



Commitment to the Future

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2012



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, 2012



Issued by:
Finance Services Department



**District School Board of Pasco County
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2012**

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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 10, 2012

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, 2012.

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, 2012, 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, 2012, 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 2011-2012 fiscal year, the District operated 79 schools, including 46 elementary schools, 15 middle schools, 13 high schools, and 5 specialized schools; sponsored 5 charter schools; and reported serving approximately 65,976 unweighted full-time equivalent students. For the 2012-2013 school year, the District projects it will enroll 65,557 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 2003, the population of Pasco County increased 24.28 percent to an estimated 466,457. 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 17th of 67 counties in the State with a value of 98.93.

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 98.93 implies that it cost the District less than the average school district to attract and retain equally qualified personnel. Surrounding counties such as, Hillsborough (101.65) and Pinellas (99.89), 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 9,396 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 unassigned fund balance at June 30, 2012 for the in the general fund is \$22,714,296 or 5.03 percent of the 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. In an effort to assist with monitoring investments, the District has established an Investment Oversight Committee.

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. The District has established the Penny for Pasco Oversight Committee to help monitor the needs and allocation of funding.

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 500 points under the Florida school grading system this year. This equates to an overall district-wide grade of B (525 points is an A). The District is proud that forty of sixty-six elementary and middle schools (60.6%) in Pasco earned an outstanding grade of A or B this year. As the District continues to strive for improvement, forty-three of sixty-six (65.2%) of Pasco schools maintained or improved their school grade. Of special note, three schools in Pasco improved their rating by two letter grades this year and there are no F schools in the District.

This sustained improvement is directly attributable to the entire team's collective efforts and 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. With current grades expected in mid-December, the most recent grades for high schools are from the 2010-2011 school year. During that year, eleven out of thirteen (84.6%) earned an outstanding grade of A or B. The

Department reported that ten out of thirteen high (76.9%) schools 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 88.5 percent graduation rate compared to the State Average of 81.2 percent and a drop-out rate of 1.0 compared to the State Average of 1.9. 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 37.81 percent of teachers in Pasco have earned a Master's Degree or higher and 198 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 evaluation 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, 2011. This was the eleventh 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
Former Superintendent of Schools



Ms. Olga Swinson, CPA, CGFM
Chief Finance Officer



Ms. Joanne Millovitsch
Director of Finance Services

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, 2011

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



Linda C. Sandson

President

Jeffrey R. Enner

Executive Director

Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award
is presented to*

District School Board of Pasco County

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2011*

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards



Brian L. Mee, SFO, RSBA
President

John D. Musso, CAE, RSBA
Executive Director

List of Principal Officials As of June 30, 2012

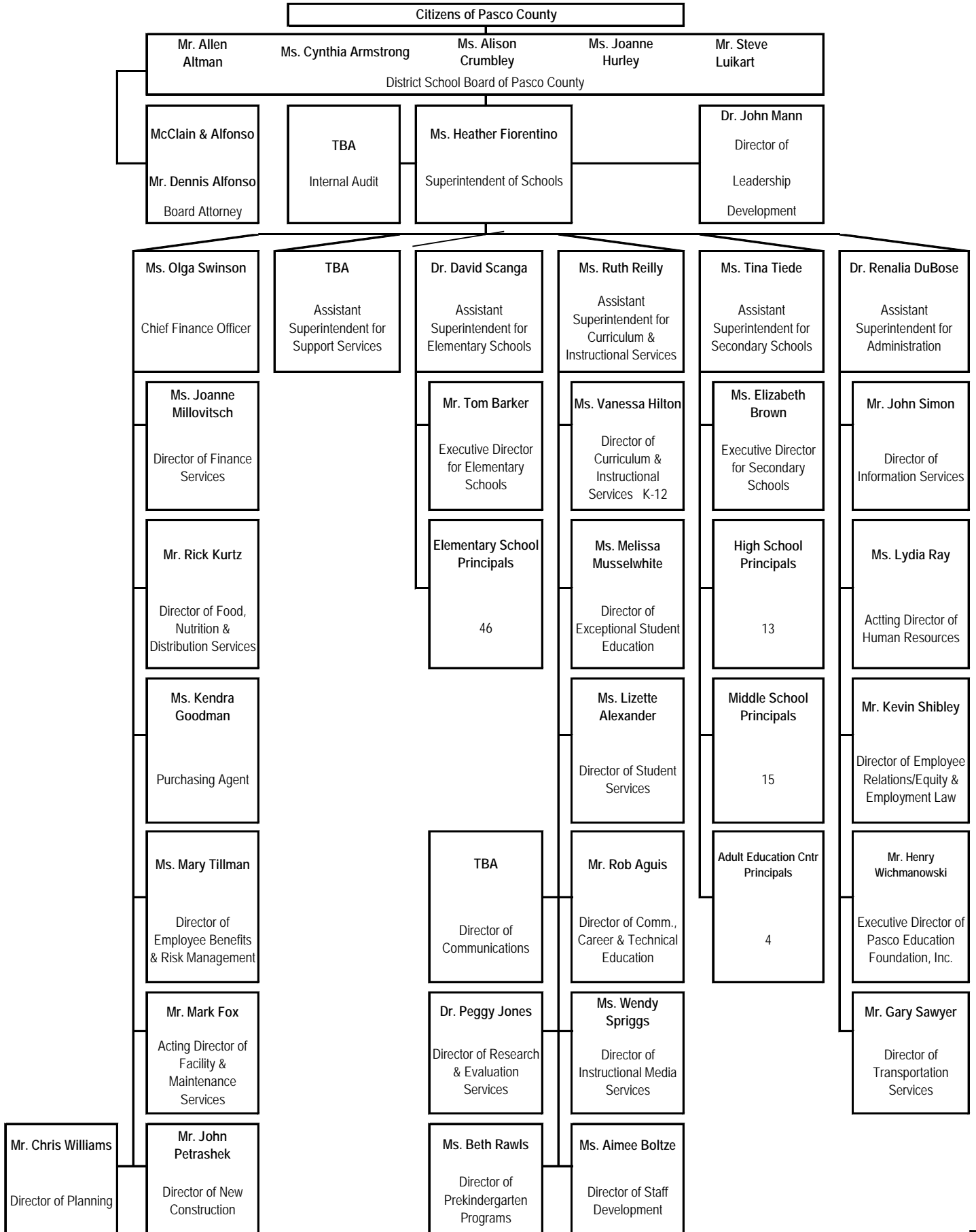
Principal Officials – Elected

Ms. Heather Fiorentino , Superintendent of Schools Present Term Expires	November 2012
Ms. Joanne Hurley , Chairman, Member from District 2 Present Term Expires	November 2012
Ms. Cynthia Armstrong , Vice-Chairman, Member from District 3 Present Term Expires	November 2014
Mr. Allen Altman , Member from District 1 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. Olga Swinson , CPA, CGFM, Chief Finance Officer
Ms. Ruth Reilly , Assistant Superintendent for Curriculum and Instructional Services
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, 2012, which collectively comprise the District's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the 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 audits and the reports of the 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, 2012, and the respective changes in financial position, and cash flows, where applicable, thereof and the budgetary comparisons for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2012, 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 10, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS



District School Board of Pasco County
Management's Discussion and Analysis
June 30, 2012

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.

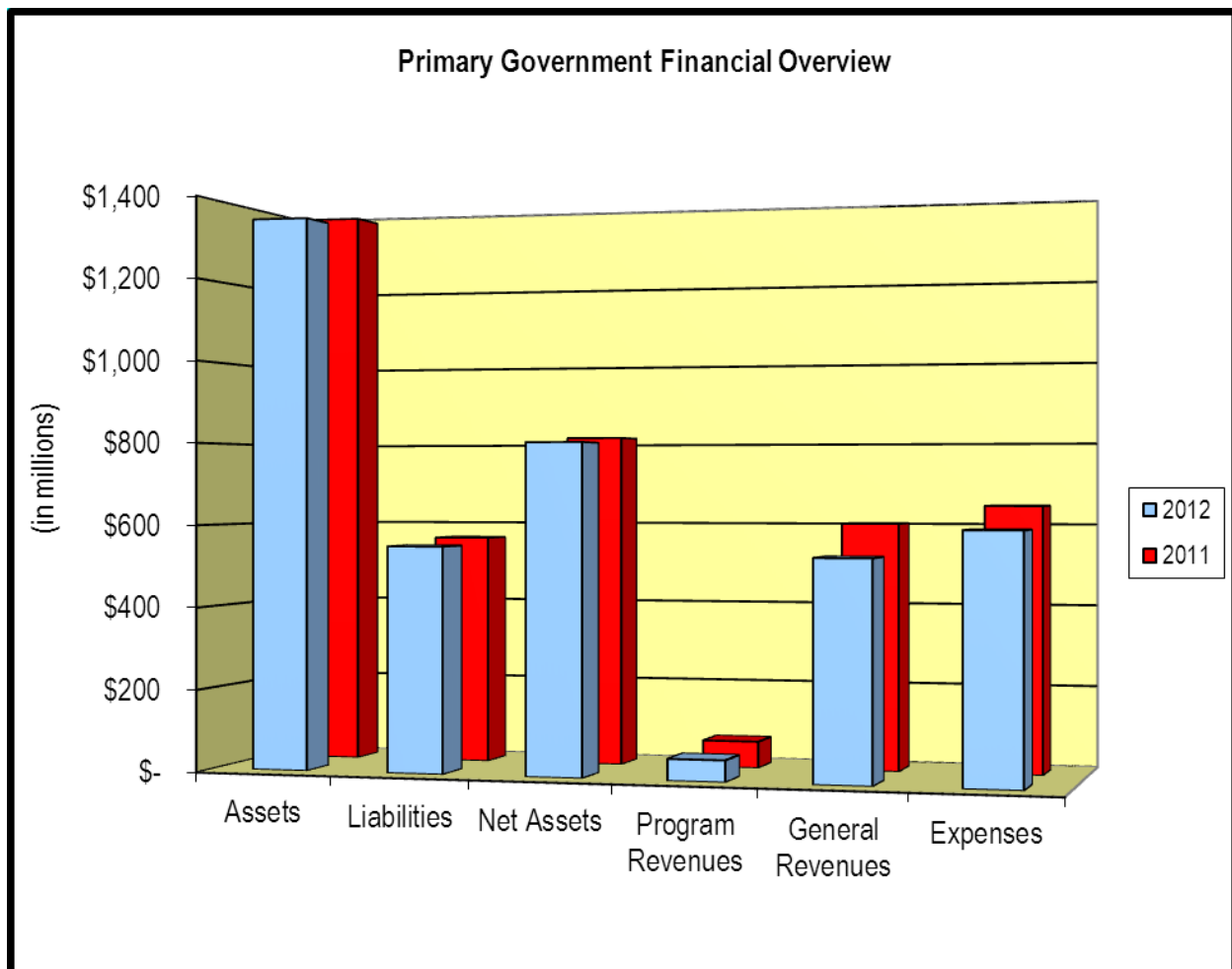
Because the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events and conditions, it should be considered in conjunction with the District's basic financial statements and notes to financial statements.

Financial Highlights

Key financial highlights for the 2011-12 fiscal year is as follows:

- The assets of the District exceeded its liabilities at June 30, 2012 by \$800,804,689. Of this amount, \$34,920,799 may be used to meet the government's ongoing obligations to citizens and creditors.
- The District's total net assets decreased by \$13,801,691. This decrease is primarily attributable to the ongoing investment of the District in the renovation of existing schools supported by sales tax proceeds and other capital outlay revenues.
- Total revenues of \$580,630,984 were comprised of general revenues in the amount of \$528,162,725, or 91 percent, and program specific revenues from charges for services, grants and contributions in the amount of \$52,468,259 or 9 percent.
- For the year ended June 30, 2012 the District had \$594,432,675 in expenses related governmental activities; \$52,468,259 of which were offset by program specific charges or services, grants and other sources. General revenues (primarily taxes and state funding programs) of \$528,162,725 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 \$220,032,324, a decrease of \$27,885,581 in comparison with the prior year. Approximately 32 percent of this total amount, \$70,212,913, is available for spending at the District's discretion for the purposes defined for each governmental fund.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$22,714,296, or 5.03 percent of total general fund expenditures.
- The District's total bonded debt (Bonds Payable and Certificates of Participation) decreased by \$21,721,451 or 4.98 percent during the current year.

The primary government financial overview for the 2011-2012 and 2010-2011 fiscal year is below:

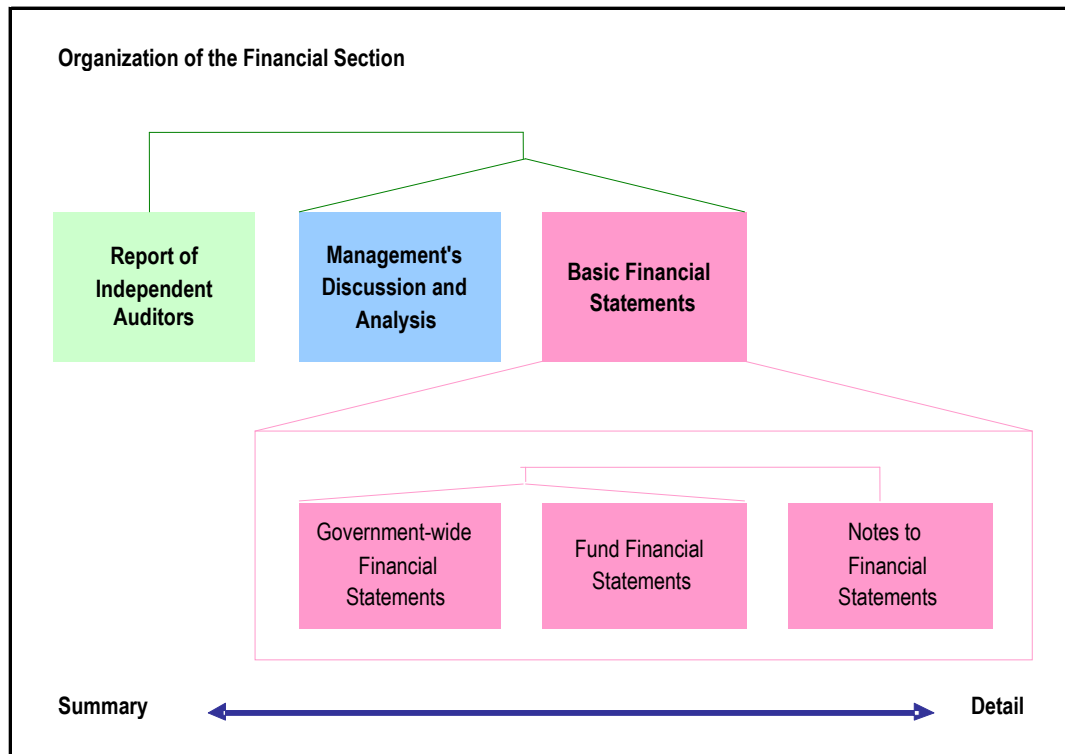


Overview of the Financial Statements

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. Data from the other governmental funds are combined into a single, aggregated presentation.

- 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 life; individual self-insurance programs for liability, workers' compensation, mental health programs, health and pharmacy programs; the employee assistance program; 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.

Other Information

Required Supplementary Information provides additional information on the Early Retirement Program and Other Post-Employment Benefits.

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 \$800,804,689 at June 30, 2012.

