>	<u>Cost per Pupil</u>	<u>Percentage Change</u>	<u>Instructional Staff</u>	<u>Pupil Teacher Ratio</u>	<u>Percentage of Students Receiving Free or Reduced-Price Meals</u>
2009	66,190	\$ 492,124,221	\$ 7,435	-0.34%	6,261	10.57	48.78%
2008	66,313	494,727,086	7,460	5.68%	6,045	10.97	44.85%
2007	64,688	456,679,581	7,060	9.53%	5,746	11.26	44.36%
2006	62,085	400,178,410	6,446	8.16%	5,469	11.35	44.18%
2005	59,722	355,917,943	5,960	3.79%	5,049	11.83	46.28%
2004	56,822	326,277,926	5,742	7.91%	4,365	13.02	46.08%
2003	54,595	290,523,060	5,321	2.11%	4,278	12.76	46.01%
2002	51,674	269,291,877	5,211	-3.60%	4,252	12.15	44.45%
2001	47,526	256,914,234	5,406	1.88%	4,059	11.71	44.13%
2000	45,283	240,276,412	5,306	0.49%	3,991	11.35	42.78%

(1) Operating expenditures include only General Fund expenditures.

Source: District records

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District School Board of Pasco County
School Building Information
Last 10 Fiscal Years
(Unaudited)

Table 19

	Place in Service (a)	Square Footage (b)	Portables	Capacity (Students)	Full-Time Equivalent Enrollment Data	
					1999-2000	2000-2001
Elementary Schools						
Anclote	1973	64,309	4	489	921.70	553.58
Calusa	1979	74,435	4	657	873.66	774.01
Centennial	1986	87,837	3	659	598.66	573.88
Chasco	2000	105,230	7	624	-	741.69
Chester W. Taylor	1996	96,454	16	536	727.12	789.98
Cotee River	1993	119,944	1	733	911.49	822.49
Cypress	1973	68,562	12	600	694.45	690.40
Deer Park	1988	78,546	4	600	894.59	898.59
Denham Oaks	1994	130,212	6	870	902.97	914.51
Double Branch	2008	86,799	0	762	-	-
Fox Hollow	1990	86,750	4	769	1,119.51	929.84
Gulf Highlands	2006	116,938	0	762	-	-
Gulf Trace	2008	93,536	8	762	-	-
Gulfside	1977	72,122	1	634	773.97	488.58
Hudson	1966	78,012	15	551	881.98	896.61
James M. Marlowe	1999	102,826	1	616	510.37	648.78
Lacoochee	1971	82,667	3	579	488.14	487.40
Lake Myrtle	1984	98,634	7	754	979.31	1,020.02
Longleaf	2005	102,263	7	674	-	-
Dr. Mary Giella	1989	89,462	2	634	571.14	538.30
Mitty P. Locke	1966	85,466	11	746	838.51	851.51
Moon Lake	1982	75,659	8	616	545.99	556.60
New River	2008	107,166	0	762	-	-
Northwest	1973	82,160	6	720	825.04	763.96
Oakstead	2006	126,143	12	762	-	-
Pasco	1954	92,802	5	715	720.74	682.61
Pine View	2003	99,191	5	624	-	-
Quail Hollow	1975	66,512	15	465	548.74	621.10
Richey	1958	77,126	10	558	670.71	612.35
Rodney B. Cox	1925	67,685	8	506	456.37	452.39
San Antonio	1981	90,000	4	773	830.61	801.13
Sand Pine	1998	81,476	21	535	821.70	936.80
Sanders Memorial	1944	83,423	18	640	673.86	694.33
Schrader	1972	90,301	2	736	880.56	666.75
Seven Oaks	2005	101,073	22	674	-	-
Seven Springs	1987	77,123	2	629	1,184.32	1,237.36
Shady Hills	1973	73,676	2	437	587.53	564.75
Sunray	2000	98,044	2	618	-	710.79
Trinity	2001	101,287	5	621	-	-
Trinity Oaks	2006	116,975	0	762	-	-
Veterans	2008	94,729	0	762	-	-
Wesley Chapel	2002	99,856	30	618	-	-
West Zephyrhills	1958	83,003	9	758	733.10	789.93
Woodland	1977	78,211	19	670	1,019.09	973.79
Total Elementary Schools					23,185.93	23,684.81

