

Learning in the 21st Century



Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2011



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, 2011



Issued by:
Finance Services Department



**District School Board of Pasco County
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2011**

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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 20, 2011

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, 2011.

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 Moore Stephens Lovelace, P.A., 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, 2011, 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, 2011, 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. Section 1010.01, Florida Statutes, requires each school district to prepare and maintain financial records and accounts as prescribed by law and rules of the State Board of Education.

The geographic boundaries of the District are those of Pasco County. During the 2010-2011 fiscal year, the District operated 78 schools, including 46 elementary schools, 15 middle schools, 13 high schools, and 4 specialized schools; sponsored 5 charter schools; and reported serving approximately 66,162 unweighted full-time equivalent students. For the 2011-2012 school year, the District projects it will enroll 65,975 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 (68 percent). Other ethnicities include: Hispanic (19 percent), Black (6 percent), and Asian/American Indian/Pacific Islander/Alaskan Native/Other (7 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.

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 2002, the population of Pasco County increased 28.56 percent to an estimated 464,697. For the calendar year 2011, 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 19th of 67 counties in the State with a value of 98.84.

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 98.84 implies that it cost the District less than the average school district to attract and retain equally qualified personnel. Surrounding counties such as, Hillsborough (101.55) and Pinellas (99.60), 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 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 9,185 full and part-time employees, the District endeavors to improve its education system by focusing on the following major initiatives.

Financial Information

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.

The District has a policy that states that in order to ensure the financial strength, maintain a favorable bond rating, and the stability of the District, the District's operating fund shall budget for and maintain a reasonable unrestricted fund balance. Accordingly, the unrestricted fund balance at June 30, 2011 for the in the general fund is \$22,964,288 or 5.10 percent of total general fund expenditures.

The District has an investment policy in place for investments of temporarily idle funds. The purpose of the policy is to outline the responsibility, authority, and general guidelines for the investment management of the District's cash reserves and to ensure compliance with Florida Statutes.

The District is self-insured up to specified limits for Worker's compensation, automobile liability, general liability, and employee group health insurance. Additional information on the District's risk management can be found in the notes to the financial statements.

The District's capital asset policy specifies the categories of capital assets and the dollar thresholds for capitalizing purchases. It also specifies the length of depreciation for each asset category.

On March 9, 2004, a referendum election "Sales Tax Referendum" was held to determine whether the County could levy a one cent infrastructure sales surtax within the County. A majority of the voters of the county voting in the Sales Tax Referendum approved the levy of the sales surtax. The sales surtax proceeds are distributed to the District, the County and the municipalities, with the District receiving 45 percent. Imposition of the surtax commenced January 1, 2005 and will expire December 31, 2014. Its purpose is to build new schools and to renovate existing facilities.

Major Initiatives

Class Size Reduction Amendment

In the November 2002, the voters of the State of Florida amended the State Constitution to limit class size. By the beginning of the 2010-2011 fiscal year, the amendment established the maximum number of students in core-curricula courses assigned to a teacher in each of the following three grade groupings: (1) pre-kindergarten through grade 3, 18 students; (2) grades 4 through 8, 22 students; and (3) grades 9 through 12, 25 students.

The Florida legislature enacted Senate Bill-30A implementing the reduction of the average number of students in each classroom by at least two students per year, beginning in the 2003-04 fiscal year until the maximum number of students per classroom does not exceed the 2010-11 fiscal year maximums. If a district's class size does not meet the constitutional maximum, then the district must reduce the average number of students in each of the three grade groupings by two students until the constitutional maximums are reached. The following is how the constitutional maximums will be calculated:

- For the 2003-04, 2004-05, and 2005-06 fiscal years, class size will be calculated at the district level.
- For the 2006-07 and 2007-08 fiscal years, class size will be calculated at the school level.
- For the 2008-09 and 2009-10 fiscal years, class size will be calculated at the classroom level. This requirement was amended for each fiscal year to stay at the school level due to funding shortfalls. Full implementation at the classroom level was not required until the Constitutional deadline of 2010-11.

For the 2010-11 fiscal year, the District continued its efforts to meet the constitutional maximums for the three grade groupings at classroom level. Based on the annual review by the Department of Education, the District complied with the constitutional maximums at all schools.

Accomplishments

The District School Board of Pasco County continues to build upon its rich tradition of academic achievement, with the District earning a total of 520 points under the Florida school grading system this year. This equates to an overall district-wide grade of B (525 points is an A), which is an increase from the total number of points earned by the District last year. The District is proud that 67% of the schools in Pasco earned an outstanding grade of A or B this year. Middle schools in Pasco turned in a particularly impressive performance, with 80% earning an A or B. As the District continues to strive for improvement, it is delighted that 71% of Pasco schools maintained or improved their school grade. Of special note, four schools in Pasco improved their rating by two letter grades this year (from a C to an A).

This sustained improvement is directly attributable to the entire team's collective efforts and an unwavering commitment to ensure that all children reach their highest potential. These accomplishments are remarkable given the extreme financial adversity the District has faced over the last four years. High school grades have not yet been released due to the state's new criteria for calculating high school grades. However, the state has released the total number of points earned by each high school through the Florida Comprehensive Assessment Tests. These preliminary data indicate that high schools in Pasco continue to make tremendous progress, with 75% maintaining or increasing the total number of points earned for this section. The District will continue to analyze these data to make decisions about the needs of students and schools as it allocates resources and provides support as necessary. With current grades expected in mid-December, the most recent grades for high schools are from the 2009-2010 school year. During that year, nine out of twelve (75%) earned an outstanding grade of A or B. The Department reported that every high school that earned a school grade in the previous year either maintained or improved their school grade.

On other measures of student achievement, such as the District's graduation rate and drop-out rate, Pasco continues to soar above the state average. Graduation rates are also released by the state in mid-December. Last year, under the Florida Calculation rate, Pasco achieved an 87.1 percent graduation rate and a drop-out rate of 1.0. While the state is using a new formula this year that excludes students earning their GED and special needs students from the overall graduation rate, early numbers indicate that will still surpass state averages. This achievement is a reflection of Pasco's aggressive efforts to ensure that all students graduate prepared for success in the global economy.

Studies clearly indicate that student success is linked to teacher quality. The District School Board of Pasco County has demonstrated a commitment to recruiting and retaining the brightest individuals to work with our children. Nearly 35.80 percent of teachers in Pasco have earned a Master's Degree or higher and 192 teachers have earned prestigious designation as a National Board Certified Teacher. Additionally, the District has embarked upon a new comprehensive teacher evaluation system that is based upon an evaluation of the teacher's use of research-based best professional practices (50 percent) and student achievement data (50 percent). This will provide a more thorough of how a teacher performs and will allow the District to provide targeted staff development in areas of need. The District's goal is to help each teacher and student reach their highest potential.

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, 2010. This was the tenth 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,



Ms. Heather Fiorentino
Superintendent of Schools



Ms. Olga Swinson, CPA, CGFM
Chief Finance Officer



Ms. Judith Zollo, 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, 2010

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



Linda C. Sandison

President

Jeffrey R. Emer

Executive Director

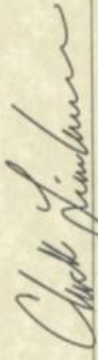
ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL

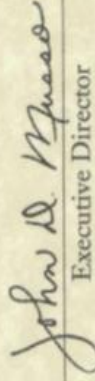


This Certificate of Excellence in Financial Reporting
is presented to

District School Board of Pasco County

For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2010
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


Chuck Jankins
President


John D. Mueser
Executive Director

JSSCO

List of Principal Officials As of June 30, 2011

Principal Officials – Elected

Ms. Heather Fiorentino , Superintendent of Schools Present Term Expires	November 2012
Ms. Joanne Hurley , Chairwoman, Member from District 2 Present Term Expires	November 2012
Mr. Allen Altman , Vice-Chairman, Member from District 1 Present Term Expires	November 2014
Ms. Cynthia Armstrong , Member from District 3 Present Term Expires	November 2014
Ms. Alison Crumbley , Member from District 4 Present Term Expires	November 2012
Mr. Steve Luikart , Member from District 5 Present Term Expires	November 2014

Principal Officials – Appointed

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

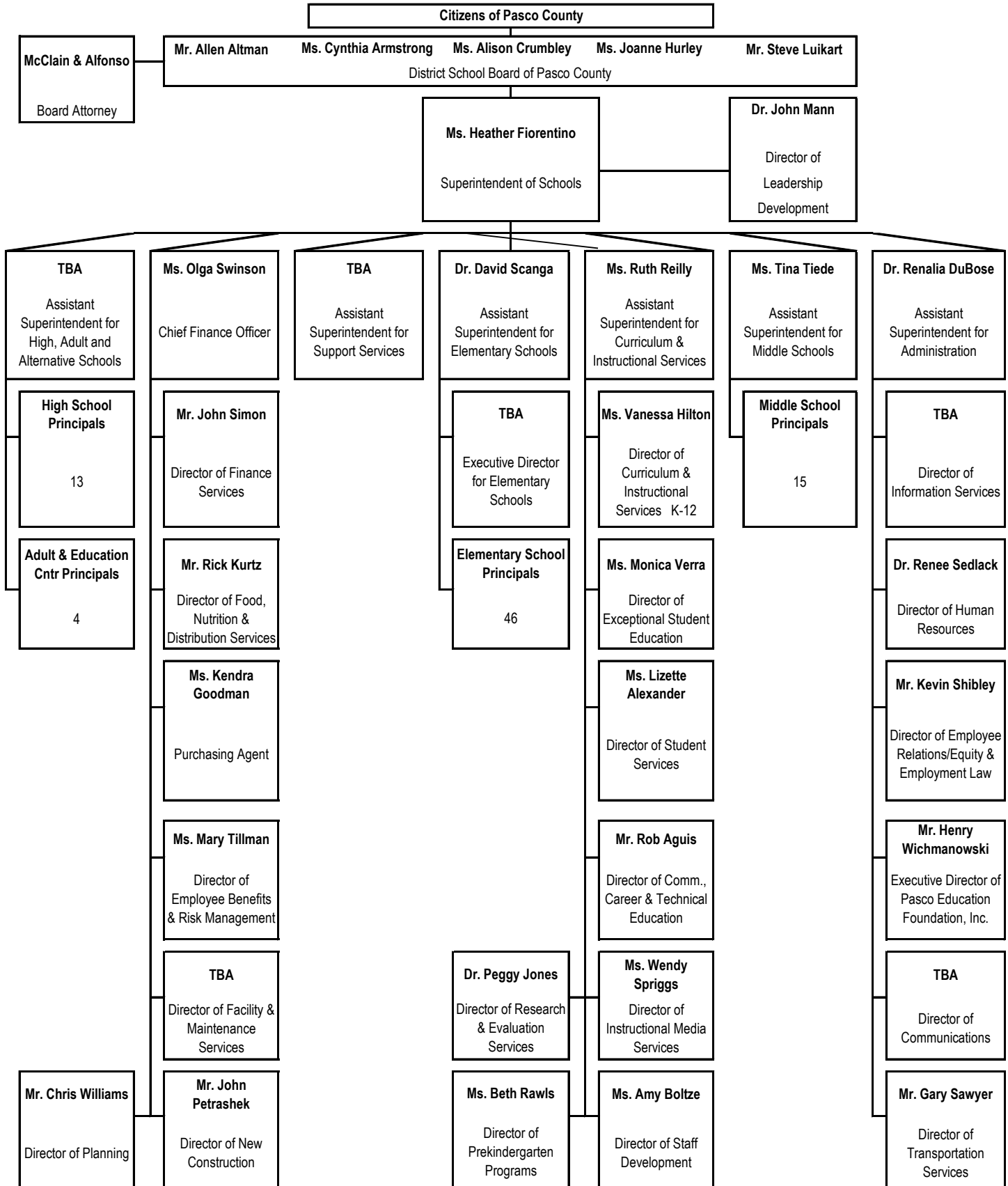
Ms. Olga Swinson, CPA, CGFM, Chief Finance Officer

Dr. Renalia DuBose, Assistant Superintendent for Administration

Dr. David Scanga, Assistant Superintendent for Elementary Schools

Ms. Tina Tiede, Assistant Superintendent for Secondary Schools

Organizational Chart



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS





INDEPENDENT AUDITOR'S REPORT

Chairman and Members of
The District School Board of Pasco County, 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, 2011, which collectively comprise the District's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the aggregate discretely presented component units. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us and, our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based on the reports of those other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit 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 as of June 30, 2011, and the respective changes in financial position, and cash flows, where applicable, thereof and the budgetary comparisons for the General Fund and major special revenue 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 20, 2011, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

INDEPENDENT AUDITOR'S REPORT
(Concluded)

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

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

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
December 20, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS



District School Board of Pasco County
Management's Discussion and Analysis
June 30, 2011

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.

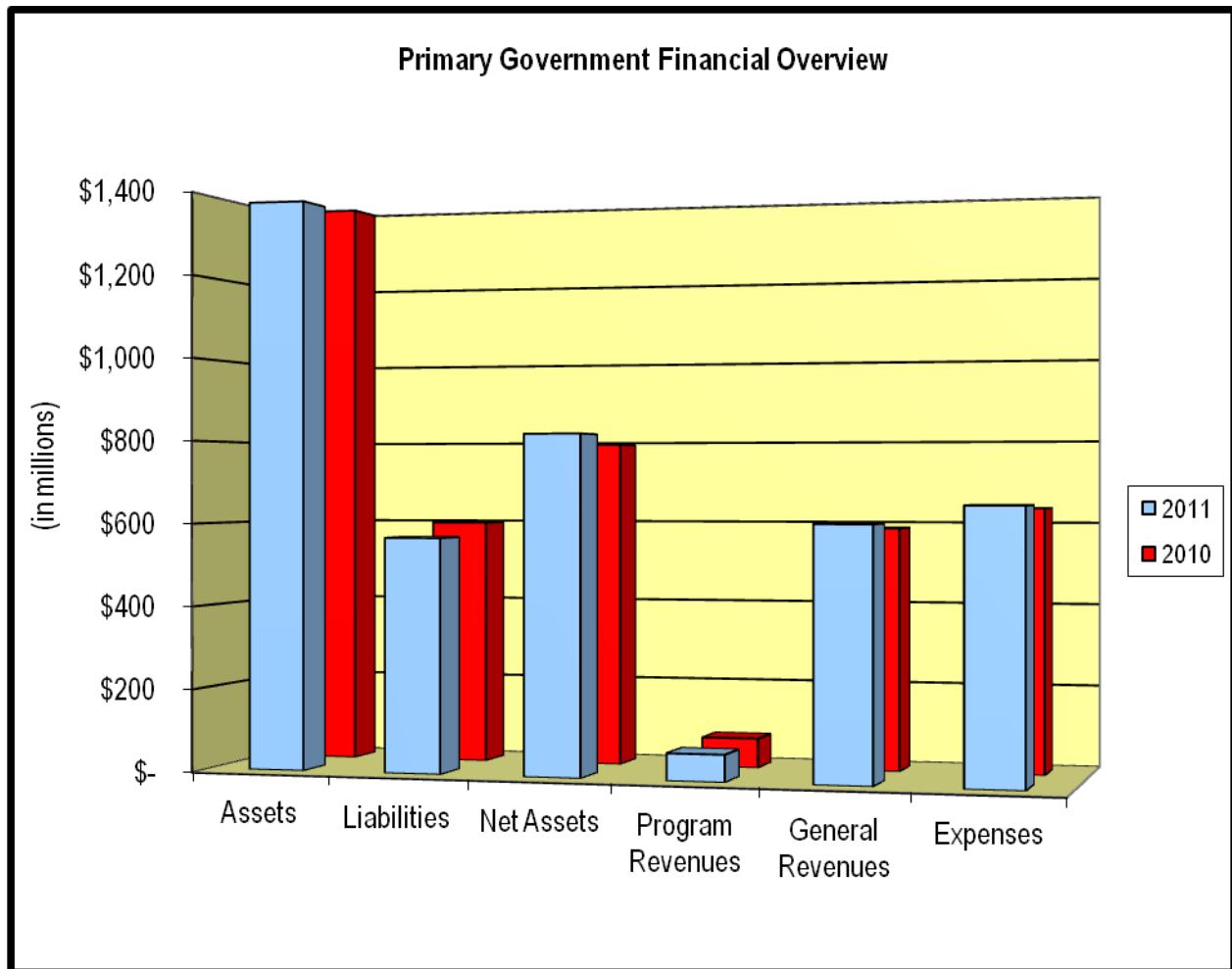
Because the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events and conditions, it should be considered in conjunction with the District's basic financial statements and notes to financial statements.

Financial Highlights

Key financial highlights for the 2010-11 fiscal year are as follows:

- The assets of the District exceeded its liabilities at June 30, 2011 by \$814,606,380. Of this amount, \$32,212,539 may be used to meet the government's ongoing obligations to citizens and creditors.
- The District's total net assets increased by \$21,395,349. This increase is primarily attributable to the ongoing investment of the District in new schools and the renovation of existing schools supported by sales tax proceeds and other capital outlay revenues.
- Total revenues of \$668,645,747 were comprised of general revenues in the amount of \$603,187,749, or 90 percent, and program specific revenues from charges for services, grants and contributions in the amount of \$65,457,998 or 10 percent.
- For the year ended June 30, 2011, the District had \$647,250,398 in expenses related governmental activities; \$65,457,998 of which were offset by program specific charges or services, grants and other sources. General revenues (primarily taxes and state funding programs) of \$603,187,749 were sufficient to provide the District's programs.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$247,917,905, an increase of \$3,221,561 in comparison with the prior year. Approximately 85 percent of this total amount, \$209,898,405, is available for spending at the District's discretion for the purposes defined for each governmental fund (*unreserved fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$22,964,288, or 5.10 percent of total general fund expenditures.
- The District's total bonded debt (Bonds Payable and Certificates of Participation) decreased by \$31,556,597 or 6.75 percent during the current year.

The primary government financial overview for the 2009-2010 and 2010-2011 fiscal year is below:

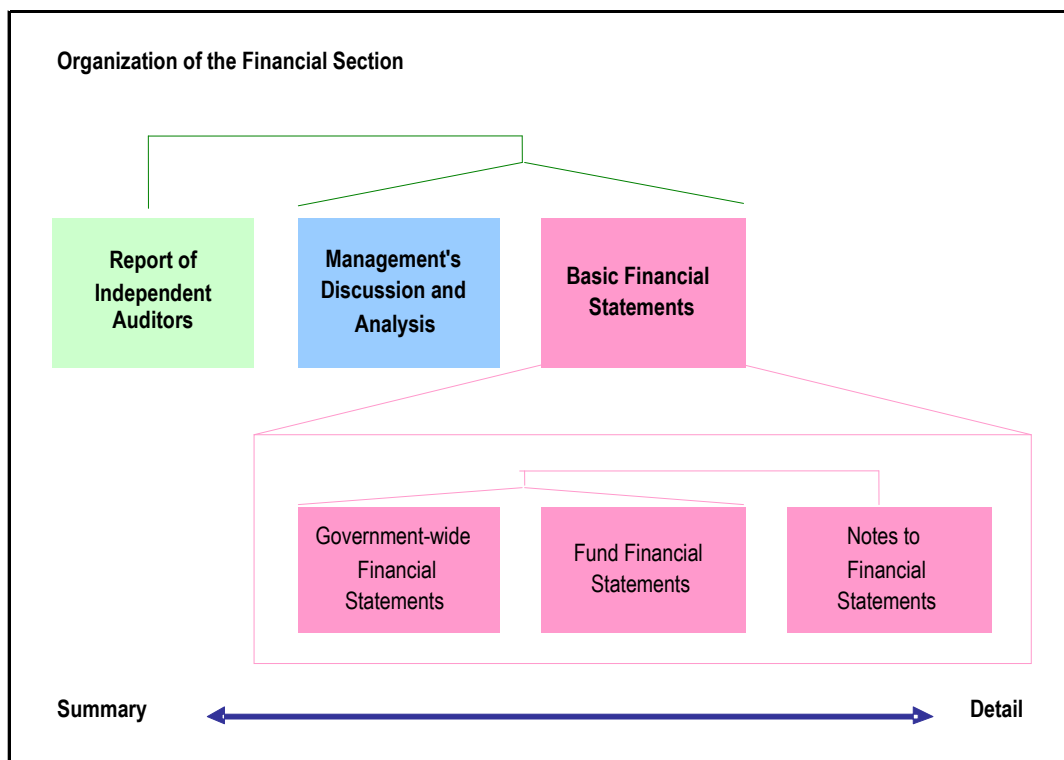


Overview of the Financial Statements

The financial section consists of three parts: Independent Auditor's Report on Financial Statements, MD&A (this section), and Basic Financial Statements. 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 financial statements.

The government-wide financial statements provide both long-term and short-term information about the District's overall financial status. The fund financial statements 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 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 five 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; and 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, Capital Projects - Other Fund and Special Revenue – American Recovery and Reinvestment Act Fund. Data from the other governmental funds are combined into a single, aggregated presentation.

The District has adopted Governmental Accounting Standard Board (GASB) Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources.

The District adopts annual budgets for its General Fund and Special Revenue Fund – American Recovery and Reinvestment Act Fund. Budgetary comparison statements have been provided for the General Fund and Special Revenue 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 internal service funds 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 a private-purpose trust fund 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. In the case of the District, assets exceed liabilities by \$814,606,380 at June 30, 2011.

Net Assets, End of Year							
	Governmental Activities		Business-Type Activities		Total		Percentage Change
	6/30/2011	6/30/2010	6/30/2011	6/30/2010	6/30/2011	6/30/2010	
Current and Other Assets	\$ 351,324,846	\$ 371,982,071	\$ 5,767,649	\$ 4,643,445	\$ 357,092,495	\$ 376,625,516	
Capital Assets	1,008,690,990	999,205,243	155,131	146,867	1,008,846,121	999,352,110	
Deferred Swap Outflow	13,496,069	14,789,319	-	-	13,496,069	14,789,319	
Total Assets and Deferrals	1,373,511,905	1,385,976,633	5,922,780	4,790,312	1,379,434,685	1,390,766,945	-0.81%
Long-Term Liabilities	468,781,357	486,961,719	477,286	372,192	469,258,643	487,333,911	
Other Liabilities	94,888,790	109,628,975	525,741	593,028	95,414,531	110,222,003	
Total Liabilities	563,670,147	596,590,694	1,003,027	965,220	564,673,174	597,555,914	-5.50%
Net Assets:							
Invested in Capital Assets -							
Net of Debt	610,511,400	609,215,910	155,131	146,867	610,666,531	609,362,777	
Restricted	156,915,364	162,526,693	-	-	156,915,364	162,526,693	
Unrestricted	42,414,994	17,643,336	4,609,491	3,678,225	47,024,485	21,321,561	
Total Net Assets	\$ 809,841,758	\$ 789,385,939	\$ 4,764,622	\$ 3,825,092	\$ 814,606,380	\$ 793,211,031	2.70%

The largest portion of the District's net assets (74.97 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.

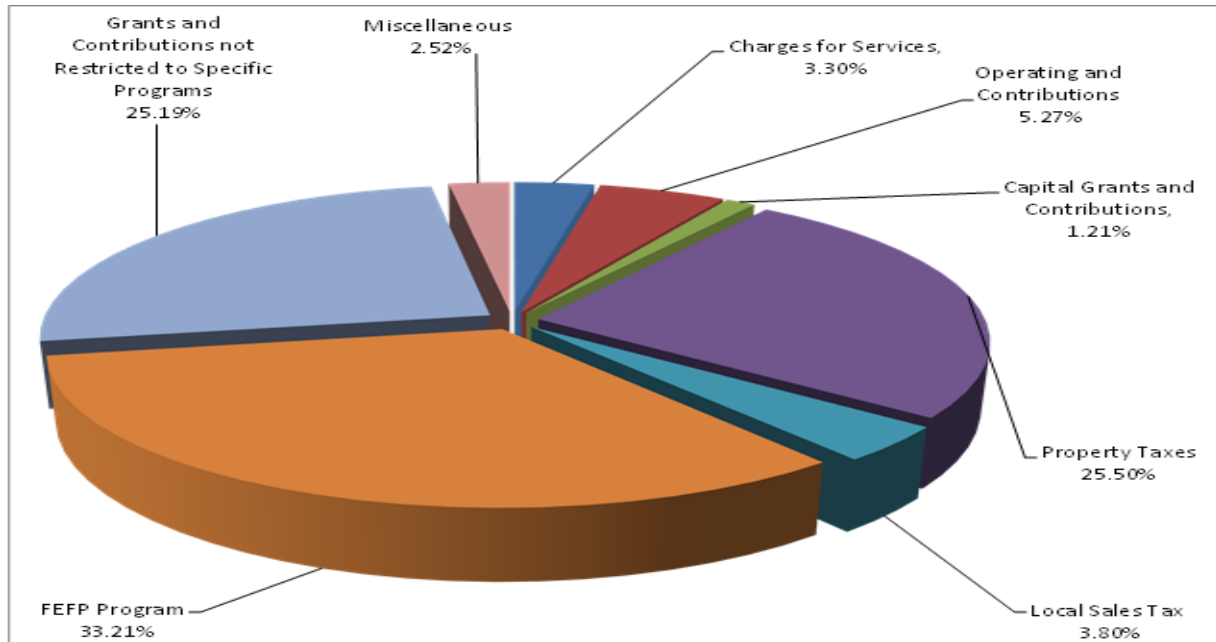
The restricted portion of the District's net assets (19.26 percent) represents resources, which are subject to external restrictions on how they may be used. The unrestricted net assets (5.77 percent) may be used to meet the government's ongoing obligations to students, employees and creditors. At the end of the current fiscal year, the District reported positive balances in all categories of net assets, both for the District as a whole, as well as for its separate governmental and business-type activities

The key elements of the changes in the District's net assets for the fiscal year ended June 30, 2011, and June 30, 2010, are as follows:

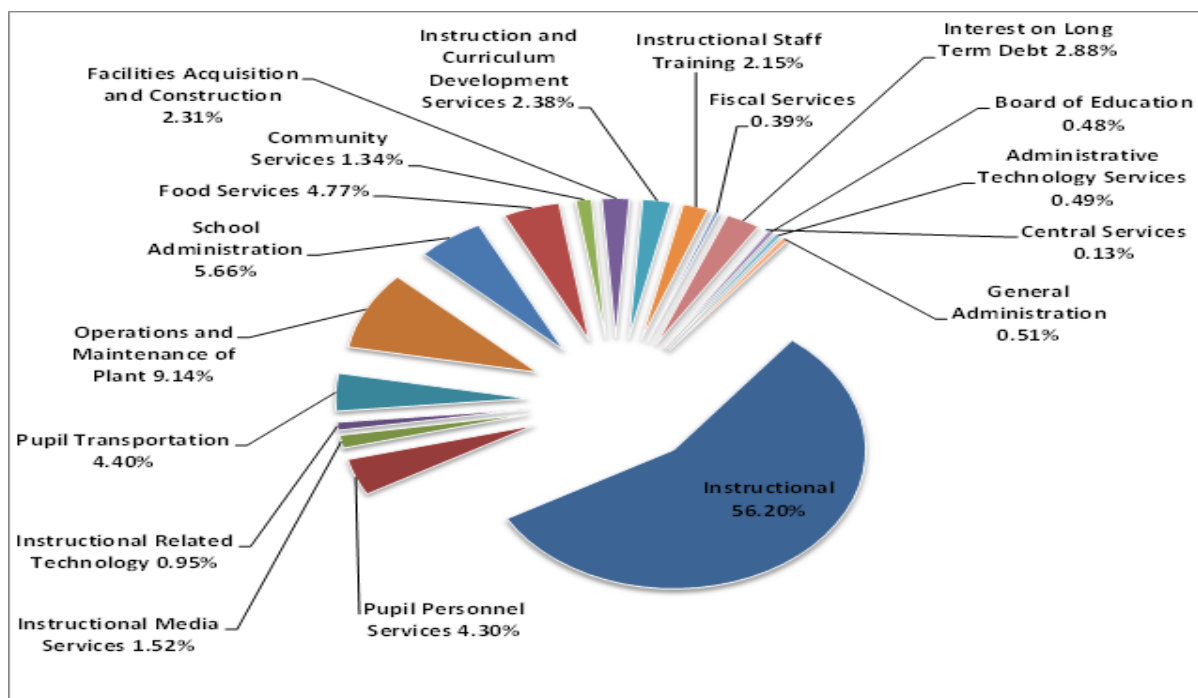
<u>Operating Results for the Year</u>							
	Governmental Activities		Business-type Activity		Total School District		%
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>Change</u>
Revenues:							
Program Revenues:							
Charges for Services	\$ 13,111,074	\$ 16,556,840	\$ 8,975,781	\$ 9,174,266	\$ 22,086,855	\$ 25,731,106	-14.16%
Operating Grants and Contributions	35,241,557	34,949,693	-	-	35,241,557	34,949,693	0.84%
Capital Grants and Contributions	8,129,586	10,997,212	-	-	8,129,586	10,997,212	-26.08%
General Revenues:							
Property Taxes	170,492,726	180,142,788	-	-	170,492,726	180,142,788	-5.36%
Local Sales Taxes	25,406,921	25,671,147	-	-	25,406,921	25,671,147	-1.03%
Florida Education Finance Program	222,031,695	213,428,570	-	-	222,031,695	213,428,570	4.03%
Grants and Contributions not Restricted to Specific Programs	168,403,014	146,406,950	-	-	168,403,014	146,406,950	15.02%
Other	16,849,652	22,713,265	3,741	2,263	16,853,393	22,715,528	-25.81%
Total Revenues	659,666,225	650,866,465	8,979,522	9,176,529	668,645,747	660,042,994	1.30%
Program Expenses:							
Instruction	363,757,272	343,287,586	-	-	363,757,272	343,287,586	5.96%
Pupil Personnel Services	27,818,587	28,127,494	-	-	27,818,587	28,127,494	-1.10%
Instructional Media Services	9,838,612	10,116,970	-	-	9,838,612	10,116,970	-2.75%
Inst. and Curriculum Development Services	15,384,400	15,766,876	-	-	15,384,400	15,766,876	-2.43%
Instructional Staff Training	13,936,346	14,462,129	-	-	13,936,346	14,462,129	-3.64%
Instructional Related Technology	6,147,471	6,335,019	-	-	6,147,471	6,335,019	-2.96%
Board of Education	3,121,338	3,230,392	-	-	3,121,338	3,230,392	-3.38%
General Administration	3,351,534	3,323,964	-	-	3,351,534	3,323,964	0.83%
School Administration	36,616,082	36,740,305	-	-	36,616,082	36,740,305	-0.34%
Facilities Acquisition and Construction	14,981,752	15,095,278	-	-	14,981,752	15,095,278	-0.75%
Fiscal Services	2,495,234	2,394,604	-	-	2,495,234	2,394,604	4.20%
Food Services	30,842,650	31,228,131	-	-	30,842,650	31,228,131	-1.23%
Central Services	848,370	7,856,068	-	-	848,370	7,856,068	-89.20%
Pupil Transportation Services	28,495,921	27,870,375	-	-	28,495,921	27,870,375	2.24%
Operation of Plant	46,454,690	46,244,124	-	-	46,454,690	46,244,124	0.46%
Maintenance of Plant	12,712,872	13,349,962	-	-	12,712,872	13,349,962	-4.77%
Administrative Technology Services	3,173,777	3,299,616	-	-	3,173,777	3,299,616	-3.81%
Community Services	582,837	711,668	8,039,992	8,303,091	8,622,829	9,014,759	-4.35%
Interest on Long-term Liabilities	18,650,661	19,193,742	-	-	18,650,661	19,193,742	-2.83%
Total Expenses	639,210,406	628,634,303	8,039,992	8,303,091	647,250,398	636,937,394	1.62%
Increase in Net Assets	20,455,819	22,232,162	939,530	873,438	21,395,349	23,105,600	-7.40%
Net Assets, Beginning	789,385,939	767,153,777	3,825,092	2,951,654	793,211,031	770,105,431	3.00%
Net Assets, Ending	\$ 809,841,758	\$ 789,385,939	\$ 4,764,622	\$ 3,825,092	\$814,606,380	\$ 793,211,031	2.70%

The government-wide net assets increased by \$21,395,349 during the current fiscal year. Key elements of the increase are as follows:

Revenues by Source – Statement of Activities



Expenses – Statements of Activities



Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$247,917,905, an increase of \$3,221,561 in comparison with the prior year. Approximately 89 percent of this total amount (\$219,871,600) constitutes unreserved fund balances, which are available for spending at the government's discretion within the purpose of each fund. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed: 1) to liquidate contracts and purchase orders outstanding at year-end (\$20,483,047); and 2) to fund specific state categorical programs (\$7,563,258).