Net Assets, End of Year							
	Governmental Activities		Business-Type Activities		Total		Percentage Change
	6/30/2012	6/30/2011	6/30/2012	6/30/2011	6/30/2012	6/30/2011	
Current and Other Assets	\$ 325,814,303	\$ 351,324,846	\$ 6,519,516	\$ 5,767,649	\$ 332,333,819	\$ 357,092,495	
Capital Assets	1,000,509,066	1,008,690,990	137,748	155,131	1,000,646,814	1,008,846,121	
Deferred Swap Outflow	33,137,907	13,496,069	-	-	33,137,907	13,496,069	
Total Assets and Deferrals	1,359,461,276	1,373,511,905	6,657,264	5,922,780	1,366,118,540	1,379,434,685	-0.97%
Long-Term Liabilities	490,627,560	468,781,357	579,039	477,286	491,206,599	469,258,643	
Other Liabilities	73,554,379	94,888,790	552,873	525,741	74,107,252	95,414,531	
Total Liabilities	564,181,939	563,670,147	1,131,912	1,003,027	565,313,851	564,673,174	0.11%
Net Assets:							
Invested in Capital Assets -							
Net of Debt	587,895,355	610,511,400	137,748	155,131	588,033,103	610,666,531	
Restricted	177,850,787	156,915,364	-	-	177,850,787	156,915,364	
Unrestricted	29,533,195	42,414,994	5,387,604	4,609,491	34,920,799	47,024,485	
Total Net Assets	\$ 795,279,337	\$ 809,841,758	\$ 5,525,352	\$ 4,764,622	\$ 800,804,689	\$ 814,606,380	-1.69%

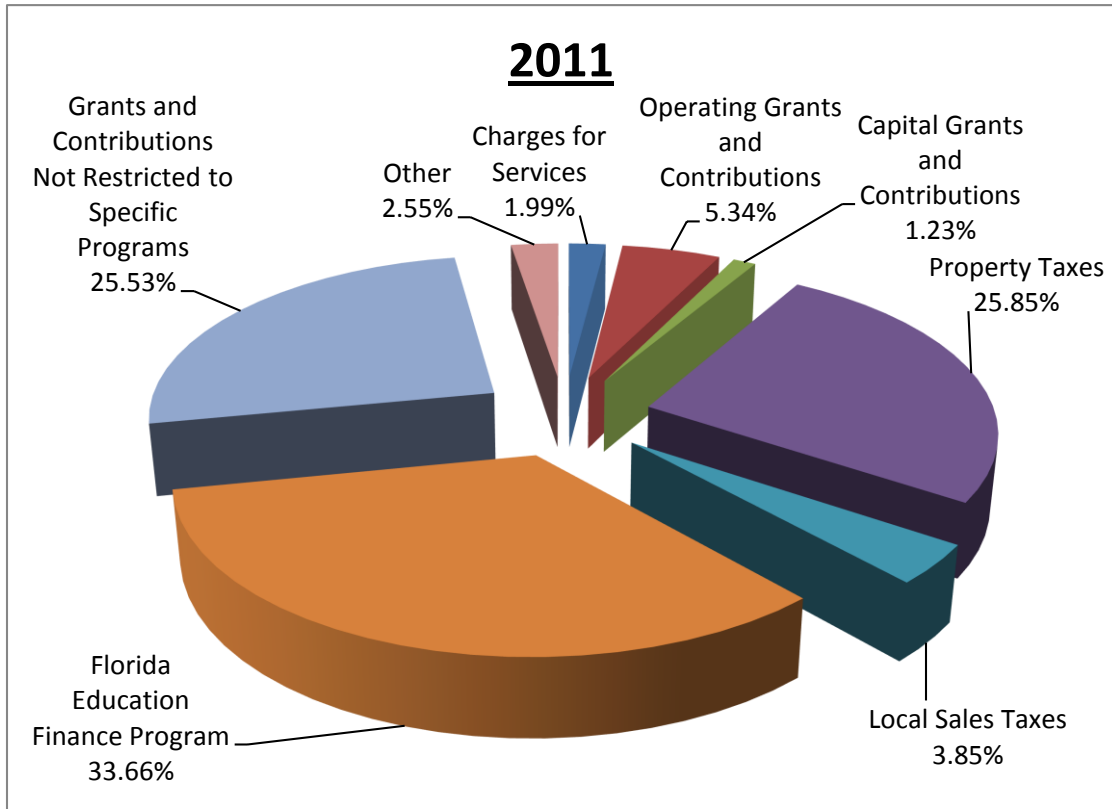
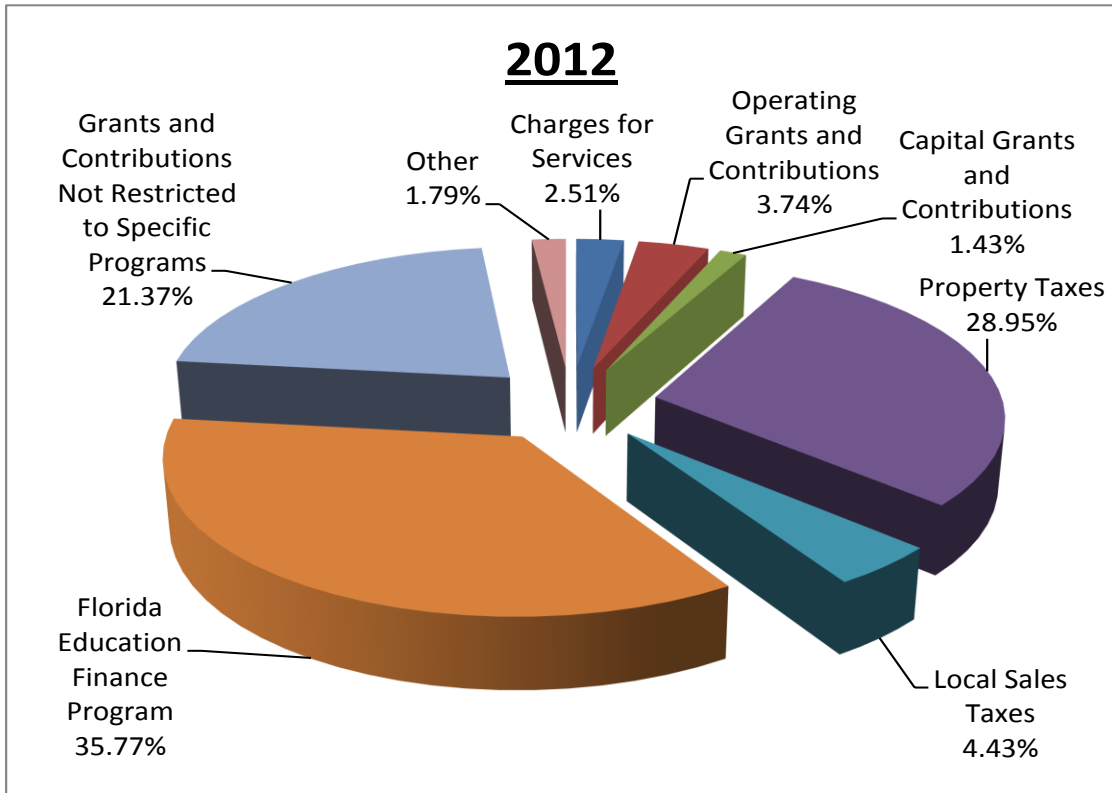
The largest portion of the District's net assets (73.43 percent) reflects its investment in capital assets (e.g. land, buildings, furniture and equipment, motor vehicles, software) less any related debt still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending.

The restricted portion of the District's net assets (22.21 percent) represents resources, which are subject to external restrictions on how they may be used. The unrestricted net assets (4.36 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

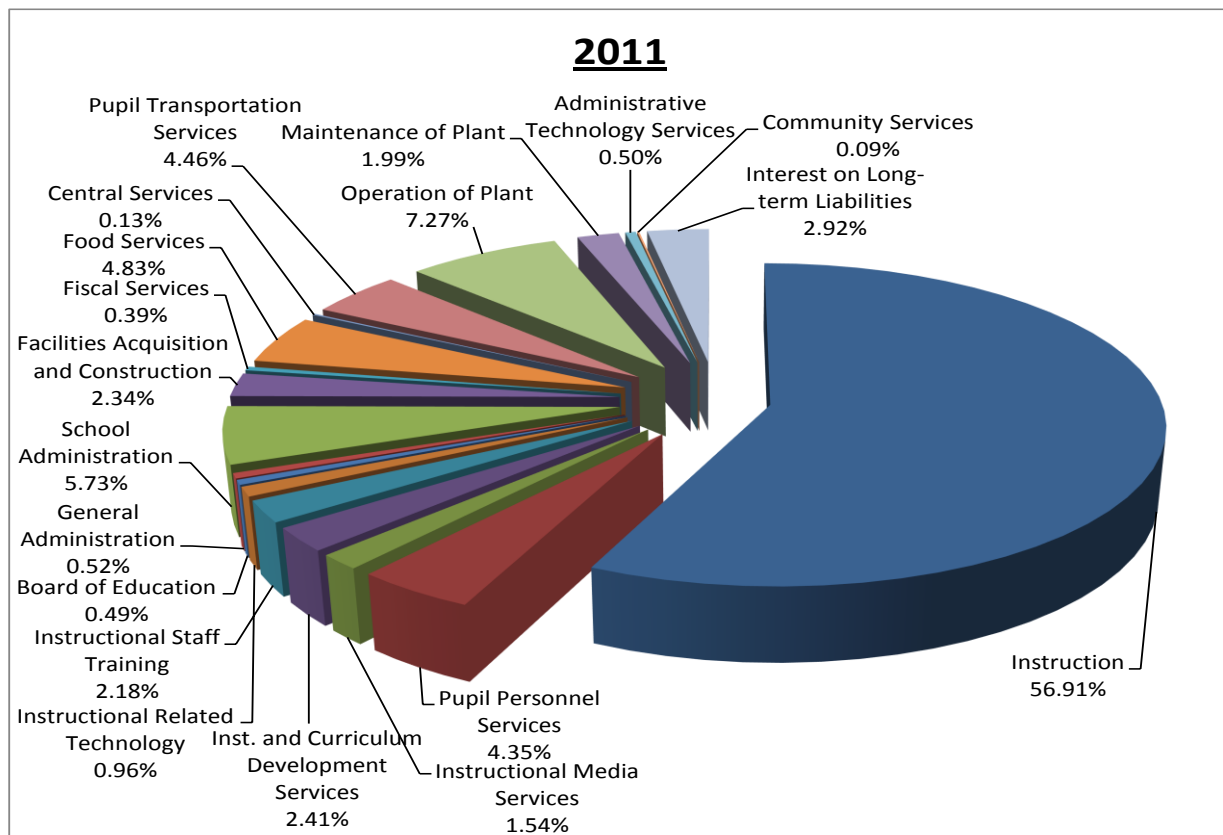
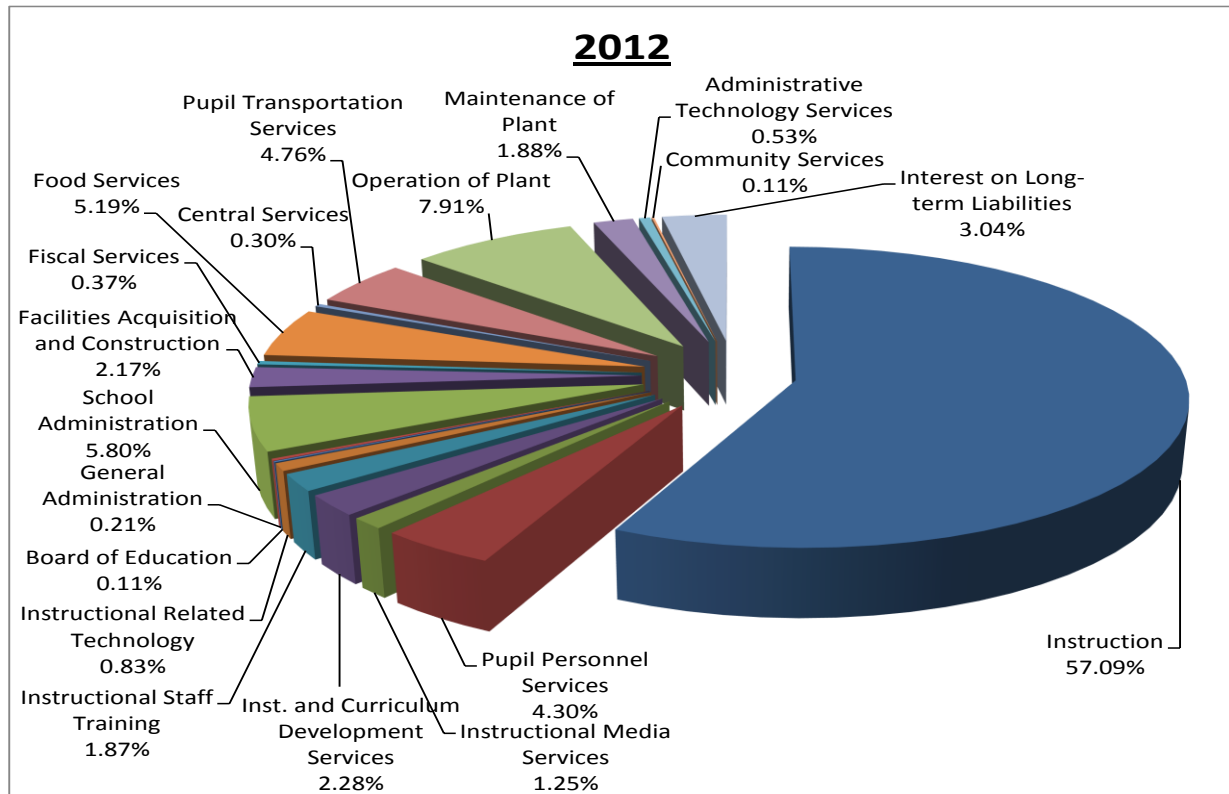
The key elements of the changes in the District's net assets for the fiscal year ended June 30, 2012, and June 30, 2011, are as follows:

<u>Operating Results for the Year</u>							
	Governmental Activities		Business-type Activity		Total School District		%
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>Change</u>
Revenues:							
Program Revenues:							
Charges for Services	\$ 14,356,418	\$ 13,111,074	\$ 8,495,164	\$ 8,975,781	\$ 22,851,582	\$ 22,086,855	3.46%
Operating Grants and Contributions	21,417,728	35,241,557	-	-	21,417,728	35,241,557	-39.23%
Capital Grants and Contributions	8,198,949	8,129,586	-	-	8,198,949	8,129,586	0.85%
General Revenues:							
Property Taxes	165,642,379	170,492,726	-	-	165,642,379	170,492,726	-2.84%
Local Sales Taxes	25,321,574	25,406,921	-	-	25,321,574	25,406,921	-0.34%
Florida Education Finance Program	204,656,075	222,031,695	-	-	204,656,075	222,031,695	-7.83%
Grants and Contributions not Restricted to Specific Programs	122,273,665	168,403,014	-	-	122,273,665	168,403,014	-27.39%
Other	10,249,902	16,849,652	19,130	3,741	10,269,032	16,853,393	-39.07%
Total Revenues	572,116,690	659,666,225	8,514,294	8,979,522	580,630,984	668,645,747	-13.16%
Program Expenses:							
Instruction	334,933,329	363,757,272	-	-	334,933,329	363,757,272	-7.92%
Pupil Personnel Services	25,200,500	27,818,587	-	-	25,200,500	27,818,587	-9.41%
Instructional Media Services	7,354,703	9,838,612	-	-	7,354,703	9,838,612	-25.25%
Inst. and Curriculum Development Services	13,400,395	15,384,400	-	-	13,400,395	15,384,400	-12.90%
Instructional Staff Training	10,971,329	13,936,346	-	-	10,971,329	13,936,346	-21.28%
Instructional Related Technology	4,847,994	6,147,471	-	-	4,847,994	6,147,471	-21.14%
Board of Education	668,918	3,121,338	-	-	668,918	3,121,338	-78.57%
General Administration	1,259,433	3,351,534	-	-	1,259,433	3,351,534	-62.42%
School Administration	34,008,721	36,616,082	-	-	34,008,721	36,616,082	-7.12%
Facilities Acquisition and Construction	12,736,731	14,981,752	-	-	12,736,731	14,981,752	-14.99%
Fiscal Services	2,199,577	2,495,234	-	-	2,199,577	2,495,234	-11.85%
Food Services	30,476,104	30,842,650	-	-	30,476,104	30,842,650	-1.19%
Central Services	1,734,199	848,370	-	-	1,734,199	848,370	104.42%
Pupil Transportation Services	27,912,093	28,495,921	-	-	27,912,093	28,495,921	-2.05%
Operation of Plant	46,432,259	46,454,690	-	-	46,432,259	46,454,690	-0.05%
Maintenance of Plant	11,012,852	12,712,872	-	-	11,012,852	12,712,872	-13.37%
Administrative Technology Services	3,084,540	3,173,777	-	-	3,084,540	3,173,777	-2.81%
Community Services	618,337	582,837	7,753,564	8,039,992	8,371,901	8,622,829	-2.91%
Interest on Long-term Liabilities	17,827,097	18,650,661	-	-	17,827,097	18,650,661	-4.42%
Total Expenses	586,679,111	639,210,406	7,753,564	8,039,992	594,432,675	647,250,398	-8.16%
Change in Net Assets	(14,562,421)	20,455,819	760,730	939,530	(13,801,691)	21,395,349	-164.51%
Net Assets, Beginning	809,841,758	789,385,939	4,764,622	3,825,092	814,606,380	793,211,031	2.70%
Net Assets, Ending	\$ 795,279,337	\$ 809,841,758	\$ 5,525,352	\$ 4,764,622	\$800,804,689	\$ 814,606,380	-1.69%

Revenue by Source – Statement of Activities



Expenses – Statement 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 \$220,032,324, a decrease of \$27,885,581 in comparison with the prior year. Approximately 32 percent of this total amount (\$70,212,913) constitutes unrestricted fund balances, which are available for spending at the government's discretion within the purpose of each fund. The following schedule indicates the fund balances and the total changes in fund balances by major fund and other governmental (non-major) funds as reported in the basic financial statements for the fiscal years ended June 30, 2012 and June 30, 2011.

Fund Balance	6/30/2012	6/30/2011	Increase (Decrease)	Percentage Change
Major Governmental Funds:				
General Fund	\$ 48,282,861	\$ 60,888,385	\$ (12,605,524)	-20.70%
Capital Projects - Other Funds	110,391,429	121,845,458	(11,454,029)	-9.40%
Other Governmental Funds (nonmajor)	61,358,034	65,184,062	(3,826,028)	-5.87%
Total Fund Balances	<u>\$ 220,032,324</u>	<u>\$ 247,917,905</u>	<u>\$ (27,885,581)</u>	<u>-11.25%</u>

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 \$22,714,296, while total fund balance reached \$48,282,861. 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 5.03 percent of total General Fund expenditures, while total fund balance represents 10.70 percent of that same amount. During the 2011-12 fiscal year, the total fund balance of the General Fund decreased by \$12,605,524.

The following schedule shows the changes in General Fund revenues and transfers in for the fiscal years ended June 30, 2012 and June 30, 2011.

<u>General Fund Revenues and Transfers In</u>	<u>2012</u>	<u>2011</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Federal Direct Sources:				
Reserve Officers Training Corps (ROTC)	\$ 486,628	\$ 532,488	\$ (45,860)	-8.61%
Federal Through State Sources:				
Other Federal Through State Sources	2,252,991	2,652,633	(399,642)	-15.07%
State Sources				
Florida Education Finance Program (FEFP)	204,656,075	222,031,695	(17,375,620)	-7.83%
Other Restricted State Sources	79,710,212	82,907,970	(3,197,758)	-3.86%
Local Sources:				
Ad Valorem Taxes	133,136,587	137,589,229	(4,452,642)	-3.24%
Interest Income	122,338	165,514	(43,176)	-26.09%
Other Local Sources	11,115,351	14,886,964	(3,771,613)	-25.34%
Transfers In and Other Revenue	7,230,541	771,856	6,458,685	836.77%
Total General Fund Revenues and Transfers In	\$ 438,710,723	\$ 461,538,349	\$ (22,827,626)	-4.95%

During the 2011-2012 fiscal year, revenues and transfers in decreased by \$22,827,626 or 4.95%. The major impacts to funding were the reduction in the net assessed taxable value from \$22,945,685 to \$22,466,159 resulting in a reduction of \$4,452,642 in ad valorem taxes collections. In addition, reductions in Florida Education Finance Program funds of \$17,375,620 mainly attributed to the reduction in per student funding from the Florida Department of Education and other items totaling \$3,771,613 were partially offset by additional transfers of \$6,304,219 from the Capital funds used to cover property insurance premiums.