Table 19

Full-Time Equivalent Enrollment Data							
2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
572.68	605.36	631.94	612.26	582.82	574.48	585.62	568.08
791.33	726.92	707.83	737.85	743.61	686.86	682.42	632.04
636.23	679.38	664.89	697.83	695.92	713.95	689.60	697.81
822.52	877.85	939.54	982.98	1,041.04	655.34	704.37	652.34
749.02	729.25	765.50	789.74	814.96	842.44	827.22	599.12
821.93	820.21	792.00	761.40	779.67	787.20	721.32	657.12
681.16	693.44	736.58	728.41	782.17	879.17	904.72	889.03
901.29	919.90	919.88	1,014.77	688.00	650.38	632.70	648.37
1,002.23	1,025.02	878.29	901.90	915.07	881.93	868.77	872.12
-	-	-	-	-	-	723.47	763.21
919.90	931.91	967.31	994.31	1,006.68	704.13	684.15	615.47
-	-	-	-	-	609.92	634.96	589.40
-	-	-	-	-	-	231.98	563.17
489.61	556.37	604.84	640.07	627.65	642.37	624.43	548.29
832.71	790.04	805.02	805.78	830.99	836.59	759.20	675.36
716.95	675.72	704.78	697.10	653.67	638.86	542.67	530.62
466.95	429.84	422.06	401.57	428.06	406.20	396.10	399.06
1,013.25	1,033.27	862.12	854.22	830.00	828.13	825.13	782.83
-	-	-	-	712.44	809.65	893.19	943.09
578.96	597.52	564.74	642.07	674.13	614.11	656.98	631.46
785.10	785.75	802.71	863.67	880.13	882.26	856.74	585.38
572.95	560.97	569.59	595.17	565.92	624.79	674.65	611.51
-	-	-	-	-	-	256.91	449.63
757.41	757.00	807.97	743.88	713.73	698.45	670.47	707.31
-	-	-	-	-	730.76	1,000.33	1,096.17
696.40	685.67	670.66	674.70	724.82	684.04	661.28	650.22
-	-	588.20	718.68	693.13	725.37	716.19	721.16
683.99	569.42	611.94	782.13	823.35	834.19	794.95	390.03
618.94	613.99	659.77	643.73	642.65	654.02	623.48	600.02
447.59	434.15	422.41	436.80	445.86	468.17	447.42	460.75
731.45	608.60	612.97	638.63	689.07	694.46	689.54	724.58
1,030.23	708.36	810.25	980.23	987.61	1,043.65	749.86	707.03
732.11	804.58	731.75	834.43	1,052.44	733.34	854.25	745.26
636.12	631.09	645.06	709.43	756.70	562.53	569.85	625.07
-	-	-	-	913.38	1,057.30	1,153.35	887.82
717.04	678.69	655.12	691.02	735.03	704.47	620.09	579.26
572.51	570.06	561.80	594.60	611.95	589.66	563.38	536.06
765.28	752.22	740.98	790.60	863.56	865.61	577.86	533.01
670.05	810.12	977.27	1,219.49	1,103.08	653.81	649.54	663.27
-	-	-	-	-	559.64	650.32	685.86
-	-	-	-	-	-	-	726.44
-	829.77	1,123.22	1,339.56	1,030.74	1,377.56	1,095.98	1,071.34
859.56	834.61	874.17	914.31	934.72	895.33	818.70	813.51
963.43	888.47	889.59	918.36	938.28	938.12	945.82	917.58
24,236.88	24,615.52	25,722.75	27,351.68	28,913.03	29,739.24	30,229.96	29,746.26

District School Board of Pasco County
School Building Information
Last 10 Fiscal Years
(Unaudited)