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$22,964,288, while total fund balance reached \$60,888,385. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total expenditures. Unassigned fund balance represents 5.1 percent of total General Fund expenditures, while total fund balance represents 13.51 percent of that same amount.

Fund balance of the District's general fund increased by \$10,914,670 during the current fiscal year. Key factors in this increase are as follows:

- The American Recovery and Reinvestment Act (ARRA) grant money which was used for expenditures normally paid from the General Fund.
- Some teaching positions were vacant throughout the year due to the lack of availability of qualified applicants
- Enhanced fiscal management of resources.

The *Other Capital Projects Fund*, which is used to account for capital project activity funded sources such as Certificates of Participation, Sales Tax and Impact Fees, has a total fund balance of \$121,845,458, all of which is reserved for specific capital projects. The net decrease in fund balance during the current year in the other capital projects fund was \$9,410,619 and resulted primarily from major construction costs occurring in the current fiscal year. It should also be noted that \$12,605,027 of the total fund balance has been encumbered under specific engineering and construction contracts for projects in progress at year-end.

The Special Revenue Fund – Federal Economic Stimulus Program Fund does not report fund balances because revenues are reported to the extent of expenditures. Revenues and expenditures increased by \$17,139,417 from the previous fiscal year. This increase was primarily due to the new funds (Education Job Funds) becoming available from the Federal Government in an effort to stimulate the economy and to keep teachers employed.

General Fund Budgetary Highlights

The General Fund actual revenues were less than the final budgeted revenues by \$5,020,347. This difference was attributed to a decrease in the number of full time students, property tax collections and return on investments. The General Fund actual expenditures were less than the final budgeted appropriations by approximately \$16,944,053 million. This was due to teaching positions remaining unfilled during the year as well as enhanced fiscal management of resources.

Capital Asset and Debt Administration

Capital Assets.

The District's investment in capital assets as of June 30, 2011, amounts to \$1,008,846,121. This investment in capital assets includes land, construction in progress, improvements other than buildings, buildings and fixed equipment, furniture, fixtures and equipment, motor vehicles, audio-visual materials, and computer software. Major capital asset events during the current fiscal year included the following:

<u>Capital Assets (net of depreciation)</u>							
	Governmental Activities		Business-type Activity		Total School District		% Change
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	
Land	\$ 76,517,481	\$ 75,802,746	\$ -	\$ -	\$ 76,517,481	\$ 75,802,746	0.94%
Construction in Progress	127,006,497	283,577,238			127,006,497	283,577,238	-55.21%
Improvements Other Than Buildings	20,342,361	20,669,916	6,300	6,850	20,348,661	20,676,766	-1.59%
Buildings and Fixed Equipment	741,689,357	585,747,939	23,124	25,198	741,712,481	585,773,137	26.62%
Furniture, Fixtures and Equipment	26,724,555	28,893,766	120,404	105,746	26,844,959	28,999,512	-7.43%
Motor Vehicles	14,799,561	17,571,487			14,799,561	17,571,487	-15.78%
Audio Visual Materials	47,677	48,877			47,677	48,877	-2.46%
Computer Software	1,563,501	1,682,593	5,303	9,073	1,568,804	1,691,666	-7.26%
Total	<u>\$1,008,690,990</u>	<u>\$1,013,994,562</u>	<u>\$ 155,131</u>	<u>\$ 146,867</u>	<u>\$1,008,846,121</u>	<u>\$1,014,141,429</u>	<u>-0.52%</u>

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

Long-term Debt

As of June 30, 2011, the District has total long-term debt outstanding of \$435,850,802. This amount is comprised of \$73,976,029 of bonds payable and \$361,874,773 of certificates of participation. During the year, retirement of debt amounted to \$31,556,597 and the District issued \$11,000,000 in certificates of participation to provide funds for renovations to Richey Elementary School and construction of the Culinary Arts Academy at Land O' Lakes.

The following is a summary of the District's long-term debt as of June 30, 2011:

<u>Outstanding Long-Term Debt</u>			
	<u>Total School District</u>		<u>Percentage</u>
	<u>2011</u>	<u>2010</u>	<u>Change</u>
SBE Bonds	\$ 18,748,406	\$ 20,078,502	-6.62%
District Revenue Bonds	3,005,751	3,170,563	-5.20%
Sales Tax Revenue Bonds	52,221,872	75,064,711	-30.43%
Certificates of Participation	361,874,773	369,093,623	-1.96%
Total	<u>\$ 435,850,802</u>	<u>\$ 467,407,399</u>	-6.75%

The District received ratings of Aa-3 from Moody's and A+ on its Qualified School Construction Bonds Series 2009 from Standard & Poor's and Fitch. The underlying rating for the Sales Tax Revenue Bonds Series 2007 is A and A+ from Standard & Poor's and Fitch, respectively.

Additional information on the District's long-term debt can be found in the notes to the financial statements.

Other Matters of Significance

The Legislature provided the Board with a decrease in formula funding of \$595 (or a negative 8.59 percent in per student funding) for the 2011-12 fiscal year.

The revenue reductions, along with the necessity of covering unavoidable cost increases for items such as diesel fuel, health insurance, utilities and the elimination of American Recovery and Reinvestment Act funds resulted in a budget deficit of \$65,467,775 for the 2011-12 fiscal year. This deficit was covered with new year budget reductions totaling \$33,740,560 and a portion of the carryover fund balance which was made available through the use of \$11,405,218 from the Education Jobs Funds and a transfer of Capital funds of \$10,000,000 to be used for property insurance and reduction of retirement employer contributions of \$10,875,057.

During the current fiscal year, fund balance in the general fund increased to \$60,888,835. The District has appropriated \$21,933,190 of this amount for spending in the 2011 fiscal year budget. It is intended that the use of available fund balance will be replenished through vacant positions and unspent appropriations.

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

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BASIC FINANCIAL STATEMENTS



District School Board of Pasco County
Statement of Net Assets
June 30, 2011

Exhibit A

	Primary Government			
	Governmental	Business-type		Component
	Activities	Activity	Total	Units
ASSETS:				
Cash and Cash Equivalents	\$ 62,561,526	\$ 11,818	\$ 62,573,344	\$ 2,223,555
Cash with Fiscal Agent	179,081	-	179,081	-
Investments	247,920,470	5,507,051	253,427,521	1,439,332
Accounts Receivable	3,687,800	93,649	3,781,449	14,281
Accrued Interest Receivable	1	-	1	-
Due From Other Agencies	12,774,993	-	12,774,993	135,365
Other Current Assets	-	-	-	-
Prepaid Items	80,000	-	80,000	1,993,604
Inventories	5,521,503	-	5,521,503	-
Capital Credits Receivable	3,787,526	-	3,787,526	-
Deferred Charges	14,811,946	-	14,811,946	-
Capital Assets (net of accumulated depreciation):				
Land	76,517,481	-	76,517,481	300,483
Construction in Progress	127,006,497	-	127,006,497	-
Improvements Other Than Buildings	20,342,361	6,300	20,348,661	116,652
Leasehold Property and Improvements	-	-	-	300,933
Buildings and Fixed Equipment	741,689,357	23,124	741,712,481	1,757,138
Furniture, Fixtures, and Equipment	26,724,555	120,404	26,844,959	361,033
Motor Vehicles	14,799,561	-	14,799,561	133,548
Audio Visual Materials	47,677	-	47,677	212
Computer Software	1,563,501	5,303	1,568,804	-
Total Assets	1,360,015,836	5,767,649	1,365,783,485	8,776,136
Deferred Swap Outflow	13,496,069	-	13,496,069	-
TOTAL ASSETS AND DEFERRALS	\$ 1,373,511,905	\$ 5,767,649	\$ 1,379,279,554	\$ 8,776,136
LIABILITIES:				
Salaries and Benefits Payable	\$ 11,618,783	\$ 37,102	\$ 11,655,885	\$ 545,763
Payroll Deductions and Withholdings Payable	752,192	11,531	763,723	-
Accounts Payable	23,120,907	17,057	23,137,964	186,847
Construction Contracts Payable	2,187,506	-	2,187,506	-
Construction Contracts Payable-Retainage	730,511	-	730,511	-
Sales Tax Payable	10,141	-	10,141	-
Due to Other Agencies	-	-	-	229,844
Deposits Payable	27,839	-	27,839	-
Accrued Interest Payable	3,900,184	-	3,900,184	-
Deferred Revenue	1,112,564	58,344	1,170,908	6,610
Arbitrage Rebate Payable	33,519	-	33,519	-
Non-Current Liabilities Due Within One Year:				
Notes Payable	-	-	-	370,923
Obligations Under Capital Leases	-	-	-	-
Bonds Payable	13,881,195	-	13,881,195	-
Certificates of Participation Payable	9,326,925	-	9,326,925	-
Estimated Insurance Claims Payable	2,669,000	-	2,669,000	-
Compensated Absences Payable	25,517,524	401,707	25,919,231	51,719
Long-Term Debt and Liabilities:				
Notes Payable	-	-	-	1,467,784
Bonds Payable	60,094,834	-	60,094,834	-
Certificates of Participation Payable	352,547,848	-	352,547,848	-
Estimated Insurance Claims Payable	5,506,000	-	5,506,000	-
Compensated Absences Payable	8,714,337	-	8,714,337	-
Other Post-employment Benefits Obligation	28,422,269	477,286	28,899,555	-
Derivatives Swap Liability	13,496,069	-	13,496,069	-
Total Liabilities	563,670,147	1,003,027	564,673,174	2,859,490
NET ASSETS:				
Invested in Capital Assets, Net of Related Debt	610,511,400	155,131	610,666,531	1,079,573
Restricted for:				
State Required Carryover Programs	7,563,258	-	7,563,258	-
Debt Service	14,625,260	-	14,625,260	-
Capital Projects	124,753,651	-	124,753,651	-
Special Revenue	6,079,213	-	6,079,213	-
Other Purposes	3,893,982	-	3,893,982	1,830,649
Unrestricted	42,414,994	4,609,491	47,024,485	3,006,424
Total Net Assets	809,841,758	4,764,622	814,606,380	5,916,646
TOTAL LIABILITIES AND NET ASSETS	\$ 1,373,511,905	\$ 5,767,649	\$ 1,379,279,554	\$ 8,776,136

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, 2011

Exhibit B

Functions/Programs:	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government			
Governmental Activities:			
Instruction	\$ 363,757,272	\$ 254,868	\$ -
Pupil Personnel Services	27,818,587	-	-
Instructional Media Services	9,838,612	-	-
Instruction and Curriculum Development Services	15,384,400	-	-
Instructional Staff Training Services	13,936,346	-	-
Instruction Related Technology	6,147,471	-	-
School Board	3,121,338	-	-
General Administration	3,351,534	-	-
School Administration	36,616,082	-	-
Facilities Services	14,981,752	-	-
Fiscal Services	2,495,234	-	-
Food Services	30,842,650	11,824,461	21,241,557
Central Services	848,370	-	-
Pupil Transportation Services	28,495,921	1,031,745	14,000,000
Operation of Plant	46,454,690	-	-
Maintenance of Plant	12,712,872	-	-
Administrative Technology Services	3,173,777	-	-
Community Services	582,837	-	-
Unallocated Interest on Long-term Liabilities	18,650,661	-	-
Total Governmental Activities	<u>639,210,406</u>	<u>13,111,074</u>	<u>35,241,557</u>
Business-Type Activity:			
PLACE Program	<u>8,039,992</u>	<u>8,975,781</u>	<u>-</u>
Total Business-Type Activity	<u>8,039,992</u>	<u>8,975,781</u>	<u>-</u>
Total Primary Government	<u>\$ 647,250,398</u>	<u>\$ 22,086,855</u>	<u>\$ 35,241,557</u>
Educational Foundation	\$ 749,175	\$ -	\$ -
Charter Schools	<u>13,737,609</u>	<u>62,863</u>	<u>738,680</u>
Total component Units	<u>\$ 14,486,784</u>	<u>62,863</u>	<u>738,680</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, Beginning

Net Assets, Ending

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	
\$ -	\$ (363,502,404)	\$ -	\$ (363,502,404)	\$ -
-	(27,818,587)	-	(27,818,587)	-
-	(9,838,612)	-	(9,838,612)	-
-	(15,384,400)	-	(15,384,400)	-
-	(13,936,346)	-	(13,936,346)	-
-	(6,147,471)	-	(6,147,471)	-
-	(3,121,338)	-	(3,121,338)	-
-	(3,351,534)	-	(3,351,534)	-
-	(36,616,082)	-	(36,616,082)	-
8,106,514	(6,875,238)	-	(6,875,238)	-
-	(2,495,234)	-	(2,495,234)	-
-	2,223,368	-	2,223,368	-
-	(848,370)	-	(848,370)	-
-	(13,464,176)	-	(13,464,176)	-
-	(46,454,690)	-	(46,454,690)	-
-	(12,712,872)	-	(12,712,872)	-
-	(3,173,777)	-	(3,173,777)	-
-	(582,837)	-	(582,837)	-
23,072	(18,627,589)	-	(18,627,589)	-
8,129,586	(582,728,189)	-	(582,728,189)	-
-	-	935,789	935,789	-
-	-	935,789	935,789	-
\$ 8,129,586	(582,728,189)	935,789	(581,792,400)	-
\$ -	-	-	-	(749,175)
771,855	-	-	-	(12,164,211)
771,855	-	-	-	(12,913,386)
	137,589,229	-	137,589,229	-
	32,903,497	-	32,903,497	-
	25,406,921	-	25,406,921	-
	390,434,709	-	390,434,709	13,540,942
	2,385,946	3,741	2,389,687	201,656
	14,463,706	-	14,463,706	-
	603,184,008	3,741	603,187,749	13,742,598
	20,455,819	939,530	21,395,349	829,212
	789,385,939	3,825,092	793,211,031	5,087,434
	\$ 809,841,758	\$ 4,764,622	\$ 814,606,380	\$ 5,916,646

District School Board of Pasco County
Balance Sheet
Governmental Funds
June 30, 2011

Exhibit C

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General	Capital Projects	Special Revenue		
	Primary		American		
	Operating Fund	Other Fund	Recovery and Reinvestment Act		
ASSETS:					
Cash	\$ 50,877,522	\$ -	\$ -	\$ 19,940	\$ 50,897,462
Cash with Fiscal Agent	-	-	-	165,235	165,235
Investments	4,259,532	130,561,661	-	65,143,729	199,964,922
Accounts Receivable	2,279,962	12,554	-	203,235	2,495,751
Accrued Interest Receivable	-	-	-	1	1
Due from Other Funds	14,134,212	-	-	-	14,134,212
Due from Other Agencies	2,534,684	5,269,172	2,183,133	2,787,999	12,774,988
Prepaid Items	80,000	-	-	-	80,000
Inventories	3,813,982	-	-	1,695,810	5,509,792
TOTAL ASSETS	\$ 77,979,894	\$ 135,843,387	\$ 2,183,133	\$ 70,015,949	\$ 286,022,363
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Salaries and Benefits Payable	\$ 10,898,236	\$ -	\$ 328,587	\$ 273,408	\$ 11,500,231
Payroll Deductions and Withholdings Payable	661,818	-	4,441	79,024	745,283
Accounts Payable	5,490,131	737,479	147,110	1,247,937	7,622,657
Construction Contracts Payable	-	2,114,722	-	72,784	2,187,506
Construction Contracts Payable-Retainage	-	567,881	-	162,630	730,511
Arbitrage Rebate Payable	-	33,519	-	-	33,519
Due to Other Funds	-	10,544,328	1,702,995	1,886,889	14,134,212
Sales Tax Payable	10,141	-	-	-	10,141
Deposits Payable	27,839	-	-	-	27,839
Deferred Revenue	3,349	-	-	1,109,215	1,112,564
Total Liabilities	17,091,514	13,997,929	2,183,133	4,831,887	38,104,463
Fund Balances:					
Nonspendable:					
Inventories:					
General Fund	3,813,982	-	-	-	3,813,982
Special Revenues-Food Service	-	-	-	1,695,810	1,695,810
Prepaid Items:					
General Fund	80,000	-	-	-	80,000
Restricted:					
Categorical Programs	7,563,258	-	-	-	7,563,258
Special Revenues-Food Service	-	-	-	4,383,403	4,383,403
Debt Service	-	-	-	18,525,444	18,525,444
Capital Projects	-	108,427,227	-	26,905,692	135,332,919
Assigned:					
School Operations					
State and Local Programs	4,533,667	-	-	-	4,533,667
Next Year Budget Deficit	21,933,190	-	-	-	21,933,190
Capital Projects	-	13,418,231	-	13,673,713	27,091,944
Unassigned Fund Balance	22,964,288	-	-	-	22,964,288
Total Fund Balances	60,888,385	121,845,458	-	65,184,062	247,917,905
TOTAL LIABILITIES AND FUND BALANCES	\$ 77,979,899	\$ 135,843,387	\$ 2,183,133	\$ 70,015,949	\$ 286,022,368

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, 2011

Exhibit D

Total fund balances for total governmental funds (page 18).	\$	247,917,905
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Amounts reported for governmental activities in the statement of net assets (page 15)
are different because:

Deferred inflows of resources are reported as a result of changes in fair value of hedging derivative instruments in the statement of net assets.		13,496,069
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Capital assets, net of depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.		1,008,690,990
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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.		3,787,526
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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	\$	(73,976,029)	
Certificates of Participation Payable		(361,874,773)	
Compensated Absences Payable		(34,231,861)	
Other Post-employment Benefits Obligation		(28,422,269)	
		(498,504,932)	(498,504,932)

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.		(3,900,184)
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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.		14,811,946
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Deferred outflows of resources are reported as a result of changes in fair value of hedging derivative instruments in the statement of net assets.		(13,496,069)
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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. This amount does not include \$60,025 of capital assets and \$359,126 of compensated absences payable, which are included in other reconciling items.		37,038,507
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Total Net Assets - Governmental Activities	\$	809,841,758
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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
Governmental Funds
For the Fiscal Year Ended June 30, 2011

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General	Capital Projects	Special Revenue		
	Primary Operating Fund	Other Fund	American Recovery and Reinvestment Act		
Revenues:					
Federal Sources:					
Federal Direct	\$ 532,488	\$ -	\$ 1,276,660	\$ 5,954,665	\$ 7,763,813
Federal Through State	2,652,034	-	52,719,715	33,776,107	89,147,856
Food Services	-	-	-	20,815,526	20,815,526
Federal Through Local	599	-	-	38,655	39,254
State Sources:					
Florida Education Finance Program	222,031,695	-	-	-	222,031,695
Public Education Capital Outlay	-	-	-	3,524,056	3,524,056
Food Services	-	-	-	426,031	426,031
SBE/COBI Bond Interest	-	-	-	339	339
CO & DS Withheld for State Education Bonds	-	-	-	2,343,604	2,343,604
CO & DS Interest	-	-	-	30,232	30,232
CO & DS Distributed	-	-	-	305,972	305,972
Racing Commission Funds	-	-	-	223,250	223,250
State Grants and Other	82,907,970	-	-	-	82,907,970
Local Sources:					
Property Taxes	137,589,229	-	-	32,903,497	170,492,726
Local Sales Taxes	-	25,406,921	-	-	25,406,921
Impact Fees	-	4,246,254	-	-	4,246,254
Food Services	-	-	-	11,824,461	11,824,461
Investment Earnings	165,514	1,406,520	-	813,912	2,385,946
Local Grants and Other	14,886,964	-	-	98,038	14,985,002
Total Revenues	460,766,493	31,059,695	53,996,375	113,078,345	658,900,908
Expenditures:					
Current-Education:					
Instruction	273,060,882	-	26,958,786	25,537,646	325,557,314
Pupil Personnel Services	23,646,153	-	429,604	3,394,649	27,470,406
Instructional Media Services	4,056,578	-	5,351,522	60,250	9,468,350
Instruction and Curriculum Development Services	5,800,812	-	5,024,969	4,473,335	15,299,116
Instructional Staff Training Services	2,093,211	-	9,176,462	2,707,233	13,976,906
Instruction Related Technology	1,533,423	-	4,314,703	278,374	6,126,500
School Board	2,980,400	-	-	-	2,980,400
General Administration	636,634	-	1,516,611	1,164,428	3,317,673

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General	Capital Projects	Special Revenue		
	Primary Operating Fund	Other Fund	American Recovery and Reinvestment Act		
Expenditures (continued):					
School Administration	36,403,302	-	-	936	36,404,238
Facilities Services	2,284,115	1,919,352	-	2,221,364	6,424,831
Fiscal Services	2,283,516	-	-	121,223	2,404,739
Food Services	197,395	-	19,110	30,349,240	30,565,745
Central Services	6,388,288	-	27,340	259,764	6,675,392
Pupil Transportation Services	27,288,620	-	1,005	407,620	27,697,245
Operation of Plant	45,849,940	-	42,978	290,393	46,183,311
Maintenance of Plant	12,405,062	-	10,400	102,975	12,518,437
Administrative Technology Services	3,099,253	-	-	97,053	3,196,306
Community Services	564,615	-	-	83,732	648,347
Capital Outlay:					
Facilities Acquisition and Construction	-	24,619,462	48,807	12,964,420	37,632,689
Other Capital Outlay	96,728	-	1,074,078	759,709	1,930,515
Debt Service:					
Principal	-	-	-	21,812,001	21,812,001
Interest	-	-	-	17,440,390	17,440,390
Fiscal Charges	-	-	-	1,361,160	1,361,160
Total Expenditures	450,668,927	26,538,814	53,996,375	125,887,895	657,092,011
Excess (Deficiency) of Revenues Over Expenditures	10,097,566	4,520,881	-	(12,809,550)	1,808,897
Other Financing Sources (Uses):					
Bonds Issued	-	-	-	1,450,000	1,450,000
Premium on Bonds Issued	-	-	-	117,416	117,416
Proceeds from the Sale of Capital Assets	45,248	-	-	-	45,248
Transfers In	771,856	3,201,789	-	41,116,212	45,089,857
Transfers Out	-	(17,133,289)	-	(28,156,568)	(45,289,857)
Total Other Financing Sources (Uses)	817,104	(13,931,500)	-	14,527,060	1,412,664
Net Change in Fund Balances	10,914,670	(9,410,619)	-	1,717,510	3,221,561
Fund Balances, July 1, 2010	49,973,715	131,256,077	-	63,466,552	244,696,344
Fund Balances, June 30, 2011	\$ 60,888,385	\$ 121,845,458	\$ -	\$ 65,184,062	\$ 247,917,905

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, 2011**

Exhibit F

Net Change in Fund Balances - Governmental Funds (page 21). \$ 3,221,561

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	\$ 39,563,204	
Less current year depreciation	<u>(44,540,927)</u>	(4,977,723)

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.	172,920
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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.	(466,480)
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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	\$ (1,450,000)	
Principal payments	21,812,001	
Net decrease in deferred charges	(861,974)	
Net decrease in premiums	<u>677,047</u>	20,177,074

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.	320,678
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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 paid in excess of the amount earned in the current period.	2,311,167
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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. This is the net reduction in accrued interest payable.	218,400
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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.	(6,763,694)
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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>6,241,916</u>
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Change in Net Assets - Governmental Activities (pages 16 & 17).	<u>\$ 20,455,819</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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental:				
Federal Sources:				
Federal Direct	\$ 631,029	\$ 631,029	\$ 532,488	\$ (98,541)
Federal Through State	2,000,000	2,690,000	2,652,034	(37,966)
Federal Through Local	-	1,500	599	(901)
State Sources:				
Florida Education Finance Program	227,925,702	225,031,695	222,031,695	(3,000,000)
State Grants and Other	84,912,923	83,329,167	82,907,970	(421,197)
Local Sources:				
Property Taxes	138,282,770	138,482,770	137,589,229	(893,541)
Investment Earnings	1,000,000	1,000,000	165,514	(834,486)
Local Grants and Other	14,148,454	14,620,679	14,886,964	266,285
Total Revenues	468,900,878	465,786,840	460,766,493	(5,020,347)
Expenditures:				
Current-Education:				
Instruction				
Salaries	198,241,245	185,651,256	182,909,008	2,742,248
Employee Benefits	62,089,055	61,714,497	59,622,485	2,092,012
Purchased Services	22,104,782	20,762,161	18,794,260	1,967,901
Materials and Supplies	11,003,250	11,150,537	8,644,831	2,505,706
Capital Outlay	173,243	608,483	261,888	346,595
Other Expenses	2,713,241	3,170,013	2,828,410	341,603
Pupil Personnel Services				
Salaries	15,921,626	16,072,140	16,061,099	11,041
Employee Benefits	5,584,363	5,585,039	5,480,899	104,140
Purchased Services	1,737,334	2,165,778	1,876,168	289,610
Materials and Supplies	237,397	257,385	154,562	102,823
Capital Outlay	20,086	90,618	20,930	69,688
Other Expenses	3,539	54,059	52,495	1,564
Instructional Media Services				
Salaries	1,325,508	1,459,661	1,459,592	69
Employee Benefits	567,716	622,315	621,560	755
Purchased Services	195,338	278,146	270,393	7,753
Materials and Supplies	325,597	338,630	314,689	23,941
Capital Outlay	1,343,298	1,387,246	1,384,637	2,609
Other Expenses	6,724	16,461	5,707	10,754
Instruction and Curriculum Development Services				
Salaries	5,360,282	4,469,455	3,878,574	590,881
Employee Benefits	1,511,930	1,579,456	1,475,565	103,891
Purchased Services	545,758	668,053	372,932	295,121
Materials and Supplies	634,985	113,214	45,878	67,336
Capital Outlay	9,515	15,155	10,358	4,797
Other Expenses	20,076	37,193	17,505	19,688