The following schedule shows the changes in General Fund expenditures by object for the fiscal years ended June 30, 2012 and June 30, 2011.

<u>General Fund - Expenditures</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Salaries	\$ 288,576,915	\$ 277,390,870	\$ 11,186,045	4.03%
Employee Benefits	85,708,834	98,226,464	(12,517,630)	-12.74%
Purchased Services	40,978,456	40,659,764	318,692	0.78%
Energy Services	16,555,302	15,362,873	1,192,429	7.76%
Materials and Supplies	13,206,388	12,719,810	486,578	3.83%
Capital Outlay	1,963,386	1,977,744	(14,358)	-0.73%
Other Expenditures	4,326,966	4,331,402	(4,436)	-0.10%
Totals General Fund Expenditures	\$ 451,316,247	\$ 450,668,927	\$ 647,320	0.14%

The following schedule shows the changes in General Fund expenditures by functions for the fiscal years ended June 30, 2012 and June 30, 2011.

General Fund Expenditures by Function	2012	2011	Increase (Decrease)	Percentage Change
Instruction	271,521,509	273,060,882	(1,539,373)	-0.56%
Pupil Personnel Services	21,583,415	23,646,153	(2,062,738)	-8.72%
Instructional Media Services	7,035,285	4,056,578	2,978,707	73.43%
Inst. and Curriculum Development Services	8,802,783	5,800,812	3,001,971	51.75%
Instructional Staff Training Services	6,824,522	2,093,211	4,731,311	226.03%
Instructional Related Technology	4,536,729	1,533,423	3,003,306	195.86%
Board of Education	487,161	2,980,400	(2,493,239)	-83.65%
General Administration	565,560	636,634	(71,074)	-11.16%
School Administration	33,192,320	36,403,302	(3,210,982)	-8.82%
Facilities Acquisition and Construction	1,787,354	2,284,115	(496,761)	-21.75%
Fiscal Services	1,987,258	2,283,516	(296,258)	-12.97%
Food Services	186,688	197,395	(10,707)	-5.42%
Central Services	5,733,824	6,388,288	(654,464)	-10.24%
Pupil Transportation Services	26,813,234	27,288,620	(475,386)	-1.74%
Operation of Plant	45,866,178	45,849,940	16,238	0.04%
Maintenance of Plant	10,829,775	12,405,062	(1,575,287)	-12.70%
Administrative Technology Services	2,863,358	3,099,253	(235,895)	-7.61%
Community Services	540,353	564,615	(24,262)	-4.30%
Capital Outlay	158,941	96,728	62,213	64.32%
Total General F Total Expenses	451,316,247	450,668,927	647,320	0.14%

General Fund expenditures increased by \$647,320 or 0.14 percent. The following are some of the highlights:

- Salary expenditures were shifted from the special revenue fund to the general fund due to the receipt of Education Jobs Funds in fiscal year 2010-2011 not being received in 2011-2012. This impacted all of the functions.
- Reduction in retirement contributions rates from 10.77 percent to 4.91 percent which impacted all functions.
- Maintenance of plant savings included \$1,575,287 due to better control of labor allocations and maintenance cost controls.
- Reduction of the Board of Education expense was the result of reclassification of the board portion of retiree's health insurance benefits to other functions.

The *Capital Projects Fund Other*, 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 \$110,391,429, 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 \$11,454,029 and resulted primarily from major construction costs occurring in the current fiscal year. It should also be noted that \$15,515,149 of the total fund balance has been encumbered under specific engineering and construction contracts for projects in progress at year-end.

General Fund Budgetary Highlights

During the fiscal year, the District revised its budget and brought monthly amendments to the Board. The General Fund actual revenues were less than the final budgeted revenues by \$7,637,892. 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 \$15,114,274 million. This was due to teaching positions remaining unfilled during the year and unexpended budgets for schools, departments and utilities.

Capital Asset and Debt Administration

Capital Assets

The District's investment in capital assets as of June 30, 2012 amounts to \$1,000,646,814. 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 activities 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>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	
Land	\$ 77,162,319	\$ 76,517,481	\$ -	\$ -	\$ 77,162,319	\$ 76,517,481	0.84%
Construction in Progress	21,195,305	127,006,497			21,195,305	127,006,497	-83.31%
Improvements Other Than Buildings	19,753,958	20,342,361	9,182	6,300	19,763,140	20,348,661	-2.88%
Buildings and Fixed Equipment	840,149,203	741,689,357	21,049	23,124	840,170,252	741,712,481	13.27%
Furniture, Fixtures and Equipment	26,446,753	26,724,555	102,572	120,404	26,549,325	26,844,959	-1.10%
Motor Vehicles	12,283,754	14,799,561			12,283,754	14,799,561	-17.00%
Audio Visual Materials	41,883	47,677			41,883	47,677	-12.15%
Computer Software	3,475,891	1,563,501	4,945	5,303	3,480,836	1,568,804	121.88%
Total	<u>\$1,000,509,066</u>	<u>\$1,008,690,990</u>	<u>\$ 137,748</u>	<u>\$ 155,131</u>	<u>\$1,000,646,814</u>	<u>\$1,008,846,121</u>	-0.81%

Additional information on the District's capital assets can be found in the notes to the financial statements in Note 5 – Changes in Capital Assets on pages 48-49.

Long-term Debt

As of June 30, 2012, the District has total long-term debt outstanding of \$414,129,351. This amount is comprised of \$61,581,503 of bonds payable and \$352,547,848 of certificates of participation. During the year, retirement of debt amounted to \$22,527,001.

The following is a summary of the District's long-term debt as of June 30, 2012:

<u>Outstanding Long-Term Debt</u>			
	<u>Total School District</u>		<u>Percentage</u>
	<u>2012</u>	<u>2011</u>	<u>Change</u>
SBE Bonds	\$ 18,633,288	\$ 18,748,406	-0.61%
District Revenue Bonds	2,917,763	3,005,751	-2.93%
Sales Tax Revenue Bonds	40,030,452	52,221,872	-23.35%
Certificates of Participation	352,547,848	361,874,773	-2.58%
Total	\$ 414,129,351	\$ 435,850,802	-4.98%

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 in Note 11 – Changes in Long Term Liabilities on pages 58-59.

Other Matters of Significance

This is the fifth consecutive year of multi-million dollar budget shortfalls. Next year the District is faced with a budget shortfall of \$23.8 million due to the loss of \$21.4 million of Education Jobs funding and non-recurring general fund revenues which were used to balance the 2011-2012 budget. The additional shortfall is due to increased costs associated with an increase in the Florida Retirement System (FRS) employer contribution rates, the addition of 107 instructional allocations to meet Class Size Requirements, increases in fixed costs (utilities, gas, and diesel) as well as earmarks requiring new expenditures. In the midst of these significant economic challenges, the District continues to prioritize classroom spending and is honored to have been recognized by the State of Florida for having the lowest administrative cost out of Florida's 67 school districts. The District's administrative cost is less than three percent of the total general operating fund.

During the current fiscal year, fund balance in the general fund decreased to \$48,282,861. The District has appropriated \$3,685,063 of this amount for spending in the 2013 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

BASIC FINANCIAL STATEMENTS



District School Board of Pasco County
Statement of Net Assets
June 30, 2012

	Primary Government			
	Governmental	Business-type		Component
	Activities	Activity	Total	Units
ASSETS:				
Cash	\$ 47,066,563	\$ 1,464,646	\$ 48,531,209	\$ 1,214,933
Cash with Fiscal Agent	619,318	19,002	638,320	-
Investments	239,120,089	4,919,388	244,039,477	1,717,665
Accounts Receivable, Net	3,384,430	97,493	3,481,923	62,994
Accrued Interest Receivable	317,622	18,987	336,609	-
Capital Credits Receivable	3,968,882	-	3,968,882	-
Deferred Charges	15,403,655	-	15,403,655	-
Prepaid Items	40,538	-	40,538	1,886,354
Deposits Receivable	-	-	-	24,360
Due From Other Agencies	9,984,843	-	9,984,843	83,908
Inventories	5,908,363	-	5,908,363	677
Capital Assets (net of accumulated depreciation):				
Land	77,162,319	-	77,162,319	444,683
Construction in Progress	21,195,305	-	21,195,305	-
Improvements Other Than Buildings	19,753,958	9,182	19,763,140	156,159
Leasehold Property and Improvements	-	-	-	367,360
Buildings and Fixed Equipment	840,149,203	21,049	840,170,252	2,083,079
Furniture, Fixtures, and Equipment	26,446,753	102,572	26,549,325	410,818
Motor Vehicles	12,283,754	-	12,283,754	116,062
Audio Visual Materials	41,883	-	41,883	-
Computer Software	3,475,891	4,945	3,480,836	-
Total Assets	1,326,323,369	6,657,264	1,332,980,633	8,569,052
Deferred Outflows	33,137,907	-	33,137,907	-
TOTAL ASSETS AND DEFERRALS	\$ 1,359,461,276	\$ 6,657,264	\$ 1,366,118,540	\$ 8,569,052
LIABILITIES:				
Salaries, Benefits Payable	\$ 7,209,425	\$ 10,071	\$ 7,219,496	\$ 488,810
Payroll Deductions and Withholdings	2,156,679	10,726	2,167,405	-
Accounts Payable	25,680,007	45,471	25,725,478	174,003
Construction Contracts Payable	795,932	-	795,932	-
Construction Contracts Payable-Retainage	422,423	-	422,423	-
Due to Other Agencies	-	-	-	1
Sales Tax Payable	4,304	-	4,304	-
Deposits Payable	75,834	-	75,834	-
Accrued Interest Payable	3,663,568	-	3,663,568	-
Unearned Revenue	1,098,639	89,626	1,188,265	6,350
Arbitrage Rebate Payable	79,691	-	79,691	-
Non-Current Liabilities Due Within One Year:				
Notes Payable	-	-	-	336,252
Obligations Under Capital Leases	-	-	-	-
Bonds Payable	15,987,856	-	15,987,856	-
Certificates of Participation Payable	9,701,925	-	9,701,925	-
Estimated Insurance Claims Payable	2,557,529	-	2,557,529	-
Compensated Absences Payable	3,355,567	396,979	3,752,546	83,683
Long-Term Debt and Liabilities:				
Notes Payable	-	-	-	1,827,208
Obligations Under Capital Leases	-	-	-	-
Bonds Payable	45,593,647	-	45,593,647	-
Certificates of Participation Payable	342,845,923	-	342,845,923	-
Estimated Insurance Claims Payable	4,925,351	-	4,925,351	-
Compensated Absences Payable	30,359,489	-	30,359,489	-
Other Post-employment Benefits Obligation	34,487,232	579,039	35,066,271	-
Derivatives Swap Liability	33,180,918	-	33,180,918	-
Total Liabilities	564,181,939	1,131,912	565,313,851	2,916,307
NET ASSETS:				
Invested in Capital Assets, Net of Related Debt	587,895,355	137,748	588,033,103	1,439,061
Restricted for:				
State Categorical Programs	5,276,826	-	5,276,826	-
Debt Service	17,726,092	-	17,726,092	-
Capital Projects	141,715,104	-	141,715,104	-
Special Revenue	8,564,059	-	8,564,059	-
Other Purposes	4,568,706	-	4,568,706	1,808,316
Unrestricted	29,533,195	5,387,604	34,920,799	2,405,368
Total Net Assets	795,279,337	5,525,352	800,804,689	5,652,745
TOTAL LIABILITIES AND NET ASSETS	\$ 1,359,461,276	\$ 6,657,264	\$ 1,366,118,540	\$ 8,569,052

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, 2012

Functions/Programs:	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government			
Governmental Activities:			
Instruction	334,933,329	\$ 1,511,101	\$ -
Pupil Personnel Services	25,200,500	-	-
Instructional Media Services	7,354,703	-	-
Instruction and Curriculum Development Services	13,400,395	-	-
Instructional Staff Training Services	10,971,329	-	-
Instruction Related Technology	4,847,994	-	-
Board of Education	668,918	-	-
General Administration	1,259,433	-	-
School Administration	34,008,721	-	-
Facilities Acquisition and Construction	12,736,731	-	-
Fiscal Services	2,199,577	-	-
Food Services	30,476,104	11,697,038	21,417,728
Central Services	1,734,199	-	-
Pupil Transportation Services	27,912,093	1,148,279	-
Operation of Plant	46,432,259	-	-
Maintenance of Plant	11,012,852	-	-
Administrative Technology Services	3,084,540	-	-
Community Services	618,337	-	-
Interest on Long-term Liabilities	17,827,097	-	-
Total Governmental Activities	586,679,111	14,356,418	21,417,728
Business-Type Activities:			
PLACE Program	7,753,564	8,495,164	-
Total Business-Type Activities	7,753,564	8,495,164	-
Total Primary Government	\$ 594,432,675	\$ 22,851,582	\$ 21,417,728
Educational Foundation	\$ 777,590	\$ -	\$ -
Charter Schools	14,196,178	196,246	173,562
Total Component Units	\$ 14,973,768	\$ 196,246	\$ 173,562

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
Miscellaneous
Total General Revenues
Change in Net Assets
Net Assets, July 1, 2011
Net Assets, June 30, 2012

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 Activities	Total	
\$ -	\$ (333,422,228)	\$ -	\$ (333,422,228)	\$ -
-	(25,200,500)	-	(25,200,500)	-
-	(7,354,703)	-	(7,354,703)	-
-	(13,400,395)	-	(13,400,395)	-
-	(10,971,329)	-	(10,971,329)	-
-	(4,847,994)	-	(4,847,994)	-
-	(668,918)	-	(668,918)	-
-	(1,259,433)	-	(1,259,433)	-
-	(34,008,721)	-	(34,008,721)	-
5,810,122	(6,926,609)	-	(6,926,609)	-
-	(2,199,577)	-	(2,199,577)	-
-	2,638,662	-	2,638,662	-
-	(1,734,199)	-	(1,734,199)	-
-	(26,763,814)	-	(26,763,814)	-
-	(46,432,259)	-	(46,432,259)	-
-	(11,012,852)	-	(11,012,852)	-
-	(3,084,540)	-	(3,084,540)	-
-	(618,337)	-	(618,337)	-
2,388,827	(15,438,270)	-	(15,438,270)	-
8,198,949	(542,706,016)	-	(542,706,016)	-
-	-	741,600	741,600	-
-	-	741,600	741,600	-
\$ 8,198,949	(542,706,016)	741,600	(541,964,416)	-
\$ -	-	-	-	(777,590)
659,761	-	-	-	(13,166,609)
\$ 659,761	-	-	-	(13,944,199)
	133,136,587	-	133,136,587	-
	32,505,792	-	32,505,792	-
	25,321,574	-	25,321,574	-
	326,929,740	-	326,929,740	13,658,084
	547,374	13,223	560,597	22,214
	9,702,528	5,907	9,708,435	-
	528,143,595	19,130	528,162,725	13,680,298
	(14,562,421)	760,730	(13,801,691)	(263,901)
	809,841,758	4,764,622	814,606,380	5,916,646
	\$ 795,279,337	\$ 5,525,352	\$ 800,804,689	\$ 5,652,745

District School Board of Pasco County
Balance Sheet
Governmental Funds
June 30, 2012

Exhibit C

	Major Funds		Nonmajor Governmental Funds	Total Governmental Funds
	General	Capital Projects		
	Primary Operating Fund	Other Funds		
ASSETS:				
Cash	\$ 2,639,858	\$ 7,517,115	\$ 13,914,168	\$ 24,071,141
Cash with Fiscal Agent	126,967	-	391,297	518,264
Investments	48,070,065	101,756,146	47,939,403	197,765,614
Accounts Receivable	2,585,090	-	12,312	2,597,402
Accrued Interest Receivable	126,866	-	89,782	216,648
Due from Other Funds	2,105,790	-	-	2,105,790
Due from Other Agencies	2,346,497	4,578,818	2,821,882	9,747,197
Inventories	4,528,168	-	1,380,195	5,908,363
Prepaid Items	40,538	-	-	40,538
TOTAL ASSETS	\$ 62,569,839	\$ 113,852,079	\$ 66,549,039	\$ 242,970,957
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Salaries and Benefits Payable	\$ 6,837,161	\$ -	\$ 313,146	\$ 7,150,307
Payroll Deductions and Withholdings Payable	2,120,251	-	30,546	2,150,797
Accounts Payable	5,230,428	1,433,918	2,390,570	9,054,916
Construction Contracts Payable	-	725,552	70,380	795,932
Construction Contracts Payable-Retainage	-	411,392	11,031	422,423
Arbitrage Rebate Payable	-	-	79,691	79,691
Due to Other Funds	-	889,788	1,216,002	2,105,790
Sales Tax Payable	4,304	-	-	4,304
Deposits Payable	75,834	-	-	75,834
Deferred Revenue	19,000	-	1,079,639	1,098,639
Total Liabilities	14,286,978	3,460,650	5,191,005	22,938,633
Fund Balances:				
Nonspendable:				
Inventories:				
General Fund	4,528,168	-	-	4,528,168
Special Revenues-Food Service	-	-	1,380,195	1,380,195
Prepaid Items:				
General Fund	40,538	-	-	40,538
Restricted:				
Categorical Programs	5,276,826	-	-	5,276,826
Special Revenues-Food Service	-	-	7,183,864	7,183,864
Debt Service	-	-	21,389,660	21,389,660
Capital Projects	-	94,141,786	15,878,374	110,020,160
Assigned:				
School Operations:				
School and Local Programs	12,037,970	-	-	12,037,970
Next Year Budget Deficit	3,685,063	-	-	3,685,063
Capital Projects	-	16,249,643	15,525,941	31,775,584
Unassigned Fund Balance	22,714,296	-	-	22,714,296
Total Fund Balances	48,282,861	110,391,429	61,358,034	220,032,324
TOTAL LIABILITIES AND FUND BALANCES	\$ 62,569,839	\$ 113,852,079	\$ 66,549,039	\$ 242,970,957