Table 19

	Place in Service (a)	Square Footage (b)	Portables	Capacity (Students)	Full-Time Equivalent Enrollment Data	
					1999-2000	2000-2001
Middle Schools						
Bayonet Point	1973	133,262	4	892	1,400.98	1,436.35
Centennial	2001	112,425	5	616	-	-
Charles S. Rushe	2007	181,038	0	1,344	-	-
Chasco	2001	139,123	4	848	-	-
Crews Lake	2008	180,991	0	1,493	-	-
Dr. John Long	2006	187,602	16	1,328	-	-
Gulf	1964	167,808	3	1,344	996.11	1,015.19
Hudson	1984	147,814	13	1,051	1,333.38	1,231.46
Pasco	1946	111,634	5	759	917.75	952.50
Paul R. Smith	2006	187,602	0	1,287	-	-
Pine View	1977	138,136	7	1,143	1,323.11	1,315.85
Raymond B. Stewart	1926	185,943	5	1,064	1,060.22	1,118.85
River Ridge (c)	1990	-	18	1,078	-	-
Seven Springs	1995	229,706	3	1,350	1,594.50	1,727.28
Thomas E. Weightman	1990	162,472	12	975	1,258.93	1,335.43
Total Middle Schools					9,884.98	10,132.91
Education Centers						
Energy & Marine	1964	14,030	0		40.78	71.71
F. K. Marchman Tech	1984	180,240	4	691	388.32	407.35
Harry Schwettman	1923	28,375	4	207	117.92	126.72
James Irvin	1995	11,067	20	391	110.40	95.29
Moore Mickens	1952	73,437	3	523	214.13	213.10
Other Programs	n/a	n/a	6	n/a	225.42	339.44
Total Education Centers					1,096.97	1,253.61
High Schools						
Gulf	1971	239,958	6	1,534	1,942.45	1,472.58
Hudson	1973	183,548	5	1,520	1,485.22	1,453.25
J. W. Mitchell	2000	223,102	27	1,853	-	1,127.17
Land O' Lakes	1973	186,272	16	1,301	1,754.80	1,720.77
Pasco	1964	200,245	11	990	1,318.17	1,287.81
Ridgewood	1977	188,916	30	1,166	1,846.13	1,774.20
River Ridge (c)	1990	371,899	5	1,883	3,295.67	3,219.08
Sunlake	2007	184,760	0	1,713	-	-
Wesley Chapel	1999	216,228	11	1,456	838.22	1,160.38
Wiregrass Ranch	2006	218,380	4	1,676	-	-
Zephyrhills	1973	203,437	14	984	1,424.21	1,338.41
Total High Schools					13,904.87	14,553.65

Table 19

Full-Time Equivalent Enrollment Data							
2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
936.70	949.51	1,036.93	1,053.98	996.28	985.50	975.00	1,005.52
547.99	629.10	677.37	675.80	622.14	652.80	660.36	659.14
-	-	-	-	-	-	1,223.93	1,279.33
847.18	939.70	978.00	957.01	898.17	888.52	855.84	869.92
-	-	-	-	-	-	-	666.70
-	-	-	-	-	1,263.58	1,534.60	1,653.75
1,009.70	1,034.94	1,101.16	1,107.17	1,143.62	949.17	935.59	919.45
1,218.04	1,161.42	1,186.65	1,198.00	1,214.83	1,195.56	1,186.12	892.03
864.70	895.05	806.00	823.66	768.59	756.11	707.82	720.33
-	-	-	-	-	915.92	899.50	917.81
1,438.95	1,514.21	1,629.42	1,756.39	1,821.72	1,871.85	898.10	885.29
961.06	947.71	959.86	998.66	977.82	1,003.34	1,017.92	1,014.75
-	-	-	-	-	1,467.56	1,421.79	1,149.35
1,654.83	1,676.40	1,826.74	1,960.16	1,942.20	1,307.65	1,329.30	1,381.79
1,259.83	1,434.66	1,622.18	1,823.40	1,914.89	1,074.60	1,057.25	1,073.09
10,738.98	11,182.70	11,824.31	12,354.23	12,300.26	14,332.16	14,703.12	15,088.25
72.11	89.42	84.94	80.81	80.82	74.72	66.47	82.27
525.20	528.57	478.83	472.43	475.19	450.10	454.04	397.77
108.50	118.40	125.76	96.25	120.52	109.54	128.12	158.17
85.98	119.49	107.85	114.23	138.52	107.25	107.76	110.00
197.16	188.90	177.98	213.44	180.58	198.50	207.55	200.73
465.95	563.86	658.21	708.96	824.16	829.14	858.02	893.76
1,454.90	1,608.64	1,633.57	1,686.12	1,819.79	1,769.25	1,821.96	1,842.70
1,388.13	1,408.06	1,440.64	1,538.04	1,676.18	1,681.49	1,676.71	1,654.55
1,493.59	1,524.04	1,533.07	1,547.86	1,602.24	1,604.57	1,601.01	1,542.26
1,631.92	1,921.82	2,092.21	2,278.11	2,363.38	2,423.92	2,458.87	2,388.46
1,791.43	1,856.48	1,927.15	2,043.68	2,289.43	2,499.67	1,687.95	1,465.35
1,287.28	1,265.48	1,261.52	1,255.87	1,327.94	1,280.16	1,244.55	1,230.23
1,661.36	1,682.52	1,680.84	1,826.36	1,850.34	1,846.46	1,824.09	1,752.22
3,139.60	3,261.26	3,339.14	3,497.02	3,420.93	1,935.79	1,933.85	1,881.95
-	-	-	-	-	-	1,115.57	1,433.25
1,392.35	1,589.52	1,794.41	2,045.29	2,275.14	1,789.58	1,569.29	1,290.21
-	-	-	-	-	715.01	1,316.77	1,813.07
1,313.55	1,353.97	1,383.16	1,434.37	1,505.77	1,597.89	1,624.66	1,524.86
15,099.21	15,863.15	16,452.14	17,466.60	18,311.35	17,374.54	18,053.32	17,976.41