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, 2011

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Expenditures (continued):				
Instructional Staff Training Services				
Salaries	2,213,276	1,976,412	1,254,783	721,629
Employee Benefits	513,461	698,530	510,397	188,133
Purchased Services	172,824	266,523	77,506	189,017
Materials and Supplies	285,799	442,666	200,021	242,645
Capital Outlay	32,070	73,249	31,254	41,995
Other Expenses	10,861	36,015	19,250	16,765
Instruction Related Technology				
Salaries	869,192	1,033,797	1,033,764	33
Employee Benefits	405,895	500,142	499,624	518
Materials and Supplies	100	35	35	-
School Board				
Salaries	242,856	245,956	245,902	54
Employee Benefits	1,997,309	2,553,309	2,552,654	655
Purchased Services	246,790	236,855	133,027	103,828
Materials and Supplies	510	510	300	210
Other Expenses	53,800	53,870	48,517	5,353
General Administration				
Salaries	468,467	468,140	364,173	103,967
Employee Benefits	106,069	106,396	99,899	6,497
Purchased Services	205,972	291,217	143,098	148,119
Materials and Supplies	16,042	16,052	7,095	8,957
Capital Outlay	3,550	4,140	1,295	2,845
Other Expenses	35,059	33,184	21,074	12,110
School Administration				
Salaries	24,862,952	25,109,273	25,103,544	5,729
Employee Benefits	8,578,765	8,927,401	8,926,191	1,210
Purchased Services	1,185,919	1,280,575	1,261,419	19,156
Materials and Supplies	485,368	570,446	496,175	74,271
Capital Outlay	83,040	193,020	120,436	72,584
Other Expenses	215,528	540,041	495,537	44,504
Facilities Services				
Salaries	954,541	954,541	940,744	13,797
Employee Benefits	295,109	295,109	292,191	2,918
Purchased Services	1,019,455	1,154,481	1,042,132	112,349
Materials and Supplies	12,525	12,575	7,317	5,258
Capital Outlay	130,300	555	541	14
Other Expenses	4,009	4,009	1,190	2,819

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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued):				
Fiscal Services				
Salaries	1,479,023	1,514,387	1,508,216	6,171
Employee Benefits	499,877	501,810	501,766	44
Purchased Services	49,905	158,481	157,689	792
Materials and Supplies	31,400	147,081	20,232	126,849
Capital Outlay	2,125	9,929	7,324	2,605
Other Expenses	99,516	90,081	88,289	1,792
Food Services				
Salaries	-	165,162	165,042	120
Employee Benefits	-	12,752	12,629	123
Purchased Services	-	54	54	-
Materials and Supplies	-	25,365	19,670	5,695
Central Services				
Salaries	3,975,400	3,971,712	3,895,518	76,194
Employee Benefits	1,387,015	1,391,072	1,390,671	401
Purchased Services	1,174,078	823,107	571,134	251,973
Materials and Supplies	76,533	87,175	86,078	1,097
Capital Outlay	18,221	21,603	9,456	12,147
Other Expenses	380,610	439,118	435,431	3,687
Pupil Transportation Services				
Salaries	14,339,673	14,687,673	14,687,300	373
Employee Benefits	7,331,193	7,098,193	6,812,796	285,397
Purchased Services	902,988	937,765	798,269	139,496
Energy Services	6,765,000	4,421,750	3,867,561	554,189
Materials and Supplies	816,575	1,041,527	1,000,052	41,475
Capital Outlay	3,275	2,418	534	1,884
Other Expenses	3,009	124,854	122,108	2,746
Operation of Plant				
Salaries	14,797,702	15,133,509	15,128,756	4,753
Employee Benefits	6,794,150	6,614,286	6,389,433	224,853
Purchased Services	12,731,479	12,181,374	11,779,194	402,180
Energy Services	11,992,466	11,711,905	11,495,312	216,593
Materials and Supplies	740,104	973,476	917,251	56,225
Capital Outlay	21,761	39,717	21,994	17,723
Other Expenses	2,600	118,364	118,000	364
Maintenance of Plant				
Salaries	6,554,286	6,554,286	6,513,528	40,758
Employee Benefits	2,274,980	2,274,980	2,202,921	72,059
Purchased Services	3,498,355	3,029,131	2,895,276	133,855
Materials and Supplies	359,420	773,313	773,214	99
Capital Outlay	11,795	14,070	7,250	6,820
Other Expenses	7,883	18,323	12,873	5,450

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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued):				
Administrative Technology Services				
Salaries	2,284,592	2,284,592	2,092,583	192,009
Employee Benefits	692,935	692,935	683,125	9,810
Purchased Services	445,300	406,418	301,305	105,113
Materials and Supplies	40,400	38,400	19,543	18,857
Capital Outlay	2,700	4,600	2,036	2,564
Other Expenses	6,009	6,009	661	5,348
Community Services				
Salaries	8,264	149,770	148,744	1,026
Employee Benefits	47,162	158,426	151,658	6,768
Purchased Services	256,236	227,201	185,908	41,293
Materials and Supplies	14,038	15,577	12,867	2,710
Capital Outlay	9,700	6,411	1,083	5,328
Other Expenses	62,553	70,135	64,355	5,780
Capital Outlay:				
Other Capital Outlay	-	96,728	96,728	-
Total Expenditures	480,375,587	467,612,980	450,668,927	16,944,053
Excess (Deficiency) of Revenues Over Expenditures	(11,474,709)	(1,826,140)	10,097,566	11,923,706
Other Financing Sources (Uses):				
Proceeds from the Sale of Capital Assets	185,000	185,000	45,248	(139,752)
Transfers In	4,657,608	4,875,671	771,856	(4,103,815)
Total Other Financing Sources (Uses)	4,842,608	5,060,671	817,104	(4,243,567)
Net Change in Fund Balance	(6,632,101)	3,234,531	10,914,670	7,680,139
Fund Balance, July 1, 2010	49,973,715	49,973,715	49,973,715	-
Fund Balance, June 30, 2011	\$ 43,341,614	\$ 53,208,246	\$ 60,888,385	\$ 7,680,139

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
Special Revenue - American Recovery and Reinvestment Act Fund
For Fiscal Year Ended June 30, 2011

Exhibit H

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Federal Sources:				
Federal Direct	\$ 1,721,367	\$ 1,721,367	\$ 1,276,660	\$ (444,707)
Federal Through State	34,151,924	53,110,354	52,719,715	(390,639)
Total Revenues	35,873,291	54,831,721	53,996,375	(835,346)
Expenditures:				
Current-Education:				
Instruction				
Salaries	8,041,809	18,734,479	18,410,900	323,579
Employee Benefits	2,273,033	6,296,093	6,195,828	100,265
Purchased Services	1,019,007	1,050,001	1,007,315	42,686
Materials and Supplies	114,041	453,622	421,137	32,485
Capital Outlay	92,957	914,280	884,782	29,498
Other Expenses	7,698	51,467	38,824	12,643
Pupil Personnel Services				
Salaries	148,030	282,733	306,530	(23,797)
Employee Benefits	70,744	93,756	98,822	(5,066)
Purchased Services	1,005	31,315	6,162	25,153
Materials and Supplies	-	3,321	2,239	1,082
Capital Outlay	-	16,001	15,851	150
Other Expenses	10	-	-	-
Instructional Media Services				
Salaries	4,279,153	4,103,451	4,103,451	-
Employee Benefits	1,380,167	1,248,070	1,248,071	(1)
Instructional and Curriculum Development Services				
Salaries	1,970,353	3,829,087	3,832,948	(3,861)
Employee Benefits	587,367	1,187,142	1,190,021	(2,879)
Purchased Services	-	2,420	1,923	497
Materials and Supplies	-	2,611	77	2,534
Other Expenses	-	1,600	-	1,600
Instructional Staff Training Services				
Salaries	7,321,896	6,890,161	6,834,426	55,735
Employee Benefits	2,165,249	2,044,133	2,034,444	9,689
Purchased Services	6,803	29,159	17,650	11,509
Materials and Supplies	2,200	37,789	35,046	2,743
Capital Outlay	85,732	216,771	223,674	(6,903)
Other Expenses	-	40,656	31,222	9,434
Instruction Related Technology				
Salaries	3,604,648	3,350,260	3,304,571	45,689
Employee Benefits	1,112,480	1,021,480	1,008,232	13,248
Purchased Services	-	1,900	1,900	-
General Administration				
Other Expenses	1,453,004	1,579,366	1,516,611	62,755
Facilities Services				
Capital Outlay	-	37	-	37

District School Board of Pasco County
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Special Revenue - American Recovery and Reinvestment Act Fund
For Fiscal Year Ended June 30, 2011

Exhibit H

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued):				
Fiscal Services				
Salaries	95,200	12,000	-	12,000
Employee Benefits	26,005	1,508	-	1,508
Purchased Services	-	7,000	-	7,000
Food Services				
Purchased Services	-	19,110	19,110	-
Materials and Supplies	-	300	-	300
Central Services				
Salaries	4,000	3,484	1,484	2,000
Employee Benefits	700	599	230	369
Purchased Services	-	25,626	25,626	-
Pupil Transportation Services				
Purchased Services	10,000	11,946	1,005	10,941
Operation of Plant				
Purchased Services	-	10,349	9,412	937
Energy Services	-	35,718	32,114	3,604
Materials and Supplies	-	3,151	1,340	1,811
Capital Outlay	-	112	112	-
Maintenance of Plant				
Purchased Services	-	16,451	10,400	6,051
Energy Services	-	584	-	584
Capital Outlay	-	47,737	-	47,737
Capital Outlay:				
Facilities Acquisition and Construction	-	48,807	48,807	-
Other Capital Outlay	-	1,074,078	1,074,078	-
Total Expenditures	35,873,291	54,831,721	53,996,375	835,346
Net Change in Fund Balance	-	-	-	-
Fund Balances, Beginning	-	-	-	-
Fund Balances, Ending	\$ -	\$ -	\$ -	\$ -

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, 2011

Exhibit I

	<u>Business-type Activity Nonmajor Enterprise Fund</u>	<u>Governmental Activities Internal Service Funds</u>
ASSETS:		
Current Assets:		
Cash	\$ 11,818	\$ 11,664,064
Cash with Fiscal Agent	-	13,846
Investments	5,507,051	47,955,548
Accounts Receivable	93,649	1,192,049
Inventories	-	11,711
Total Current Assets	<u>5,612,518</u>	<u>60,837,218</u>
Noncurrent Assets:		
Improvements Other Than Buildings, Net	6,300	-
Buildings and Fixed Equipment, Net	23,124	-
Furniture, Fixtures, and Equipment, Net	120,404	60,025
Computer Software, Net	5,303	-
Total Noncurrent Assets	<u>155,131</u>	<u>60,025</u>
TOTAL ASSETS	<u><u>\$ 5,767,649</u></u>	<u><u>\$ 60,897,243</u></u>
LIABILITIES:		
Current Liabilities:		
Salaries and Benefits Payable	\$ 37,102	\$ 118,552
Payroll Deductions and Withholdings Payable	11,531	6,909
Accounts Payable	17,057	15,498,250
Unearned Revenues	58,344	-
Current portion of long-term liabilities:		
Compensated Absences Payable	401,707	257,839
Estimated Insurance Claims Payable	-	2,669,000
Total Current Liabilities	<u>525,741</u>	<u>18,550,550</u>
Noncurrent Liabilities:		
Compensated Absences Payable	-	101,287
Estimated Insurance Claims Payable	-	5,506,000
Other Postemployment Benefits Obligation	477,286	-
Total Noncurrent Liabilities	<u>477,286</u>	<u>5,607,287</u>
Total Liabilities	<u>1,003,027</u>	<u>24,157,837</u>
NET ASSETS:		
Invested in Capital Assets	155,131	60,025
Unrestricted	4,609,491	36,679,381
Total Net Assets	<u>4,764,622</u>	<u>36,739,406</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 5,767,649</u></u>	<u><u>\$ 60,897,243</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, 2011

Exhibit J

	Business-type Activity	Governmental Activities
	Nonmajor Enterprise Fund	Internal Service Funds
Operating Revenues:		
Charges for Services Provided	\$ 8,975,146	\$ 14,312,000
Insurance Premiums:		
Board Contributions	-	61,307,368
Employees	-	6,348,410
Retirees	-	5,178,387
Other Operating Revenues	635	1,424,324
Total Operating Revenues	<u>8,975,781</u>	<u>88,570,489</u>
Operating Expenses:		
Salaries	4,552,550	1,183,955
Employee Benefits	1,995,977	446,895
Purchased Services	310,731	10,136,608
Insurance Premiums	-	8,222,563
Energy Services	413,247	11,404,803
Materials and Supplies	351,840	280,623
Capital Outlay	25,187	2,324
Insurance Claims	-	50,931,511
Other	348,693	158,721
Depreciation	41,767	32,289
Total Operating Expenses	<u>8,039,992</u>	<u>82,800,292</u>
Operating Income	<u>935,789</u>	<u>5,770,197</u>
Nonoperating Revenues:		
Investment Earnings	3,741	32,540
Gifts, Grants, and Bequests	-	208,010
Insurance Loss Recoveries	-	31,169
Total Nonoperating Revenues	<u>3,741</u>	<u>271,719</u>
Income Before Transfers	939,530	6,041,916
Transfers In	<u>-</u>	<u>200,000</u>
Change in Net Assets	939,530	6,241,916
Total Net Assets, July 1, 2010	<u>3,825,092</u>	<u>30,497,490</u>
Total Net Assets, June 30, 2011	<u><u>\$ 4,764,622</u></u>	<u><u>\$ 36,739,406</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, 2011

Exhibit K

	Business-type Activity	Governmental Activities
	Nonmajor Enterprise Fund	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Services	\$ 8,980,029	\$ 14,315,622
Cash Received from Premiums	-	72,912,748
Cash Received from Other Operating Revenues	635	1,424,324
Cash Payments to Suppliers for Goods and Services	(1,476,060)	(27,205,805)
Cash Payments to Employees for Services	(6,473,640)	(1,623,017)
Cash Payments for Insurance Claims	-	(50,309,511)
Net Cash Provided by Operating Activities	<u>1,030,964</u>	<u>9,514,361</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Insurance Loss Recoveries	-	31,169
Gifts, Grants and Bequests	-	208,010
Transfers In	-	200,000
Net Cash Provided by Noncapital Financing Activities	<u>-</u>	<u>439,179</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and Construction of Capital Assets	(50,031)	-
Net Cash Used by Capital and Related Financing Activities	<u>(50,031)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment Earnings	3,741	32,540
Purchase of Investments	(1,026,796)	1,677,984
Net Cash Provided(Used) by Investing Activities	<u>(1,023,055)</u>	<u>1,710,524</u>
Net Increase (Decrease) in Cash	(42,122)	11,664,064
Cash, Beginning	53,940	13,846
Cash, Ending	<u>\$ 11,818</u>	<u>\$ 11,677,910</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:		
Operating Income	\$ 935,789	\$ 5,770,197
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	41,767	32,289
Change in Assets and Liabilities:		
Decrease in Accounts Receivable	15,601	82,205
Decrease in Inventory	-	14,014
Increase (Decrease) in Accounts Payable	(26,362)	2,985,823
Increase Salaries and Benefits Payable	28,566	86,183
(Decrease) in Unearned Revenues	(10,718)	-
(Decrease) in Compensated Absences Payable	(58,773)	(78,350)
Increase in Other Postemployment Benefits Obligation	105,094	-
Increase in Estimated Insurance Claims Payable	-	622,000
Total Adjustments	<u>95,175</u>	<u>3,744,164</u>
Net Cash Provided by Operating Activities	<u>\$ 1,030,964</u>	<u>\$ 9,514,361</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, 2011

Exhibit L

	Pension Trust	Private-Purpose Trust	Agency
ASSETS:			
Cash and Cash Equivalents	\$ 939,537	\$ -	\$ 6,662,819
Certificate of Deposits	2,994,502	-	-
Collateralized Mortgage Obligations	4,888,932	-	-
Corporate Bonds	802,224	-	-
Mutual Fund - Government Securities	4,198,223	58,470	65,074
Accounts Receivable	-	2,500	7,064
Interest Receivable	56,236	-	-
Inventories	-	-	29,683
TOTAL ASSETS	\$ 13,879,654	\$ 60,970	\$ 6,764,640
LIABILITIES:			
Accounts Payable	\$ 1,600	\$ 390	\$ 336,429
Payroll Payable	265,367	-	-
Internal Accounts Payable	-	-	6,363,137
ABC Program Payable	-	-	65,074
Total Liabilities	266,967	390	\$ 6,764,640
NET ASSETS:			
Assets Held in Trust for Pension Benefits	13,612,687	-	
Assets Held in Trust for Medical Benefits	-	27,513	
Assets Held in Trust for Educational Support	-	33,067	
Total Net Assets	13,612,687	60,580	
TOTAL LIABILITIES AND NET ASSETS	\$ 13,879,654	\$ 60,970	

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, 2011

	<u>Pension Trust</u>	<u>Private-Purpose Trust</u>
ADDITIONS:		
Contributions:		
Employer	\$ 1,380,553	\$ -
Private Donor	-	25,036
Total Contributions	<u>1,380,553</u>	<u>25,036</u>
Investment Earnings:		
Net Increase in Fair Value of Investments	265,564	(181)
Interest, Dividends and Other	<u>415,565</u>	<u>301</u>
Net Investment Income	<u>681,129</u>	<u>120</u>
Total Additions	<u>2,061,682</u>	<u>25,156</u>
DEDUCTIONS:		
Benefits Paid to Participants	953,391	2,403
Administrative Expense	<u>20,575</u>	<u>-</u>
Total Deductions	<u>973,966</u>	<u>2,403</u>
Change in Net Assets	1,087,716	22,753
Net Assets, July 1, 2010	<u>12,524,971</u>	<u>37,827</u>
Net Assets, June 30, 2011	<u><u>\$ 13,612,687</u></u>	<u><u>\$ 60,580</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, 2011

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 that 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. (Leasing Corporation), 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, LLC; and the Pasco Education Foundation, Inc. (the "Foundation").

Charter Schools are presented as component units because the students are Pasco County residents and are included with District schools to determine state funding amounts. These amounts are then distributed to the District and are passed through to the Charter Schools. The charter schools are fiscally dependent on the District to levy taxes for their support. In addition, the District

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

has oversight responsibility for the Charter Schools even though they are legally separate entities.

- 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, LLC. 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.
 - ◇ 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, LLC, 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. Because of the nature and significance of its relationship with the District, the Foundation is considered a component unit.

Annual audits of the discretely presented component units' financial statements are conducted by independent 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 non-

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

fiduciary 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. Depreciation expenses are allocated to functions/programs of the primary government. 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, with certain exceptions. 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.

The effects of interfund balances and activities have been eliminated from the government-wide financial statements, except for transfers between governmental activities and business-type activities. The only interfund transactions, other than transfers between the governmental and business activities, were the transactions involving the internal service funds. These transactions were eliminated by allocating the change in net assets of internal service funds in direct proportion as they were charged as expenses to the various functions/programs.

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. Non-major 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, reconciliations are 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 Fund – to account for other miscellaneous funds from various sources which are restricted for capital outlay purposes.
- Special Revenue – American Recovery and Reinvestment Act (ARRA) Funds – to account for proceeds received through the various State Fiscal Stabilization

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Funds, Targeted ARRA Stimulus (Title 1 and IDEA) Funds, and Other ARRA Stimulus Funds.

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

- Enterprise Fund – Pasco Learning and Activity Centers of Enrichment (PLACE) Fund – to account for the financial resources of the District's PLACE program, 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.

➤ **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.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
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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, other postemployment benefits 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 non-operating 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 non-operating revenues and expenses.

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

The GASB issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54) effective for reporting periods after June 15, 2010. The statement establishes fund balance classifications, provides for a hierarchy of spending constraints for spendable resources and requires disclosure of non-spendable and spendable resources. Additional information about fund balance reporting is disclosed in Note 11.

➤ **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.

Investments consist of amounts placed in the State Board of Administration Debt Service accounts for investment of debt service moneys; amounts placed with the State Board of Administration for participation in Florida PRIME, formerly known as the Local Government Surplus Funds Trust Fund and Fund B Surplus Trust Fund (Fund B) investment pools created by Sections 218.405 and 218.47, Florida Statutes; and those made locally. The investment pools operate under investment guidelines established by Section 215.47, Florida Statutes. The District's investments in Florida PRIME, which SBS indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, as of June 30, 2011, are similar to money market funds in which shares are owned in the fund rather than the underlying investments. These investments 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 0.78965331 at June 30, 2011. Fund B is not subject to participant withdrawal requests. Distributions from Fund B, as determined by SBA, are effected by transferring eligible cash or securities to Florida PRIME, consistent with the pro rata allocation of pool shareholders of record at the creation date of Fund B. One hundred percent of such distributions from Fund B are available as liquid balance within Florida PRIME.

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.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

➤ **Receivables and Payables**

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statement as internal balances.

➤ **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 cost. 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. 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 donated foods 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.

➤ **Prepaid Items**

Prepaid items are reported in the governmental funds under the consumption method.

➤ **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 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.

The cost of normal maintenance and repairs that do not add to the values of the assets or materially extend assets lives are not capitalized. Interest costs incurred during construction of capital assets are not considered material and are not capitalized as part of the costs of construction.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
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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.

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 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.

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
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➤ **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 five 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 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 educational programs. The Department generally requires that these 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 and earmarked 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 is authorized to expend these funds only upon applying for and receiving an encumbrance authorization from the Department.

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. The Pasco County Property Appraiser determines the real and personal property values within the District. The Pasco County Tax Collector then collects the taxes and remits them to the District.

The School Board adopted the 2010 tax levy on September 14, 2010. 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.

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
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Taxes become a lien on the property on January 1, and are 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. Property taxes are the only major revenue susceptible to accrual.

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, including American Recovery and Reinvestment Act (ARRA) funds. 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
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

3. INVESTMENTS

As of June 30, 2011, the District has the following investments and maturities:

<u>Investments*</u>	<u>Maturities</u>	<u>Fair Value</u>
State Board of Administration Local Government Florida PRIME	31 Day Average	\$ 249,488
State Board of Administration Local Government Fund B Surplus Funds Trust Fund (Fund B)	7.16 Years Average	5,951,069
State Board of Administration Debt Service Account	6 Months	502,968
Morgan Stanley Institutional Liquidity Fund - Government and Agency	26 Day Average	132,337,293
AIM Fund Government & Agency Corporate	60 Day Average	902,414
Wachovia Public Funds - State and Municipal Money Market Mutual Fund	Interest Bearing Account	498,571
Wells Fargo Advantage Funds	27 Day Average	5,273,217
Wertz York Short-term Government Bond Mutual Fund	237 Day Average	102,205,450
Total Investments, Governmental Activities		<u>247,920,470</u>
Business-Type Activities:		
Morgan Stanley Institutional Liquidity Fund - Government and Agency	26 Day Average	<u>5,507,051</u>
Total Investments, Governmental and Business Type Activities		<u>\$ 253,427,521</u>

*Pension Trust Fund investments are separately disclosed in Note 16.

Section 218.415, Florida Statutes, limits the types of investments that a District can invest in unless specifically authorized in District policy. All investments, during the fiscal year and at year-end, were authorized in District policy.

The District also held invested funds on deposit in the operating account in the amount of \$62,541,586 in a Public Funds Interest Checking account pursuant to a master banking services agreement with a financial institution. These investments ranged daily up to \$62,541,586, with an average monthly investment of \$30,513,745.

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Interest Rate Risk

- 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.

Custodial Credit Risk

- The District's policies require that all securities be held in the District's name in custodial accounts by a third party custodian. All securities were held in custodial accounts in the District's name by a third party custodial bank.

Credit Risk

- The District's investment policy authorizes the District to participate in the State Board of Administration Florida PRIME. 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, 2011, the District's investment in Florida PRIME was rated AAAM by Standard & 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 AAA/S1 by Standard & Poor's. Investment in the Morgan Stanley Institutional Liquidity Fund – Government and Agency was rated AAAM by Standard & Poor's and Aaa by Moody's. Investment in the AIM Fund – Government Agency and Corporate was rated AAAM by Standard & Poor's and Aaa by Moody's. Investments in the Collateralized Mortgage Obligations were rated AAA by Bloomberg.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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.

4. RECEIVABLES AND DEFERRALS

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.

Governmental 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, 2011, the various components of deferred revenue reported in the governmental funds were as follows:

General Operating-Deferred Revenue	\$ 3,349
Food and Nutrition Services Program - Prepaid Meals & Donated Foods at the Processor	1,106,822
Other Federal Programs - Deferred Revenue	2,393
Total Deferred Revenue for Governmental Funds	<u>\$ 1,112,564</u>

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

5. CHANGES IN CAPITAL ASSETS

Changes in capital assets, as of June 30, 2011, are presented in the table below:

	Balance 6/30/2010	Additions	Deletions	Balance 6/30/2011
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	\$ 75,802,746	\$ 714,735	\$ -	\$ 76,517,481
Construction in Progress	283,577,238	33,074,350	189,645,091	127,006,497
Total Capital Assets Not Being Depreciated	359,379,984	33,789,085	189,645,091	203,523,978
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	44,622,016	1,153,887	-	45,775,903
Buildings and Fixed Equipment	886,123,116	188,491,204	-	1,074,614,320
Furniture, Fixtures, and Equipment (1)	78,603,751	5,583,222	4,090,553	80,096,420
Motor Vehicles	40,000,235	22,925	-	40,023,160
Audio Visual Materials	287,826	10,439	-	298,265
Computer Software	7,822,144	330,453	48,208	8,104,389
Total Capital Assets Being Depreciated	1,057,459,088	195,592,130	4,138,761	1,248,912,457
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	23,952,100	1,883,496	402,054	25,433,542
Buildings and Fixed Equipment	300,375,177	32,553,562	3,776	332,924,963
Furniture, Fixtures, and Equipment (1)	49,709,985	7,504,236	3,842,356	53,371,865
Motor Vehicles	22,428,748	2,802,262	7,411	25,223,599
Audio Visual Materials	238,949	11,639	-	250,588
Computer Software	6,139,551	428,413	27,076	6,540,888
Total Accumulated Depreciation	402,844,510	45,183,608	4,282,673	443,745,445
Total Capital Assets Being Depreciated, Net	654,614,578	150,408,522	(143,912)	805,167,012
Governmental Activities Capital Assets, Net	\$ 1,013,994,562	\$ 184,197,607	\$ 189,501,179	\$ 1,008,690,990
Note (1) Includes Internal Service Fund assets of \$203,968 and \$143,943 of accumulated depreciation.				
BUSINESS-TYPE ACTIVITY				
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	\$ 9,159	\$ -	\$ -	\$ 9,159
Buildings and Fixed Equipment	34,575	-	-	34,575
Furniture, Fixtures, and Equipment	355,768	51,716	16,851	390,633
Computer Software	39,899	-	-	39,899
Total Capital Assets Being Depreciated	439,401	51,716	16,851	474,266
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	2,309	550	-	2,859
Buildings and Fixed Equipment	9,377	2,074	-	11,451
Furniture, Fixtures, and Equipment	250,022	35,373	15,166	270,229
Computer Software	30,826	3,770	-	34,596
Total Accumulated Depreciation	292,534	41,767	15,166	319,135
Business Type Activity Capital Assets, Net	\$ 146,867	\$ 9,949	\$ 1,685	\$ 155,131

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Depreciation expense was charged to functions as follows:

<u>Function</u>	<u>Amount</u>
GOVERNMENTAL ACTIVITIES	
Instruction	\$ 35,406,684
Pupil Personnel Services	34,345
Instructional Media Services	252,616
Instruction and Curriculum Dev Services	57,260
Instructional Staff Training Services	37,970
Instructional Related Technology	4,984
School Administration	31,351
Facilities Services	8,581,961
Food Services	14,546
Central Services	20,607
Pupil Transportation Services	577,473
Operation of Plant	11,517
Maintenance of Plant	148,680
Community Services	<u>3,614</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 45,183,608</u></u>
BUSINESS - TYPE ACTIVITIES	
PLACE Program	<u><u>\$ 41,767</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, September 23, 2008, and December 16, 2009, 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, \$1,170,010, and \$11,000,000, 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, 2011, are as follows:

	Amount Issued	Amount Outstanding	Remaining Interest Rates (Percent)	Annual Maturity To
Certificates of Participation				
Series 2004	\$ 63,970,000	\$ 53,570,000	2.375 - 5.000	2029
Series 2004 - QZAB	4,546,000	4,546,000	1.100	2018
Series 2005A	35,915,000	32,770,000	3.125 - 5.000	2030
Series 2005B (1)	30,500,000	30,500,000	Weekly ARS	2030
Series 2005 - QZAB	785,612	785,612	0.00	2020
Series 2007A	76,045,000	68,080,000	3.900 - 5.000	2027
Series 2008A (2)	88,515,000	83,580,000	Weekly	2026
Series 2008C (3)	74,115,000	73,630,000	Weekly	2033
Series 2008 - QZAB	1,170,010	936,008	0.00	2018
Series 2009 - QSCB	11,000,000	11,000,000	2.44	2025
Total Certificates of Participation	<u>\$ 386,561,622</u>	<u>\$ 359,397,620</u>		

Note: (1) 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, 2010, was .121 percent.