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, 2012

Total fund balances for total governmental funds (page 20).	\$ 220,032,324
Amounts reported for governmental activities in the statement of net assets (page 17) are different because:	
Deferred inflows of resources are reported as a result of changes in fair value	33,137,907
Capital assets, net of depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	1,000,469,423
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.	3,968,882
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	\$ (61,581,503)
Certificates of Participation Payable	(352,547,848)
Compensated Absences Payable	(33,438,435)
Other Post-employment Benefits Obligation	(34,487,232)
	(482,055,018)
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.	15,403,655
Deferred inflows of resources are reported as a result of changes in fair value	(33,180,918)
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.	(3,663,568)
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	41,166,650
Total Net Assets - Governmental Activities	\$ 795,279,337

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, 2012

	Major Funds		Nonmajor Governmental Funds	Total Governmental Funds
	General	Capital Projects		
	Primary Operating Fund	Other Funds		
Revenues:				
Federal Sources:				
Federal Direct	\$ 486,628	\$ -	\$ 6,672,716	\$ 7,159,344
Federal Through State	2,252,090	-	32,893,024	35,145,114
Food Services	-	-	20,980,131	20,980,131
Federal Through Local	901	-	34,844	35,745
State Sources:				
Florida Education Finance Program	204,656,075	-	-	204,656,075
Public Education Capital Outlay	-	-	703,197	703,197
Food Services	-	-	437,597	437,597
CO & DS Withheld for State Education Bonds	-	-	2,389,098	2,389,098
CO & DS Interest	-	-	28,126	28,126
CO & DS Distributed	-	-	260,477	260,477
Racing Commission Funds	-	-	223,250	223,250
State Grants and Other	79,710,212	-	-	79,710,212
Local Sources:				
Property Taxes	133,136,587	-	32,505,792	165,642,379
Local Sales Taxes	-	25,321,574	-	25,321,574
Impact Fees	-	4,818,051	-	4,818,051
Food Services	-	-	11,650,985	11,650,985
Investment Earnings	122,338	84,067	383,980	590,385
Local Grants and Other	11,115,351	1,000	159,628	11,275,979
Total Revenues	431,480,182	30,224,692	109,322,845	571,027,719
Expenditures:				
Current-Education:				
Instruction	271,521,509	-	24,719,784	296,241,293
Pupil Personnel Services	21,583,415	-	3,368,927	24,952,342
Instructional Media Services	7,035,285	-	107,460	7,142,745
Inst. and Curriculum Development Services	8,802,783	-	4,491,122	13,293,905
Instructional Staff Training Services	6,824,522	-	4,019,938	10,844,460
Instruction Related Technology	4,536,729	-	263,077	4,799,806
Board of Education	487,161	-	-	487,161
General Administration	565,560	-	660,690	1,226,250

	Major Funds		Nonmajor Governmental Funds	Total Governmental Funds
	General	Capital Projects		
	Primary Operating Fund	Other Funds		
Expenditures (continued):				
School Administration	33,192,320	-	17,856	33,210,176
Facilities Acquisition and Construction	1,787,354	1,194,436	1,046,361	4,028,151
Fiscal Services	1,987,258	-	127,100	2,114,358
Food Services	186,688	-	30,002,945	30,189,633
Central Services	5,733,824	-	169,541	5,903,365
Pupil Transportation Services	26,813,234	-	404,383	27,217,617
Operation of Plant	45,866,178	-	159,713	46,025,891
Maintenance of Plant	10,829,775	-	47,447	10,877,222
Administrative Technology Services	2,863,358	-	167,406	3,030,764
Community Services	540,353	-	82,044	622,397
Capital Outlay:				
Facilities Acquisition and Construction	7,679	22,950,134	12,613,953	35,571,766
Other Capital Outlay	151,262	-	755,882	907,144
Debt Service:				
Principal	-	-	22,527,001	22,527,001
Interest	-	-	17,133,664	17,133,664
Fiscal Charges	-	-	721,224	721,224
Total Expenditures	451,316,247	24,144,570	123,607,518	599,068,335
Excess (Deficiency) of Revenues Over Expenditures	(19,836,065)	6,080,122	(14,284,673)	(28,040,616)
Other Financing Sources (Uses):				
Bond Issued	-	-	1,710,000	1,710,000
Premiums on Bonds Issued	-	-	226,415	226,415
Proceeds from the Sale of Capital Assets	154,466	-	-	154,466
Payments to Refunded Bond Escrow	-	-	(1,931,399)	(1,931,399)
Transfers In	7,076,075	-	51,068,135	58,144,210
Transfers Out	-	(17,534,151)	(40,614,506)	(58,148,657)
Total Other Financing Sources (Uses)	7,230,541	(17,534,151)	10,458,645	155,035
Net Change in Fund Balances	(12,605,524)	(11,454,029)	(3,826,028)	(27,885,581)
Fund Balances, July 1, 2011	60,888,385	121,845,458	65,184,062	247,917,905
Fund Balances, June 30, 2012	\$ 48,282,861	\$ 110,391,429	\$ 61,358,034	\$ 220,032,324

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 Balances for Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2012**

Net Change in Fund Balances - Governmental Funds (page 23). \$ (27,885,581)

Amounts reported for governmental activities on the statement of activities (pages 18 & 19) 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	\$ 36,478,910	
Less current year depreciation	<u>(44,320,531)</u>	(7,841,621)

Capital assets donated or transferred to the District increase net assets on the statement of activities.

However, they do not provide current financial resources and are not reported as revenues in the governmental funds.	725,565
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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 assets disposed of.

(1,045,486)

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	(1,710,000)	
Payments to Refunded Escrow Agent	1,931,399	
Principal payments	22,527,001	
Changes in fair value of investment derivatives	(43,011)	
Net decrease in deferred charges	(894,690)	
Net decrease in premiums and discounts	<u>459,450</u>	22,270,149

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.

181,356

In the statement of activities, the cost of compensated absences is measured by the amounts earned during the year, while in the governmental funds expenditures are not recognized based on the amounts actually paid for compensated absences. This is the net amount of compensated absences earned in excess of the amount paid in the current period.

434,300

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.

236,616

The net change in liability for post-employment health care benefits is reported in the government-wide statements, but not in the governmental fund statements.

(6,064,963)

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.

4,427,244

Change in Net Assets - Governmental Activities (pages 18 & 19).

\$ (14,562,421)

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental:				
Federal Sources:				
Federal Direct	\$ 593,029	\$ 590,622	\$ 486,628	\$ (103,994)
Federal Through State	2,000,000	2,400,000	2,252,090	(147,910)
Federal Through Local	-	-	901	901
State Sources:				
Florida Education Finance Program	209,306,213	211,271,884	204,656,075	(6,615,809)
State Grants and Other	81,763,557	81,234,835	79,710,212	(1,524,623)
Local Sources:				
Property Taxes	132,649,084	132,649,084	133,136,587	487,503
Investment Earnings	700,000	700,000	122,338	(577,662)
Local Grants and Other	10,000,430	10,271,649	11,115,351	843,702
Total Revenues	437,012,313	439,118,074	431,480,182	(7,637,892)
Expenditures:				
Current-Education:				
Instruction				
Salaries	185,991,825	188,692,740	187,205,747	1,486,993
Employee Benefits	61,127,501	54,124,891	52,982,930	1,141,961
Purchased Services	24,030,911	20,246,199	18,985,158	1,261,041
Materials and Supplies	11,812,533	10,164,562	9,074,890	1,089,672
Capital Outlay	364,617	786,658	326,379	460,279
Other Expenses	2,647,958	3,081,603	2,946,405	135,198
Pupil Personnel Services				
Salaries	14,852,261	15,119,870	14,960,661	159,209
Employee Benefits	4,109,831	4,576,139	4,548,771	27,368
Purchased Services	1,660,974	2,052,880	1,782,295	270,585
Materials and Supplies	212,818	268,606	211,923	56,683
Capital Outlay	10,108	36,632	28,832	7,800
Other Expenses	8,087	58,211	50,933	7,278
Instructional Media Services				
Salaries	4,074,395	4,198,100	4,057,705	140,395
Employee Benefits	1,230,984	1,240,008	1,178,461	61,547
Purchased Services	177,582	280,702	267,271	13,431
Materials and Supplies	308,920	320,718	304,559	16,159
Capital Outlay	1,332,932	1,347,764	1,220,393	127,371
Other Expenses	10,779	8,672	6,896	1,776
Instruction and Curriculum Development Services				
Salaries	7,064,027	7,188,096	6,675,855	512,241
Employee Benefits	1,889,334	1,974,195	1,815,489	158,706
Purchased Services	348,090	356,646	250,515	106,131
Materials and Supplies	640,254	299,547	24,522	275,025
Capital Outlay	9,465	16,627	13,517	3,110
Other Expenses	45,316	50,828	22,885	27,943

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued):				
Instructional Staff Training Services				
Salaries	6,501,172	5,829,572	5,129,424	700,148
Employee Benefits	1,886,386	1,764,405	1,375,906	388,499
Purchased Services	172,766	330,413	100,883	229,530
Materials and Supplies	145,556	461,291	196,973	264,318
Capital Outlay	32,620	75,066	4,937	70,129
Other Expenses	9,600	32,121	16,399	15,722
Instruction Related Technology				
Salaries	3,511,908	3,608,819	3,477,804	131,015
Employee Benefits	1,077,494	1,083,684	1,044,256	39,428
Materials and Supplies	255	12,770	12,770	-
Other Expenses	-	2,000	1,899	101
School Board				
Salaries	243,356	243,356	241,187	2,169
Employee Benefits	2,571,809	101,809	79,048	22,761
Purchased Services	246,790	156,062	116,239	39,823
Materials and Supplies	510	1,600	1,020	580
Other Expenses	30,800	50,066	49,667	399
General Administration				
Salaries	362,166	362,166	357,721	4,445
Employee Benefits	73,148	83,148	76,885	6,263
Purchased Services	208,772	249,846	102,147	147,699
Materials and Supplies	16,042	15,299	6,503	8,796
Capital Outlay	3,550	3,628	302	3,326
Other Expenses	36,792	35,453	22,002	13,451
School Administration				
Salaries	24,235,644	24,085,605	24,048,280	37,325
Employee Benefits	6,454,251	7,021,345	7,008,363	12,982
Purchased Services	1,148,985	1,034,881	989,718	45,163
Materials and Supplies	532,990	555,587	487,412	68,175
Capital Outlay	91,134	167,939	147,778	20,161
Other Expenses	570,419	577,979	510,769	67,210
Facilities Services				
Salaries	738,796	738,796	720,586	18,210
Employee Benefits	186,934	186,934	172,767	14,167
Purchased Services	996,151	985,835	885,056	100,779
Materials and Supplies	10,425	10,825	6,890	3,935
Capital Outlay	128,300	290,525	1,868	288,657
Other Expenses	7,257	7,257	187	7,070

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued):				
Fiscal Services				
Salaries	1,542,974	1,455,079	1,348,994	106,085
Employee Benefits	399,457	386,247	364,780	21,467
Purchased Services	155,405	214,153	180,880	33,273
Materials and Supplies	36,900	435,005	19,055	415,950
Capital Outlay	2,125	2,180	1,247	933
Other Expenses	92,677	92,677	72,302	20,375
Food Services				
Salaries	-	166,911	166,791	120
Employee Benefits	-	12,759	12,759	-
Purchased Services	-	5,532	5,532	-
Materials and Supplies	-	5,858	1,606	4,252
Central Services				
Salaries	4,007,692	3,607,892	3,586,523	21,369
Employee Benefits	1,055,438	1,186,803	1,167,997	18,806
Purchased Services	1,113,984	821,649	503,061	318,588
Materials and Supplies	74,473	94,317	87,353	6,964
Capital Outlay	14,122	20,367	9,391	10,976
Other Expenses	401,126	410,026	379,499	30,527
Pupil Transportation Services				
Salaries	13,733,411	14,321,797	14,275,398	46,399
Employee Benefits	5,968,095	6,053,167	6,018,880	34,287
Purchased Services	915,360	1,121,188	871,517	249,671
Energy Services	6,765,000	6,005,650	4,375,415	1,630,235
Materials and Supplies	1,007,300	1,192,698	1,169,013	23,685
Capital Outlay	1,600	6,175	4,643	1,532
Other Expenses	7,057	109,683	98,368	11,315
Operation of Plant				
Salaries	14,401,163	14,707,314	14,673,583	33,731
Employee Benefits	5,265,138	5,578,599	5,538,625	39,974
Purchased Services	13,328,544	13,199,437	12,486,463	712,974
Energy Services	12,412,903	12,416,786	12,179,887	236,899
Materials and Supplies	909,080	1,017,098	887,895	129,203
Capital Outlay	21,958	32,496	26,408	6,088
Other Expenses	2,750	81,564	73,317	8,247
Maintenance of Plant				
Salaries	6,436,906	5,586,906	5,514,219	72,687
Employee Benefits	1,733,969	1,763,313	1,707,502	55,811
Purchased Services	3,239,105	2,939,105	2,910,570	28,535
Materials and Supplies	359,270	758,270	682,030	76,240
Capital Outlay	11,795	15,293	8,867	6,426
Other Expenses	16,979	16,979	6,587	10,392

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, 2012

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Expenditures (continued):				
Administrative Technology Services				
Salaries	2,061,428	2,061,428	1,972,889	88,539
Employee Benefits	479,251	534,251	516,923	17,328
Purchased Services	570,000	508,940	354,865	154,075
Materials and Supplies	38,350	38,350	16,138	22,212
Capital Outlay	2,600	5,600	2,055	3,545
Other Expenses	10,557	10,557	488	10,069
Community Services				
Salaries	142,951	200,033	163,548	36,485
Employee Benefits	46,770	101,648	98,492	3,156
Purchased Services	219,743	197,610	186,286	11,324
Materials and Supplies	13,125	19,160	15,836	3,324
Capital Outlay	14,910	23,298	7,828	15,470
Other Expenses	70,529	72,756	68,363	4,393
Capital Outlay:				
Facilities Acquisition and Construction	-	7,679	7,679	-
Other Capital Outlay	-	151,262	151,262	-
Total Expenditures	475,298,250	466,430,521	451,316,247	15,114,274
Excess (Deficiency) of Revenues Over Expenditures	(38,285,937)	(27,312,447)	(19,836,065)	7,476,382
Other Financing Sources (Uses):				
Proceeds from the Sale of Capital Assets	185,000	185,000	154,466	(30,534)
Transfers In	10,738,927	10,906,146	7,076,075	(3,830,071)
Total Other Financing Sources (Uses)	10,923,927	11,091,146	7,230,541	(3,860,605)
Net Change in Fund Balance	(27,362,010)	(16,221,301)	(12,605,524)	3,615,777
Fund Balance, July 1, 2011	60,888,385	60,888,385	60,888,385	-
Fund Balance, June 30, 2012	\$ 33,526,375	\$ 44,667,084	\$ 48,282,861	\$ 3,615,777

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, 2012

Exhibit H

	<u>Business-type Activity Nonmajor Enterprise Fund</u>	<u>Governmental Activities Internal Service Funds</u>
ASSETS:		
Current Assets:		
Cash	\$ 1,464,646	\$ 22,995,422
Cash with Fiscal Agent	19,002	101,054
Investments	4,919,388	41,354,475
Accounts Receivable	97,493	1,024,674
Interest Receivable	18,987	100,974
Total Current Assets	<u>6,519,516</u>	<u>65,576,599</u>
Noncurrent Assets:		
Improvements Other Than Buildings, Net	9,182	-
Buildings and Fixed Equipment, Net	21,049	-
Furniture, Fixtures, and Equipment, Net	102,572	39,643
Computer Software, Net	4,945	-
Total Noncurrent Assets	<u>137,748</u>	<u>39,643</u>
TOTAL ASSETS	<u><u>\$ 6,657,264</u></u>	<u><u>\$ 65,616,242</u></u>
LIABILITIES:		
Current Liabilities:		
Salaries and Benefits Payable	\$ 10,071	\$ 59,118
Payroll Deductions and Withholdings Payable	10,726	5,882
Accounts Payable	45,471	16,625,091
Unearned Revenues	89,626	-
Current portion of long-term liabilities:		
Compensated Absences Payable	396,979	178,839
Estimated Insurance Claims Payable	-	2,557,529
Total Current Liabilities	<u>552,873</u>	<u>19,426,459</u>
Noncurrent Liabilities:		
Compensated Absences Payable	-	97,782
Estimated Insurance Claims Payable	-	4,925,351
Other Postemployment Benefits Obligation	579,039	-
Total Noncurrent Liabilities	<u>579,039</u>	<u>5,023,133</u>
Total Liabilities	<u>1,131,912</u>	<u>24,449,592</u>
NET ASSETS:		
Invested in Capital Assets	137,748	39,643
Unrestricted	5,387,604	41,127,007
Total Net Assets	<u>5,525,352</u>	<u>41,166,650</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 6,657,264</u></u>	<u><u>\$ 65,616,242</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, 2012

Exhibit I

	Business-type Activity	Governmental Activities
	Nonmajor Enterprise Fund	Internal Service Funds
Operating Revenues:		
Charges for Services Provided	\$ 8,495,164	\$ 14,497,548
Insurance Premiums:		
Board Contributions	-	62,076,920
Employees	-	6,239,884
Retirees	-	4,454,493
Other Operating Revenues	5,907	560,304
Total Operating Revenues	<u>8,501,071</u>	<u>87,829,149</u>
Operating Expenses:		
Salaries	4,647,877	826,174
Employee Benefits	1,716,262	321,303
Purchased Services	344,157	3,345,336
Insurance Premiums	-	16,233,967
Energy Services	469,334	10,856,585
Materials and Supplies	349,553	84,738
Capital Outlay	16,400	615
Insurance Claims	-	51,887,175
Other	182,460	55,822
Depreciation	26,656	19,698
Total Operating Expenses	<u>7,752,699</u>	<u>83,631,413</u>
Operating Income	<u>748,372</u>	<u>4,197,736</u>
Nonoperating Revenues:		
Investment Earnings	13,223	83,777
Gifts, Grants, and Bequests	-	109,550
Insurance Loss Recoveries	-	32,418
Loss on Disposition of Assets	(865)	(684)
Total Nonoperating Revenues	<u>12,358</u>	<u>225,061</u>
Income Before Transfers	760,730	4,422,797
Transfers In	-	200,000
Transfers Out	-	(195,553)
Change in Net Assets	760,730	4,427,244
Total Net Assets, July 1, 2011	<u>4,764,622</u>	<u>36,739,406</u>
Total Net Assets, June 30, 2012	<u>\$ 5,525,352</u>	<u>\$ 41,166,650</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, 2012