District School Board of Pasco County
School Building Information
Last 10 Fiscal Years
(Unaudited)

Table 19

	Place in Service (a)	Square Footage (b)	Portables	Capacity (Students)	Full-Time Equivalent Enrollment Data	
					1999-2000	2000-2001
Charter Schools						
Academy at the Farm	n/a	n/a	n/a	n/a	-	-
Athenian Academy	n/a	n/a	n/a	n/a	-	-
Countryside Monetssori	n/a	n/a	n/a	n/a	-	-
Dayspring Academy	n/a	n/a	n/a	n/a	-	131.75
Deerwood Academy	n/a	n/a	n/a	n/a	-	-
Imagine School	n/a	n/a	n/a	n/a	-	-
Language Academy	n/a	n/a	n/a	n/a	-	-
Richard Milburn Academy	n/a	n/a	n/a	n/a	-	-
Total Charter Schools					-	131.75
East Bus Garage	1966	9,061	0	n/a	-	-
West Bus Garage	1960	21,292	0	n/a	-	-
Central Bus Garage	1980	7,964	1	n/a	-	-
Administration Building	1972	196,307	7	n/a	-	-
District Maintenance	1984	44,369	0	n/a	-	-
Northwest Bus Garage	1989	9,415	1	n/a	-	-
Southeast Bus Garage	1980	8,251	0	n/a	-	-
Total District					48,072.75	49,756.73

(a) Original date that the school was placed in service. This date does not reflect additions, renovations, replacements or remodeling.

(b) Square footage is current, but does not include portables.

(c) River Ridge was built as a combination Middle School and High School.

All data was aggregate until 2006-2007 when then Middle School received its own School Identifier.

Source: District Records

Table 19

Full-Time Equivalent Enrollment Data							
2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
-	140.11	185.00	223.29	253.31	255.79	289.00	284.00
-	-	-	-	-	106.50	215.00	258.50
-	49.94	70.00	99.50	126.50	153.50	151.00	180.02
265.72	298.50	349.82	359.81	391.68	403.92	404.00	416.06
165.50	183.65	-	-	-	-	-	-
-	-	-	-	-	-	-	397.50
-	65.41	135.00	124.50	117.00	87.00	-	-
-	39.51	112.73	128.26	170.84	154.01	-	-
431.22	777.12	852.55	935.36	1,059.33	1,160.72	1,059.00	1,536.08
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
51,961.19	54,047.13	56,485.32	59,793.99	62,403.76	64,375.91	65,867.36	66,189.70

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SINGLE AUDIT REPORT



**Independent Auditors' Report on Internal Control over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

The Honorable Members of the School Board
District School Board of Pasco County
Land O' Lakes, Florida

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District School Board of Pasco County, Florida (the "District") as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 22, 2009. We did not audit the financial statements of the aggregate discretely presented component units; those financial statements were audited by 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the District School Board, the Audit Committee, management, applicable federal and state agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Cherry, Beckett & Holland, L.L.P.

Orlando, Florida
December 22, 2009



**Independent Auditors' Report on Compliance
with Requirements Applicable to Each Major
Program and Internal Control over Compliance
in Accordance with OMB Circular A-133**

The Honorable Members of the School Board
District School Board of Pasco County, Florida
Land O' Lakes, Florida

Compliance

We have audited the compliance of the District School Board of Pasco County (the "District") with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District School Board of Pasco County's internal control over compliance.

A *control deficiency* in an Entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the Entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the Entity's internal control.

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

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

This report is intended solely for the information and use of the District School Board, management, applicable federal and state agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Cherry, Beckett & Holland, L.L.P.