(2) 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, which 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. On May 23, 2011, the School Board remarketed the Series 2008A Certificates to PNC Bank in a Direct Placement Floating Rate Note (FRN) interest mode. In the FRN mode, the Certificates of Participation, Series 2008A pay interest based on 70% of one month LIBOR plus a fixed interest rate spread. The interest rate for June 30, 2010 was 0.128%.

(3) 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, 2010 was .11%.

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 SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

District has the following ground leases at June 30, 2011:

	Ground Lease	
	Commencement Date	Run Through
Certificates of Participation		
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	August 1, 2026
Series 2008C	July 1, 2007	August 1, 2032
Series 2008 - QZAB	September 23, 2008	September 23, 2018
Series 2009 - QSCB	December 16, 2009	December 15, 2025

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
Mittye 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 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 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
Mittye 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-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 2005-A and B

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

Certificates of Participation, Series 2008-QZAB

Renovations for Pasco High School

Certificates of Participation, Series 2009 QSCB

Culinary Arts Academy at Land O Lakes High School
Renovations for Richey Elementary 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 1st and February 1st 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 monthly 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 15th and March 15th 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. Interest payments for the Series 2009-QSCB are payable by the District, semiannually, on September 15th, December 15th, March 15th and June 15th. 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
2012	\$ 23,616,995	\$ 9,187,001	\$ 14,429,994
2013	23,631,633	9,562,001	14,069,632
2014	23,646,339	9,927,001	13,719,338
2015	23,690,268	10,337,001	13,353,267
2016	23,743,479	10,787,001	12,956,478
2017-2021	125,606,493	68,107,615	57,498,878
2022-2026	133,077,053	91,015,000	42,062,053
2027-2031	122,545,698	102,080,000	20,465,698
2032-2035	<u>49,678,100</u>	<u>48,395,000</u>	<u>1,283,100</u>
Subtotal	549,236,058	359,397,620	189,838,438
Add: Unamortized Premium on Debt	<u>2,477,153</u>	<u>2,477,153</u>	<u>-</u>
Total Minimum Lease Payments	<u>\$ 551,713,211</u>	<u>\$ 361,874,773</u>	<u>\$ 189,838,438</u>

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

7. DERIVATIVE INSTRUMENTS

Objectives – On May 29, 2008, the District issued Certificates of Participation, Series 2008A in the aggregate principal amount of \$88,515,000. The Certificates of Participation, Series 2008A pay interest at a weekly rate determined by the Remarketing Agent and mature on August 1, 2026. On June 5, 2008, the District issued Certificates of Participation, Series 2008C in the aggregate principal amount of \$74,115,000. The Certificates of Participation, Series 2008C pay interest at a weekly rate determined by the Remarketing Agent and mature on August 1, 2032.

At the same time, the District entered into a pay-fixed, receive-variable interest rate swap agreement in order to protect against the potential of rising interest rates. 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.

The District's interest rate swaps qualify for hedge accounting under GASB 53, therefore, there is no impact on the Statement of Net Assets.

The fair value balances and notional amounts of derivatives instruments outstanding at June 30, 2011 and the changes in fair values of such derivative instruments for the year ended are as follows:

		Changes In Fair Value		Fair Value at June 30, 2011		
	Classification		Amount	Classification	Amount	Notional
Governmental activities						
Fair value hedges:						
Pay-fixed interest rate						
swaps	Deferred outflow	\$	335,030	Debt	\$ (6,515,056)	\$ 83,580,000
Pay-fixed interest rate						
swaps	Deferred outflow	\$	958,220	Debt	\$ (6,981,013)	\$ 73,630,000

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 Wells Fargo Bank, N.A. pays the trustee the variable interest payment for the certificates of participation, which is based on USD-SIFMA Municipal Swap Index.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
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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 \$6,515,056 and negative \$6,981,013 for the Certificates of Participation, Series 2008A and 2008C, respectively, as of June 30, 2011. Wells Fargo 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 – The District is exposed to credit risk when a swap has a positive fair value. All the swap agreements contain a collateral agreement with the Counterparty. A Counterparty's credit rating from either Standard & Poor's (S&P) and/or Moody's Investors Service must be "A+" or "A1", respectively. If the Counterparty or guarantor's long term unsecured rating falls below "Baa3" or "BBB-" by either Moody's or S&P, a replacement counterparty or guarantor, meeting the rating requirements above, shall be required.

Termination Risk – In the event the swap terminated, the District could be exposed to higher interest rate payments on the Certificate. Also, if at the time of termination, the swap has a negative fair value, the District would be liable to the Counterparty for payment equal to the swap's fair value. Under certain circumstances, some within the control and some outside the control of the School Board, the 2008A swap agreement and/or the 2008C swap agreement may be terminated and the School Board may be obligated to make a termination payment, which under certain market conditions, could be substantial.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

8. BONDS PAYABLE

Bonds payable at June 30, 2011, are as follows:

Bond Type	Amount Outstanding	Original Amount	Interest Rates (Percent)	Range of Final Maturity Dates
State School Bonds:				
Series 2002-B	\$ 650,000	\$ 1,755,000	4.00 - 5.375	2011-2014
Series 2003-A	1,595,000	1,990,000	3.20 - 4.25	2011-2023
Series 2004-A	1,210,000	1,445,000	3.35 - 4.25	2011-2024
Series 2005-A	6,100,000	8,910,000	4.00 - 5.00	2011-2025
Series 2005-B, Refunding	1,425,000	1,740,000	5.00	2011-2020
Series 2008-A	4,845,000	5,295,000	3.50 - 5.00	2011-2028
Series 2009-A, Refunding	1,070,000	1,300,000	3.00 - 5.00	2011-2019
Series 2010A	1,420,000	1,450,000	3.00 - 5.00	2011-2030
District Revenue Bonds:				
Series 2003, Refunding	3,050,000	3,660,000	3.00 - 4.625	2011-2033
Series 2007, Sales Tax	50,365,000	88,590,000	5.00	2011-2014
Subtotal	71,730,000			
Unamortized Premium on Debt	2,302,193			
Unamortized Discount on Debt	(56,164)			
Total Bonds Payable	<u>\$ 73,976,029</u>			

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
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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 approximate amount of pari-mutuel tax proceeds pledged is \$5,085,172, and the remaining period of the pledge is 23 years. The annual distribution is remitted by the Florida Department of Financial Services to the District. The District pledged 100 percent of these revenues for the Series 2003 bond issue. The Series 2003 bonds were issued to provide funds, together with other available funds, sufficient to (1) refund all refunded bonds, (2) finance the cost of the 2003 project, and (3) pay issuance costs of the 2003 Series bonds. 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. For the 2010-11 fiscal year, the District recognized \$223,250 in pledged revenue and paid \$220,625 of principal and interest.

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. The approximate amount of local infrastructure sales surtax pledged is \$69,481,375 and the remaining period of the pledge is four years. The District pledge is approximately 90 percent of the total sales tax revenue. 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. For the 2010-2011 fiscal year, the District recognized \$25,406,921 in pledged revenue and paid \$17,133,289 principal and interest.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Annual requirements to amortize all bonded debt outstanding as of June 30, 2011, are as follows:

	Total	Principal	Interest
State School Bonds:			
2012	\$ 2,422,623	\$ 1,565,000	\$ 857,623
2013	2,437,248	1,650,000	787,248
2014	2,444,485	1,735,000	709,485
2015	2,251,312	1,625,000	626,312
2016	2,287,337	1,740,000	547,337
2017-2021	6,800,541	5,080,000	1,720,541
2022-2026	4,267,981	3,500,000	767,981
2027-2030	<u>1,534,175</u>	<u>1,420,000</u>	<u>114,175</u>
Total State School Bonds	<u>24,445,702</u>	<u>18,315,000</u>	<u>6,130,702</u>
District Revenue Bonds:			
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	14,081,675	13,620,000	461,675
2016	220,106	100,000	120,106
2017-2021	1,110,406	575,000	535,406
2022-2026	1,106,181	710,000	396,181
2027-2031	1,105,913	885,000	220,913
2032-2033	<u>438,675</u>	<u>410,000</u>	<u>28,675</u>
Total District Revenue Bonds	<u>60,419,421</u>	<u>53,415,000</u>	<u>7,004,421</u>
Subtotal	84,865,123	71,730,000	13,135,123
Unamortized Discount on Debt	(56,164)	(56,164)	-
Unamortized Premium on Debt	<u>2,302,193</u>	<u>2,302,193</u>	<u>-</u>
Total	<u>\$ 87,111,152</u>	<u>\$ 73,976,029</u>	<u>\$13,135,123</u>

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

9. ESTIMATED ARBITRAGE REBATE

The District had an interim cumulative arbitrage rebate liability of \$33,519.41 for the \$30,500,000 Certificates of Participation, Series 2005B as of June 30, 2011. Ninety percent (90 percent) of the cumulative rebate liability is required to be rebated to the United States no later than 60 days after July 19, 2015 (the end of the tenth Bond Year). As of July 19, 2011, the cumulative arbitrage rebate liability had changed to \$82,205.12.

10. CHANGES IN LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities: For the governmental activities, compensated absences and other postemployment benefits are generally liquidated with resources of the General Fund. The estimated insurance claims are generally liquidated with resources of the Internal Service Fund, as discussed in Note 21.

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

Description	Balance 7/1/2010	Additions	Deductions	Balance 6/30/2011	Due in One Year
GOVERNMENTAL ACTIVITIES					
Certificates of Participation Payable	\$ 368,524,621	\$ -	\$ 9,127,001	\$ 359,397,620	\$ 9,187,001
Add: Unamortized Premium on Debt	2,617,077	-	139,924	2,477,153	139,924
Total Certificates of Participation Payable	371,141,698	-	9,266,925	361,874,773	9,326,925
 Bonds Payable	82,965,000	1,450,000	12,685,000	71,730,000	13,340,000
Add: Unamortized Premium (Discount) on Debt	2,669,224	117,416	540,611	2,246,029	541,195
Total Bonds Payable	85,634,224	1,567,416	13,225,611	73,976,029	13,881,195
 Estimated Insurance Claims Payable	7,553,000	4,023,000	3,401,000	8,175,000	2,669,000
Other Postemployment Benefits	21,658,575	11,201,212	4,437,518	28,422,269	-
Compensated Absences Payable (1)	36,621,378	23,585,383	25,974,900	34,231,861	25,517,524
Derivatives Swap Liability	14,789,319	-	1,293,250	13,496,069	-
 Total Governmental Activities	\$ 537,398,194	\$ 40,377,011	\$ 57,599,204	\$ 520,176,001	\$ 51,394,644
 BUSINESS - TYPE ACTIVITY					
Other Postemployment Benefits	\$ 372,192	\$ 174,043	\$ 68,949	\$ 477,286	\$ -
Compensated Absences Payable	460,480	508,516	567,289	401,707	401,707
 Total Business - Type Activity	\$ 832,672	\$ 682,559	\$ 636,238	\$ 878,993	\$ 401,707

Note (1) includes balances at June 30 2011, of the Internal Service Funds of \$359,126 with \$257,839 due in one year, and additions and deductions of \$112,333 and \$190,683, respectively.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

11. FUND BALANCE REPORTING

The District has implemented the provisions of GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*. The intention of the GASB is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the District's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources.

GASB 54 provides for two major types of fund balances, which are nonspendable and spendable. Non-spendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items and inventories, and principal (corpus) of an endowment fund. The District has inventories and prepaid items that are considered nonspendable. The District does not have nonspendable funds related to endowments.

In addition to the nonspendable fund balance, GASB 54 has provided a hierarchy of *spendable* fund balances, based on hierarchy of spending constraints.

- Restricted: fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- Committed: fund balances that contain self imposed constraints of the government from its highest level of decision making authority
- Assigned: fund balances that contain self imposed constraints of the government to be used for a particular purpose.
- Unassigned: fund balance of the general fund is not constrained for any particular purpose.

The District has classified its fund balances with the following hierarchy:

Nonspendable: The District has inventories and prepaid items totaling \$5,589,792 that are classified as nonspendable.

Spendable: The District has classified the spendable funds balances as Restricted, Assigned and Unassigned and considered each to have been spent when expenditures are incurred. The District currently has no funds classified as Committed.

- Restricted for State Categorical Programs, Food Services, Debt Service and Capital Projects:
Federal Laws, Florida Statutes and local ordinances require that certain revenues be specifically designed for the purposes of state categorical programs, food service, debt service, and capital projects. The restricted funds balances totaled \$165,805,024 and represented \$7,563,258 in State categorical programs, \$4,383,403 in food service, \$18,525,444 in debt service and \$135,332,919 in capital projects.
- Assigned for School Operations and Capital Projects:
- The School Board has set aside certain spendable funds balance for school operations and capital projects. At year end, the assigned fund balances are \$53,558,801 of which

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
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\$26,466,857 is for school operations and \$27,091,944 is for capital projects. The assigned fund balance for school operation includes \$4,533,667 for State and Local Programs and \$21,933,190 for appropriations of existing unassigned fund balance at year-end to eliminate a deficit in next year budget.

- Unassigned:

The unassigned fund balance for the General Fund is \$22,964,288.

Description	Major Funds		Other Governmental Funds	Total Governmental Funds
	General Fund	Capital Projects Other Funds		
Fund Balances:				
Nonspendable:				
Inventories:				
General Fund	\$ 3,813,982	\$	\$	\$ 3,813,982
Special Revenues - Food Service			1,695,810	1,695,810
Prepaid Items:				
General Fund	80,000			80,000
Restricted:				
Categorical Programs	7,563,258			7,563,258
Special Revenues			4,383,403	4,383,403
Debt Service			18,525,444	18,525,444
Capital Projects		108,427,227	26,905,692	135,332,919
Assigned:				
School Operations				
State and Local Programs	4,533,667			4,533,667
Next Year Budget Deficit	21,933,190			21,933,190
Capital Projects		13,418,231	13,673,713	27,091,944
				-
Unassigned:	22,964,288			22,964,288
Total Fund Balance	\$ 60,888,385	\$ 121,845,458	\$ 65,184,062	\$ 247,917,905

The District has not established a contingency reserve or "Rainy Day Fund." Instead the Board has established Policy 6220 which states that to ensure the financial strength, maintain a favorable bond rating, and the stability of the District, the adopted annual operating budget shall include a reasonable unrestricted fund balance to cover unforeseen events (e.g. revenue shortfalls, student enrollment under projections, etc.). At the end of the fiscal year, the unassigned general fund balance was \$22,964,288 or 5.10 percent of general fund total expenditures.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
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12. 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	\$ 14,134,212	\$ -
Capital Projects:		10,544,328
Special Revenue:		
American Reinvestment and Recovery Act	-	1,702,995
Nonmajor Governmental Funds	-	1,886,889
Total	<u>\$ 14,134,212</u>	<u>\$ 14,134,212</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	\$ 771,856	\$ -
Capital Project:	3,201,789	
Other	-	17,133,289
Nonmajor Governmental Funds	41,116,212	28,156,568
Internal Service Funds	200,000	-
Total	<u>\$ 45,289,857</u>	<u>\$ 45,289,857</u>

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.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

13. SCHEDULE OF STATE REVENUE SOURCES

The following is a schedule of the District's State revenue for the 2010-11 fiscal year:

Florida Education Finance Program	\$ 202,049,743
Transportation	15,139,367
Instructional Materials	4,842,585
Categorical Educational Programs:	
Class Size Reduction Operating	73,915,012
Excellent Teaching Program	342,202
Workforce Development Program	3,150,714
School Recognition	2,520,078
Motor Vehicle License Tax (Capital Outlay and Debt Service)	2,720,496
Voluntary Pre K	1,694,438
Gross Receipts Tax (Public Education Capital Outlay)	2,752,200
Charter School Capital Outlay (Public Education Capital Outlay)	771,856
Food Service Supplement	426,031
Mobile Home License Tax	394,846
Pari-Mutuel Tax	223,250
Discretionary Lottery Funds	250,025
Fuel Tax Refund	154,044
Full Service Schools	135,225
School Health Supplement	113,413
Miscellaneous	197,624
	<hr/>
Total	<u><u>\$ 311,793,149</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, 2011**

14. PROPERTY TAXES

The following is a summary of millages and taxes levied on the 2010 tax roll for the 2010-11 fiscal year:

<hr/>		
Nonvoted School Tax		
Required Local Effort	5.269	\$ 120,992,287
Basic Discretionary Local Effort	0.748	17,176,358
 <hr/>		
CRITICAL NEEDS		
<hr/>		
Nonvoted Tax:		
Critical Operating Needs	0.250	5,740,751
 <hr/>		
CAPITAL PROJECTS FUND		
<hr/>		
Nonvoted Tax:		
Local Capital Improvements	1.500	34,444,568
Total	7.767	\$ 178,353,964
	<hr/>	<hr/>

15. 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 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.

FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined benefit pension plan (Plan), a Deferred Retirement Option Program (DROP), and a defined contribution plan, referred to as the Public Employee Optional Retirement Program (PEORP).

Employees 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,

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
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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.

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.

Defined Contribution Plan – Effective July 1, 2002, the 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 1,633 District participants during the 2010-11 fiscal year. Required contributions made to the PEORP totaled \$5,181,595.

Funding Policy – The contribution rates for members are established, and may be amended, by the State of Florida. During the 2010-11 fiscal year, contribution rates were as follows:

Class or Plan	Percent of Gross Salary	
	Employee	Employer (A)
Florida Retirement System, Regular	0.00	10.77
Florida Retirement System, Elected County Officers	0.00	18.64
Florida Retirement System, Senior Management Service	0.00	14.57
Deferred Retirement Option Program, Applicable to		
Members of All of the Above Classes or Plans	0.00	12.25
Florida Retirement System, Reemployed Retiree	0.00	1.11
Reemployed On or After July 1, 2010 (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 for reemployed retirees prior to July 1, 2010, are dependent upon the retirement class in which reemployed.

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
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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, 2009, June 30, 2010, and June 30, 2011, totaled \$30,544,000, \$29,695,531, and \$32,608,437 respectively, which were equal to the required contributions for each fiscal year.

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.

16. 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. A separate report for the Plan is not available.

Based on an actuarial report as of July 1, 2009, employee membership data related to the Plan was as follows.

Retirees and Beneficiaries Currently Receiving Benefits	142
Active Plan Participants	<u>4,340</u>
Total	<u>4,482</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.

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
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➤ **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. Benefits and refunds are recognized when due and payable in accordance with terms of the plan. Total benefits provided by the Plan for the fiscal years ending June 30, 2009, June 30, 2010, and June 30, 2011, totaled, \$617,676, \$662,271, and \$953,391 respectively.

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 2010-11 fiscal year, amounting to \$1,380,553, were paid by the Board and were made in accordance with actuarially determined contribution requirements determined through an actuarial valuation performed as of July 1, 2009.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
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The computation of the annual required contribution for the 2010-11 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.

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, 2011, consisted of the following:

	Maturity Range	Balance June 30, 2011	Percentage of Plan Assets
Cash and Cash Equivalents		\$ 939,537	6.80%
Certificate of Deposits	15 days - 3 years	2,994,502	21.67%
Collateralized Mortgage Obligations	11 Months - 24.75 Years	4,888,932	35.37%
Corporate Bonds	8 Months - 22.25 Years	802,224	5.79%
Morgan Stanley Institutional Liquidity Fund	26 Days	4,198,223	30.37%
Total		<u>\$ 13,823,418</u>	<u>100.00%</u>

Interest Rate Risk

- 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.

Credit Risk

- The District's investment policy authorizes the District to participate in the State Board of Administration Florida PRIME. 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

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
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designated by the Federal Reserve of New York. Additionally, funds of the District's Early Retirement Fund can be invested in any fixed income security that is rated in the highest category of either Moody's or Standard & Poor's and in collateralized mortgage obligations once the District personnel have been prudently advised and understand the risk characteristics of the investment product.

- The District's investments in the Morgan Stanley Institutional Liquidity Funds – Government Portfolio was rated AAAm by Standard & Poor's and Aaa by Moody's. Investments in corporate bonds were rated from AA+ to BBB by Standard & Poor's and Aa2 to Ba1 by Moody's. Investments in collateralized mortgage obligations were rated from AAA to C1 by Standard & Poor's and Aaa to Baa3 by Moody's, except that ten securities with a market value of \$324,968 were unrated.

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.

Funded Status and Funding Progress

The plan's unfunded liability was \$8,820,490 as of July 1, 2009, and was projected to be \$8,504,398 as of July 1, 2011, taking into account contributions which totaled \$2,695,365 for the July 1, 2009, through June 30, 2011, period. However, the unfunded liability is actually \$9,907,833 as of July 1, 2011 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 8.05 percent for the past two fiscal years as compared with an assumed return of 6.25 percent. The effect of the plan's asset gains decreased the unfunded liability by \$465,893. This asset gain was in addition to demographic gains which decreased the unfunded liability by another \$543,604.

The schedule of funding progress, immediately following the notes to financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Information about the funded status of the Plan as of the most recent actuarial valuation date is as follows:

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
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Schedule of Funding Progress:

Actuarial Valuation Date	Actuarial Value of Plan Assets	Actuarial Accrued Liability Entry Age (1)	Unfunded Actuarial Accrued Liability (2)	Funded Ratio (3)	Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
7/1/2009	\$ 10,777,103 (4)	\$ 19,597,593 (4)	\$ 8,820,490 (4)	55.0%	\$ 171,655,074 (4)	5.1%
7/1/2010	12,524,971 (4)	19,597,593 (4)	8,687,020 (4)	63.9%	171,655,074 (4)	5.1%

- 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 assets.
 - (3) The percentage funded is derived by dividing the actuarial value of assets by the actuarial accrued liability

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.

Schedule of Employer Contributions:

Year Ended June 30	Annual Required Contribution	Percentage Contribution
2005	\$ 926,422	100%
2006	1,202,825	100%
2007	1,264,056	100%
2008	1,368,154	100%
2009	1,437,237	100%
2010	1,314,812	100%
2011	1,380,553	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, 2009
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%
Cost-of-Living Adjustments	None
*Includes Inflation at	3.25%

17. POSTEMPLOYMENT BENEFITS

Plan Description

The Postemployment Benefits Plan is a single-employer defined benefit plan (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. The Plan does not issue a stand-alone report and is not included in the report of a Public Employee Retirement Systems or another entity.

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
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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, 2011, benefits were being provided to 502 retired former employees. The cost of the benefits provided is recognized as an expense each month. For the 2010-11 fiscal year, the District's contributions totaled \$2,092,918 for these 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, and the plan is financed on a pay-as-you-go basis. For the 2010-11 fiscal year, 502 retirees received postemployment health care benefits. The District provided required contributions of \$4,506,467 toward the annual OPEB cost, comprised of medical, dental and life insurance premiums, pharmacy claims expense and administrative expenses net of retiree contributions totaling \$2,138,658, or .60 percent of covered payroll.

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.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
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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)	\$ 5,706,076
Amortization of Unfunded Actuarial Accrued Liability	5,584,089
Interest on Normal Cost and Amortization	<u>246,154</u>
Annual Required Contribution	11,536,319
Interest on Net OPEB Obligation	991,385
Adjustment to Annual Required Contribution	<u>(1,152,449)</u>
Annual OPEB Cost (Expense)	11,375,255
Contribution Toward the OPEB Cost	<u>(4,506,467)</u>
Increase in Net OPEB Obligation	6,868,788
Net OPEB Obligation, Beginning of Year	<u>22,030,767</u>
Net OPEB Obligation, End of Year	<u><u>\$ 28,899,555</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, 2011, are as follows:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Amount Contributed</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2008-09	\$ 11,113,139	\$ 3,537,795	31.83%	\$ 15,346,577
2009-10	10,805,999	4,121,809	38.14%	22,030,767
2010-11	11,375,255	4,506,467	39.62%	28,899,555

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
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Funded Status and Funding Progress

As of January 1, 2009, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$100,408,119, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$100,408,119. The covered payroll (annual payroll of active participating employees) was \$354,120,347, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 28.35 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. 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.

Actuarial Methods and Assumptions

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 OPEB actuarial valuation used the entry age normal cost actuarial method to estimate the unfunded actuarial liability as of June 30, 2010. Because the OPEB liability is currently unfunded, the actuarial assumptions included a 4.5 percent discount rate. The actuarial assumptions also included an annual healthcare cost trend of 9 percent for the fiscal year 2010-2011, reduced by 0.5 percent per year, to an ultimate rate of 5 percent after eight years. The actuarial assumptions also included an inflation rate of 3.0 percent and 4 percent for salary increases for fiscal year 2010-2011.

The unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on a closed basis. The unfunded actuarial accrued liability was amortized over 28 years in calculating the District's 2008-09 fiscal year annual required contribution and the 2010-11 unfunded actuarial accrued liability used 19 years of amortization. The amortization period was revised down from 29 years to 19 years, in order to reflect the short time period over which most of the plan's liability is expected to be paid.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

18. 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, 2011, the accumulated credits to the District's account are \$3,787,526. During the 2010-11 fiscal year, the District received capital credits of \$320,678.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

19. CONSTRUCTION CONTRACT COMMITMENTS

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

<u>Project</u>	<u>Contract Amount</u>	<u>Completed to Date</u>	<u>Balance Committed</u>
Connerton Elementary School - "R"			
Architect	\$ 626,827	\$ 584,379	\$ 42,448
Construction Manager	11,347,734	10,386,320	406,387
Odessa Elementary School - "S"			
Architect	792,590	674,007	70,949
Construction Manager	10,575,000	8,462,223	495,000
Fivay High School - "EEE"			
Architect	1,683,000	1,564,019	-
Construction Manager	35,106,203	33,688,709	1,417,494
Andote High School			
Architect	1,592,500	1,374,448	185,368
Construction Manager	28,095,725	27,483,827	611,898
Pasco Middle School Campus Redevelopment			
Construction Manager	7,641,256	6,759,779	832,579
Pasco High School Campus Redevelopment			
Construction Manager	12,873,453	10,486,665	2,376,633
Total	<u>\$ 110,334,288</u>	<u>\$ 101,464,376</u>	<u>\$ 6,438,756</u>

20. ENCUMBRANCES

Appropriations in governmental fund types are encumbered upon issuance of purchase orders for goods and/or 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 District uses encumbrance accounting for recording purchase order commitments. At June 30, 2011, the District has recorded \$20,483,047 in encumbrances as follows: \$4,533,667 for the General Fund; \$12,605,027 for the Capital Projects-Other Fund; and \$3,344,353 for the Nonmajor Governmental Funds.

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

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 \$8,175,000 was actuarially determined to cover estimated incurred, but not reported, workers' compensation, automobile liability and general liability insurance claims payable at June 30, 2011.