Exhibit J

	Business-type Activity Nonmajor Enterprise Fund	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Services	\$ 8,522,602	\$ 14,497,548
Cash Received from Premiums	-	72,938,672
Cash Received from Other Operating Revenues	(1,333,490)	560,304
Cash Payments to Suppliers for Goods and Services	(6,294,950)	(28,985,199)
Cash Payments to Employees for Services	5,907	(1,743,754)
Cash Payments for Insurance Claims	-	(52,579,295)
Net Cash Provided by Operating Activities	<u>900,069</u>	<u>4,688,276</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Insurance Loss Recoveries	-	32,418
Gifts, Grants and Bequests	-	109,550
Transfers In	-	200,000
Transfers Out	-	(195,553)
Net Cash Provided by Noncapital Financing Activities	<u>-</u>	<u>146,415</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from disposition of capital assets	(10,138)	-
Net Cash Used by Capital and Related Financing Activities	<u>(10,138)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment Earnings (Expenses)	(5,764)	(17,197)
Sale of Investments	587,663	6,601,072
Net Cash Provided by Investing Activities	<u>581,899</u>	<u>6,583,875</u>
Net Increase in Cash	1,471,830	11,418,566
Cash, Beginning	11,818	11,677,910
Cash, Ending	<u><u>\$ 1,483,648</u></u>	<u><u>\$ 23,096,476</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:		
Operating Income	\$ 748,372	\$ 4,197,736
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	26,656	19,698
Change in Assets and Liabilities:		
Increase (Decrease) in Accounts Receivable	(3,844)	167,375
Increase in Inventory	-	11,711
Increase in Accounts Payable	28,414	1,580,153
Decrease Salaries and Benefits Payable	(32,564)	(513,772)
Increase in Unearned Revenues	31,282	-
Decrease in Compensated Absences Payable	-	(82,505)
Increase in Other Postemployment Benefits Obligation	101,753	-
Decrease in Estimated Insurance Claims Payable	-	(692,120)
Total Adjustments	<u>151,697</u>	<u>490,540</u>
Net Cash Provided by Operating Activities	<u><u>\$ 900,069</u></u>	<u><u>\$ 4,688,276</u></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, 2012

Exhibit K

	Pension Trust	Private-Purpose Trust	Agency
ASSETS:			
Cash and Cash Equivalents	\$ 143,852	\$ -	\$ 7,167,353
Collateralized Mortgage Obligations	2,883,725	-	-
Corporate Bonds	450,910	-	-
Government and Municipal Bonds	5,681,514	-	-
Mutual Fund - Government Securities	1,976,146	-	-
Money Markets	3,647,751	60,879	67,963
Accounts Receivable	-	-	8,382
Interest Receivable	128,615	-	-
Inventories	-	-	31,035
TOTAL ASSETS	\$ 14,912,513	\$ 60,879	\$ 7,274,733
LIABILITIES:			
Accounts Payable	\$ -	\$ 911	\$ 60,054
Internal Accounts Payable	-	-	7,146,372
ABC Program Payable	-	-	68,307
Total Liabilities	-	911	\$ 7,274,733
NET ASSETS:			
Assets Held in Trust for Pension Benefits	14,912,513	-	
Assets Held in Trust for Medical Benefits	-	27,513	
Assets Held in Trust for Educational Support	-	32,455	
Total Net Assets	14,912,513	59,968	
TOTAL LIABILITIES AND NET ASSETS	\$ 14,912,513	\$ 60,879	

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, 2012

	Pension Trust	Private-Purpose Trust
ADDITIONS:		
Contributions:		
Employer	\$ 1,509,443	\$ -
Total Contributions	<u>1,509,443</u>	<u>-</u>
Investment Earnings:		
Interest, Dividends and Other	<u>572,608</u>	<u>365</u>
Net Investment Income	<u>572,608</u>	<u>365</u>
Total Additions	<u>2,082,051</u>	<u>365</u>
DEDUCTIONS:		
Benefits Paid to Participants	780,625	977
Administrative Expense	<u>1,600</u>	<u>-</u>
Total Deductions	<u>782,225</u>	<u>977</u>
Change in Net Assets	1,299,826	(612)
Net Assets, July 1, 2011	<u>13,612,687</u>	<u>60,580</u>
Net Assets, June 30, 2012	<u><u>\$ 14,912,513</u></u>	<u><u>\$ 59,968</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, 2012

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, 2012**

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**

The basic financial statements include the government-wide financial statements and fund financial statements.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

Government-Wide Financial Statements - Government-wide financial statements include a statement of net assets and the statement of activities that display information about the primary government (District School Board) and its component units. These financial statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. The effect of interfund activities has been eliminated in the Statement of Activities.

The statement of activities reports expenses and revenues in a format that focuses on the cost of each of the District functions. The expense of individual functions is compared to the revenues generated by the function (for instance, through user charges or intergovernmental grants). Direct expenses are those that are specifically associated with a program or function and, therefore are clearly identifiable to a particular function.

Program revenues include (a) fees, fines, and charges paid by the recipient of the goods or services offered by the program, and (b) 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, including all taxes, are presented as general revenues.

Fund Financial Statements - Fund financial statements provide information about the District's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds. Because of the focus of the governmental fund financial statements differ from the focus of government-wide financial statements, a reconciliation is presented with each of the governmental fund financial statements.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as investment earnings, result from non-exchange transactions on ancillary activities.

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.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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 self-insured workers' compensation, general and automobile liability and health insurance programs along with fully-insured life insurance.
- Pension Trust Fund – to account for resources used to finance the early retirement program.
- Private-Purpose Trust Fund – to account for resources legally held by the District in a trustee capacity or as an agent for individuals or private organizations.
- Agency Funds – to account for resources held by the District as custodian for others, primarily for the benefit of various schools and their activity funds.

➤ **Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the measurement focus and basis of accounting. Measurement focus indicates the type of resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

Governmental Fund Financial Statements – Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become measurable and available. The District considers all revenues, other than grant funds, reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. Grant funds are considered available if collection is expected in the coming year. Property taxes, sales taxes, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

debt, claims and judgments, other postemployment benefits and compensated absences, which are recognized as expenditures to the extent they have matured.

General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisition under capital leases are reported as other financing sources.

Under the terms of the grant agreements, the District funds certain programs by a combination of specific cost reimbursement grants, categorical and other earmarked educational allocations, and general revenues. When program expenses are incurred and both restricted and unrestricted resources are available to finance the program, it is the District's policy to first apply cost reimbursement grant resources to such programs, followed by categorical and other earmarked moneys, and then by general revenues. When expenditures are incurred for which unrestricted resources can be used, it is the District's intention to use committed resources first, followed by assigned resources and then unassigned resources.

Proprietary Funds Financial Statements - 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.

➤ **Recently Issued and Adopted Pronouncements**

In November 2010, the GASB issued Statement 61, The Financial Reporting Entity: Omnibus which amends the criteria for including, presenting, and disclosing information about component units of Florida school districts. GASB 14, as amended by GASB 61, requires that a charter school be reported as a component unit if the school district is financially accountable for the charter school. Since Funding is provided to charter schools by the school district, charter schools are fiscally dependent and create a financial burden on the school district. Therefore charter schools are considered component units of the school district and are included in the financial statements. This statement is effective for financial statements for periods beginning after June 15, 2012. The District has early-adopted GASB Statement 61 in fiscal year 2012. The adoption of GASB 61 does not have any impact on the District's financial statements.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

➤ **Deposits and Investments**

All deposits are insured by federal depository insurance and/or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes. For the enterprise and internal service funds, the statement of cash flows considers cash and cash equivalents as those funds deposited in demand deposit accounts and consider cash equivalents as those amounts invested in money market funds.

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 and the Fund B Surplus Trust Fund (Fund B) investment pools created by Sections 218.405 and 218.417, 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 SBA indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, as of June 30, 2012, 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. Investments of the early retirement program are reported at fair value.

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 0.83481105 at June 30, 2012. 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, investments in United States Government Treasury and United States instrumentalities, 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.

➤ **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.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

➤ **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 inventory items are stated at last invoice price, which approximates the first-in, first-out basis. 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
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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 2011-2012 year are reported in a subsequent note.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

➤ **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.

A schedule of revenue from State sources for the 2011-2012 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 2011 tax levy on September 13, 2011. Tax bills are mailed in October and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to 4 percent for early payment.

Taxes become 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-

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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.

➤ **Deferred Outflows**

In the government-wide financial statements the District records deferred outflows which represent the consumption of net assets by the District that is applicable to a future reporting period. At June 30, 2012, deferred outflow represent activity associated with various swap agreements, as discussed in Note 7.

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.

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

- 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.

3. DEPOSITS AND INVESTMENTS

On June 30, 2012, the carrying amount of the District's bank deposit account was \$48,487,774. The District's cash deposits are held by a bank that qualifies as a public depository under the Florida Security for Public Deposits Act as required by Chapter 280, Florida Statutes.

As of June 30, 2012, the District has the following investments and maturities:

<u>Investments *</u>	<u>Maturities</u>	<u>Fair Value</u>
State Board of Administration:		
Florida PRIME	38 Day Average	\$ 1,456,322
Fund B Surplus Funds Trust Fund	5.73 Year Average	5,231,062
Debt Service Accounts	6 Months	467,780
Money Market Funds:		
Morgan Stanley - Institutional Liquidity Funds	20 Day Average	16,330,500
PFM Funds - Prime Series	54 days	21,582,820
AIM Fund	60 Day Average	876,385
Wells Fargo Public Funds - State & Municipal	Interest Bearing Account	497,985
Wertz York Short-Term Government Bond Mutual Fund	1.69 years	87,649,212
Wells Fargo Advantage Bond Fund	1.96 years	5,402,685
Florida Fixed Income Trust	206 days	25,062,232
United States Treasury Securities	1.4 years	48,082,740
United States Instrumentalities	2.33 years	31,399,754
Total Investments, Reporting Entity		<u>\$ 244,039,477</u>

* Pension Trust Fund Investments are separately disclosed in Note 17

Custodial Credit Risk

- Per the District's investment policy, all investment securities purchased by the District shall be properly designated as an asset of the District and held in safekeeping by a third-party qualified bank or some other financial institution designated as custodian. The custodian will be selected by the Board as described below. No withdrawal of such securities, in whole or in part, shall be made from safekeeping except by employees of the District as authorized herein.

As of June 30, 2012, all investments, except for investments in money market funds and the State Board of Administration, were held with a third-party custodian as required by the District's investment policy.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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 flows needs as a means of managing its exposure to fair value losses arising from increasing interest rates.

Surplus and operating funds may be invested in securities exceeding one year if the maturity of such investments are made to coincide as nearly as practicable with the expected use of the funds. Bond proceeds shall not have an average maturity longer than the construction project draw schedule. In addition, liquidity will be maintained by holding a portion of the investment portfolio in short-term, easily liquidated securities in the event that cash flow needs change.

The District utilizes "weighted average maturity" as a measurement of interest rate risk and as of June 30, 2012, the investment portfolio had a weighted average maturity of 1.38 years.

The District has no Federal Instrumentalities that have embedded options consisting of the option at the discretion of the issuer to call their obligation or pay a stated increase in the interest rate.

The District has no Federal Instrumentalities Mortgage pass-through securities.

Credit Risk

- The District's investment policy permits for investments in the following investments which are limited to credit quality ratings from nationally recognized rating agencies as follows:
 - Securities and Exchange Commission registered money market funds with the highest ratings from a nationally recognized statistical rating organization (NRSRO), at the time of purchase.
 - Bankers' Acceptances which are inventory-based and issued by a domestic bank which has at the time of purchase an unsecured, uninsured and unguaranteed obligation rating of at least "Prime-1" and "A" by the Moody's Investors Service (Moody's) and "A-1" and "A" by Standard & Poor's Corporation (Standard & Poor's) and ranked in the top fifty (50) United States banks in terms of total assets by the American Banker's yearly report.
 - Commercial Paper of the United States company which is rated, at the time of purchase, "Prime-1" by Moody's and "A-1" by Standard & Poor's (prime commercial paper). If backed by a letter of credit (LOC), the long term debt of the LOC provider must be at least "A"; by at least two nationally recognized rating agencies. The LOC provider must be ranked in the top fifty (50) United States banks in terms of total assets by the American Banker's yearly report.

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

- The District's investments in SBA consists of SBA consist of Florida PRIME and Fund B Surplus Funds Trust Fund (Fund B). As of June 30, 2012, the District's investment in Florida PRIME was rated AAAM by Standard & Poor's.
- 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.
- 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) contained government agency and government mortgage back securities that had a split rating of Aaa/AA by Moody's and Standard & Poor's, respectively.
- 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.
- The District's investment in Florida Fixed Income Trust 90 Day Plus is a fund of funds investment portfolio which contained 10 underlying funds in the portfolio that were all rated AAA/Aaa either by Standard & Poor's and Moody's, respectively.

Concentration of Credit Risk

- The District's investment policy has established permitted investment sectors which are designed to reduce concentration of credit risk of the District's investment portfolio.

Foreign Currency Risk

- The District investment policy does not allow for investments in foreign currency therefore the District has no exposure to foreign currency risk.

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

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

As of June 30, 2012, the various components of deferred revenue reported in the governmental funds were as follows:

General Operating-Deferred Revenue	\$ 19,000
Food and Nutrition Services Program - Prepaid Meals & Donated Foods	1,044,202
Other Federal Programs - Deferred Revenue	35,437
Total Deferred Revenue for Governmental Funds	<u>\$ 1,098,639</u>

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DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

5. CHANGES IN CAPITAL ASSETS

Changes in capital assets, as of June 30, 2012, are presented in the table below:

CHANGES IN CAPITAL ASSETS

AS OF JUNE 30, 2012

	Balance 6/30/2011	Additions	Deletions	Balance 6/30/2012
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	\$ 76,517,481	\$ 644,838	\$ -	\$ 77,162,319
Construction in Progress	127,006,497	15,993,603	121,804,795	21,195,305
Total Capital Assets Not Being Depreciated	203,523,978	16,638,441	121,804,795	98,357,624
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	45,775,903	1,447,749	564,947	46,658,705
Buildings and Fixed Equipment	1,074,614,320	146,519,302	15,428,657	1,205,704,965
Furniture, Fixtures, and Equipment (1)	80,096,420	7,587,078	4,450,919	83,232,579
Motor Vehicles	40,023,160	379,470	3,833,756	36,568,874
Audio Visual Materials	298,265	4,094	2,041	300,318
Computer Software	8,104,389	2,486,519	339,331	10,251,577
Total Capital Assets Being Depreciated	1,248,912,457	158,424,212	24,619,651	1,382,717,018
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	25,433,542	1,471,205	-	26,904,747
Buildings and Fixed Equipment	332,924,963	32,630,799	-	365,555,762
Furniture, Fixtures, and Equipment (1)	53,371,865	7,228,579	3,814,618	56,785,826
Motor Vehicles	25,223,599	2,458,483	3,396,962	24,285,120
Audio Visual Materials	250,588	9,684	1,837	258,435
Computer Software	6,540,888	521,781	286,983	6,775,686
Total Accumulated Depreciation	443,745,445	44,320,531	7,500,400	480,565,576
Total Capital Assets Being Depreciated, Net	805,167,012	114,103,681	17,119,251	902,151,442
Governmental Activities Capital Assets, Net	\$ 1,008,690,990	\$ 130,742,122	\$ 138,924,046	\$ 1,000,509,066

Note (1) Includes Internal Service Fund assets of \$197,130 and \$157,487 of accumulated depreciation.

BUSINESS-TYPE ACTIVITIES

Capital Assets Being Depreciated:				
Improvements Other Than Buildings	\$ 9,159	\$ 3,650	\$ -	\$ 12,809
Buildings and Fixed Equipment	34,575	-	-	34,575
Furniture, Fixtures, and Equipment	390,633	6,488	8,649	388,472
Computer Software	39,899	-	-	39,899
Total Capital Assets Being Depreciated	474,266	10,138	8,649	475,755
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	2,859	768	-	3,627
Buildings and Fixed Equipment	11,451	2,075	-	13,526
Furniture, Fixtures, and Equipment	270,229	23,455	7,784	285,900
Computer Software	34,596	358	-	34,954
Total Accumulated Depreciation	319,135	26,656	7,784	338,007
Business Type Activities Capital Assets, Net	\$ 155,131	\$ (16,518)	\$ 865	\$ 137,748

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

Depreciation expense was charged to functions as follows:

DEPRECIATION EXPENSE
AS OF JUNE 30, 2012

<u>Function</u>	<u>Amount</u>
GOVERNMENTAL ACTIVITIES	
Instruction	\$34,777,393
Pupil Personnel Services	34,048
Instructional Media Services	196,414
Instruction and Curriculum Dev Services	28,592
Instructional Staff Training Services	30,634
Instructional Related Technology	8,671
School Administration	27,561
Facilities Acquisition and Construction	8,712,742
Fiscal Services	210
Food Services	17,184
Central Services	13,211
Pupil Transportation Services	315,771
Operation of Plant	12,059
Maintenance of Plant	143,160
Community Services	<u>2,881</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$44,320,531</u></u>
BUSINESS-TYPE ACTIVITIES	
PLACE Program	<u><u>\$26,656</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
JUNE 30, 2012

Certificates of Participation payable at June 30, 2012 are as follows:

	Amount Issued	Amount Outstanding	Remaining Interest Rates (Percent)	Annual Maturity To
Certificates of Participation				
Series 2004	\$ 63,970,000	\$ 51,695,000	2.375 - 5.000	2029
Series 2004 - QZAB	4,546,000	4,546,000	1.100	2018
Series 2005A	35,915,000	32,075,000	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	65,565,000	3.900 - 5.000	2027
Series 2008A (2)	88,515,000	79,815,000	Weekly	2026
Series 2008C (3)	74,115,000	73,410,000	Weekly	2033
Series 2008 - QZAB	1,170,010	819,007	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>\$ 350,210,619</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, 2012, was 0.79 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.