Orlando, Florida
December 22, 2009

**District School Board of Pasco County
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009**

Catalog of Grantor /Program Title	Pass-Through Federal Domestic Assistance Number	Amount Grantor Number	of Expenditures (1)
United States Department of Agriculture:			
Indirect:			
Florida Department of Agriculture and Consumer Services:			
Food Donation	10.555 (2)	None	\$ 1,528,422
Florida Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	321	3,968,243
National School Lunch Program	10.555	300	11,635,602
Summer Food Service Program for Children	10.559	323	97,940
Total Child Nutrition Cluster			15,701,785
Child and Adult Care Food Program	10.558	S-2701	5,850
Total United States Department of Agriculture			17,236,057
United States Department of Labor:			
Indirect:			
Florida Department of Education:			
National Farmworker Jobs Program	17.264	405	153,651
Total United States Department of Labor			153,651
United States Department of Education:			
Direct:			
Funds for the Improvement of Education	84.215	N/A	9,188
Indirect:			
Special Education Cluster:			
Florida Department of Education:			
Special Education - Grants to States	84.027	262, 263	11,991,456
Special Education - Preschool Grants	84.173	267	311,510
Total Special Education Cluster			12,302,966
Florida Department of Education:			
Adult Education-State Grant Program	84.002	191, 193	571,193
Title I Grants to Local Educational Agencies	84.010	126,212,222,223,226,228	13,577,967
Migrant Education - State Grant Program	84.011	217	131,809
Title I Part D	84.013	223	35,684
Vocational Education - Basic Grants to States	84.048	161	483,087
Safe and Drug-Free Schools and Communities – State Grants	84.186	103	246,071
Education for Homeless Children and Youth	84.196	127	99,130
Public Charter Schools (Plan, Design & Implement)	84.282	298	183,865
State Grants for Innovative Programs	84.298	113	9,233
Education Technology State Grants	84.318	121	77,235
English Language Acquisition Grants	84.365	102	454,646
Improving Teacher Quality State Grants	84.367	224	3,025,604
Title I School Improvement	84.377	126	178,908
Pasco-Hernando Community College:			
Tech-Prep Education	84.243	157	7,406
University of South Florida:			
Education Research, Development and Dissemination	84.305	1205-1012-00-B	18,577
Total Indirect			31,403,381
Total United States Department of Education			31,412,569

(Continued)

**District School Board of Pasco County
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009**

Catalog of Grantor /Program Title	Pass-Through Federal Domestic Assistance Number	Amount Grantor Number	of Expenditures (1)
United States Department of Health and Human Services:			
Direct:			
Head Start	93.600 (3)	N/A	<u>5,366,803</u>
Total United States Department of Health and Human Services			<u>5,366,803</u>
Corporation for National and Community Service:			
Direct:			
Retired and Senior Volunteer Program	94.002	N/A	123,751
Indirect:			
Florida Department of Education:			
Learn & Serve America – School and Community Based Programs	94.004	234	<u>20,824</u>
Total Corporation for National and Community Service			<u>144,575</u>
United States Department of Defense:			
Direct:			
Air Force Junior Reserve Officers Training Corps	None	N/A	55,984
Army Junior Reserve Officers Training Corps	None	N/A	125,317
Navy Junior Reserve Officers Training Corps	None	N/A	<u>295,785</u>
Total United States Department of Defense			<u>477,086</u>
Total Expenditures of Federal Awards			<u>\$ 54,790,741</u>

- Notes:
- (1) Basis of Presentation - The Schedule of Expenditures of Federal Awards represents amounts expended from Federal programs during the 2008-2009 fiscal year as determined based on the modified accrual basis of accounting. The amounts reported on the Schedule have been reconciled to and are in material agreement with the amounts recorded in the District's accounting records from which the basic financial statements have been reported.
 - (2) Noncash Assistance - Food Donation represents the amount of donated food used during the 2008-2009 fiscal year. Commodities are valued at fair value as determined at the time of donation.
 - (3) Head Start - Expenditures included \$583,350 for grant number/program year 04CH3070/40 and \$4,783,453 for grant number/program year 04CH3070/41.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
Schedule of Findings and Questioned Costs
Year Ended June 30, 2009

Part I - Summary of Audit Results

1. The auditors report on the financial statements expresses an unqualified opinion.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the District were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal awards programs are reported in the Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for the District expresses an unqualified opinion.
6. The programs tested as major programs were:

<u>Name of Program</u>	<u>CFDA #</u>
Special Education – Grants to States	84.027
Special Education – Preschool Grants	84.173
Improving Teacher Quality State Grants	84.367

7. The threshold for distinguishing Types A and B programs was \$1,643,722.
8. The District was determined to be a low risk auditee.

Part II – Financial Statement Findings Section

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

None reported.

Part III – Federal Award Finding and Questioned Costs Section

None reported.

**District School Board of Pasco County
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2009**

No findings in prior year.