The following schedule represents the changes in claims liability for the past three 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
2008-2009	\$ 6,881,678	\$ 30,034,003	\$ 30,082,389	\$ 6,833,292
2009-2010	6,833,292	54,845,770	54,126,062	7,553,000
2010-2011	7,553,000	50,931,511	50,309,511	8,175,000

Life insurance coverage is being provided through purchased commercial insurance with a minimum deductible. Dental coverage was eliminated effective January 1, 2011.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

22. INTERNAL SERVICE FUNDS

The following is a summary of financial information as reported in the Internal Service Funds for the 2010-2011 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	\$ 1,781,199	\$ 1,324,856	\$ 28,868,485	\$ 20,088,102	\$ 210,404	\$ 264,901	\$ 6,912,747	\$ 1,446,549	\$ 60,897,243
Liabilities and Net Assets:									
Accounts Payable	\$ 83,795	\$ 13,846	\$ 12,085	\$ 14,313,851	\$ 32,511	\$ 39,993	\$ 1,000,947	\$ 1,222	\$ 15,498,250
Salaries and Benefits Payable	18,059	-	25,477	-	52,631	21,934	451	-	118,552
Payroll Deduction									
Withholdings Payable	2,507	-	1,863	-	577	337	1,625	-	6,909
Deferred Revenue	-	-	-	-	-	-	-	-	-
Estimated Insurance Claims									
Payable	-	-	8,175,000	-	-	-	-	-	8,175,000
Compensated Absences Paya	151,170	-	128,137	-	45,187	6,957	27,675	-	359,126
Net Assets:									
Invested in Capital Assets	-	-	-	-	-	127	-	59,898	60,025
Unrestricted	1,525,668	1,311,010	20,525,923	5,774,251	79,498	195,553	5,882,049	1,385,429	36,679,381
Total Liabilities and Net Assets	\$ 1,781,199	\$ 1,324,856	\$ 28,868,485	\$ 20,088,102	\$ 210,404	\$ 264,901	\$ 6,912,747	\$ 1,446,549	\$ 60,897,243
Revenues:									
Premium Contributions	\$ 4,595,823	\$ 1,235,800	\$ 8,940,000	\$ 57,723,498	\$ 339,044	\$ -	\$ -	\$ -	\$ 72,834,165
Charges for Services	-	-	-	-	-	648,626	13,663,374	-	14,312,000
Insurance Loss Recoveries	-	-	31,169	-	-	-	-	-	31,169
Interest Income	576	995	19,267	6,137	115	197	4,162	1,091	32,540
Gifts, Grants and Bequests	208,010	-	-	-	-	-	-	-	208,010
Other Operating	763,962	-	472,562	6,673	-	-	140,739	40,388	1,424,324
Total Revenues	5,568,371	1,236,795	9,462,998	57,736,308	339,159	648,823	13,808,275	41,479	88,842,208
Total Expenses	4,287,987	1,235,800	9,364,500	53,049,271	306,895	606,529	13,804,429	144,881	82,800,292
Transfers In (Out)	-	-	200,000	-	-	-	-	-	200,000
Change in Net Assets	\$ 1,280,384	\$ 995	\$ 298,498	\$ 4,687,037	\$ 32,264	\$ 42,294	\$ 3,846	\$ (103,402)	\$ 6,241,916

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
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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.

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

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OTHER REQUIRED SUPPLEMENTARY INFORMATION



**DISTRICT SCHOOL BOARD OF PASCO COUNTY
REQUIRED SUPPLEMENTARY INFORMATION**

1EARLY 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 as Percent of Covered Payroll
7/1/2003	\$ 5,859,574 (4)	\$ 13,630,135 (4)	\$ 7,770,561 (4)	43.0%	\$ 105,127,379 (4)	7.4%
7/1/2004	5,868,121 (4)	13,736,412 (4)	7,868,291 (4)	42.7%	117,802,339 (4)	6.7%
7/1/2005	6,519,604 (4)	17,408,848 (4)	10,889,244 (4)	37.4%	130,477,299 (4)	8.3%
7/1/2006	7,227,924 (5)	18,121,827 (5)	10,893,903 (5)	39.9%	141,590,433 (5)	7.7%
7/1/2007	8,433,556 (5)	19,217,504 (5)	10,783,948 (5)	43.9%	152,703,567 (5)	7.1%
7/1/2008	9,779,528 (5)	19,597,593 (5)	9,818,065 (5)	49.9%	152,703,567 (5)	6.4%
7/1/2009	10,777,103 (6)	19,597,593 (6)	8,820,490 (6)	55.0%	171,655,074 (6)	5.1%
7/1/2010	12,524,971 (6)	19,597,593 (6)	7,072,622 (6)	63.9%	171,655,074 (6)	4.1%

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 data from an actuarial valuation report as of July 1, 2009.

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**

OTHER POST EMPLOYMENT BENEFITS

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 as a Percentage of Covered Payroll
January 1, 2008	\$ -	\$ 120,914,118	\$ 120,914,118	0.0%	\$ 320,836,541	37.69%
January 1, 2009	-	100,408,119	100,408,119	0.0%	354,120,347	28.35%

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.

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.

Fiscal Year	Amount Contributed	Percentage Contribution
2008-2009	\$ 3,537,795	31.83%
2009-2010	4,121,809	38.14%
2010-2011	4,506,467	39.62%

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, 2011

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	\$ 19,940	\$ -	\$ 19,940	\$ -	\$ -	\$ -
Cash with Fiscal Agent	-	-	-	-	-	-
Investments	5,230,109	-	5,230,109	502,968	28,604	9,943,680
Accounts Receivable	147,845	2,281	150,126	-	-	-
Accrued Interest Receivable	-	-	-	-	-	-
Due from Other Agencies	249,886	2,505,107	2,754,993	-	-	231
Inventories	1,695,810	-	1,695,810	-	-	-
Total Assets	<u>\$ 7,343,590</u>	<u>\$ 2,507,388</u>	<u>\$ 9,850,978</u>	<u>\$ 502,968</u>	<u>\$ 28,604</u>	<u>\$ 9,943,911</u>
Liabilities and Fund Balances:						
Liabilities:						
Salaries and Benefits Payable	\$ 101,215.00	\$ 172,193.00	\$ 273,408.00	\$ -	\$ -	\$ -
Payroll Deductions and Withholdings Payable	11,955	67,069	79,024	-	-	-
Accounts Payable	44,385	378,844	423,229	-	-	4
Construction Contracts Payable	-	-	-	-	-	-
Construction Contracts Payable - Retainage	-	-	-	-	-	-
Due to Other Funds	-	1,886,889	1,886,889	-	-	-
Deferred Revenue	1,106,822	2,393	1,109,215	-	-	-
Total Liabilities	<u>1,264,377</u>	<u>2,507,388</u>	<u>3,771,765</u>	<u>-</u>	<u>-</u>	<u>4</u>
Fund Balances:						
Nonspendable:						
Inventory	1,695,810	-	1,695,810	-	-	-
Restricted:						
Special Revenue	4,383,403	-	4,383,403	-	-	-
Debt Service	-	-	-	502,968	28,604	9,943,907
Capital Projects	-	-	-	-	-	-
Assigned:						
Capital Projects	-	-	-	-	-	-
Total Fund Balance	<u>6,079,213</u>	<u>-</u>	<u>6,079,213</u>	<u>502,968</u>	<u>28,604</u>	<u>9,943,907</u>
Total Liabilities and Fund Balances	<u>\$ 7,343,590</u>	<u>\$ 2,507,388</u>	<u>\$ 9,850,978</u>	<u>\$ 502,968</u>	<u>\$ 28,604</u>	<u>\$ 9,943,911</u>

Schedule A

Debt Service		Capital Projects					
Certificates of Participation Fund	Total Nonmajor Debt Service Funds	State Board of Education 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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,940
165,235	165,235	-	-	-	-	-	165,235
8,003,766	18,479,018	2,442,976	3,167,911	10,329,360	25,494,355	41,434,602	65,143,729
-	-	-	45,575	-	7,534	53,109	203,235
1	1	-	-	-	-	-	1
-	231	-	-	-	32,775	32,775	2,787,999
-	-	-	-	-	-	-	1,695,810
<u>\$ 8,169,002</u>	<u>\$ 18,644,485</u>	<u>\$ 2,442,976</u>	<u>\$ 3,213,486</u>	<u>\$ 10,329,360</u>	<u>\$ 25,534,664</u>	<u>\$ 41,520,486</u>	<u>\$ 70,015,949</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 273,408
-	-	-	-	-	-	-	79,024
119,037	119,041	950	26,357	-	678,360	705,667	1,247,937
-	-	-	19,368	-	53,416	72,784	72,784
-	-	-	2,152	-	160,478	162,630	162,630
-	-	-	-	-	-	-	1,886,889
-	-	-	-	-	-	-	1,109,215
<u>119,037</u>	<u>119,041</u>	<u>950</u>	<u>47,877</u>	<u>-</u>	<u>892,254</u>	<u>941,081</u>	<u>4,831,887</u>
-	-	-	-	-	-	-	1,695,810
-	-	-	-	-	-	-	4,383,403
8,049,965	18,525,444	-	-	-	-	-	18,525,444
-	-	2,332,804	2,512,667	-	22,060,221	26,905,692	26,905,692
-	-	109,222	652,942	10,329,360	2,582,189	13,673,713	13,673,713
<u>8,049,965</u>	<u>18,525,444</u>	<u>2,442,026</u>	<u>3,165,609</u>	<u>10,329,360</u>	<u>24,642,410</u>	<u>40,579,405</u>	<u>65,184,062</u>
<u>\$ 8,169,002</u>	<u>\$ 18,644,485</u>	<u>\$ 2,442,976</u>	<u>\$ 3,213,486</u>	<u>\$ 10,329,360</u>	<u>\$ 25,534,664</u>	<u>\$ 41,520,486</u>	<u>\$ 70,015,949</u>

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, 2011

	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	\$ -	\$ 5,954,665	\$ 5,954,665	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Through State	-	33,776,107	33,776,107	-	-	-	-	-
Food Services	20,815,526	-	20,815,526	-	-	-	-	-
Federal Through Local	-	38,655	38,655	-	-	-	-	-
State Sources:								
Public Education Capital Outlay	-	-	-	-	-	-	-	-
Food Services	426,031	-	426,031	-	-	-	-	-
SBE/COBI Bond Interest	-	-	-	339	-	-	-	339
CO & DS Withheld for State Education Bonds	-	-	-	2,343,604	-	-	-	2,343,604
CO & DS Interest	-	-	-	-	-	-	-	-
CO & DS Distributed	-	-	-	-	-	-	-	-
Racing Commission Funds	-	-	-	-	223,250	-	-	223,250
Local Sources:								
Property Taxes	-	-	-	-	-	5,205	-	5,205
Food Services	11,824,461	-	11,824,461	-	-	-	-	-
Investment Earnings	-	-	-	-	36	7,442	15,494	22,972
Total Revenues	33,066,018	39,769,427	72,835,445	2,343,943	223,286	12,647	15,494	2,595,370
Expenditures:								
Current-Education:								
Instruction	-	25,537,646	25,537,646	-	-	-	-	-
Pupil Personnel Services	-	3,394,649	3,394,649	-	-	-	-	-
Instructional Media Services	-	60,250	60,250	-	-	-	-	-
Instruction and Curriculum Development Services	-	4,473,335	4,473,335	-	-	-	-	-
Instructional Staff Training Services	-	2,707,233	2,707,233	-	-	-	-	-
Instruction Related Technology	-	278,374	278,374	-	-	-	-	-
General Administration	-	1,164,428	1,164,428	-	-	-	-	-
School Administration	-	936	936	-	-	-	-	-
Facilities Services	-	14	14	-	-	-	-	-

	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	-	121,223	121,223	-	-	-	-	-
Food Services	30,319,147	30,093	30,349,240	-	-	-	-	-
Central Services	-	259,764	259,764	-	-	-	-	-
Pupil Transportation Services	-	407,620	407,620	-	-	-	-	-
Operation of Plant	-	290,393	290,393	-	-	-	-	-
Maintenance of Plant	-	102,975	102,975	-	-	-	-	-
Administrative Technology Services	-	97,053	97,053	-	-	-	-	-
Community Services	-	83,732	83,732	-	-	-	-	-
Capital Outlay:								
Facilities Acquisition and Construction	-	-	-	-	-	-	-	-
Other Capital Outlay	-	759,709	759,709	-	-	-	-	-
Debt Service:								
Principal	-	-	-	1,470,000	85,000	-	20,257,001	21,812,001
Interest	-	-	-	875,710	135,625	-	16,429,055	17,440,390
Fiscal Charges	-	-	-	1,534	-	101	1,345,373	1,347,008
Total Expenditures	30,319,147	39,769,427	70,088,574	2,347,244	220,625	101	38,031,429	40,599,399
Excess (Deficiency) of Revenues Over Expenditures	2,746,871	-	2,746,871	(3,301)	2,661	12,546	(38,015,935)	(38,004,029)
Other Financing Sources (Uses):								
Bonds Issued	-	-	-	-	-	-	-	-
Premium on Bonds Issued	-	-	-	-	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	40,726,564	40,726,564
Transfers Out	(389,648)	-	(389,648)	-	-	-	(622,572)	(622,572)
Total Other Financing Sources (Uses)	(389,648)	-	(389,648)	-	-	-	40,103,992	40,103,992
Net Change in Fund Balances	2,357,223	-	2,357,223	(3,301)	2,661	12,546	2,088,057	2,099,963
Fund Balances, Beginning	3,721,990	-	3,721,990	506,269	25,943	9,931,361	5,961,908	16,425,481
Fund Balances, Ending	\$ 6,079,213	\$ -	\$ 6,079,213	\$ 502,968	\$ 28,604	\$ 9,943,907	\$ 8,049,965	\$ 18,525,444

(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, 2011

	Capital Projects					
	State Board of Education 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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,954,665
Federal Through State	-	-	-	-	-	33,776,107
Food Services	-	-	-	-	-	20,815,526
Federal Through Local	-	-	-	-	-	38,655
State Sources:						
Public Education Capital Outlay	-	3,524,056	-	-	3,524,056	3,524,056
Food Services	-	-	-	-	-	426,031
SBE/COBI Bond Interest	-	-	-	-	-	339
CO & DS Withheld for State Education Bonds	-	-	-	-	-	2,343,604
CO & DS Interest	-	-	30,232	-	30,232	30,232
CO & DS Distributed	-	-	305,972	-	305,972	305,972
Racing Commission Funds	-	-	-	-	-	223,250
Local Sources:						
Property Taxes	-	-	-	32,996,330	32,996,330	33,001,535
Food Services	-	-	-	-	-	11,824,461
Investment Earnings	1,308	2,094	768,504	19,034	790,940	813,912
Total Revenues	1,308	3,526,150	1,104,708	33,015,364	37,647,530	113,078,345
Expenditures:						
Current-Education:						
Instruction	-	-	-	-	-	25,537,646
Pupil Personnel Services	-	-	-	-	-	3,394,649
Instructional Media Services	-	-	-	-	-	60,250
Instruction and Curriculum Development Services	-	-	-	-	-	4,473,335
Instructional Staff Training Services	-	-	-	-	-	2,707,233
Instruction Related Technology	-	-	-	-	-	278,374
General Administration	-	-	-	-	-	1,164,428
School Administration	-	-	-	-	-	936
Facilities Services	79,989	995,340	-	1,146,021	2,221,350	2,221,364

	Capital Projects					
	State Board of Education 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	-	-	-	-	-	121,223
Food Services	-	-	-	-	-	30,349,240
Central Services	-	-	-	-	-	259,764
Pupil Transportation Services	-	-	-	-	-	407,620
Operation of Plant	-	-	-	-	-	290,393
Maintenance of Plant	-	-	-	-	-	102,975
Administrative Technology Services	-	-	-	-	-	97,053
Community Services	-	-	-	-	-	83,732
Capital Outlay:						
Facilities Acquisition and Construction	44,347	5,464,582	-	7,455,491	12,964,420	12,964,420
Other Capital Outlay	-	-	-	-	-	759,709
Debt Service:						
Principal	-	-	-	-	-	21,812,001
Interest	-	-	-	-	-	17,440,390
Fiscal Charges	12,780	-	1,372	-	14,152	1,361,160
Total Expenditures	137,116	6,459,922	1,372	8,601,512	15,199,922	125,887,895
Excess (Deficiency) of Revenues Over Expenditures	(135,808)	(2,933,772)	1,103,336	24,413,852	22,447,608	(12,809,550)
Other Financing Sources (Uses):						
Proceeds of Refunding Bonds	1,450,000	-	-	-	1,450,000	1,450,000
Premium on Refunding Bonds	117,416	-	-	-	117,416	117,416
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-
Transfers In	-	-	-	389,648	389,648	41,116,212
Transfers Out	-	(771,856)	-	(26,372,492)	(27,144,348)	(28,156,568)
Total Other Financing Sources (Uses)	1,567,416	(771,856)	-	(25,982,844)	(25,187,284)	14,527,060
Net Change in Fund Balances	1,431,608	(3,705,628)	1,103,336	(1,568,992)	(2,739,676)	1,717,510
Fund Balances, Beginning	1,010,418	6,871,237	9,226,024	26,211,402	43,319,081	63,466,552
Fund Balances, Ending	<u>\$ 2,442,026</u>	<u>\$ 3,165,609</u>	<u>\$ 10,329,360</u>	<u>\$ 24,642,410</u>	<u>\$ 40,579,405</u>	<u>\$ 65,184,062</u>

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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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Federal Sources:				
Food Service	\$ 19,973,199	\$ 20,502,899	\$ 20,815,526	\$ 312,627
State Sources:				
Food Service	496,372	436,372	426,031	(10,341)
Local Sources:				
Food Service Sales	12,478,952	11,829,623	11,778,792	(50,831)
Investment Earnings	-	-	2,341	2,341
Local Grants and Other	27,871	1,000	43,328	42,328
Total Revenues	32,976,394	32,769,894	33,066,018	296,124
Expenditures:				
Current-Education:				
Food Services				
Salaries	10,901,671	10,901,671	9,872,175	1,029,496
Employee Benefits	4,400,799	4,400,799	4,228,511	172,288
Purchased Services	825,010	833,476	734,362	99,114
Energy Services	375,000	414,000	413,247	753
Materials and Supplies	14,671,398	14,625,275	14,169,948	455,327
Other Expenses	908,000	948,822	900,904	47,918
Total Expenditures	32,081,878	32,124,043	30,319,147	1,804,896
Excess (Deficiency) of Revenues Over Expenditures	894,516	645,851	2,746,871	2,101,020
Other Financing Sources (Uses):				
Transfers Out	(350,000)	(389,649)	(389,648)	1
Net Change in Fund Balance	544,516	256,202	2,357,223	2,101,021
Fund Balance, Beginning	3,721,990	3,721,990	3,721,990	-
Fund Balance, Ending	\$ 4,266,506	\$ 3,978,192	\$ 6,079,213	\$ 2,101,021

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, 2011

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Federal Sources:				
Federal Direct	\$ 5,428,808	\$ 6,903,507	\$ 5,954,665	\$ (948,842)
Federal Through State	34,327,451	39,005,750	33,776,107	(5,229,643)
Federal Through Local	29,581	41,037	38,655	(2,382)
Total Revenues	39,785,840	45,950,294	39,769,427	(6,180,867)
Expenditures:				
Current-Education:				
Instruction				
Salaries	12,863,320	13,334,287	13,033,655	300,632
Employee Benefits	4,755,475	5,664,097	5,449,323	214,774
Purchased Services	3,497,009	4,512,361	3,827,308	685,053
Materials and Supplies	689,714	2,105,670	1,288,644	817,026
Capital Outlay	558,350	1,309,795	1,062,311	247,484
Other Expenses	887,995	1,094,424	876,405	218,019
Pupil Personnel Services				
Salaries	2,585,852	2,422,161	2,252,142	170,019
Employee Benefits	913,202	885,017	786,967	98,050
Purchased Services	237,961	360,026	221,422	138,604
Materials and Supplies	219,601	219,127	125,309	93,818
Capital Outlay	9,375	95,923	5,441	90,482
Other Expenses	21,443	6,758	3,368	3,390
Instructional Media Services				
Salaries	32,269	33,199	27,641	5,558
Employee Benefits	16,976	17,739	12,120	5,619
Capital Outlay	14,533	21,588	20,489	1,099
Instruction and Curriculum Development Services				
Salaries	3,051,108	3,430,188	3,063,635	366,553
Employee Benefits	881,348	1,044,757	882,034	162,723
Purchased Services	602,891	571,011	423,114	147,897
Materials and Supplies	126,255	85,929	53,794	32,135
Capital Outlay	68,670	60,525	30,923	29,602
Other Expenses	23,899	33,435	19,835	13,600
Instructional Staff Training Services				
Salaries	1,968,932	2,133,507	1,437,067	696,440
Employee Benefits	440,991	506,390	286,978	219,412
Purchased Services	659,289	713,164	495,257	217,907
Materials and Supplies	700,966	900,487	374,834	525,653
Capital Outlay	37,940	90,371	67,340	23,031
Other Expenses	193,890	162,942	45,757	117,185

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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued):				
Instruction Related Technology				
Salaries	136,327	180,186	162,049	18,137
Employee Benefits	42,957	59,326	49,065	10,261
Purchased Services	2,000	64,870	64,870	-
Materials and Supplies	25,768	2,144	2,144	-
Capital Outlay	-	246	246	-
General Administration				
Other Expenses	1,410,534	1,384,137	1,164,428	219,709
School Administration				
Purchased Services	3,500	936	936	-
Capital Outlay				
Other Capital Outlay	99,286	9,942	14	9,928
Fiscal Services				
Salaries	76,239	98,715	88,654	10,061
Employee Benefits	24,648	35,277	30,221	5,056
Purchased Services	-	457	457	-
Materials and Supplies	900	2,165	1,647	518
Capital Outlay	300	2,466	244	2,222
Food Services				
Purchased Services	31,363	30,093	30,093	-
Materials and Supplies	1,550	50	-	50
Central Services				
Salaries	214,512	204,179	193,302	10,877
Employee Benefits	56,576	58,214	52,725	5,489
Other Expenses	46,000	45,800	13,737	32,063
Pupil Transportation Services				
Salaries	69,900	64,429	64,429	-
Employee Benefits	23,389	26,464	21,001	5,463
Purchased Services	1,004,261	385,005	322,190	62,815
Materials and Supplies	200	200	-	200
Capital Outlay	15,000	-	-	-
Operation of Plant				
Salaries	300	-	-	-
Employee Benefits	55	23	-	23
Purchased Services	32,268	37,083	24,694	12,389
Energy Services	120,818	288,771	258,776	29,995
Materials and Supplies	4,200	8,916	6,923	1,993
Capital Outlay	778	2,778	-	2,778
Maintenance of Plant				
Purchased Services	39,146	132,217	102,975	29,242
Capital Outlay	18,196	19,957	-	19,957

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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued):				
Administrative Technology Services				
Salaries	76,644	77,213	77,213	-
Employee Benefits	19,433	24,910	19,610	5,300
Purchased Services	2,011	1,011	230	781
Community Services				
Salaries	62,206	62,206	48,811	13,395
Employee Benefits	18,488	18,488	14,541	3,947
Purchased Services	33,060	33,060	13,468	19,592
Materials and Supplies	5,773	5,773	1,033	4,740
Other Expenses	8,000	8,000	5,879	2,121
Capital Outlay:				
Other Capital Outlay	-	759,709	759,709	-
Total Expenditures	<u>39,785,840</u>	<u>45,950,294</u>	<u>39,769,427</u>	<u>6,180,867</u>
Net Change in Fund Balance	-	-	-	-
Fund Balances, Beginning	-	-	-	-
Fund Balances, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
State Sources				
CO & DS Withheld for State Education Bonds	\$ 2,307,093	\$ 2,345,093	\$ 2,343,604	\$ (1,489)
SBE/COBI Bond Interest	-	-	\$ 339	339
Total Revenues	2,307,093	2,345,093	2,343,943	(1,150)
Expenditures:				
Debt Service:				
Principal	1,440,000	1,470,000	1,470,000	-
Interest	867,093	875,710	875,710	-
Fiscal Charges	-	14,313	1,534	12,779
Total Expenditures	2,307,093	2,360,023	2,347,244	12,779
Excess (Deficiency) of Revenues Over Expenditures	-	(14,930)	(3,301)	(13,929)
Net Change in Fund Balance	-	(14,930)	(3,301)	(13,929)
Fund Balances, Beginning	506,269	506,269	506,269	-
Fund Balances, Ending	\$ 506,269	\$ 491,339	\$ 502,968	\$ (13,929)

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, 2011

	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	100	100	36	(64)
Total Revenues	223,350	223,350	223,286	(64)
Expenditures:				
Debt Service:				
Principal	85,000	85,000	85,000	-
Interest	135,626	135,626	135,625	1
Fiscal Charges	1,000	1,000	-	1,000
Total Expenditures	221,626	221,626	220,625	1,001
Excess (Deficiency) of Revenues Over Expenditures	1,724	1,724	2,661	937
Net Change in Fund Balance	1,724	1,724	2,661	937
Fund Balance, Beginning	25,943	25,943	25,943	-
Fund Balance, Ending	\$ 27,667	\$ 27,667	\$ 28,604	\$ 937

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, 2011

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Local Sources:				
Property Taxes	\$ -	\$ 5,205	\$ 5,205	\$ -
Investment Earnings	6,000	7,200	7,442	242
Total Revenues	6,000	12,405	12,647	242
Expenditures:				
Debt Service:				
Fiscal Charges	200	200	101	99
Total Expenditures	200	200	101	99
Excess (Deficiency) of Revenues Over Expenditures	5,800	12,205	12,546	341
Net Change in Fund Balance	5,800	12,205	12,546	341
Fund Balances, Beginning	9,931,361	9,931,361	9,931,361	-
Fund Balances, Ending	\$ 9,937,161	\$ 9,943,566	\$ 9,943,907	\$ 341

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, 2011

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Local Sources:				
Investment Earnings	\$ 20,500	\$ 20,500	\$ 15,494	\$ (5,006)
Expenditures:				
Debt Service:				
Principal	21,138,111	21,138,111	20,257,001	881,110
Interest	17,515,090	17,436,068	16,429,055	1,007,013
Fiscal Charges	1,049,866	1,130,699	1,345,373	(214,674)
Total Expenditures	39,703,067	39,704,878	38,031,429	1,673,449
Excess (Deficiency) of Revenues Over Expenditures	(39,682,567)	(39,684,378)	(38,015,935)	1,668,443
Other Financing Sources (Uses):				
Transfers In	39,693,992	40,726,592	40,726,564	(28)
Transfer Out	-	(622,600)	(622,572)	28
Total Other Financing Sources	39,693,992	40,103,992	40,103,992	-
Net Change in Fund Balance	11,425	419,614	2,088,057	1,668,443
Fund Balances, Beginning	5,961,908	5,961,908	5,961,908	-
Fund Balances, Ending	\$ 5,973,333	\$ 6,381,522	\$ 8,049,965	\$ 1,668,443

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, 2011

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
State Sources:				
Public Education Capital Outlay	\$ 3,404,726	\$ 3,622,789	\$ 3,524,056	\$ (98,733)
Local Sources:				
Investment Earnings	-	1,990	2,094	104
Total Revenues	3,404,726	3,624,779	3,526,150	(98,629)
Expenditures:				
Current-Education:				
Facilities Services	-	995,340	995,340	-
Capital Outlay:				
Facilities Acquisition and Construction	4,813,642	8,012,690	5,464,582	2,548,108
Total Expenditures	4,813,642	9,008,030	6,459,922	2,548,108
Excess (Deficiency) of Revenues Over Expenditures	(1,408,916)	(5,383,251)	(2,933,772)	2,449,479
Other Financing Uses:				
Transfer Out	(657,608)	(875,671)	(771,856)	103,815
Total Other Financing Uses	(657,608)	(875,671)	(771,856)	103,815
Net Change in Fund Balance	(2,066,524)	(6,258,922)	(3,705,628)	2,553,294
Fund Balances, Beginning	6,871,237	6,871,237	6,871,237	-
Fund Balances, Ending	\$ 4,804,713	\$ 612,315	\$ 3,165,609	\$ 2,553,294

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, 2011

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Local Sources:				
Local Sales Tax	\$ 22,148,196	\$ 25,407,428	\$ 25,406,921	\$ (507)
Impact Fees	4,500,000	4,500,000	4,246,254	(253,746)
Investment Earnings	-	1,403,550	1,406,520	2,970
Total Revenues	26,648,196	31,310,978	31,059,695	(251,283)
Expenditures:				
Current-Education:				
Facilities Services	-	1,919,352	1,919,352	-
Capital Outlay:				
Facilities Acquisition and Construction	97,013,901	114,238,730	24,619,462	89,619,268
Total Expenditures	97,013,901	116,158,082	26,538,814	89,619,268
Excess (Deficiency) of Revenues Over Expenditures	(70,365,705)	(84,847,104)	4,520,881	89,367,985
Other Financing Sources (Uses):				
Transfer In	-	3,201,789	3,201,789	-
Transfer Out	(13,931,500)	(17,133,289)	(17,133,289)	-
Total Other Financing Sources (Uses)	(13,931,500)	(13,931,500)	(13,931,500)	-
Net Change in Fund Balance	(84,297,205)	(98,778,604)	(9,410,619)	89,367,985
Fund Balances, Beginning	131,256,077	131,256,077	131,256,077	-
Fund Balances, Ending	\$ 46,958,872	\$ 32,477,473	\$ 121,845,458	\$ 89,367,985

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, 2011

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Local Sources:				
Investment Earnings	\$ -	\$ 1,308	\$ 1,308	\$ -
Expenditures:				
Fiscal Charges	-	12,780	12,780	-
Current-Education:				
Facilities Services	-	79,989	79,989	-
Capital Outlay:				
Facilities Acquisition and Construction	105,239	2,420,279	44,347	2,375,932
Total Expenditures	105,239	2,513,048	137,116	2,375,932
Excess (Deficiency) of Revenues Over Expenditures	(105,239)	(2,511,740)	(135,808)	2,375,932
Other Financing Sources:				
Bonds Issued	-	1,450,000	1,450,000	-
Premium on Bonds Issued	-	117,416	117,416	-
Total Other Financing Sources:	-	1,567,416	1,567,416	-
Net Change in Fund Balance	(105,239)	(944,324)	1,431,608	2,375,932
Fund Balances, Beginning	1,010,418	1,010,418	1,010,418	-
Fund Balances, Ending	\$ 905,179	\$ 66,094	\$ 2,442,026	\$ 2,375,932