In connection with the issuance of the Certificates of Participation, Series 2008A, the School Board entered into a floating-to-fixed interest rate swap (the "Fixed-Payer Swap") with Wells Fargo Bank N.A. On May 29, 2008, the Fixed-Payer Swap calls for the School Board to pay a fixed rate of 3.58% to Wells Fargo and in return receive from Wells Fargo a floating rate equal to the SIFMA Municipal Swap Index.

On February 21, 2012, the School Board entered into a separate Basis Swap with PNC Bank, N.A., where the School Board pays PNC a floating rate equal to SIFMA and in return receives from PNC a floating rate equal to 70% of one-month LIBOR. Effectively, the Basis Swap converts the floating rate on the Fixed-Payer Swap from SIFMA to 70% of one-month LIBOR until June 1, 2014, to match the interest rate in the FRN mode.

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.

(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, 2012 was 0.32%

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

As a condition of the financing arrangement, the District has given a ground lease on District property to the Pasco School Board Leasing Corporation, with a rental fee of \$1 per year. The District has the following ground leases at June 30, 2012:

	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

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 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-A and B

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

Certificates of Participation, Series 2009 QSCB

Culinary Arts Academy at Land O Lakes High School
Renovations for Richey Elementary School

Certificates of Participation, Series 1996

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

Certificates of Participation, Series 2005-QZAB

Additions and Renovations for the following facilities:

Fox Hollow Elementary School
Dr. Mary Giella Elementary School
Moore Mickens Education Center
Hudson Elementary School
Calusa Elementary School

Certificates of Participation, Series 2004

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

Certificates of Participation, Series 2007-A and B

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

Certificates of Participation, Series 2008-QZAB

Renovations for Pasco High School

DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

The lease payments for the 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 ranging from 2.375 to 5.00 percent, 3.125 to 5.00 percent, and 3.90 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, quarterly, 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, 2012:

Fiscal Year Ending June 30:	Total	Principal	Interest
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	23,806,057	11,257,001	12,549,056
2018-2022	126,181,267	71,445,614	54,735,653
2023-2027	132,983,951	94,725,000	38,258,951
2028-2032	123,024,780	107,420,000	15,604,780
2033	24,911,288	24,750,000	161,288
Subtotal	525,619,062	350,210,619	175,408,443
Add: Unamortized Premium on Debt	2,337,229	2,337,229	-
Total Minimum Lease Payments	<u>\$ 527,956,291</u>	<u>\$ 352,547,848</u>	<u>\$ 175,408,443</u>

DISTRICT SCHOOL BOARD OF PASCO COUNTY
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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.

The District entered into two pay-fixed, receive-variable interest rate swap agreements 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. These interest rate swap agreements qualify for hedge accounting under GASB 53, therefore, there is no impact on the Statement of Activities.

On February 21, 2012, the School Board entered into a separate Basis Swap with PNC Bank, N.A., where the School Board pays PNC a floating rate equal to SIFMA and in return receives from PNC a floating rate equal to 70% of one-month LIBOR. Effectively, the Basis Swap converts the floating rate on the Fixed-Payer Swap from SIFMA to 70% of one-month LIBOR until June 1, 2014, to match the interest rate in the FRN mode.

This interest rate swap is reported as an investment derivative instrument because it does not meet the criteria for effectiveness. Accordingly, the change in the fair value of the swap was reported within the investment earnings classification for the year ended June 30, 2012.

The fair value balances and notional amounts of derivatives instruments outstanding at June 30, 2012 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, 2012		
	Classification	Amount	Classification	Amount	Notional
Governmental activities					
Fair value hedges:					
Pay-fixed interest rate swaps	Deferred outflow	\$ 6,160,176	Debt	\$ (12,675,232)	\$ 83,580,000
Pay-fixed interest rate swaps	Deferred outflow	\$ 13,491,520	Debt	\$ (20,462,675)	\$ 73,630,000
Investment Derivatives:					
Pay-fixed interest rate swaps	Interest Revenue	\$ 43,011	Debt	\$ (43,011)	\$ 79,815,000

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

DISTRICT SCHOOL BOARD OF PASCO COUNTY
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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.

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 \$12,675,232 and negative \$20,462,675 for the Certificates of Participation, Series 2008A and 2008C, respectively, and a negative \$43,011 for the investment derivative as of June 30, 2012. Wells Fargo Bank, N.A. and PNC Bank, N.A. estimated the fair value of the Certificates of Participation, Series 2008A related swap agreement and the investment derivative, respectively, 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 related swap agreement 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
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8. BONDS PAYABLE

Bonds payable at June 30, 2012 are as follows:

<u>Bond Type</u>	<u>Amount Outstanding</u>	<u>Original Amount</u>	<u>Interest Rates (Percent)</u>	<u>Range of Final Maturity Dates</u>
State School Bonds:				
Series 2003-A	1,520,000	1,990,000	3.20 - 4.25	2013-2013
Series 2004-A	1,160,000	1,445,000	3.35 - 4.25	2013-2024
Series 2005-A	1,090,000	8,910,000	4.00 - 5.00	2013-2025
Series 2005-B	1,270,000	1,740,000	5.00	2013-2020
Series 2005-B, Refunding	4,225,000	8,910,000	4.00 - 5.00	2013-2017
Series 2008-A	4,695,000	5,295,000	3.50 - 5.00	2013-2028
Series 2009-A, Refunding	955,000	1,300,000	3.00 - 5.00	2013-2019
Series 2010-A	1,390,000	1,450,000	3.00 - 5.00	2013-2030
Series 2011-A	1,710,000	1,710,000	3.00 - 5.00	2013-2023
District Revenue Bonds:				
Series 2003, Refunding	2,960,000	3,660,000	2.625 - 4.625	2013-2033
Series 2007, Sales Tax	38,680,000	88,590,000	4.00 - 5.00	2013-2014
Subtotal	59,655,000			
Unamortized Premium on Debt	1,968,741			
Unamortized Discount on Debt	(42,238)			
Total Bonds Payable	<u>\$ 61,581,503</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 22 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 2011-2012 fiscal year, the District recognized \$223,250 in pledged revenue and paid \$222,905 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 three 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 2011-2012 fiscal year, the District recognized \$25,321,574 in pledged revenue and paid \$13,911,125 principal and interest.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
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Annual requirements to amortize all bonded debt outstanding as of June 30, 2012 are as follows:

	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
State School Bonds:			
2013	\$ 3,852,139	\$ 3,070,000	\$ 782,139
2014	2,408,781	1,700,000	708,781
2015	2,236,606	1,610,000	626,606
2016	2,271,806	1,725,000	546,806
2017	2,221,307	1,760,000	461,307
2018-2022	5,508,291	4,045,000	1,463,291
2023-2027	3,859,500	3,255,000	604,500
2028-2030	900,725	850,000	50,725
	<u>23,259,155</u>	<u>18,015,000</u>	<u>5,244,155</u>
Total State School Bonds			
District Revenue Bonds:			
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	221,231	105,000	116,231
2018-2022	1,110,606	600,000	510,606
2023-2027	1,104,231	740,000	364,231
2028-2032	1,105,394	925,000	180,394
2032-2033	219,713	210,000	9,713
	<u>46,285,391</u>	<u>41,640,000</u>	<u>4,645,391</u>
Total District Revenue Bonds			
Subtotal	69,544,546	59,655,000	9,889,546
Unamortized Discount on Debt	(42,238)	(42,238)	-
Unamortized Premium on Debt	1,968,741	1,968,741	-
	<u>71,471,049</u>	<u>61,581,503</u>	<u>9,889,546</u>
Total			

DISTRICT SCHOOL BOARD OF PASCO COUNTY
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9. DEFEASED DEBT

The Florida Department of Education issued State Board of Education (SBE), Capital Outlay Bonds, Series 2011A, on January 5, 2012 for \$53,785,000. The proceeds for these bonds was used to advance refund \$28,990,000 of the SBE, Capital Outlay Bonds, Series 2002B bonds and \$29,320,000 of the SBE, Capital Outlay Bonds, Series 2002A bonds.

The District's portion of Series 2011A bonds totaled \$1,710,000 and was used to advance refund \$445,000 of the District's portion of Series 2002B bonds and \$1,435,000 of Series 2003A bonds. The District's pro-rata share of the net proceeds of the Series 2011A bonds totaling \$1,931,994 (after deduction of \$5,016 by the Florida Department of Education for the District's pro-rata share of underwriting fees, insurance, and other issuance cost) was placed in a trust account to refund the Series 2002B bonds, that matures on or after January 1, 2013 and scheduled to be called on January 1, 2012 and to refund the Series 2003A bonds, that matures on or after January 1, 2014 and scheduled to be called on January 1, 2013. The trust account is not considered to be risk-free in accordance with GASB Statement 7. As a result, the refunding of \$1,435,000 representing the District's portion of Series 2003A bonds is considered to be an economic defeasance and not a legal defeasance and the liability for these bonds has not been removed from the government-wide financial statements. The Series 2002B bonds were called on January 1, 2012 and have been removed.

The Series 2011A bonds were issued to reduce the total debt service over the next 11 years by approximately \$5,674,047 and to obtain an economic gain (difference between the present value of the debt service payment on the old and new debt) of \$5,289,901. The District's portion resulted in a reduction in total debt service of \$142,283 over the next 11 years and \$125,009 in economic gain.

10. ESTIMATED ARBITRAGE REBATE

The District had an interim cumulative arbitrage rebate liability of \$79,691 for the \$30,500,000 Certificates of Participation, Series 2005B as of June 30, 2012. Ninety percent (90 percent) of the cumulative rebate liability is required to be re-bated to the United States no later than 60 days after July 19, 2015 (the end of the tenth Bond Year).

11. 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 22.

DISTRICT SCHOOL BOARD OF PASCO COUNTY
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The following is a summary of changes in long-term liabilities:

Description	Balance 7/1/2011	Additions	Deductions	Balance 6/30/2012	Due in One Year
GOVERNMENTAL ACTIVITIES					
Certificates of Participation Payable	\$ 359,397,620	\$ -	\$ 9,187,001	\$ 350,210,619	\$ 9,562,001
Add: Unamortized Premium on Debt	2,477,153	-	139,924	2,337,229	139,924
Total Certificates of Participation Payable	<u>361,874,773</u>	<u>-</u>	<u>9,326,925</u>	<u>352,547,848</u>	<u>9,701,925</u>
Bonds Payable	71,730,000	3,145,000	15,220,000	59,655,000	15,430,000
Add: Unamortized Premium (Discount) on Debt	2,246,029	226,415	545,941	1,926,503	557,856
Total Bonds Payable	<u>73,976,029</u>	<u>3,371,415</u>	<u>15,765,941</u>	<u>61,581,503</u>	<u>15,987,856</u>
Estimated Insurance Claims Payable	8,175,000	1,732,352	2,424,472	7,482,880	2,557,529
Other Postemployment Benefits	28,422,269	11,104,823	5,039,860	34,487,232	-
Compensated Absences Payable (1)	34,231,861	24,247,741	24,764,546	33,715,056	3,355,567
Derivatives Swap Liability	13,492,069	19,688,849	-	33,180,918	-
Total Governmental Activities	<u>\$ 520,172,001</u>	<u>\$ 60,145,180</u>	<u>\$ 57,321,744</u>	<u>\$ 522,995,437</u>	<u>\$ 31,602,877</u>
BUSINESS - TYPE ACTIVITY					
Other Postemployment Benefits	\$ 477,285	\$ 186,307	\$ 84,553	\$ 579,039	\$ -
Compensated Absences Payable	<u>401,706</u>	<u>522,669</u>	<u>527,396</u>	<u>396,979</u>	<u>396,979</u>
Total Business - Type Activity	<u>\$ 878,991</u>	<u>\$ 708,976</u>	<u>\$ 611,949</u>	<u>\$ 976,018</u>	<u>\$ 396,979</u>

Note (1) includes balances at June 30 2012, of the Internal Service Funds of \$276,621 with \$178,839 due in one year, and additions and deductions of \$118,649 and \$201,154, respectively.

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

12. 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 non-spendable 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 non-spendable. The District does not have non-spendable funds related to endowments.

In addition to the non-spendable 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:

Non-spendable: The District has inventories and prepaid items totaling \$5,948,901 that are classified as non-spendable.

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 designated for the purposes of state categorical programs, food service, debt service, and capital projects. The restricted funds balances totaled \$143,870,510 and represented \$5,276,826 in State categorical programs, \$7,183,864 in food service, \$21,389,660 in debt service and \$110,020,160 in capital projects.
- Assigned for School Operations and Capital Projects:
The School Board has set aside certain spendable fund balance for school operations and capital projects. At year end, the assigned fund balances are \$47,498,617 of which \$36,818,077 is for school operations and \$10,680,540 is for capital projects. The assigned

DISTRICT SCHOOL BOARD OF PASCO COUNTY
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fund balance for school operation includes \$25,258,958 for encumbrances and \$7,874,056 State and Local Programs and \$3,685,063 for appropriations of existing unassigned fund balance at year-end to eliminate a deficit in next year budget. The District currently has a fund balance policy that is being reviewed and revised to give more information on the authorization of assignment of fund balances and to comply with GASB 54 requirements.

- Unassigned:

The unassigned fund balance for the General Fund is \$22,714,296.

Description	Major Funds		Other Governmental Funds	Total Governmental Funds
	General Funds	Capital Projects Other Funds		
Fund Balances:				
Nonspendable:				
Inventories:				
General Fund	\$ 4,528,168			\$ 4,528,168
Special Revenues - Food Service			1,380,195	1,380,195
Prepaid Items:				
General Fund		40,538		40,538
Restricted:				
Categorical Programs	5,276,826			5,276,826
Special Revenues			7,183,864	7,183,864
Debt Service			21,389,660	21,389,660
Capital Projects		94,141,786	15,878,374	110,020,160
Assigned:				
School Operations				
State and Local Programs	12,037,970			12,037,970
Next Year Budget Deficit	3,685,063			3,685,063
Capital Projects		16,249,643	15,525,941	31,775,584
Unassigned:	22,714,296			22,714,296
	<u>\$48,282,861</u>	<u>\$110,391,429</u>	<u>\$61,358,034</u>	<u>\$220,032,324</u>

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 \$22,714,296 or 5.03 percent of general fund total expenditures.

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
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13. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

Funds	Interfund	
	Receivables	Payables
Major Funds:		
General	\$ 2,105,790	\$ -
Capital - Other	-	889,788
Nonmajor Governmental Funds	-	1,216,002
Total	<u>\$ 2,105,790</u>	<u>\$ 2,105,790</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	\$ 7,076,075	\$ -
Capital - Other	-	17,534,151
Nonmajor Governmental Funds	51,068,135	40,614,506
Internal Service Funds	200,000	195,553
Total	<u>\$ 58,344,210</u>	<u>\$ 58,344,210</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 outstanding bond issues. The transfers to the Internal Service Fund is to provide funding for environmental regulation compliance issues and the liquidation of the Graphics Service Fund.

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
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14. SCHEDULE OF STATE REVENUE SOURCES

The following is a schedule of the District's State revenue for the 2011-12 fiscal year:

Florida Education Finance Program	\$ 204,656,075
Categorical Educational Programs	75,056,246
Workforce Development Program	2,303,964
Motor Vehicle License Tax (Capital Outlay and Debt Service)	2,718,050
Voluntary Pre K	1,369,975
Charter School Capital Outlay (Public Education Capital Outlay)	703,197
Food Service Supplement	437,597
Mobile Home License Tax	382,271
Pari-Mutuel Tax	223,250
Fuel Tax Refund	160,389
Full Service Schools	135,225
School Health Supplement	113,413
Performance Based Incentive	52,203
Adult Disability	50,000
Miscellaneous	<u>46,177</u>
Total	<u><u>\$ 288,408,032</u></u>

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

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
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15. PROPERTY TAXES

The following is a summary of millages and taxes levied on the 2011 tax roll for the 2011-12 fiscal year:

	<u>Millages</u>	<u>Taxes Levied</u>
<u>GENERAL FUND</u>		
Nonvoted School Tax		
Required Local Effort	5.396	\$ 116,499,749
Basic Discretionary Local Effort	0.748	16,149,335
<u>CAPITAL PROJECTS FUND</u>		
Nonvoted Tax:		
Local Capital Improvements	<u>1.500</u>	<u>32,385,030</u>
Total	<u><u>7.644</u></u>	<u><u>\$ 165,034,114</u></u>

16. STATE RETIREMENT PROGRAM

Defined Benefit Plan – All regular employees of the District are covered by the Florida Retirement System (FRS). The FRS is primarily a State-administered, cost-sharing, multiple-employer 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 prior to July 1, 2011 and eight years of creditable service on or after 07/01/2011. All members are eligible for normal retirement benefits at age 62 or at any age after 30 years of service prior to July 1, 2011 and age 65 or at any age after 33 years of service on or after July 1, 2011, 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.

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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 1,617 District participants during the 2011-12 fiscal year. Required contributions made to the PEORP totaled \$3,726,422.