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, 2011

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
State Sources:				
CO & DS Distributed	\$ 416,000	\$ 416,000	\$ 305,972	\$ (110,028)
Interest on Undistributed CO & DS	29,392	29,392	30,232	840
Local Sources:				
Investment Earnings	-	768,504	768,504	-
Total Revenues	445,392	1,213,896	1,104,708	(109,188)
Expenditures:				
Debt Service:				
Dues, Fees and Issuance Costs	-	1,372	1,372	-
Total Expenditures	-	1,372	1,372	-
Excess (Deficiency) of Revenues Over Expenditures	445,392	1,212,524	1,103,336	(109,188)
Net Change in Fund Balance	445,392	1,212,524	1,103,336	(109,188)
Fund Balances, Beginning	9,226,024	9,226,024	9,226,024	-
Fund Balances, Ending	\$ 9,671,416	\$ 10,438,548	\$ 10,329,360	\$ (109,188)

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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Local Sources:				
Property Taxes	\$ 33,066,723	\$ 33,159,723	\$ 32,996,330	\$ (163,393)
Investment Earnings	-	19,034	19,034	-
Total Revenues	33,066,723	33,178,757	33,015,364	(163,393)
Expenditures:				
Current-Education:				
Facilities Services	-	1,146,021	1,146,021	-
Capital Outlay:				
Facilities Acquisition and Construction	14,431,759	15,400,087	7,455,491	7,944,596
Total Expenditures	14,431,759	16,546,108	8,601,512	7,944,596
Excess of Revenues Over Expenditures	18,634,964	16,632,649	24,413,852	7,781,203
Other Financing Sources (Uses):				
Transfers In	350,000	389,649	389,648	(1)
Transfers Out	(29,962,492)	(30,372,492)	(26,372,492)	4,000,000
Total Other Financing Sources (Uses)	(29,612,492)	(29,982,843)	(25,982,844)	3,999,999
Net Change in Fund Balance	(10,977,528)	(13,350,194)	(1,568,992)	11,781,202
Fund Balances, Beginning	26,211,402	26,211,402	26,211,402	-
Fund Balances, Ending	\$ 15,233,874	\$ 12,861,208	\$ 24,642,410	\$ 11,781,202

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, 2011

Schedule D

	Fully-Insured Benefit Plans	Flexible Benefits Plan	Property, Casualty, Liability and Workers' Compensation Plans
Assets			
Current Assets:			
Cash	\$ -	\$ -	\$ -
Cash with Fiscal Agent	-	13,846	-
Investments	1,015,145	1,311,010	28,786,725
Accounts Receivable	766,054	-	81,760
Inventories	-	-	-
Total Current Assets	<u>1,781,199</u>	<u>1,324,856</u>	<u>28,868,485</u>
Noncurrent Assets:			
Capital Assets:			
Furniture, Fixtures and Equipment	-	-	-
Accumulated Depreciation	-	-	-
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u><u>\$ 1,781,199</u></u>	<u><u>\$ 1,324,856</u></u>	<u><u>\$ 28,868,485</u></u>
Liabilities			
Current Liabilities:			
Salaries and Benefits Payable	\$ 18,059	\$ -	\$ 25,477
Payroll Deductions and Withholdings Payable	2,507	-	1,863
Accounts Payable	83,795	13,846	12,085
Current portion of long-term liabilities:			
Compensated Absences Payable	136,978	-	112,424
Estimated Insurance Claims Payable	-	-	2,669,000
Total Current Liabilities	<u>241,339</u>	<u>13,846</u>	<u>2,820,849</u>
Noncurrent Liabilities:			
Compensated Absences Payable	14,192	-	15,713
Estimated Insurance Claims Payable	-	-	5,506,000
Total Noncurrent Liabilities	<u>14,192</u>	<u>-</u>	<u>5,521,713</u>
Total Liabilities	<u>255,531</u>	<u>13,846</u>	<u>8,342,562</u>
Net Assets			
Invested in Capital Assets	-	-	-
Unrestricted	<u>1,525,668</u>	<u>1,311,010</u>	<u>20,525,923</u>
Total Net Assets	<u>1,525,668</u>	<u>1,311,010</u>	<u>20,525,923</u>
Total Liabilities and Net Assets	<u><u>\$ 1,781,199</u></u>	<u><u>\$ 1,324,856</u></u>	<u><u>\$ 28,868,485</u></u>

Self-Insured Benefit Plans	Employee Assistance Program	District Print Center	Energy Management Programs	Exclusive Agreement	Totals
\$ 11,664,064	\$ -	\$ -	\$ -	\$ -	\$ 11,664,064
-	-	-	-	-	13,846
8,081,508	208,699	253,063	6,912,747	1,386,651	47,955,548
342,530	1,705	-	-	-	1,192,049
-	-	11,711	-	-	11,711
20,088,102	210,404	264,774	6,912,747	1,386,651	60,837,218
-	-	1,270	-	202,698	203,968
-	-	(1,143)	-	(142,800)	(143,943)
-	-	127	-	59,898	60,025
\$ 20,088,102	\$ 210,404	\$ 264,901	\$ 6,912,747	\$ 1,446,549	\$ 60,897,243
\$ -	\$ 52,631	\$ 21,934	\$ 451	\$ -	\$ 118,552
-	577	337	1,625	-	6,909
14,313,851	32,511	39,993	1,000,947	1,222	15,498,250
-	-	-	8,437	-	257,839
-	-	-	-	-	2,669,000
14,313,851	85,719	62,264	1,011,460	1,222	18,550,550
-	45,187	6,957	19,238	-	101,287
-	-	-	-	-	5,506,000
-	45,187	6,957	19,238	-	5,607,287
14,313,851	130,906	69,221	1,030,698	1,222	24,157,837
-	-	127	-	59,898	60,025
5,774,251	79,498	195,553	5,882,049	1,385,429	36,679,381
5,774,251	79,498	195,680	5,882,049	1,445,327	36,739,406
\$ 20,088,102	\$ 210,404	\$ 264,901	\$ 6,912,747	\$ 1,446,549	\$ 60,897,243

District School Board of Pasco County
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
June 30, 2011

Schedule E

	Fully-Insured Benefit Plans	Flexible Benefits Plan	Property, Casualty, Liability and Workers' Compensation Plans
Operating Revenues			
Insurance Premiums:			
Board Contributions	\$ 3,126,376	\$ 1,235,800	\$ 8,940,000
Employees	-	-	-
Retirees	1,469,447	-	-
Charges for Services Provided	-	-	-
Other Operating Revenues	763,962	-	472,562
Total Operating Revenues	5,359,785	1,235,800	9,412,562
Operating Expense			
Salaries	434,564	-	260,818
Employee Benefits	145,637	-	97,940
Purchased Services	157,170	-	1,277,566
Insurance Premiums	3,544,024	1,235,800	3,442,739
Energy Services	-	-	-
Materials and Supplies	3,909	-	2,445
Insurance Claims	-	-	4,228,156
Capital Outlay	267	-	1,058
Other	2,416	-	53,778
Depreciation	-	-	-
Total Operating Expenses	4,287,987	1,235,800	9,364,500
Operating Income (Loss)	1,071,798	-	48,062
Nonoperating Revenues			
Investment Earnings	576	995	19,267
Gifts, Grants and Bequests	208,010	-	-
Loss Recoveries	-	-	31,169
Total Nonoperating Revenues	208,586	995	50,436
Income (Loss) Before Transfers	1,280,384	995	98,498
Transfers In	-	-	200,000
Change in Net Assets	1,280,384	995	298,498
Total Net Assets, July 1, 2010	245,284	1,310,015	20,227,425
Total Net Assets, June 20, 2011	\$ 1,525,668	\$ 1,311,010	\$ 20,525,923

Self-Insured Benefit Plans	Employee Assistance Program	District Print Center	Energy Management Program	Exclusive Agreement	Totals
\$ 47,686,758	\$ 318,434	\$ -	\$ -	\$ -	\$ 61,307,368
6,347,117	1,293	-	-	-	6,348,410
3,689,623	19,317	-	-	-	5,178,387
-	-	648,626	13,663,374	-	14,312,000
6,673	-	-	140,739	40,388	1,424,324
57,730,171	339,044	648,626	13,804,113	40,388	88,570,489
308	83,168	230,736	174,361	-	1,183,955
57	41,674	103,589	57,998	-	446,895
6,271,443	81,467	90,101	2,147,700	111,161	10,136,608
-	-	-	-	-	8,222,563
-	-	-	11,404,803	-	11,404,803
74,108	459	181,617	16,654	1,431	280,623
46,703,355	-	-	-	-	50,931,511
-	27	486	486	-	2,324
-	100,100	-	2,427	-	158,721
-	-	-	-	32,289	32,289
53,049,271	306,895	606,529	13,804,429	144,881	82,800,292
4,680,900	32,149	42,097	(316)	(104,493)	5,770,197
6,137	115	197	4,162	1,091	32,540
-	-	-	-	-	208,010
-	-	-	-	-	31,169
6,137	115	197	4,162	1,091	271,719
4,687,037	32,264	42,294	3,846	(103,402)	6,041,916
-	-	-	-	-	200,000
4,687,037	32,264	42,294	3,846	(103,402)	6,241,916
1,087,214	47,234	153,386	5,878,203	1,548,729	30,497,490
\$ 5,774,251	\$ 79,498	\$ 195,680	\$ 5,882,049	\$ 1,445,327	\$ 36,739,406

District School Board of Pasco County
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2011

	Fully-Insured Benefit Plans	Flexible Benefits Plan	Property, Casualty and Liability Self-Insurance Plan
Cash Flows from Operating Activities:			
Cash Received from Services	\$ -	\$ -	\$ -
Cash Received from Premiums	3,838,875	1,235,800	8,946,841
Cash Received from Other Operating Revenues	763,962	-	472,562
Cash Payments to Suppliers for Goods and Services	(3,653,073)	(1,235,800)	(4,949,050)
Cash Payments to Employees for Services	(576,687)	-	(358,440)
Cash Payments to Insurance Claims	-	-	(3,606,156)
Net Cash Provided (Used) by Operating Activities	373,077	-	505,757
Cash Flows from Noncapital Financing Activities:			
Insurance Loss Recoveries	-	-	31,169
Gifts, Grants and Bequests	208,010	-	-
Transfers From Other Funds	-	-	200,000
Net Cash Provided by Noncapital Financing Activities	208,010	-	231,169
Cash Flows from Investing Activities:			
Investment Income	576	995	19,267
Purchase and Sale of Investments	(581,663)	(995)	(756,193)
Net Cash Used by Investing Activities	(581,087)	-	(736,926)
Net Change in Cash and Cash Equivalents	-	-	-
Cash and Cash Equivalents, Beginning	-	13,846	-
Cash and Cash Equivalents, Ending	\$ -	\$ 13,846	\$ -
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ 1,071,798	\$ -	\$ 48,062
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Depreciation	-	-	-
Change in Assets and Liabilities:			
Accounts Receivable	(756,948)	-	6,841
Inventories	-	-	-
Payroll Deductions and Withholdings Payable	17,706	-	(5,061)
Accounts Payable	54,713	-	(171,464)
Compensated Absences Payable	(14,192)	-	5,379
Estimated Insurance Claims Payable	-	-	622,000
Total Adjustments	(698,721)	-	457,695
Net Cash Provided (Used) by Operating Activities	\$ 373,077	\$ -	\$ 505,757

Self-Insured Benefit Plans	Employee Assistance Program	District Print Center	Energy Management Program	Exclusive Agreement	Totals
\$ -	\$ -	\$ 652,248	\$ 13,663,374	\$ -	\$ 14,315,622
58,552,376	338,856	-	-	-	72,912,748
6,673	-	-	140,739	40,388	1,424,324
(2,856,992)	(176,462)	(234,429)	(13,988,629)	(111,370)	(27,205,805)
(365)	(71,465)	(364,852)	(251,208)	-	(1,623,017)
(46,703,355)	-	-	-	-	(50,309,511)
8,998,337	90,929	52,967	(435,724)	(70,982)	9,514,361
-	-	-	-	-	31,169
-	-	-	-	-	208,010
-	-	-	-	-	200,000
-	-	-	-	-	439,179
6,137	115	197	4,162	1,091	32,540
2,659,590	(91,044)	(53,164)	431,562	69,891	1,677,984
2,665,757	(90,929)	(52,967)	435,724	70,982	1,710,524
11,664,064	-	-	-	-	11,664,064
-	-	-	-	-	13,846
\$ 11,664,064	\$ -	\$ -	\$ -	\$ -	\$ 11,677,910
\$ 4,680,900	\$ 32,149	\$ 42,097	\$ (316)	\$ (104,493)	\$ 5,770,197
-	-	-	-	32,289	32,289
828,878	(188)	3,622	-	-	82,205
-	-	14,014	-	-	14,014
-	52,633	20,516	389	-	86,183
3,488,559	5,591	23,761	(416,559)	1,222	2,985,823
-	744	(51,043)	(19,238)	-	(78,350)
-	-	-	-	-	622,000
4,317,437	58,780	10,870	(435,408)	33,511	3,744,164
\$ 8,998,337	\$ 90,929	\$ 52,967	\$ (435,724)	\$ (70,982)	\$ 9,514,361

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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, 2011

	School Internal Accounts	ABC Program	Total
Assets:			
Cash	\$ 6,662,819	\$ -	\$ 6,662,819
Investments	-	65,074	65,074
Accounts Receivable	7,064	-	7,064
Inventories	29,683	-	29,683
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 6,699,566</u>	<u>\$ 65,074</u>	<u>\$ 6,764,640</u>
Liabilities:			
Accounts Payable	\$ 336,429	\$ -	\$ 336,429
Internal Accounts Payable	6,363,137	-	6,363,137
ABC Program Payable	-	65,074	65,074
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>\$ 6,699,566</u>	<u>\$ 65,074</u>	<u>\$ 6,764,640</u>

District School Board of Pasco County
Combining Statement of Changes in Assets and Liabilities
Agency Funds
June 30, 2011

	School Internal Accounts			
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Cash	\$ 6,128,183	\$ 18,550,648	\$ 18,016,012	\$ 6,662,819
Accounts Receivable	6,609	11,262	10,807	7,064
Inventories	28,186	3,395	1,898	29,683
Total Assets	<u>\$ 6,162,978</u>	<u>\$ 18,565,305</u>	<u>\$ 18,028,717</u>	<u>\$ 6,699,566</u>
Liabilities:				
Accounts Payable	\$ 338,131	\$ 13,245	\$ 14,947	336,429
Internal Accounts Payable	5,824,847	538,290	-	6,363,137
Total Liabilities	<u>\$ 6,162,978</u>	<u>\$ 551,535</u>	<u>\$ 14,947</u>	<u>\$ 6,699,566</u>
		-		
	ABC Program			
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Investments	\$ 54,707	\$ 11,220	\$ 853	\$ 65,074
Liabilities:				
ABC Program Payable	\$ 54,707	\$ 11,220	\$ 853	\$ 65,074
	Total Agency Funds			
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Cash	\$ 6,128,183	\$ 18,550,648	\$ 18,016,012	\$ 6,662,819
Investments	54,707	11,220	853	65,074
Accounts Receivable	6,609	11,262	10,807	7,064
Inventories	28,186	3,395	1,898	29,683
Total Assets	<u>\$ 6,217,685</u>	<u>\$ 18,576,525</u>	<u>\$ 18,029,570</u>	<u>\$ 6,764,640</u>
Liabilities:				
Accounts Payable	\$ 338,131	\$ 13,245	\$ 14,947	\$ 336,429
Internal Accounts Payable	5,824,847	538,290	-	6,363,137
ABC Program Payable	54,707	11,220	853	65,074
Total Liabilities	<u>\$ 6,217,685</u>	<u>\$ 562,755</u>	<u>\$ 15,800</u>	<u>\$ 6,764,640</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, LLC – 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, 2011

	Academy at the Farm, Inc.	Athenian Academy of Pasco County, Inc.	Countryside Montessori Charter School, Inc.
Assets:			
Cash	\$ 426,521	\$ 324,907	\$ 357,097
Investments	-	-	-
Accounts Receivable	4,640	295	-
Due From Other Agencies	5,207	13,970	12,634
Prepaid Expenses	12,696	38,699	-
Capital Assets (net of accumulated depreciation):			
Land	-	-	-
Construction in Process	-	-	-
Leasehold Property and Improvements	252,194	-	48,739
Buildings and Fixed Equipment	519,557	241,776	-
Furniture, Fixtures and Equipment	82,889	77,773	12,488
Motor Vehicles	-	-	-
Improvements Other Than Buildings	-	-	-
Audio Visual Materials	-	-	-
Total Assets	<u>\$ 1,303,704</u>	<u>\$ 697,420</u>	<u>\$ 430,958</u>
Liabilities:			
Current Liabilities:			
Salaries and Wages Payable	\$ 6,176	\$ 114,320	\$ -
Accounts Payable	21,767	30,279	79
Due To Other Agencies	42,010	22,488	-
Deferred Revenue	-	-	-
Total Current Liabilities	<u>69,953</u>	<u>167,087</u>	<u>79</u>
Long-term Liabilities:			
Due within one year:			
Note Payable	42,519	74,566	-
Compensated Absences Payable	-	-	-
Capital Lease Obligations	-	-	-
Total Due within one year	<u>42,519</u>	<u>74,566</u>	<u>-</u>
Due in more than one year:			
Note Payable	626,499	143,411	-
Capital Lease Obligations	-	-	-
Total Due in more than one year	<u>626,499</u>	<u>143,411</u>	<u>-</u>
Total Liabilities	<u>738,971</u>	<u>385,064</u>	<u>79</u>
Net Assets (Deficit):			
Invested in Capital Assets, Net of Related Debt	185,622	101,572	61,227
Restricted	-	-	-
Unrestricted	<u>379,111</u>	<u>210,784</u>	<u>369,652</u>
Total Net Assets	<u><u>\$ 564,733</u></u>	<u><u>\$ 312,356</u></u>	<u><u>\$ 430,879</u></u>

Dayspring Academy for Education and the Arts	Imagine School at Land O'Lakes, LLC	Pasco Education Foundation, Inc.	Total Component Units
\$ 420,108	\$ 271,636	\$ 423,286	\$ 2,223,555
-	-	1,439,332	1,439,332
226	214	8,906	14,281
23,169	80,385	-	135,365
-	44,193	1,898,016	1,993,604
300,483	-	-	300,483
-	-	-	-
-	-	-	300,933
995,805	-	-	1,757,138
49,245	138,638	-	361,033
5,473	128,075	-	133,548
116,652	-	-	116,652
212	-	-	212
<u>\$ 1,911,373</u>	<u>\$ 663,141</u>	<u>\$ 3,769,540</u>	<u>\$ 8,776,136</u>
\$ 168,097	\$ 257,170	\$ -	\$ 545,763
39,511	7,332	87,879	186,847
74,731	70,820	19,795	229,844
-	6,610	-	6,610
<u>282,339</u>	<u>341,932</u>	<u>107,674</u>	<u>969,064</u>
91,937	161,901	-	370,923
51,719	-	-	51,719
-	-	-	-
<u>143,656</u>	<u>161,901</u>	<u>-</u>	<u>422,642</u>
637,976	59,898	-	1,467,784
-	-	-	-
<u>637,976</u>	<u>59,898</u>	<u>-</u>	<u>1,467,784</u>
<u>1,063,971</u>	<u>563,731</u>	<u>107,674</u>	<u>2,859,490</u>
686,238	44,914	-	1,079,573
-	-	1,830,649	1,830,649
161,164	54,496	1,831,217	3,006,424
<u>\$ 847,402</u>	<u>\$ 99,410</u>	<u>\$ 3,661,866</u>	<u>\$ 5,916,646</u>

**District School Board of Pasco County
Combining Statements of Activities
Component Units
For the Fiscal Year Ended June 30, 2011**

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	\$ 1,864,020	\$ -	\$ 121,670	\$ -	\$ (1,742,350)
Pupil Personnel Services	20,037	-	-	-	(20,037)
Instruction Related Technology	75,256	-	-	-	(75,256)
Board	7,000	-	-	-	(7,000)
School Administration	280,465	-	-	-	(280,465)
Facilities Acquisition and Construction	71,125	-	-	70,625	-
Fiscal Services	86,152	-	-	-	(86,152)
Operation of Plant	180,450	-	-	86,787	(93,663)
Debt Service - Interest	33,264	-	-	-	(74,049)
Community Service	74,049	-	-	-	(33,264)
Depreciation-Unallocated	86,679	-	-	-	(86,679)
Total Academy at the Farm, Inc., Activities	<u>\$ 2,778,497</u>	<u>\$ -</u>	<u>\$ 121,670</u>	<u>\$ 157,912</u>	<u>(2,498,915)</u>

General Revenues:

Grants and Contributions not restricted to

Specific Programs	2,687,860
Total General Revenues	<u>2,687,860</u>

Change in Net Assets 188,945

Net Assets, Beginning 375,788

Net Assets, Ending \$ 564,733

	Expenses	Program Revenues			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	\$ 1,145,112	\$ -	\$ 101,815	\$ -	\$ (1,043,297)
Pupil Personnel Services	63,604	-	-	-	(63,604)
Board of Education	11,988	-	-	-	(11,988)
General Administration	176,997	-	-	-	(176,997)
School Administration	231,883	-	-	-	(231,883)
Fiscal Services	82,413	-	-	-	(82,413)
Food Services	48,242	18,649	-	-	(29,593)
Central Services	10,912	-	-	-	(10,912)
Pupil Transportation Services	29,849	-	-	-	(29,849)
Operation of Plant	323,107	-	-	130,408	(192,699)
Community Services	28,517	-	-	-	(28,517)
Debt Service-Interest	11,400	-	-	-	(11,400)
Depreciation-Unallocated	36,446	-	-	-	(36,446)
Total Athenian Academy of Pasco County, Inc., Activities	<u>\$ 2,200,470</u>	<u>\$ 18,649</u>	<u>\$ 101,815</u>	<u>\$ 130,408</u>	<u>(1,949,598)</u>

General Revenues:

Grants and Contributions not restricted to

Specific Programs	2,122,897
Total General Revenues	<u>2,122,897</u>

Change in Net Assets 173,299

Net Assets, Beginning 139,057

Net Assets, Ending \$ 312,356

Countryside Montessori Charter School, Inc., Activities:	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Instruction	\$ 819,407	\$ -	\$ 67,037	\$ -	\$ (752,370)
School Administration	230,051	-	-	-	(230,051)
Facilities Acquisition and Construction	168,000	-	-	83,542	(84,458)
Fiscal Services	65,898	-	-	-	(65,898)
Operation of Plant	69,755	-	-	-	(69,755)
Community Service	177,133	-	-	-	(177,133)
Depreciation-Unallocated	9,154	-	-	-	(9,154)
Total Countryside Montessori Charter School, Inc., Activities	\$ 1,539,398	\$ -	\$ 67,037	\$ 83,542	(1,388,819)

General Revenues:

Grants and Contributions not restricted to Specific Programs	1,542,721
Total General Revenues	1,542,721
Change in Net Assets	153,902
Net Assets, Beginning	276,977
Net Assets, Ending	\$ 430,879

		Program Revenues			Net (Expense)
			Operating	Capital	Revenue
		Charges for	Grants and	Grants and	and Changes
<u>Dayspring Academy for Education and the Arts Activities:</u>	<u>Expenses</u>	<u>Services</u>	<u>Contributions</u>	<u>Contributions</u>	<u>in Net Assets</u>
Instruction	\$ 1,735,945	\$ -	\$ 154,797	\$ -	\$ (1,581,148)
Pupil Personnel Services	12,001	-	-	-	(12,001)
School Administration	816,878	-	-	-	(816,878)
Facilities Acquisition & Construction	58,962	-	-	-	(58,962)
Fiscal Services	85,345	-	-	-	(85,345)
Food Services	116,013	44,214	66,531	-	(5,268)
Pupil Transportation Services	71,203	-	-	-	(71,203)
Operation of Plant	334,330	-	-	204,434	(129,896)
Maintenance of Plant	42,755	-	-	-	(42,755)
Community Service	313,237	-	-	-	(313,237)
Debt Service-Interest	10,173	-	-	-	(40,173)
Depreciation-Unallocated	66,648	-	-	-	(66,648)
Total Dayspring Academy for Education and the Arts Activities	\$ 3,693,490	\$ 44,214	\$ 221,328	\$ 204,434	(3,223,514)

General Revenues:

Grants and Contributions not restricted to Specific Programs	3,412,055
Total General Revenues	3,412,055
Change in Net Assets	188,541
Net Assets, Beginning	658,861
Net Assets, Ending	\$ 847,402

**District School Board of Pasco County
Combining Statements of Activities
Component Units
For the Fiscal Year Ended June 30, 2011**

Schedule J

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<u>Imagine School at Land O'Lakes, LLC, Activities:</u>	<u>Expenses</u>				
Instruction	\$ 1,660,610	\$ -	\$ 226,830	\$ -	\$ (1,373,780)
Pupil Personnel Services	6	-	-	-	(6)
Instructional Media	43,004	-	-	-	(43,004)
Instructional Staff Training Services	3,150	-	-	-	(3,150)
Board of Education	23,188	-	-	-	(23,188)
School Administration	907,804	-	-	-	(907,804)
Fiscal Services	135,523	-	-	-	(135,523)
Central Services	2,225	-	-	-	(2,225)
Pupil Transportation Services	52,507	-	-	-	(52,507)
Operation of Plant	649,977	-	-	195,559	(454,419)
Maintenance of Plant	34,506	-	-	-	(34,506)
Community Service	16,327	-	-	-	(16,327)
Debt Service - Interest	9,241	-	-	-	(9,241)
Depreciation-Unallocated	47,686	-	-	-	(47,686)
Total Imagine School at Land O'Lakes Charter School, Activities	<u>\$ 3,525,754</u>	<u>\$ -</u>	<u>\$ 226,830</u>	<u>\$ 195,559</u>	<u>(3,103,365)</u>

General Revenues:

Grants and Contributions not restricted to

Specific Programs 3,067,717

Total General Revenues 3,067,717

Change in Net Assets (35,648)

Net Assets, Beginning 135,058

Net Assets, Ending \$ 99,410

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<u>Pasco Education Foundation, Inc., Activities:</u>	<u>Expenses</u>				
Community Service					
	<u>\$ 749,175</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (749,175)</u>

General Revenues:

Grants and Contributions not Restricted to Specific Programs 707,692

Investment Gains 201,656

Total General Revenues 909,348

Change in Net Assets 160,173

Net Assets, Beginning, as previously reported 3,501,693

Net Assets, Ending \$ 3,661,866

		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	\$ 7,165,094	\$ -	\$ 672,149	\$ -	\$ (6,492,945)
Pupil Personnel Services	95,648	-	-	-	(95,648)
Instructional Media	43,004	-	-	-	(43,004)
Instructional Staff Training Services	3,150	-	-	-	(3,150)
Instruction Related Technology	75,256	-	-	-	(75,256)
Board of Education	42,176	-	-	-	(42,176)
General Administration	176,997	-	-	-	(176,997)
School Administration	2,467,081	-	-	-	(2,467,081)
Facilities Services	298,087	-	-	154,667	(143,420)
Fiscal Services	455,331	-	-	-	(455,331)
Central Services	13,137	-	-	-	(13,137)
Food Services	164,255	62,863	66,531	-	(34,861)
Pupil Transportation Services	153,559	-	-	-	(153,559)
Operation of Plant	1,557,619	-	-	617,188	(940,431)
Maintenance of Plant	77,261	-	-	-	(77,261)
Community Service	1,358,438	-	-	-	(1,358,438)
Debt Service - Interest	94,078	-	-	-	(94,078)
Depreciation-Unallocated	246,613	-	-	-	(246,613)
Total Component Units Activities	<u>\$ 14,486,784</u>	<u>\$ 62,863</u>	<u>\$ 738,680</u>	<u>\$ 771,855</u>	<u>(12,913,386)</u>

General Revenues:

Grants and Contributions not restricted to Specific Programs	13,540,942
Investment Gains	201,656
Total General Revenues	<u>13,742,598</u>
Change in Net Assets	829,212
Net Assets, Beginning	<u>5,087,434</u>
Net Assets, Ending	<u>\$ 5,916,646</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 Nine Fiscal Years (A)
(Unaudited)

	For the Fiscal Year Ending		
	June 30, 2003	June 30, 2004	June 30, 2005
Governmental activities:			
Invested in capital assets, net of related debt	\$ 253,158,057	\$ 277,057,761	\$ 284,226,371
Restricted	86,875,402	92,616,679	132,104,422
Unrestricted	8,190,015	25,890,788	26,058,611
Total Governmental Activities Net Assets	<u>348,223,474</u>	<u>395,565,228</u>	<u>442,389,404</u>
Business-Type Activities:			
Invested in capital assets, net of related debt	49,670	68,678	87,929
Unrestricted	2,121,863	2,583,585	3,175,388
Total Business-Type Activities Net Assets	<u>2,171,533</u>	<u>2,652,263</u>	<u>3,263,317</u>
Primary Government:			
Invested in capital assets, net of related debt	253,207,727	277,126,439	284,314,300
Restricted	86,875,402	92,616,679	132,104,422
Unrestricted	10,311,878	28,474,373	29,233,999
Total Primary Government Net Assets	<u>\$ 350,395,007</u>	<u>\$ 398,217,491</u>	<u>\$ 445,652,721</u>

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

Source: District records

Table 1

For the Fiscal Year Ending					
June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011
\$ 378,990,397	\$ 464,698,097	\$ 477,656,475	\$ 532,146,394	\$ 609,215,910	\$ 610,511,400
111,094,082	150,139,097	239,259,651	199,546,968	150,219,796	156,915,364
31,819,974	36,251,972	30,656,802	35,460,415	29,950,233	42,414,994
521,904,453	651,089,166	747,572,928	767,153,777	789,385,939	809,841,758
301,788	282,704	228,564	184,707	146,867	155,131
3,257,051	2,677,980	2,484,446	2,766,947	3,678,225	4,609,491
3,558,839	2,960,684	2,713,010	2,951,654	3,825,092	4,764,622
379,292,185	464,980,801	477,885,039	532,331,101	609,362,777	610,666,531
111,094,082	150,139,097	239,259,651	199,546,968	150,219,796	156,915,364
35,077,025	38,929,952	33,141,248	38,227,362	33,628,458	47,024,485
\$ 525,463,292	\$ 654,049,850	\$ 750,285,938	\$ 770,105,431	\$ 793,211,031	\$ 814,606,380

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

	For the Fiscal Year Ending									
	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	
Expenses										
Governmental Activities										
Instruction	\$ 185,522,121	\$ 232,211,511	\$ 249,481,508	\$ 285,454,884	\$ 320,279,886	\$ 348,572,526	\$ 351,559,669	\$ 343,287,586	\$ 363,757,272	
Pupil Personnel Services	18,778,908	19,469,785	21,156,345	23,764,750	26,571,094	30,462,893	29,943,982	28,127,494	27,818,587	
Instructional Media Services	7,943,809	8,225,851	8,899,097	9,456,379	9,481,851	10,360,657	8,979,508	10,116,970	9,838,612	
Instruction and Curriculum Development Services	6,695,992	8,452,430	8,024,881	9,088,378	8,999,208	10,969,233	11,411,106	15,766,876	15,384,400	
Instructional Staff Training	10,554,709	10,232,251	11,448,750	8,052,983	9,590,108	9,810,582	8,281,128	14,462,129	13,936,346	
Instruction Related Technology	-	-	-	4,210,967	5,817,654	6,342,050	6,531,075	6,335,019	6,147,471	
Board of Education	1,140,096	1,370,793	1,399,327	1,643,566	2,198,040	2,438,957	2,717,695	3,230,392	3,121,338	
General Administration	1,149,336	1,283,059	1,174,386	2,169,506	2,667,580	2,842,753	1,805,179	3,323,964	3,351,534	
School Administration	21,681,662	23,980,247	24,847,257	27,011,932	31,744,739	35,422,367	34,476,174	36,740,305	36,616,082	
Facilities Services	3,653,309	5,242,411	7,226,608	9,250,352	13,332,062	14,328,177	17,033,887	15,095,278	14,981,752	
Fiscal Services	1,812,594	1,921,790	2,104,263	2,185,931	2,190,039	2,302,729	2,419,295	2,394,604	2,495,234	
Food Services	19,698,367	22,153,742	23,244,513	25,144,171	28,045,838	29,733,446	29,605,467	31,228,131	30,842,650	
Central Services	7,131,988	7,968,624	7,654,273	3,548,220	8,317,630	1,657,766	6,455,741	7,856,068	848,370	
Pupil Transportation Services	15,150,867	17,541,767	20,260,829	22,880,871	27,696,272	30,352,782	28,153,490	27,870,375	28,495,921	
Operation of Plant	25,567,173	25,010,607	30,108,432	35,355,100	40,372,538	45,807,271	43,875,230	46,244,124	46,454,690	
Maintenance of Plant	8,651,843	9,648,268	10,598,270	11,565,861	11,512,727	13,161,025	13,258,894	13,349,962	12,712,872	
Administrative Technology Services	-	-	-	1,704,019	2,245,453	3,066,415	3,229,763	3,299,616	3,173,777	
Community Services	587,070	673,936	874,940	690,445	826,818	833,011	816,613	711,668	582,837	
Interest on Long-term Liabilities	7,404,121	7,872,993	9,274,923	11,446,561	12,066,754	23,240,113	20,698,823	19,193,742	18,650,661	
Depreciation-Unallocated	18,714,146	635,665	-	-	-	-	-	-	-	
Total Government Activities Expenses	361,838,111	403,895,730	437,778,602	494,624,876	563,956,291	621,704,753	621,252,719	628,634,303	639,210,406	
Business-Type Activities:										
PLACE Program	4,626,977	5,205,434	5,596,822	6,931,797	8,808,096	9,517,699	8,944,520	8,303,091	8,039,992	
Total Business-Type Activities Expenses	4,626,977	5,205,434	5,596,822	6,931,797	8,808,096	9,517,699	8,944,520	8,303,091	8,039,992	
Total Primary Government Expenses	\$ 366,465,088	\$ 409,101,164	\$ 443,375,424	\$ 501,556,673	\$ 572,764,387	\$ 631,222,452	\$ 630,197,239	\$ 636,937,394	\$ 647,250,398	
Program Revenues										
Governmental Activities:										
Charges for services										
Instruction	\$ -	\$ 524,953	\$ 498,499	\$ 184,065	\$ 151,873	\$ 3,424,682	\$ 1,645,400	\$ 3,486,329	\$ 254,868	
Food Services	8,174,320	9,337,438	10,080,135	11,271,276	12,582,463	12,995,845	12,998,964	12,249,850	11,824,461	
Pupil Transportation	-	800,264	844,600	654,925	877,040	1,054,361	859,519	820,661	1,031,745	
Operating grants and contributions	23,947,137	24,749,825	26,955,586	28,133,635	30,662,856	32,184,868	32,957,214	34,949,693	35,241,557	
Capital grants and contributions	19,608,710	35,790,040	25,399,494	38,201,714	85,566,489	68,481,567	27,380,354	10,997,212	8,129,586	
Total Government Activities Program Revenue	51,730,167	71,202,520	63,778,314	78,445,615	129,840,721	118,141,323	75,841,451	62,503,745	56,482,217	

	For the Fiscal Year Ending									
	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	
Business-Type Activities:										
Charge for Services	4,956,941	5,652,571	6,131,730	7,057,611	8,012,395	9,320,202	9,144,709	9,174,266	8,975,781	
Total Business-Type Activities Revenues	4,956,941	5,652,571	6,131,730	7,057,611	8,012,395	9,320,202	9,144,709	9,174,266	8,975,781	
Total Primary Government Program Revenues	\$ 56,687,108	\$ 76,855,091	\$ 69,910,044	\$ 85,503,226	\$ 137,853,116	\$ 127,461,525	\$ 84,986,160	\$ 71,678,011	\$ 65,457,998	
Net (Expense) Revenues										
Government Activities	\$ (310,107,944)	\$ (332,693,210)	\$ (374,000,288)	\$ (416,179,261)	\$ (434,115,570)	\$ (503,563,430)	\$ (545,411,268)	\$ (566,130,558)	\$ (582,728,189)	
Business-Type Activities	329,964	447,137	534,908	125,814	(795,701)	(197,497)	200,189	871,175	935,789	
Total Primary Government Net (Expenses)Revenues	\$ (309,777,980)	\$ (332,246,073)	\$ (373,465,380)	\$ (416,053,447)	\$ (434,911,271)	\$ (503,760,927)	\$ (545,211,079)	\$ (565,259,383)	\$ (581,792,400)	
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Property Taxes:										
Levied for general purposes	\$ 75,505,300	\$ 85,299,507	\$ 96,731,933	\$ 116,114,859	\$ 143,633,620	\$ 159,132,655	\$ 163,132,311	\$ 143,328,208	\$ 137,589,229	
Levied for debt services	6,817,073	5,691,990	5,827,079	5,506,507	5,799,859	5,361,489	-	484	-	
Levied for capital purposes	23,591,081	26,719,999	23,941,847	28,960,352	37,977,156	43,207,373	42,857,117	36,814,096	32,903,497	
Sales taxes	-	-	7,009,724	17,137,576	26,642,211	27,157,517	26,452,520	25,671,147	25,406,921	
Grants and contributions not restricted to Specific Programs	227,645,628	253,013,763	268,260,814	293,780,194	318,247,859	342,888,614	322,280,550	359,835,520	390,434,709	
Transfers	-	-	-	-	-	154,071	-	-	-	
Miscellaneous	7,542,235	7,213,634	13,968,454	22,049,977	19,279,136	11,549,775	9,890,216	17,536,819	14,463,706	
Unrestricted investment earnings	2,410,227	2,096,071	5,084,613	12,144,845	11,720,442	10,595,698	379,403	5,176,446	2,385,946	
Total Governmental Activities	343,511,544	380,034,964	420,824,464	495,694,310	563,300,283	600,047,192	564,992,117	588,362,720	603,184,008	
Business-Type Activities										
Interest	37,817	34,400	76,146	169,708	197,546	103,894	37,709	2,263	3,741	
Gain on sales of Capital Assets	(19,239)	(807)	-	-	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	-	746	-	-	
Transfers	-	-	-	-	-	(154,071)	-	-	-	
Total Business-Type Activities	18,578	33,593	76,146	169,708	197,546	(50,177)	38,455	2,263	3,741	
Total Primary Government	\$ 343,530,122	\$ 380,068,557	\$ 420,900,610	\$ 495,864,018	\$ 563,497,829	\$ 599,997,015	\$ 565,030,572	\$ 588,364,983	\$ 603,187,749	
Changes in Net Assets										
Governmental activities	\$ 33,403,600	\$ 47,341,754	\$ 46,824,176	\$ 79,515,049	\$ 129,184,713	\$ 96,483,762	\$ 19,580,849	\$ 22,232,162	\$ 20,455,819	
Business-type activities	348,542	480,730	611,054	295,522	(598,155)	(247,674)	238,644	873,438	939,530	
Total Primary Government	\$ 33,752,142	\$ 47,822,484	\$ 47,435,230	\$ 79,810,571	\$ 128,586,558	\$ 96,236,088	\$ 19,819,493	\$ 23,105,600	\$ 21,395,349	

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, 2002	June 30, 2003	June 30, 2004
General Fund:			
Fund Balance:			
Nonspendable	\$ -	\$ -	\$ -
Restricted	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Reserved	13,813,138	19,023,621	20,765,087
Unreserved	22,228,986	23,759,323	27,424,436
Total General Fund	\$ 36,042,124	\$ 42,782,944	\$ 48,189,523
All Other Governmental Funds			
Fund Balance:			
Nonspendable			
Special Revenue-Food Service	\$ -	\$ -	\$ -
Restricted			
Special Revenue	-	-	-
Debt Service	-	-	-
Capital Projects	-	-	-
Assigned			
Capital Projects	-	-	-
Reserved	12,540,865	41,226,410	17,114,439
Unreserved, reported in:			
Capital Projects funds	55,313,926	31,418,093	137,603,806
Debt Service funds	-	-	-
Special Revenue funds	1,006,579	67,732	7,615,190
Total all other government funds	\$ 68,861,370	\$ 72,712,235	\$ 162,333,435

Note: (A) The District implemented GASB 54 for the fiscal year ended June 30, 2011. Fiscal years prior to 2011 have not been restated for implementation of GASB 54.

Source: District records

Table 3

For the Fiscal Year Ending						
June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,893,982
-	-	-	-	-	-	7,563,258
-	-	-	-	-	-	26,466,857
-	-	-	-	-	-	22,964,288
29,826,188	30,718,655	25,400,645	24,833,534	14,467,726	12,185,376	-
22,854,329	22,662,970	33,724,599	36,087,039	32,803,154	37,788,339	-
<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>	<u>\$ 49,973,715</u>	<u>\$ 60,888,385</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,695,810
-	-	-	-	-	-	4,383,403
-	-	-	-	-	-	18,525,444
-	-	-	-	-	-	135,332,919
-	-	-	-	-	-	27,091,944
52,272,443	84,322,255	67,080,440	111,256,904	87,804,190	32,442,711	-
117,450,717	66,991,443	122,514,782	191,033,956	159,097,171	144,692,524	-
-	-	-	-	-	13,921,942	-
414,307	1,112,459	1,390,340	1,127,901	1,700,634	3,665,452	-
<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>	<u>\$ 194,722,629</u>	<u>\$ 187,029,520</u>

Table 4

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

	For the Fiscal Year Ending		
	June 30, 2002	June 30, 2003	June 30, 2004
Revenues:			
Federal Sources:			
Federal Grants	\$ 24,137,321	\$ 26,678,188	\$ 29,851,174
Food Services	10,433,683	11,193,116	11,711,559
Total Federal Sources	<u>34,571,004</u>	<u>37,871,304</u>	<u>41,562,733</u>
State Sources:			
Florida Education Finance Program	159,962,932	178,891,142	186,318,235
Public Education Capital Outlay	6,939,814	9,188,024	2,591,195
Food Services	328,015	344,530	346,848
State Grants and Other	38,816,085	35,685,425	72,217,070
Total State Sources	<u>206,046,846</u>	<u>224,109,121</u>	<u>261,473,348</u>
Local Sources:			
Property Taxes	96,079,073	106,045,757	117,711,496
Voter Approved Sales Tax	-	-	-
Food Service sales	7,763,522	8,131,164	9,337,438
Interest Income and other	2,604,425	2,245,513	1,931,693
Local grants and other	13,415,153	16,444,875	18,959,383
Total local sources	<u>119,862,173</u>	<u>132,867,309</u>	<u>147,940,010</u>
Total Revenues	<u>360,480,023</u>	<u>394,847,734</u>	<u>450,976,091</u>
Expenditures:			
Current-Education:			
Instruction	172,207,491	186,201,942	217,194,639
Pupil Personnel Services	17,439,150	18,749,083	19,477,582
Instructional Media Services	7,350,072	7,955,608	7,917,753
Instruction and Curriculum Development Services	8,347,745	7,800,511	7,516,009
Instructional Staff Training	8,645,969	9,590,885	9,931,680
Instruction Related Technology	-	-	-
Board of Education	816,580	1,131,241	1,307,482
General Administration	1,207,812	1,137,085	1,219,732
School Administration	19,585,052	21,450,583	22,842,424
Facilities Services	3,509,163	4,042,513	3,673,013
Fiscal Services	1,642,500	1,776,948	1,795,050
Food Services	17,927,530	19,698,367	21,457,407
Central Services	6,818,844	7,043,454	7,425,925
Pupil Transportation Services	13,800,235	15,090,707	16,674,101
Operation of Plant	22,164,077	25,367,491	26,927,868
Maintenance of Plant	7,994,871	8,629,940	9,401,376
Administrative Technology Services	-	-	-
Community Services	623,996	477,035	703,861
Capital Outlay:			
Facilities Acquisition and Construction	28,151,070	31,781,067	30,235,927
Other Capital Outlay	2,591,791	2,612,226	2,309,026
Debt Service:			
Principal	8,536,000	8,872,000	7,615,000
Interest	5,030,994	4,125,435	3,670,519
Fiscal Charges	3,287,634	3,569,026	4,519,550
Total Expenditures	<u>357,678,576</u>	<u>387,103,147</u>	<u>423,815,924</u>
Excess (Deficiency) of Revenues Over Expenditures	2,801,447	7,744,587	27,160,167
Other Financing Sources (Uses):			
Bonds Issued	-	2,314,443	1,990,000
Certificates of Participation Issued	-	-	63,970,000
Proceeds of Certificates of Participation Issued	-	-	-
Premiums on Bonds Issued	-	-	2,010,597
Proceeds from the Sale of Capital Assets	271,602	732,655	97,015
Payments to Refunded Bond Escrow Agent	-	-	-
Transfers In	10,818,479	10,349,265	7,596,261
Transfers Out	(8,904,089)	(10,549,265)	(7,796,261)
Total Other Financing Sources (Uses)	<u>2,185,992</u>	<u>2,847,098</u>	<u>67,867,612</u>
Net Change in Fund Balances	\$ 4,987,439	\$ 10,591,685	\$ 95,027,779
Debt service as a percentage of noncapital expenditures	4.15%	3.69%	2.88%

Table 4

For the Fiscal Year Ending						
June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011
\$ 32,356,248	\$ 39,534,258	\$ 35,062,439	\$ 41,047,707	\$ 39,525,911	\$ 79,516,781	\$ 96,950,923
12,809,355	13,241,412	14,638,784	15,555,805	17,236,057	19,688,152	20,815,526
45,165,603	52,775,670	49,701,223	56,603,512	56,761,968	99,204,933	117,766,449
193,043,959	200,638,043	210,168,920	212,672,606	195,130,222	213,428,570	222,031,695
8,532,339	6,276,697	16,678,822	20,051,633	19,148,129	1,622,195	3,524,056
355,324	450,066	461,379	488,356	382,031	493,454	426,031
63,561,130	74,807,937	141,270,054	145,324,059	105,937,551	84,614,338	85,811,367
265,492,752	282,172,743	368,579,175	378,536,654	320,597,933	300,158,557	311,793,149
126,476,401	150,581,718	187,410,636	216,116,400	211,284,811	180,142,788	170,492,726
7,009,724	17,137,576	26,642,211	27,157,517	26,452,520	25,671,147	25,406,921
10,080,135	11,218,023	12,631,122	12,995,845	12,998,964	12,249,850	11,778,792
4,732,004	12,119,203	11,720,442	10,595,698	379,403	5,176,446	2,388,287
25,701,558	44,272,755	31,862,340	14,407,476	11,409,494	20,931,370	19,274,584
173,999,822	235,329,275	270,266,751	281,272,936	262,525,192	244,171,601	229,341,310
484,658,177	570,277,688	688,547,149	716,413,102	639,885,093	643,535,091	658,900,908
233,509,362	267,722,522	298,891,425	322,304,412	324,672,253	313,051,706	325,557,314
21,062,301	23,602,641	26,420,325	29,726,490	29,528,612	28,028,160	27,470,406
8,668,730	9,174,479	9,299,160	9,859,723	9,889,155	9,787,927	9,468,350
8,218,853	9,055,144	9,242,792	10,507,790	10,715,100	15,211,665	15,299,116
11,271,261	8,514,846	9,487,305	9,612,129	8,283,841	14,045,255	13,976,906
-	3,601,604	5,740,027	6,232,514	6,535,854	6,270,107	6,126,500
1,419,980	1,694,729	2,196,541	2,324,216	2,630,591	3,085,096	2,980,400
1,192,890	1,695,006	2,616,659	2,767,340	2,325,305	3,355,050	3,317,673
24,595,874	27,011,757	31,362,443	34,253,024	34,093,343	36,185,408	36,404,238
5,143,051	5,813,105	8,342,020	7,826,662	6,192,119	6,532,646	6,424,831
2,018,434	2,230,050	2,300,185	2,211,103	2,422,560	2,316,906	2,404,739
23,103,185	25,057,154	27,918,172	29,541,716	29,274,591	31,001,571	30,565,745
7,444,562	7,097,572	7,191,057	7,317,591	6,900,844	6,326,380	6,675,392
19,003,325	21,827,807	25,471,695	29,248,215	26,931,416	26,787,809	27,697,245
31,827,115	35,057,234	39,315,801	45,123,394	43,075,688	45,838,612	46,183,311
10,192,985	11,191,370	12,349,335	12,800,678	12,846,399	13,167,442	12,518,437
-	1,704,019	2,815,871	3,029,555	3,118,180	3,178,804	3,196,306
836,651	714,491	764,654	816,942	805,803	698,604	648,347
49,969,607	152,246,322	202,581,398	143,463,842	106,068,134	97,667,371	37,632,689
2,593,958	3,421,282	3,084,807	3,614,880	2,176,402	2,212,318	1,930,515
8,010,000	10,060,000	11,115,000	17,470,000	20,115,000	20,987,001	21,812,001
6,132,698	8,850,650	10,418,172	20,787,539	19,679,686	18,099,076	17,440,390
3,022,013	3,206,317	2,536,961	15,951,113	1,174,013	1,751,549	1,361,160
479,236,835	640,550,101	751,461,805	766,790,868	709,454,889	705,586,463	657,092,011
5,421,342	(70,272,413)	(62,914,656)	(50,377,766)	(69,569,796)	(62,051,372)	1,808,897
2,880,000	-	88,590,000	5,295,000	-	1,300,000	1,450,000
4,018,097	67,833,454	-	143,605,000	1,170,010	11,000,000	-
-	-	-	162,630,000	-	-	-
55,692	-	4,051,356	859,010	-	130,248	117,416
119,895	236,031	169,048	193,213	133,327	63,037	45,248
-	-	-	(147,930,000)	-	(1,418,444)	-
9,604,411	41,977,480	16,507,160	114,192,061	42,595,724	36,990,185	45,089,857
(9,804,411)	(42,177,480)	(16,707,160)	(114,237,990)	(42,795,724)	(37,190,185)	(45,289,857)
6,873,684	67,869,485	92,610,404	164,606,294	1,103,337	10,874,841	1,412,664
\$ 12,295,026	\$ (2,402,928)	\$ 29,695,748	\$ 114,228,528	\$ (68,466,459)	\$ (51,176,531)	\$ 3,221,561
3.31%	3.90%	3.95%	6.17%	6.62%	6.45%	6.36%

Table 5

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

Fiscal Year	Estimated Actual Value (1)		Exemptions (2)		Taxable Assessed Value				(4) Assessed Value as a Percentage of Estimated Actual Value	(5) Total Direct Tax Rate
	Real Property	Personal Property	Real Property	Personal Property	Real Property	Personal Property	Centrally (3) Assessed Value	Total		
2011	\$ 29,126,608	\$ 3,111,656	\$ 7,962,504	\$ 1,342,488	\$ 21,164,104	\$ 1,769,168	\$ 12,413	\$ 22,945,685	71.15%	6.37
2010	32,681,664	3,238,561	11,481,883	1,324,084	21,199,781	1,914,477	13,209	23,127,467	64.36%	6.51
2009	39,790,826	3,474,265	12,525,774	1,324,268	27,265,052	2,149,997	12,816	29,427,865	68.00%	6.37
2008	42,731,681	3,026,634	15,219,773	847,859	27,511,908	2,178,775	3,678	29,694,361	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

(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. Pasco County Property Appraiser's Office.

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

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		
2011	\$ 137,589,229	\$ -	\$ 32,903,497	\$ 25,406,921	\$ 195,899,647
2010	143,328,208	484	36,814,096	25,671,147	205,813,935
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

(1) The voter approved property tax for Debt Service has ended; any Debt Service Revenues collected after the 2008 Fiscal Year represent delinquent collections. The final Debt Service 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)**

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
2011	\$ 178,353,964	\$ 170,468,487	95.6%	\$ 24,239	\$ 170,492,726	95.6%
2010	186,767,020	180,089,871	96.4%	52,917	180,142,788	96.5%
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%

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

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

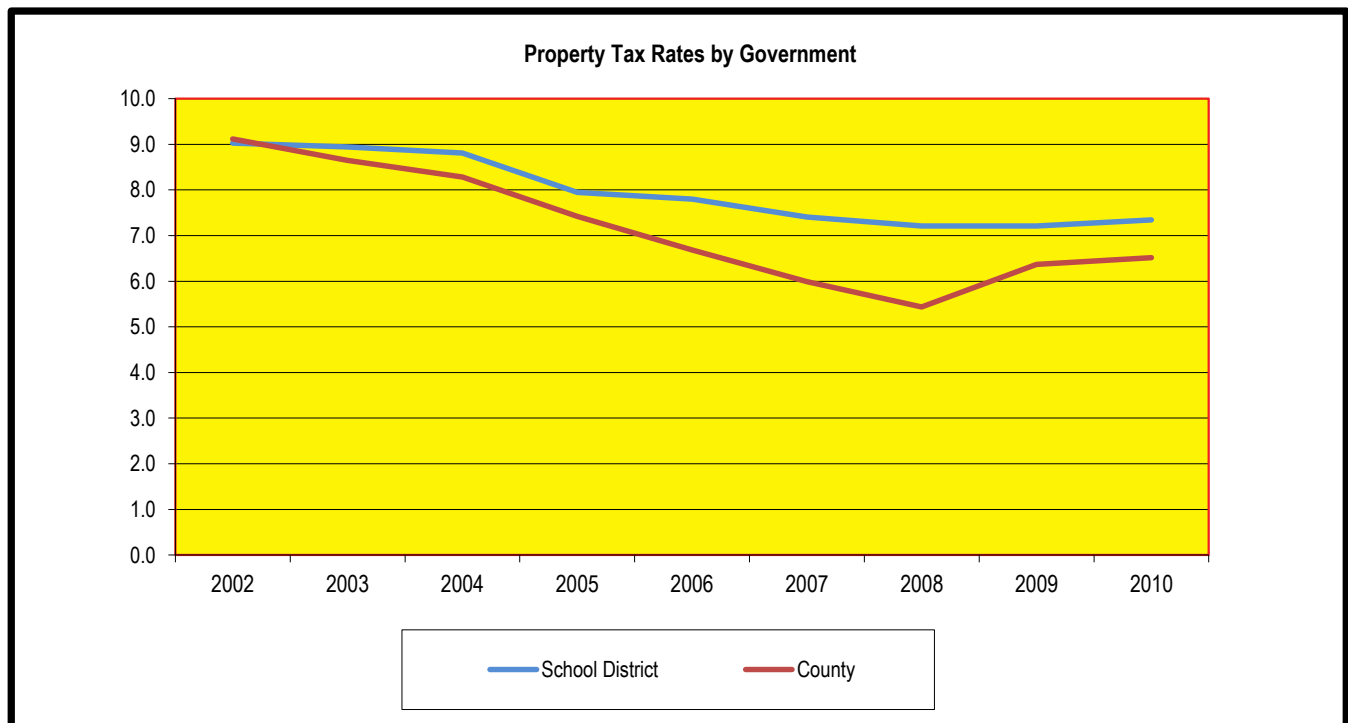
Fiscal Year	Local Required Effort Millage (3)	Discretionary Local Millage	Supplemental Discretionary Millage (1)	Capital Improvement Millage	Debt Service Millage (2)	Total Pasco Schools	Pasco County
2011	5.519	0.748	0.000	1.500	0.000	7.767	6.367
2010	5.092	0.748	0.000	1.500	0.000	7.340	6.513
2009	4.969	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

(1) For Fiscal Year 2010, the State of Florida combined the Supplemental Discretionary and Discretionary Local Millage into one Millage rate.

(2) The voter approved Debt Service Millage expired with the 2008 Fiscal Year.

(3) Local Required Effort Millage for the fiscal year 2011 includes the millage of .250 for Critical Need.