Funding Policy – Employee contributions help to fund both plans. The contribution rates for members are established, and may be amended, by the State of Florida. During the 2011-12 fiscal year, contribution rates were as follows:

Class or Plan	Percent of Gross Salary	
	Employee	Employer (A)
Florida Retirement System, Regular	3.00	4.91
Florida Retirement System, Elected County Officers	3.00	11.14
Florida Retirement System, Senior Management Service	3.00	6.27
Deferred Retirement Option Program, Applicable to Members of All of the Above Classes or Plans	0.00	4.42
Florida Retirement System, Reemployed Retiree Reemployed On or After July 1, 2011 (B)	0.00	1.6

Note: (A) Employer rates include 1.11 percent for the post-employment health insurance supplement. Also, employer rates, other than for DROP participants, include .03 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.

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,

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2010, June 30, 2011, and June 30, 2012, totaled \$29,695,531, \$32,608,437, and \$23,775,784 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.

17. EARLY RETIREMENT PROGRAM

Plan Description

As authorized by Section 1012.685, Florida Statutes, the Board implemented an Early Retirement Plan (the "Plan"), effective July 1, 1983, and amended as of January 1, 1997. The Plan is a single-employer, defined benefit pension plan. The purpose of the Plan is to provide District employees, who elect to retire under the early retirement provisions of the Florida Retirement System, 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 age of 62.

Based on an actuarial report as of July 1, 2012, employee membership data related to the Plan was as follows.

Retirees and Beneficiaries Currently Receiving Benefits	180
Active Plan Participants	<u>4,597</u>
Total	<u><u>4,777</u></u>

A summary of eligibility and benefits follow:

➤ **Eligibility**

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

➤ **Benefits**

The amount of the monthly benefit will be equal to the reduction imposed on the retirement benefit by the FRS due to early retirement. The benefit amount will be based on the initial benefit amount determined by the FRS prior to any cost-of-living

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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. In addition, the plan was amended effective June 2011 to provide a on-time early retirement incentive payment for certain individuals who retired during the month. The payment was equal to 10% of annual salary to a maximum benefit of \$5,000.

Summary of Significant Accounting Policies

The Plan is accounted for as pension trust fund; therefore it is accounted for in substantially the same manner as a proprietary fund with a 'capital maintenance' measurement focus and the accrual basis of accounting. Investment disclosures related to the Pension Trust Fund are in Note 3. Employer contributions are recognized in the period in which contributions are due. Benefits and refunds are recognized when due and payable in accordance with terms of the Plan. Plan assets are valued at fair value for financial statement purposes.

Separate statements are not issued for the plan.

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 and to amortize the unfunded actuarial accrued liability within 30 years based on an actuarial study. There are no long-term contracts to the plan. 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 2009-2010, 2010-2011 and the 2011-12 fiscal year, amounted to \$1,314,812, \$1,380,553 and \$1,509,443, respectively. The contributions 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, 2011. The total annual pension cost for the 2009-2010, 2010-2011 and the 2011-2012, was, \$662,271, \$953,391, and \$780,625 respectively. The percentage of pension cost contributed by the Board was 100 percent for all three fiscal years.

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As of July 1, 2011, the actuarial accrued liability for benefits was \$ 23,520,520 of which \$9,907,833 was unfunded. The computation of the annual required contribution for the 2011-12 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.

Benefits and refunds are recognized when due and payable in accordance with terms of the plan. 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, 2012, consisted of the following:

	<u>Maturity Range</u>	<u>Balance June 30, 2012</u>	<u>Percentage of Plan Assets</u>
Cash and Cash Equivalents		\$ 143,852	0.97%
Collateralized Mortgage Obligations	11 Months - 24.75 Years	2,883,725	21.67%
Corporate Bonds	8 Months - 22.25 Years	450,910	3.05%
Government and Municipal Bonds	9 Months - 33.75 Years	5,681,514	38.42%
Mutual Fund-Government Securities	8 Years - 23.83 Years	1,976,146	
Money Markets	20 Days - 60 Days	3,647,751	24.67%
Total		<u>\$ 14,783,898</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

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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. 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.

- 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.

Concentration of Credit Risk

- The District's investment policy has established permitted investment sectors which are designed to reduce concentration of credit risk of the District's investment portfolio.

Funded Status and Funding Progress

The required 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 funding status of the Plan as of the most recent actuarial valuation date is as follows:

Schedule of Funding Progress:

Actuarial Valuation Date	Actuarial Value of Plan Assets	Actuarial Accrued Liability Entry Age	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
7/1/2011	\$ 13,612,687	\$ 23,520,520	\$ 9,907,833	57.9%	\$ 173,775,663	5.7%

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Actuarial Information

Additional information as of the latest actuarial valuation is as follows:

Valuation Date	July 1, 2011
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*	5.50%
Projected Salary Increases*	4.00%
Cost-of-Living Adjustments	None
*Includes Inflation at	2.75%

18. 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 plan for medical, prescription drug, 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 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.

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 2011-12 fiscal year, retirees and eligible dependents received postemployment health care benefits, which are funded by the District on a pay-as-you-go basis. The District provided required contributions of \$5,124,413 toward the annual OPEB cost, comprised of medical and life insurance premiums, pharmacy claims expense and administrative expenses net of retiree contributions totaling \$2,019,748, or .63 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.

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)	\$ 5,537,091
Amortization of Unfunded Actuarial Accrued Liability	6,203,588
Interest on Normal Cost and Amortization	-
Annual Required Contribution	11,740,679
Interest on Net OPEB Obligation	1,155,982
Adjustment to Annual Required Contribution	(1,605,531)
Annual OPEB Cost (Expense)	11,291,130
Contribution Toward the OPEB Cost	(5,124,414)
Increase in Net OPEB Obligation	6,166,716
Net OPEB Obligation, Beginning of Year	28,899,555
Net OPEB Obligation, End of Year	\$ 35,066,271

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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, 2012 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>
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
2011-12	11,291,130	5,124,414	45.38%	35,066,271

Funded Status and Funding Progress

As of January 1, 2012, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$109,496,146, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$109,496,146. The covered payroll (annual payroll of active participating employees) was \$318,668,211, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 34.36 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, 2012. Because the OPEB liability is currently unfunded, the actuarial assumptions included a 4.0 percent discount rate. The actuarial assumptions also included an annual healthcare cost trend of 8.5 percent for the fiscal year 2011-2012, reduced by 0.5 percent per year, to an ultimate rate of 5.0 percent after

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eight years. The actuarial assumptions also included an inflation rate of 3.0 percent and 4.0 percent for salary increases for fiscal year 2011-2012.

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 2011-12 unfunded actuarial accrued liability used 18 years of amortization. The amortization period was revised down from 29 years to 18 years, in order to reflect the short time period over which most of the plan's liability is expected to be paid.

19. MEMBERSHIP IN NONPROFIT CORPORATION

The District participated in a nonprofit electric cooperative, the Withlacoochee River Electric Cooperative, Inc., established under the provisions of Chapter 425, Florida Statutes. In accordance with this Statute, revenues in excess of operating expenses, unless determined by a vote of the membership, are distributed by the Cooperative on a pro rata basis to its members. The policy of the Cooperative is to credit the excess revenues to members' accounts. Capital credits are distributed only after the Cooperative attains a certain margin of profit required by the Rural Electrification Administration. At June 30, 2012, the accumulated credits to the District's account are \$3,968,882. During the 2011-2012 fiscal year, the District received capital credits of \$322,309.

20. CONSTRUCTION CONTRACT COMMITMENTS

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

**District School Board of Pasco County Construction Contracts Commitments
As of June 30, 2012**

<u>Project</u>	<u>Contract Amount</u>	<u>Completed to Date</u>	<u>Balance Committed</u>
Pasco High School			
Campus Redevelopment	\$ 3,084,629	\$ 2,837,461	\$ 247,168
Richey Elementary			
Campus Redevelopment	12,401,303	8,466,597	3,934,706
Sanders Elementary			
Campus Redevelopment	2,651,559	1,851,491	800,068
Seven Springs Middle School			
Hydronic Piping	950,000	820,167	129,833
Total	\$ 19,087,491	\$ 13,975,716	\$ 5,111,775

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21. 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, 2012, the District has recorded \$25,258,958 in encumbrances as follows: \$4,163,914 for the General Fund; \$15,515,149 for the Capital Projects-Other Fund; and 5,579,895 for the Non-major Governmental Funds.

22. 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 coverage is 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 \$7,482,880 was actuarially determined to cover estimated incurred, but not reported, workers' compensation, automobile liability and general liability insurance claims payable at June 30, 2012.

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
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
2011-2012	8,175,000	51,887,175	52,579,295	7,482,880

Life insurance coverage is being provided through purchased commercial insurance.

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23. INTERNAL SERVICE FUNDS

The following is a summary of financial information as reported in the Internal Service Funds for the 2011-2012 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	\$ 2,023,366	\$ 1,314,101	\$ 31,133,571	\$ 21,357,710	\$ 149,659	\$ -	\$ 8,253,626	\$ 1,384,209	\$ 65,616,242
Liabilities and Net Assets:									
Accounts Payable	\$ 17,298	\$ -	\$ 56,198	\$ 15,375,978	\$ 30,170	\$ -	\$ 1,145,447	\$ -	\$ 16,625,091
Salaries and Benefits Payable	20,853		23,277	-	14,529	-	459	-	59,118
Payroll Deduction									
Withholdings Payable	2,422	-	1,874	-	574	-	1,012	-	5,882
Estimated Insurance Claims									
Payable	-	-	7,482,880	-	-	-	-	-	7,482,880
Compensated Absences Paya	74,456	-	113,198	-	59,825	-	29,142	-	276,621
Net Assets:									
Invested in Capital Assets	-	-	-	-	-	-	-	39,643	39,643
Unrestricted	1,908,337	1,314,101	23,456,144	5,981,732	44,561	-	7,077,566	1,344,566	41,127,007
Total Liabilities and Net Assets	\$ 2,023,366	\$ 1,314,101	\$ 31,133,571	\$ 21,357,710	\$ 149,659	\$ -	\$ 8,253,626	\$ 1,384,209	\$ 65,616,242
Revenues:									
Premium Contributions	\$ 3,272,800	\$ 1,211,063	\$ 9,600,000	\$ 58,356,656	\$ 330,778	\$ -	\$ -	\$ -	\$ 72,771,297
Charges for Services	-	-	-	-	-	-	14,497,548	-	14,497,548
Insurance Loss Recoveries	-	-	32,418	-	-	-	-	-	32,418
Interest Income	492	3,091	40,479	31,270	106	-	5,987	2,352	83,777
Gifts, Grants and Bequests	109,550	-	-	-	-	-	-	-	109,550
Loss on Disposal of Assets	-	-	-	-	-	(127)	-	(557)	(684)
Other Operating	-	-	489,531	-	-	-	4,229	66,544	560,304
Total Revenues	3,382,842	1,214,154	10,162,428	58,387,926	330,884	(127)	14,507,764	68,896	88,054,210
Total Expenses	3,000,173	1,211,063	7,432,207	58,180,445	365,821	-	13,312,247	129,457	83,631,413
Transfers In (Out)	-	-	200,000	-	-	(195,553)	-	-	4,447
Change in Net Assets	\$ 382,669	\$ 3,091	\$ 2,930,221	\$ 207,481	\$ (34,937)	\$ (195,680)	\$ 1,195,517	\$ (61,118)	\$ 4,427,244

**DISTRICT SCHOOL BOARD OF PASCO COUNTY
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24. 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.

OTHER REQUIRED SUPPLEMENTARY INFORMATION



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

SCHEDULE OF FUNDING PROGRESS - EARLY RETIREMENT PLAN

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%
7/1/2011	13,612,687 (7)	23,520,520 (7)	9,907,833 (7)	57.9%	173,775,663 (7)	5.7%

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.
- (7) Based on data from an actuarial valuation report as of July 1, 2011.

SCHEDULE OF EMPLOYER CONTRIBUTIONS – EARLY RETIREMENT PLAN

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%
2012	1,509,443	100%

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

SCHEDULE OF FUNDING PROGRESS - OTHER POST EMPLOYMENT BENEFITS

Actuarial Valuation Date	Actuarial Values of Plan Assets	Actuarial Accrued Liability (1)	Unfunded Actuarial Accrued Liability (2)	Funded Ratio (3)	Covered Payroll	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%
January 1, 2012	-	109,496,146	109,496,146	0.0%	318,668,211	34.36%

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.

SCHEDULE OF EMPLOYER CONTRIBUTIONS - OTHER POST EMPLOYMENT BENEFITS .

Fiscal Year	Amount Contributed	Percentage Contribution
2009-2010	4,121,809	38.14%
2010-2011	4,506,467	39.62%
2011-2012	5,124,413	45.38%



COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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, 2012

Schedule A

	Special Revenue				Debt Service		
	Food and Nutrition Services Fund	Other Federal Programs Fund	American Recovery and Reinvestment Act Fund	Total Nonmajor Special Revenue Funds	State Board of Education Bonds Fund	District Revenue Bonds Fund	General Obligation Bonds Fund
Assets:							
Cash	\$ 7,983,760	\$ 2,455	\$ -	\$ 7,986,215	\$ -	\$ -	\$ -
Cash with Fiscal Agent	-	-	-	-	-	-	-
Investments	-	-	-	-	467,780	28,332	-
Accounts Receivable	12,312	-	-	12,312	-	-	-
Accrued Interest Receivable	-	-	-	-	-	-	-
Due from Other Agencies	392,803	2,321,954	86,381	2,801,138	-	-	-
Inventories	1,380,195	-	-	1,380,195	-	-	-
Total Assets	\$ 9,769,070	\$ 2,324,409	\$ 86,381	\$ 12,179,860	\$ 467,780	\$ 28,332	\$ -
Liabilities and Fund Balances:							
Liabilities:							
Salaries and Benefits Payable	\$ 85,845	\$ 224,637	\$ 2,664	\$ 313,146	\$ -	\$ -	\$ -
Payroll Deductions and Withholdings Payable	6,068	24,419	59	30,546	-	-	-
Accounts Payable	68,896	900,974	6,598	976,468	-	-	-
Construction Contracts Payable	-	-	-	-	-	-	-
Construction Contracts Payable - Retainage	-	-	-	-	-	-	-
Arbitrage Rebate Payable	-	-	-	-	-	-	-
Due to Other Funds	-	1,138,942	77,060	1,216,002	-	-	-
Deferred Revenue	1,044,202	35,437	-	1,079,639	-	-	-
Total Liabilities	1,205,011	2,324,409	86,381	3,615,801	-	-	-
Fund Balances:							
Nonspendable:							
Inventory	1,380,195	-	-	1,380,195	-	-	-
Restricted:							
Special Revenue	7,183,864	-	-	7,183,864	-	-	-
Debt Service	-	-	-	-	467,780	28,332	-
Capital Projects	-	-	-	-	-	-	-
Assigned:							
Capital Projects	-	-	-	-	-	-	-
Total Fund Balance	8,564,059	-	-	8,564,059	467,780	28,332	-
Total Liabilities and Fund Balances	\$ 9,769,070	\$ 2,324,409	\$ 86,381	\$ 8,564,059	\$ 467,780	\$ 28,332	\$ -

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	
\$ 4,418	\$ 4,418	\$ 560	\$ -	\$ 271,354	\$ 5,651,621	\$ 5,923,535	\$ 13,914,168	
301,471	301,471	7,773	-	-	82,053	89,826	391,297	
20,846,547	21,342,659	2,305,138	-	10,624,693	13,666,913	26,596,744	47,939,403	
-	-	-	-	-	-	-	12,312	
27	27	7,767	-	-	81,988	89,755	89,782	
-	-	-	-	-	20,744	20,744	2,821,882	
-	-	-	-	-	-	-	1,380,195	
<u>\$ 21,152,463</u>	<u>\$ 21,648,575</u>	<u>\$ 2,321,238</u>	<u>\$ -</u>	<u>\$ 10,896,047</u>	<u>\$ 19,503,319</u>	<u>\$ 32,720,604</u>	<u>\$ 66,549,039</u>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 313,146	
-	-	-	-	-	-	-	30,546	
179,224	179,224	7,062	-	-	1,227,816	1,234,878	2,390,570	
-	-	-	-	-	70,380	70,380	70,380	
-	-	-	-	-	11,031	11,031	11,031	
79,691	79,691	-	-	-	-	-	79,691	
-	-	-	-	-	-	-	1,216,002	
-	-	-	-	-	-	-	1,079,639	
<u>258,915</u>	<u>258,915</u>	<u>7,062</u>	<u>-</u>	<u>-</u>	<u>1,309,227</u>	<u>1,316,289</u>	<u>5,191,005</u>	
-	-	-	-	-	-	-	1,380,195	
-	-	-	-	-	-	-	7,183,864	
20,893,548	21,389,660	-	-	-	-	-	21,389,660	
-	-	2,302,739	-	-	13,575,635	15,878,374	15,878,374	
-	-	11,437	-	10,896,047	4,618,457	15,525,941	15,525,941	
<u>20,893,548</u>	<u>21,389,660</u>	<u>2,314,176</u>	<u>-</u>	<u>10,896,047</u>	<u>18,194,092</u>	<u>31,404,315</u>	<u>61,358,034</u>	
<u>\$ 21,152,463</u>	<u>\$ 21,648,575</u>	<u>\$ 2,321,238</u>	<u>\$ -</u>	<u>\$ 10,896,047</u>	<u>\$ 19,503,319</u>	<u>\$ 32,720,604</u>	<u>\$ 66,549,039</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, 2012