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

		2011		2001		
Goodforest LLC						
<u>Taxpayer</u>	<u>Rank</u>	<u>Taxable Assessed Valuation</u>	<u>Percentage of Total Assessed Value</u>	<u>Rank</u>	<u>Taxable Assessed Valuation</u>	<u>Percentage of Total Assessed Value</u>
Florida Power Corporation	1	\$ 324,392,221	1.20%	1	\$ 233,336,060	1.66%
Verizon Communications Inc. (1)	2	219,973,451	0.81%	2	164,824,330	1.17%
Withlacoochee River Electric Cooperative	3	212,109,961	0.78%	3	106,813,719	0.76%
Shady Hills Power Company LLC	4	119,813,239	0.44%			
Bright House Networks	5	96,875,454	0.35%			
Goodforest LLC	6	88,609,943	0.32%			
Wal-Mart Stores	7	86,983,084	0.32%			
HCA Health Services of Florida	8	83,045,530	0.30%	9	27,150,947	0.19%
Zephyrhills Bottled Water	9	71,679,380	0.26%	5	37,722,556	0.26%
Oakley Grove Development LLC	10	40,663,183	0.15%			
Pasco Beverage Company, Inc.				4	48,182,942	0.34%
Pasco Cogen, Ltd.				6	47,161,033	0.33%
Gulf View Associates				7	37,047,306	0.26%
New Port Richey Hospital, Inc.				8	23,465,444	0.16%
Saddlebrook Resorts, Inc.				10	26,408,986	0.19%
Total		<u>\$ 1,344,145,446</u>	<u>4.93%</u>		<u>\$ 752,113,323</u>	<u>5.32%</u>

(1) Formerly General Telephone Company of Florida

Source: District School Board of Pasco County - 2002 CAFR
Pasco County Property Appraiser - 2011 Data

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

Governmental Activities												Personal	Ratio of
Fiscal	State Board	District	General	Sales	Certificates			Total				Income	Outstanding Debt
Year	of Education	Revenue	Obligation	Tax Revenue	of	Note	Capital	Primary	Estimated	Per		(thousands of	To Personal
	Bonds	Bonds	Bonds	Bonds	Participation	Payable	Leases	Government	Population	Capita		dollars)	Income
2011	\$ 18,315,000	\$ 3,050,000	\$ -	\$ 50,365,000	\$ 359,397,620	\$ -	\$ -	\$ 431,127,620	464,697	\$ 928		N/A	N/A
2010	18,335,000	3,135,000	-	61,495,000	368,524,621	-	-	451,489,621	437,500	1,032	\$	13,635,875	33
2009	19,795,000	3,220,000	-	72,195,000	366,336,622	-	-	461,546,622	439,702	1,050		12,750,465	36
2008	21,080,000	3,300,000	-	82,485,000	373,626,612	-	-	480,491,612	438,668	1,095		12,750,465	38
2007	15,875,000	3,380,000	5,320,000	88,590,000	220,196,612	-	-	333,361,612	434,425	767		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

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

Source: District records
Pasco County Government
US Census Bureau: <http://quickfacts.census.gov/qfd/states/12/12101.html>

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
2011	464,697	\$ 22,963,002	\$ -	\$ -	\$ -	0.00%	\$ -
2010	471,709	25,445,098	-	-	-	0.00%	-
2009	439,702	29,432,261	-	-	-	0.00%	-
2008	438,668	29,694,616	-	-	-	0.00%	-
2007	434,425	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

(1) 2010 Population estimate was obtained from the United States Census Bureau.

(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, 2011
(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	\$ 91,997	0%	\$ -
District School Board of Pasco County Direct Debt	431,127,620	100%	431,127,620
Totals	\$ 431,219,617		\$ 431,127,620

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, 2010

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

	For the Fiscal Year Ending		
	June 30, 2002	June 30, 2003	June 30, 2004
Assessed Valuation	\$ 11,008,411,000	\$ 12,275,385,000	\$ 13,991,326,000
Debt Limit	\$ 1,100,841,100	\$ 1,227,538,500	\$ 1,399,132,600
Less: Net Debt applicable to the limit	148,877,000	142,400,000	200,745,000
Legal debt margin	<u>\$ 951,964,100</u>	<u>\$ 1,085,138,500</u>	<u>\$ 1,198,387,600</u>
Total net debt applicable to the limit as a percentage of debt	13.52%	11.60%	14.35%

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, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011
\$ 16,263,731,000	\$ 19,949,524,000	\$ 25,892,656,671	\$ 29,694,362,126	\$ 29,432,260,894	\$ 25,445,098,119	\$ 22,963,002,249
\$ 1,626,373,100	\$ 1,994,952,400	\$ 2,589,265,667	\$ 2,969,436,213	\$ 2,943,226,089	\$ 2,544,509,812	\$ 2,296,300,225
200,136,223	257,301,612	333,361,612	480,491,612	461,546,622	451,489,621	431,127,620
<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>	<u>\$ 2,093,020,191</u>	<u>\$ 1,865,172,605</u>
12.31%	12.90%	12.87%	16.18%	15.68%	17.74%	18.77%

**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)
2011	464,697	N/A	N/A	11.1%	66,162
2010	437,500	\$ 13,635,875	\$ 29,113	13.2%	66,207
2009	439,702 (4)	12,750,465 (4)	27,628	12.5%	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

N/A = Data not currently available

Source: (1) Bureau of Economic and Business Research for 1999 - 2003
(2) US Bureau of Labor Statistics
(3) District records
(4) Pasco County Government

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

Table 15

<u>Employer</u>	2011			2001		
	<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	9,499	4.76%	1	6,786	4.57%
Pasco County Government	2	2,290	1.15%	2	2,061	1.39%
State of Florida Government	3	1,297	0.65%	3	1,356	0.91%
Pasco County Sheriff	4	1,291	0.65%	5	1,018	0.69%
Florida Hospital Zephyrhills	5	1,100	0.55%			
Community Hospital of New Port Richey	6	1,000	0.50%	4	1,050	0.71%
Regional Medical Center Bayonet Point	7	1,000	0.50%	6	1,000	0.67%
Florida Medical Clinic	8	850	0.43%			
Pasco-Hernando Community College	9	713	0.36%			
Saddlebrook Resort	10	700	0.35%	7	973	0.66%
Total		<u>19,740</u>	<u>9.90%</u>		<u>14,244</u>	<u>9.60%</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
2011	5,412	314	4,085	9,811	11.55
2010	5,133	340	3,970	9,443	12.10
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

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

Fiscal Year	Minimum Salary (1)	Maximum Salary (1)	County Average Salary (2)	Statewide Average Salary (2)
2011	\$ 36,420	\$ 63,870	\$ 42,710	\$ 45,723
2010	36,420	63,870	42,850	46,089
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

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

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

Table 18

Fiscal Year	Average Daily Membership	Operating Expenditures (1)	Cost per Pupil	Percentage Change	Instructional Staff	Pupil Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
2011	66,162	\$ 450,668,927	\$ 6,812	-8.42%	5,412	12.23	55.04%
2010	66,207	455,202,664	6,875	-7.99%	5,133	12.90	52.14%
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%

(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	
					2001-2002	2002-2003
					Elementary Schools	
Anclote	1973	64,909	4	481	572.68	605.36
Calusa	1979	75,551	4	657	791.33	726.92
Centennial	1986	87,837	4	687	636.23	679.38
Chasco	2000	104,734	7	624	822.52	877.85
Chester W. Taylor	1996	96,454	12	536	749.02	729.25
Connerton	2010	118,741	-	762	-	-
Cotee River	1993	122,295	1	751	821.93	820.21
Cypress	1973	70,663	12	708	681.16	693.44
Deer Park	1988	78,637	7	615	901.29	919.90
Denham Oaks	1994	130,212	4	870	1,002.23	1,025.02
Double Branch	2008	105,122	6	762	-	-
Fox Hollow	1990	113,120	4	774	919.90	931.91
Gulf Highlands	2006	124,261	-	762	-	-
Gulf Trace	2008	96,625	-	762	-	-
Gulfside	1977	75,658	3	649	489.61	556.37
Hudson	1966	77,623	15	561	832.71	790.04
James M. Marlowe	1999	102,826	1	616	716.95	675.72
Lacoochee	1971	82,667	3	579	466.95	429.84
Lake Myrtle	1984	98,634	9	754	1,013.25	1,033.27
Longleaf	2005	104,502	15	674	-	-
Dr. Mary Giella	1989	89,354	3	634	578.96	597.52
Mitty P. Locke	1966	85,466	6	746	785.10	785.75
Moon Lake	1982	74,370	11	602	572.95	560.97
New River	2008	109,787	-	762	-	-
Northwest	1973	82,160	6	720	757.41	757.00
Oakstead	2006	126,143	24	762	-	-
Odessa	2010	97,687	-	762	-	-
Pasco	1954	92,802	4	715	696.40	685.67
Pine View	2003	99,191	9	624	-	-
Quail Hollow	1975	66,565	2	494	683.99	569.42
Richey	1958	77,103	10	558	618.94	613.99
Rodney B. Cox	1925	67,685	8	510	447.59	434.15
San Antonio	1981	89,860	2	776	731.45	608.60
Sand Pine	1998	82,033	16	517	1,030.23	708.36
Sanders Memorial	1944	33,670	1	280	732.11	804.58
Schrader	1972	90,253	1	749	636.12	631.09
Seven Oaks	2005	101,322	22	674	-	-
Seven Springs	1987	92,004	-	636	717.04	678.69
Shady Hills	1973	74,506	2	437	572.51	570.06
Sunray	2000	98,044	-	629	765.28	752.22
Trinity	2001	101,287	9	621	670.05	810.12
Trinity Oaks	2006	116,975	-	762	-	-
Veterans	2008	95,730	-	762	-	-
Watergrass	2009	97,974	-	762	-	-
Wesley Chapel	2002	99,856	18	618	-	829.77
West Zephyrhills	1958	83,003	9	758	859.56	834.61
Woodland	1977	78,211	25	670	963.43	888.47
Total Elementary Schools					24,236.88	24,615.52

Table 19

Full-Time Equivalent Enrollment Data							
2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
631.94	612.26	582.82	574.48	585.62	568.08	574.60	539.34
707.83	737.85	743.61	686.86	682.42	632.04	581.83	597.29
664.89	697.83	695.92	713.95	689.60	697.81	653.01	670.28
939.54	982.98	1,041.04	655.34	704.37	652.34	662.78	653.15
765.50	789.74	814.96	842.44	827.22	599.12	611.35	532.22
-	-	-	-	-	-	-	809.50
792.00	761.40	779.67	787.20	721.32	657.12	619.73	603.90
736.58	728.41	782.17	879.17	904.72	889.03	831.56	810.75
919.88	1,014.77	688.00	650.38	632.70	648.37	677.73	671.86
878.29	901.90	915.07	881.93	868.77	872.12	846.44	803.96
-	-	-	-	723.47	763.21	798.68	808.39
967.31	994.31	1,006.68	704.13	684.15	615.47	609.34	560.06
-	-	-	609.92	634.96	589.40	592.77	552.29
-	-	-	-	231.98	563.17	588.38	590.27
604.84	640.07	627.65	642.37	624.43	548.29	554.88	541.33
805.02	805.78	830.99	836.59	759.20	675.36	699.77	711.44
704.78	697.10	653.67	638.86	542.67	530.62	508.46	498.20
422.06	401.57	428.06	406.20	396.10	399.06	410.84	420.72
862.12	854.22	830.00	828.13	825.13	782.83	832.77	782.25
-	-	712.44	809.65	893.19	943.09	990.02	651.78
564.74	642.07	674.13	614.11	656.98	631.46	649.01	647.39
802.71	863.67	880.13	882.26	856.74	585.38	589.00	555.85
569.59	595.17	565.92	624.79	674.65	611.51	665.65	726.45
-	-	-	-	256.91	449.63	510.51	582.75
807.97	743.88	713.73	698.45	670.47	707.31	656.62	642.88
-	-	-	730.76	1,000.33	1,096.17	1,064.34	974.99
-	-	-	-	-	-	-	637.67
670.66	674.70	724.82	684.04	661.28	650.22	631.16	638.28
588.20	718.68	693.13	725.37	716.19	721.16	737.84	733.38
611.94	782.13	823.35	834.19	794.95	390.03	380.95	399.04
659.77	643.73	642.65	654.02	623.48	600.02	620.77	581.41
422.41	436.80	445.86	468.17	447.42	460.75	413.01	378.46
612.97	638.63	689.07	694.46	689.54	724.58	646.69	660.75
810.25	980.23	987.61	1,043.65	749.86	707.03	701.02	672.20
731.75	834.43	1,052.44	733.34	854.25	745.26	725.74	-
645.06	709.43	756.70	562.53	569.85	625.07	587.90	552.92
-	-	913.38	1,057.30	1,153.35	887.82	928.79	932.35
655.12	691.02	735.03	704.47	620.09	579.26	571.16	549.23
561.80	594.60	611.95	589.66	563.38	536.06	505.15	459.60
740.98	790.60	863.56	865.61	577.86	533.01	523.23	541.80
977.27	1,219.49	1,103.08	653.81	649.54	663.27	699.92	531.68
-	-	-	559.64	650.32	685.86	729.63	721.54
-	-	-	-	-	726.44	765.82	815.70
-	-	-	-	-	-	472.38	487.05
1,123.22	1,339.56	1,030.74	1,377.56	1,095.98	1,071.34	589.01	579.82
874.17	914.31	934.72	895.33	818.70	813.51	750.10	767.94
889.59	918.36	938.28	938.12	945.82	917.58	924.14	866.69
25,722.75	27,351.68	28,913.03	29,739.24	30,229.96	29,746.26	29,684.48	29,446.80

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	
					2001-2002	2002-2003
Middle Schools						
Bayonet Point	1973	133,360	5	1,000	936.70	949.51
Centennial	2001	115,614	6	686	547.99	629.10
Charles S. Rushe	2007	192,785	11	1,494	-	-
Chasco	2001	134,642	4	944	847.18	939.70
Crews Lake	2008	192,206	-	1,493	-	-
Dr. John Long	2006	187,602	23	1,475	-	-
Gulf	1964	167,643	3	1,546	1,009.70	1,034.94
Hudson	1984	148,691	5	1,168	1,218.04	1,161.42
Pasco	1946	136,864	10	1,124	864.70	895.05
Paul R. Smith	2006	187,602	-	1,430	-	-
Pine View	1977	138,136	6	1,280	1,438.95	1,514.21
Raymond B. Stewart	1926	186,071	5	1,195	961.06	947.71
River Ridge (c)	1990	-	12	1,380	-	-
Seven Springs	1995	224,939	5	1,500	1,654.83	1,676.40
Thomas E. Weightman	1990	162,472	10	1,083	1,259.83	1,434.66
Total Middle Schools					10,738.98	11,182.70
Education Centers						
Energy & Marine	1964	13,287	-	75	72.11	89.42
F. K. Marchman Tech	1984	177,967	5	749	525.20	528.57
Harry Schwettman	1923	28,351	4	155	108.50	118.40
James Irvin	1995	22,214	20	500	85.98	119.49
Moore Mickens	1952	73,442	4	513	197.16	188.90
Other Programs	n/a	n/a	-	n/a	465.95	563.86
Total Education Centers					1,454.90	1,608.64
High Schools						
Anclote	2009	222,463	-	1,766	-	-
Fivay	2010	278,342	-	1,922	-	-
Gulf	1971	240,232	7	1,617	1,388.13	1,408.06
Hudson	1973	185,238	5	1,694	1,493.59	1,524.04
J. W. Mitchell	2000	220,930	26	1,951	1,631.92	1,921.82
Land O' Lakes	1973	207,212	16	1,596	1,791.43	1,856.48
Pasco	1964	241,858	18	1,554	1,287.28	1,265.48
Ridgewood	1977	195,139	12	1,542	1,661.36	1,682.52
River Ridge (c)	1990	446,228	7	1,970	3,139.60	3,261.26
Sunlake	2007	218,643	-	1,787	-	-
Wesley Chapel	1999	217,180	3	1,547	1,392.35	1,589.52
Wiregrass Ranch	2006	218,690	18	1,764	-	-
Zephyrhills	1973	217,998	15	1,444	1,313.55	1,353.97
Total High Schools					15,099.21	15,863.15

Table 19

Full-Time Equivalent Enrollment Data							
2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
1,036.93	1,053.98	996.28	985.50	975.00	1,005.52	947.24	822.68
677.37	675.80	622.14	652.80	660.36	659.14	664.91	668.89
-	-	-	-	1,223.93	1,279.33	1,317.04	1,329.22
978.00	957.01	898.17	888.52	855.84	869.92	791.23	764.44
-	-	-	-	-	666.70	683.16	819.51
-	-	-	1,263.58	1,534.60	1,653.75	1,705.56	1,778.26
1,101.16	1,107.17	1,143.62	949.17	935.59	919.45	878.77	874.74
1,186.65	1,198.00	1,214.83	1,195.56	1,186.12	892.03	864.90	869.61
806.00	823.66	768.59	756.11	707.82	720.33	717.11	725.71
-	-	-	915.92	899.50	917.81	937.36	1,017.48
1,629.42	1,756.39	1,821.72	1,871.85	898.10	885.29	877.43	823.42
959.86	998.66	977.82	1,003.34	1,017.92	1,014.75	970.64	950.57
-	-	-	1,467.56	1,421.79	1,149.35	1,131.99	1,060.62
1,826.74	1,960.16	1,942.20	1,307.65	1,329.30	1,381.79	1,358.92	1,288.22
1,622.18	1,823.40	1,914.89	1,074.60	1,057.25	1,073.09	1,048.49	1,075.54
11,824.31	12,354.23	12,300.26	14,332.16	14,703.12	15,088.25	14,894.75	14,868.91
84.94	80.81	80.82	74.72	66.47	82.27	-	-
478.83	472.43	475.19	450.10	454.04	397.77	392.28	335.39
125.76	96.25	120.52	109.54	128.12	158.17	86.28	106.80
107.85	114.23	138.52	107.25	107.76	110.00	71.09	107.02
177.98	213.44	180.58	198.50	207.55	200.73	184.90	163.51
658.21	708.96	824.16	829.14	858.02	893.76	813.09	1,082.05
1,633.57	1,686.12	1,819.79	1,769.25	1,821.96	1,842.70	1,547.64	1,794.77
-	-	-	-	-	-	913.35	1,155.12
-	-	-	-	-	-	-	1,206.52
1,440.64	1,538.04	1,676.18	1,681.49	1,676.71	1,654.55	1,382.12	1,286.34
1,533.07	1,547.86	1,602.24	1,604.57	1,601.01	1,542.26	1,505.06	1,126.44
2,092.21	2,278.11	2,363.38	2,423.92	2,458.87	2,388.46	1,832.02	1,660.55
1,927.15	2,043.68	2,289.43	2,499.67	1,687.95	1,465.35	1,486.85	1,518.99
1,261.52	1,255.87	1,327.94	1,280.16	1,244.55	1,230.23	1,233.96	1,228.31
1,680.84	1,826.36	1,850.34	1,846.46	1,824.09	1,752.22	1,765.37	1,188.49
3,339.14	3,497.02	3,420.93	1,935.79	1,933.85	1,881.95	1,823.88	1,508.65
-	-	-	-	1,115.57	1,433.25	1,507.19	1,529.25
1,794.41	2,045.29	2,275.14	1,789.58	1,569.29	1,290.21	1,305.37	1,277.51
-	-	-	715.01	1,316.77	1,813.07	1,960.21	2,035.56
1,383.16	1,434.37	1,505.77	1,597.89	1,624.66	1,524.86	1,509.82	1,457.96
16,452.14	17,466.60	18,311.35	17,374.54	18,053.32	17,976.41	18,225.20	18,179.69

**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	
					2001-2002	2002-2003
Charter Schools						
Academy at the Farm	n/a	n/a	n/a	n/a	-	140.11
Athenian Academy	n/a	n/a	n/a	n/a	-	-
Countryside Monetssori	n/a	n/a	n/a	n/a	-	49.94
Dayspring Academy	n/a	n/a	n/a	n/a	265.72	298.50
Deerwood Academy	n/a	n/a	n/a	n/a	165.50	183.65
Imagine School	n/a	n/a	n/a	n/a	-	-
Language Academy	n/a	n/a	n/a	n/a	-	65.41
Richard Milburn Academy	n/a	n/a	n/a	n/a	-	39.51
Total Charter Schools					431.22	777.12
East Bus Garage	1966	9,061	-	n/a	-	-
West Bus Garage	1960	21,292	-	n/a	-	-
Central Bus Garage	1980	11,484	1	n/a	-	-
Administration Building	1972	214,881	15	n/a	-	-
District Maintenance	1984	37,354	-	n/a	-	-
Northwest Bus Garage	1989	11,941	1	n/a	-	-
Southeast Bus Garage	1980	8,251	-	n/a	-	-
Total District					51,961.19	54,047.13

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

(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							
2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
185.00	223.29	253.31	255.79	289.00	284.00	378.00	379.34
-	-	-	106.50	215.00	258.50	276.64	318.00
70.00	99.50	126.50	153.50	151.00	180.02	203.50	209.00
349.82	359.81	391.68	403.92	404.00	416.06	458.03	490.00
-	-	-	-	-	-	-	-
-	-	-	-	-	397.50	538.50	475.56
135.00	124.50	117.00	87.00	-	-	-	-
112.73	128.26	170.84	154.01	-	-	-	-
852.55	935.36	1,059.33	1,160.72	1,059.00	1,536.08	1,854.67	1,871.90
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
56,485.32	59,793.99	62,403.76	64,375.91	65,867.36	66,189.70	66,206.74	66,162.07

s or remodeling.

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SINGLE AUDIT REPORT



**INDEPENDENT AUDITOR'S 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***

Chairman and Members of
The District School Board of Pasco County, Florida

We have audited the financial statements of the governmental activities, 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, 2011, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 20, 2011. 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. Other auditors audited the financial statements of the aggregate discretely presented component units, as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

Management of the District is responsible for establishing and maintaining effective 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 *deficiency in internal control* 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Chairman and Members of
The District School Board of Pasco County, Florida

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*.

We noted certain matters that we have reported to management of the District in a separate letter dated December 20, 2011.

This report is intended solely for the information and use of the District's management, the School Board, Auditor General, State of Florida, federal awarding agencies, and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
December 20, 2011



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL
EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Chairman and Members of
The District School Board of Pasco County, Florida

Compliance

We have audited the compliance of the District School Board of Pasco County, Florida (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 could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2011. The District's major federal programs are identified in the summary of auditor's 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

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 to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

Internal Control Over Compliance (Continued)

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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.

Schedule of Expenditures of Federal Awards

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 as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 20, 2011, which contained unqualified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. Our report on the basic financial statements included disclosures regarding our reference to the reports of other auditors. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis, as required by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of the District's management, the School Board, Auditor General, State of Florida, federal awarding agencies, and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
December 20, 2011

DISTRICT SCHOOL BOARD OF PASCO COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass - Through Grantor Number	Amount of Expenditures (1)	Amount Provided to Subrecipients
United States Department of Agriculture:				
Indirect:				
Florida Department of Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	321	\$ 4,605,680	-
National School Lunch Program	10.555	300	14,101,828	-
Summer Food Service Program for Children	10.559	323	390,011	-
Florida Department of Agriculture and Consumer Services:				
Food Donation	10.555(2)(A)	None	1,653,363	-
Total Child Nutrition Cluster			20,750,882	-
Florida Department of Education:				
ARRA - 2009 Equipment Assistance Grants, School Food Authorities	10.579	371	66,353	-
Total United States Department of Agriculture			20,817,235	-
United States Department of Labor:				
Indirect:				
Florida Department of Education:				
Farmworker Jobs and Education Program	17.264	405	163,157	-
Total United States Department of Labor			163,157	-
United States Department of Education:				
Direct:				
Readiness and Emergency Management for Schools	84.184		201,035	-
Federal Pell Grant	84.063		164,653	118,795
Indirect:				
Florida Department of Education:				
Special Education Cluster:				
Special Education - Grants to States	84.027	262, 263	13,300,504	-
Special Education - Preschool Grants	84.173	267	315,000	-
ARRA - Special Education - Grants to States, Recovery Act	84.391	263	8,571,768	-
ARRA - Special Education - Preschool Grants, Recovery Act	84.392	267	250,986	-
Total Special Education Cluster			22,438,258	-
Title I, Part A Cluster:				
Title I Grants to Local Educational Agencies	84.010(3)	212, 222, 226, 228	14,397,491	-
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	212, 223	5,755,390	-
Total Title I, Part A Cluster			20,152,881	-
Educational Technology State Grants Cluster				
Education Technology State Grants	84.318	121	148,246	-
ARRA - Education Technology State Grants, Recovery Act	84.386	121	290,492	-
Total Educational Technology State Grants Cluster			438,738	-

DISTRICT SCHOOL BOARD OF PASCO COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass - Through Grantor Number	Amount of Expenditures (1)	Amount Provided to Subrecipients
State Fiscal Stabilization Fund Cluster:				
ARRA - State Fiscal Stabilization Fund - Education State Grants, Recovery Act	84.394	591	21,517,156	597,314
ARRA - State Fiscal Stabilization Fund - Government Services, Recovery Act	84.397	592	425,215	-
Total State Stabilization Fund Cluster			21,942,371	597,314
Education for Homeless Children and Youth Cluster:				
Education for Homeless Children and Youth	84.196	127	128,351	-
ARRA - Education for Homeless Children and Youth	84.387	127	28,042	-
Total Education for Homeless Children and Youth Cluster			156,393	-
School Improvement Grants Cluster:				
School Improvement Grants	84.377	126	111,208	-
ARRA-School Improvement Grants, Recovery Act	84.388	126	344,644	-
School Improvement Grants Cluster:			455,852	-
Adult Education - State Grant Program	84.002	191, 193	568,730	-
Migrant Education - State Grant Program	84.011	217	163,598	-
Vocational Education -Basic Grants to States	84.048	161	799,038	-
Safe and Drug-Free Schools and Communities - State Grants	84.186	103	28,880	-
Public Charter Schools (Plan, Design & Implement)	84.282	298	74,857	74,857
English Language Acquisition Grants	84.365	102	575,013	-
Improving Teacher Quality State Grants	84.367	224,225	3,030,120	-
ARRA-State Fiscal Stabilization Fund-Race-to-the Top Incentive Grants, Recovery Act	84.395	111	1,581,027	25,626
ARRA-Education Jobs Fund, Title I, Recovery Act	84.41	541	13,888,641	-
Total United States Department of Education			86,660,085	816,592
United States Department of Health and Human Services:				
Direct:				
Head Start Cluster:				
Head Start	93.600 (3)	N/A	5,505,245	-
ARRA - Head Start	93.708(4)	N/A	390,996	-
ARRA - Early Head Start	93.709(5)	N/A	885,664	-
Total Head Start Cluster			6,781,905	-
Corporation for National and Community Service:				
Direct:				
Retired and Senior Volunteer Program	94.002	N/A	83,732	-
Indirect:				
Florida Department of Education:				
Learn and Serve America - School and Community Based Programs	94.004	234	10,570	-
Total Corporation for National and Community Service			94,302	-

DISTRICT SCHOOL BOARD OF PASCO COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass - Through Grantor Number	Amount of Expenditures (1)	Amount Provided to Subrecipients
United States Department of Defense:				
Direct:				
Air Force Junior Reserve Officers Training Corps	None	N/A	77,096	-
Army Junior Reserve Officers Training Corps	None	N/A	143,308	-
Navy Junior Reserve Officers Training Corps	None	N/A	<u>306,012</u>	<u>-</u>
Total United States Department of Defense			<u>526,416</u>	<u>-</u>
Total Expenditures of Federal Awards			\$ <u>115,043,100</u>	\$ <u>816,592</u>

Notes: (1)-1 Basis of Presentation. The Schedule of Expenditures of Federal Awards represents amounts expended from Federal programs during the 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 amounts recorded in the District's accounting records from which the basic financial statements have been reported.

(2)-2 Noncash Assistance.

(A) National School Lunch Program. Represents the amount of donated food used during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.

(B) Hazard Mitigation Grant. Represents the Federally-paid portion of emergency shelter generators.

(3)-2 Head Start. Expenditures include \$631,614 for grant number/program year 04CH3070/42 and \$4,873,631 for grant number/program year 04CH3070/43.

(4)-2 Head Start-ARRA-Expenditures include \$77,367 for grant number/program year 04SH3070/01; \$73,238 for grant number/program year 04SE3070/01;

\$11,927 for grant number/program year 04SE3070/01 and \$228,464 for grant number/program year 04SH3070/02.

(5)-2 Early Head Start. ARRA-Expenditures included \$333,129 for grant number/proram year 04SA3070/01 and \$552,535 for grant number/program year 04SH3070/02.

DISTRICT SCHOOL BOARD OF PASCO COUNTY, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For The Year Ended June 30, 2011

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unqualified Opinion

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

___ Yes X No
___ Yes X None reported
___ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

___ Yes X No
___ Yes X None reported

Type of auditor's report issued on compliance for major federal programs:

Unqualified Opinion

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?

___ Yes X No

Identification of Major Programs:

CFDA Numbers

Name of Federal Program or Cluster

84.010, 84.389 ARRA	Title I, Part A Cluster
84.027, 84.173, 84.391 ARRA, 84.392 ARRA	Special Education Cluster (IDEA)
84.318, 84.386 ARRA	Education Technology State Grants Cluster
84.394 ARRA, 84.397 ARRA	State Fiscal Stabilization Fund (SFSF) Cluster
84.395 ARRA	SFSF – Race-to-the-Top Incentive Grants
84.410 ARRA	Education Jobs Fund

Dollar threshold used to distinguish between Type A and Type B programs:

\$3,000,000

Auditee qualified as low-risk auditee?

X Yes ___ No

DISTRICT SCHOOL BOARD OF PASCO COUNTY, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*Continued*)

For The Year Ended June 30, 2011

Section II – Findings Related to the Financial Statement Audit, as required to be reported in accordance with *Government Auditing Standards*.

No matters are reported.

Section III – Federal Award Findings and Questioned Costs Section reported in accordance with OMB Circular A-133.

No matters are reported.

DISTRICT SCHOOL BOARD OF PASCO COUNTY, FLORIDA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For The Year Ended June 30, 2011

PRIOR YEAR AUDIT FINDINGS

No matters were reported over federal financial assistance programs in the prior year.