	Special Revenue				Debt Service				
	Food and Nutrition Services Fund	Other Federal Programs Fund	American Recovery and Reinvestment Act 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	\$ -	\$ 6,482,000	\$ 190,716	\$ 6,672,716	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Through State	-	31,173,515	1,719,509	32,893,024	-	-	-	-	-
Food Services	20,980,131	-	-	20,980,131	-	-	-	-	-
Federal Through Local	-	34,844	-	34,844	-	-	-	-	-
State Sources:									
Public Education Capital Outlay	-	-	-	-	-	-	-	-	-
Food Services	437,597	-	-	437,597	-	-	-	-	-
SBE/COBI Bond Interest	-	-	-	-	(271)	-	-	-	(271)
CO & DS Withheld for State Education Bonds	-	-	-	-	2,389,098	-	-	-	2,389,098
CO & DS Interest	-	-	-	-	-	-	-	-	-
CO & DS Distributed	-	-	-	-	-	-	-	-	-
Racing Commission Funds	-	-	-	-	-	223,250	-	-	223,250
Local Sources:									
Property Taxes	-	-	-	-	-	-	4,669	-	4,669
Food Services	11,697,038	-	-	11,697,038	-	-	-	-	-
Investment Earnings	-	-	-	-	-	73	26,136	(926)	25,283
Total Revenues	33,114,766	37,690,359	1,910,225	72,715,350	2,388,827	223,323	30,805	(926)	2,642,029
	-								
Expenditures:									
Current-Education:									
Instruction	-	23,947,949	771,835	24,719,784	-	-	-	-	-
Pupil Personnel Services	-	3,313,317	55,610	3,368,927	-	-	-	-	-
Instructional Media Services	-	107,460	-	107,460	-	-	-	-	-
Instruction and Curriculum Development Services	-	4,270,045	221,077	4,491,122	-	-	-	-	-
Instructional Staff Training Services	-	3,246,724	773,214	4,019,938	-	-	-	-	-
Instruction Related Technology	-	263,077	-	263,077	-	-	-	-	-
General Administration	-	624,386	36,304	660,690	-	-	-	-	-
School Administration	-	301	17,555	17,856	-	-	-	-	-
Facilities Services	-	-	-	-	-	-	-	-	-

	Special Revenue				Debt Service				
	Food and Nutrition Services Fund	Other Federal Program Fund	American Recovery and Reinvestment Act 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	-	127,100	-	127,100	-	-	-	-	-
Food Services	29,964,731	36,377	1,837	30,002,945	-	-	-	-	-
Central Services	-	156,402	13,139	169,541	-	-	-	-	-
Pupil Transportation Services	-	402,694	1,689	404,383	-	-	-	-	-
Operation of Plant	-	151,660	8,053	159,713	-	-	-	-	-
Maintenance of Plant	-	46,191	1,256	47,447	-	-	-	-	-
Administrative Technology Services	-	167,406	-	167,406	-	-	-	-	-
Community Services	-	82,044	-	82,044	-	-	-	-	-
Capital Outlay:									
Facilities Acquisition and Construction	-	-	-	-	-	-	-	-	-
Other Capital Outlay	-	747,226	8,656	755,882	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	1,565,000	90,000	-	20,872,001	22,527,001
Interest	-	-	-	-	857,623	132,905	-	16,143,136	17,133,664
Fiscal Charges	-	-	-	-	6,408	690	46	713,229	720,373
Total Expenditures	29,964,731	37,690,359	1,910,225	69,565,315	2,429,031	223,595	46	37,728,366	40,381,038
Excess (Deficiency) of Revenues Over Expenditures	3,150,035	-	-	3,150,035	(40,204)	(272)	30,759	(37,729,292)	(37,739,009)
Other Financing Sources (Uses):									
Bonds Issued	-	-	-	-	1,710,000	-	-	-	1,710,000
Premium on Bonds Issued	-	-	-	-	226,415	-	-	-	226,415
Payments to Refunded Bond Escrow Agent	-	-	-	-	(1,931,399)	-	-	-	(1,931,399)
Transfers In	-	-	-	-	-	-	-	50,572,875	50,572,875
Transfers Out	(665,189)	-	-	(665,189)	-	-	(9,974,666)	-	(9,974,666)
Total Other Financing Sources (Uses)	(665,189)	-	-	(665,189)	5,016	-	(9,974,666)	50,572,875	40,603,225
Net Change in Fund Balances	2,484,846	-	-	2,484,846	(35,188)	(272)	(9,943,907)	12,843,583	2,864,216
Fund Balances, Beginning	6,079,213	-	-	6,079,213	502,968	28,604	9,943,907	8,049,965	18,525,444
Fund Balances, Ending	\$ 8,564,059	\$ -	\$ -	\$ 8,564,059	\$ 467,780	\$ 28,332	\$ -	\$ 20,893,548	\$ 21,389,660

(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, 2012

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,672,716
Federal Through State	-	-	-	-	-	32,893,024
Food Services	-	-	-	-	-	20,980,131
Federal Through Local	-	-	-	-	-	34,844
State Sources:						
Public Education Capital Outlay	-	703,197	-	-	703,197	703,197
Food Services	-	-	-	-	-	437,597
SBE/COBI Bond Interest	-	-	-	-	-	(271)
CO & DS Withheld for State Education Bonds	-	-	-	-	-	2,389,098
CO & DS Interest	-	-	28,397	-	28,397	28,397
CO & DS Distributed	-	-	260,477	-	260,477	260,477
Racing Commission Funds	-	-	-	-	-	223,250
Local Sources:						
Property Taxes	-	-	-	32,614,698	32,614,698	32,619,367
Food Services	-	-	-	-	-	11,697,038
Investment Earnings	6,080	1,685	295,334	55,598	358,697	383,980
Total Revenues	6,080	704,882	584,208	32,670,296	33,965,466	109,322,845
Expenditures:						
Current-Education:						
Instruction	-	-	-	-	-	24,719,784
Pupil Personnel Services	-	-	-	-	-	3,368,927
Instructional Media Services	-	-	-	-	-	107,460
Instruction and Curriculum Development Services	-	-	-	-	-	4,491,122
Instructional Staff Training Services	-	-	-	-	-	4,019,938
Instruction Related Technology	-	-	-	-	-	263,077
General Administration	-	-	-	-	-	660,690
School Administration	-	-	-	-	-	17,856
Facilities Services	3,565	29,354	-	1,013,442	1,046,361	1,046,361

	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	-	-	-	-	-	127,100
Food Services	-	-	-	-	-	30,002,945
Central Services	-	-	-	-	-	169,541
Pupil Transportation Services	-	-	-	-	-	404,383
Operation of Plant	-	-	-	-	-	159,713
Maintenance of Plant	-	-	-	-	-	47,447
Administrative Technology Services	-	-	-	-	-	167,406
Community Services	-	-	-	-	-	82,044
Capital Outlay:						
Facilities Acquisition and Construction	130,365	3,137,940	16,670	9,328,978	12,613,953	12,613,953
Other Capital Outlay	-	-	-	-	-	755,882
Debt Service:						
Principal	-	-	-	-	-	22,527,001
Interest	-	-	-	-	-	17,133,664
Fiscal Charges	-	-	851	-	851	721,224
Total Expenditures	133,930	3,167,294	17,521	10,342,420	13,661,165	123,607,518
Excess (Deficiency) of Revenues Over Expenditures	(127,850)	(2,462,412)	566,687	22,327,876	20,304,301	(14,284,673)
Other Financing Sources (Uses):						
Proceeds of Refunding Bonds	-	-	-	-	-	1,710,000
Premium on Refunding Bonds	-	-	-	-	-	226,415
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	(1,931,399)
Transfers In	-	-	-	495,260	495,260	51,068,135
Transfers Out	-	(703,197)	-	(29,271,454)	(29,974,651)	(40,614,506)
Total Other Financing Sources (Uses)	-	(703,197)	-	(28,776,194)	(29,479,391)	10,458,645
Net Change in Fund Balances	(127,850)	(3,165,609)	566,687	(6,448,318)	(9,175,090)	(3,826,028)
Fund Balances, Beginning	2,442,026	3,165,609	10,329,360	24,642,410	40,579,405	65,184,062
Fund Balances, Ending	\$ 2,314,176	\$ -	\$ 10,896,047	\$ 18,194,092	\$ 31,404,315	\$ 61,358,034

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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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Federal Sources:				
Food Service	\$ 21,467,342	\$ 21,467,342	\$ 20,980,131	\$ (487,211)
State Sources:				
Food Service	434,543	434,543	437,597	3,054
Local Sources:				
Food Service Sales	12,241,944	12,241,944	11,650,106	(591,838)
Investment Earnings	-	7,000	879	(6,121)
Local Grants and Other	25,359	25,359	46,053	20,694
Total Revenues	34,169,188	34,176,188	33,114,766	(1,061,422)
Expenditures:				
Current-Education:				
Food Services				
Salaries	11,271,187	11,430,487	9,815,452	1,615,035
Employee Benefits	4,502,341	4,102,341	3,752,016	350,325
Purchased Services	817,195	878,422	557,854	320,568
Energy Services	375,000	475,000	469,334	5,666
Materials and Supplies	15,896,000	16,152,662	14,799,214	1,353,448
Other Expenses	742,000	642,000	570,861	71,139
Total Expenditures	33,603,723	33,680,912	29,964,731	3,716,181
Excess (Deficiency) of Revenues Over Expenditures	565,465	495,276	3,150,035	2,654,759
Other Financing Sources (Uses):				
Transfers Out	(350,000)	(495,260)	(665,189)	(169,929)
Net Change in Fund Balance	215,465	16	2,484,846	2,484,830
Fund Balance, Beginning	6,079,213	6,079,213	6,079,213	-
Fund Balance, Ending	\$ 6,294,678	\$ 6,079,229	\$ 8,564,059	\$ 2,484,830

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Federal Sources:				
Federal Direct	\$ 5,485,857	\$ 7,571,044	\$ 6,482,000	\$ (1,089,044)
Federal Through State	34,060,128	39,467,909	31,173,515	(8,294,394)
Federal Through Local	-	-	34,844	34,844
Total Revenues	39,545,985	47,038,953	37,690,359	(9,348,594)
Expenditures:				
Current-Education:				
Instruction				
Salaries	13,433,957	14,051,146	12,541,174	1,509,972
Employee Benefits	5,211,432	5,470,297	4,623,800	846,497
Purchased Services	4,073,465	4,640,432	3,906,028	734,404
Materials and Supplies	918,356	2,342,033	1,180,884	1,161,149
Capital Outlay	890,206	1,152,480	731,284	421,196
Other Expenses	799,497	1,131,413	964,779	166,634
Pupil Personnel Services				
Salaries	2,398,029	2,484,850	2,347,366	137,484
Employee Benefits	795,934	870,008	674,910	195,098
Purchased Services	189,956	299,017	175,738	123,279
Materials and Supplies	169,689	210,661	109,054	101,607
Capital Outlay	6,000	61,831	2,233	59,598
Other Expenses	5,988	8,774	4,016	4,758
Instructional Media Services				
Salaries	57,625	92,311	82,218	10,093
Employee Benefits	21,385	28,968	23,174	5,794
Capital Outlay	2,000	2,532	2,068	464
Instruction and Curriculum Development Services				
Salaries	2,726,463	2,922,115	2,745,572	176,543
Employee Benefits	791,704	804,186	654,300	149,886
Purchased Services	270,969	903,791	797,534	106,257
Materials and Supplies	94,290	63,184	46,675	16,509
Capital Outlay	45,000	19,665	8,272	11,393
Other Expenses	21,704	21,131	17,692	3,439
Instructional Staff Training Services				
Salaries	1,866,471	3,388,357	2,198,018	1,190,339
Employee Benefits	417,075	826,521	508,455	318,066
Purchased Services	260,573	564,963	193,060	371,903
Materials and Supplies	492,463	922,246	248,350	673,896
Capital Outlay	22,448	53,869	47,364	6,505
Other Expenses	55,760	87,499	51,477	36,022

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued):				
Instruction Related Technology				
Salaries	214,079	164,076	151,642	12,434
Employee Benefits	70,348	55,877	40,855	15,022
Purchased Services	63,600	57,697	57,407	290
Materials and Supplies	11,937	4,820	4,674	146
Capital Outlay	-	8,570	8,499	71
General Administration				
Other Expenses	1,332,525	934,623	624,386	310,237
School Administration				
Purchased Services	500	20,301	301	20,000
Capital Outlay				
Other Capital Outlay	-	14,782	-	14,782
Fiscal Services				
Salaries	93,613	101,211	97,915	3,296
Employee Benefits	35,384	31,036	26,775	4,261
Purchased Services	-	146	146	-
Materials and Supplies	2,900	2,880	852	2,028
Capital Outlay	2,000	1,414	1,412	2
Food Services				
Employee Benefits	-	8	3	5
Purchased Services	33,134	44,863	36,189	8,674
Materials and Supplies	1,550	27,786	-	27,786
Other Expenses	-	1,780	185	1,595
Central Services				
Salaries	181,255	125,776	117,693	8,083
Employee Benefits	49,727	34,040	31,873	2,167
Other Expenses	11,907	24,289	6,836	17,453
Pupil Transportation Services				
Salaries	63,300	73,664	64,164	9,500
Employee Benefits	20,750	22,992	17,335	5,657
Purchased Services	933,247	366,528	321,195	45,333
Capital Outlay	-	33	-	33
Operation of Plant				
Purchased Services	24,500	36,746	29,612	7,134
Energy Services	121,000	143,583	118,447	25,136
Materials and Supplies	8,500	5,272	3,601	1,671
Capital Outlay	6,973	1,066	-	1,066
Maintenance of Plant				
Purchased Services	19,462	50,282	46,191	4,091
Capital Outlay	31,886	120,211	-	120,211

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued):				
Administrative Technology Services				
Salaries	75,800	167,138	138,421	28,717
Employee Benefits	20,150	44,416	28,895	15,521
Purchased Services	1,000	1,000	90	910
Community Services				
Salaries	39,270	88,234	39,308	48,926
Employee Benefits	11,997	21,494	9,738	11,756
Purchased Services	15,196	31,689	13,103	18,586
Materials and Supplies	5,668	15,725	4,537	11,188
Other Expenses	4,388	21,399	15,358	6,041
Capital Outlay:				
Other Capital Outlay	-	747,226	747,226	-
Total Expenditures	39,545,985	47,038,953	37,690,359	9,348,594
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
American Recovery and Reinvestment Act Fund
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Federal Sources:				
Federal Direct	\$ -	\$ 190,716	\$ 190,716	\$ -
Federal Through State	-	2,562,681	1,719,509	(843,172)
Total Revenues	-	2,753,397	1,910,225	(843,172)
Expenditures:				
Current-Education:				
Instruction				
Salaries	-	710,196	520,916	189,280
Employee Benefits	-	133,672	92,250	41,422
Purchased Services	-	43,291	35,062	8,229
Materials and Supplies	-	34,720	33,234	1,486
Capital Outlay	-	83,125	78,322	4,803
Other Expenses	-	56,212	12,051	44,161
Pupil Personnel Services				
Salaries	-	42,671	41,719	952
Employee Benefits	-	12,385	11,614	771
Purchased Services	-	1,737	1,737	-
Materials and Supplies	-	58	58	-
Other Expenses	-	482	482	-
Instructional and Curriculum Development Services				
Salaries	-	224,841	167,270	57,571
Employee Benefits	-	73,832	44,665	29,167
Purchased Services	-	49,985	9,142	40,843
Instructional Staff Training Services				
Salaries	-	296,314	188,604	107,710
Employee Benefits	-	50,841	23,224	27,617
Purchased Services	-	633,076	530,636	102,440
Materials and Supplies	-	43,469	10,347	33,122
Capital Outlay	-	10,048	10,048	-
Other Expenses	-	19,930	10,355	9,575
Instruction Related Technology				
Salaries	-	56,560	-	56,560
Employee Benefits	-	16,582	-	16,582
General Administration				
Salaries	-	3,000	-	3,000
Employee Benefits	-	377	-	377
Other Expenses	-	55,610	36,304	19,306
School Administration				
Salaries	-	36,480	10,635	25,845
Employee Benefits	-	8,576	4,275	4,301
Purchased Services	-	9,371	2,645	6,726

Expenditures (continued):

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
American Recovery and Reinvestment Act Fund
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Food Services				
Purchased Services	-	1,837	1,837	-
Central Services				
Salaries	-	1,710	210	1,500
Employee Benefits	-	131	16	115
Purchased Services	-	12,813	12,813	-
Other Expenses	-	3,000	100	2,900
Pupil Transportation Services				
Purchased Services	-	8,500	1,689	6,811
Operation of Plant				
Purchased Services	-	1,057	1,057	-
Energy Services	-	4,229	4,229	-
Materials and Supplies	-	2,767	2,767	-
Maintenance of Plant				
Purchased Services	-	1,256	1,256	-
Capital Outlay				
Other Capital Outlay	-	8,656	8,656	-
Total Expenditures	-	2,753,397	1,910,225	843,172
Net Change in Fund Balance	-	-	-	-
Fund Balances, Beginning	-	-	-	-
Fund Balances, Ending	\$ -	\$ -	\$ -	\$ -

District School Board of Pasco County
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Debt Service - State Board of Education Bonds Fund
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
State Sources				
CO & DS Withheld for State Education Bonds	\$ 2,452,663	\$ 2,452,663	\$ 2,389,098	\$ (63,565)
SBE/COBI Bond Interest	-	-	(271)	(271)
Total Revenues	2,452,663	2,452,663	2,388,827	(63,836)
Expenditures:				
Debt Service:				
Principal	1,565,000	1,565,000	1,565,000	-
Interest	887,663	887,663	857,623	30,040
Fiscal Charges	-	-	6,408	(6,408)
Total Expenditures	2,452,663	2,452,663	2,429,031	23,632
Excess (Deficiency) of Revenues Over Expenditures	-	-	(40,204)	(87,468)
Other Financing Sources (Uses):				
Proceeds fo Refunding Bonds	-	1,710,000	1,710,000	-
Premium on Refunding Bonds	-	226,415	226,415	-
Payments to Refunded Bond	-	(1,931,399)	(1,931,399)	-
Total Other Financing Sources	-	5,016	5,016	-
Net Change in Fund Balance	-	5,016	(35,188)	(87,468)
Fund Balances, Beginning	502,968	502,968	502,968	-
Fund Balances, Ending	\$ 502,968	\$ 507,984	\$ 467,780	\$ (87,468)

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
State Sources:				
Racing Commission Funds	\$ 223,905	\$ 223,905	\$ 223,250	\$ (655)
Local Sources:				
Investment Earnings	50	50	73	23
Total Revenues	223,955	223,955	223,323	(632)
Expenditures:				
Debt Service:				
Principal	90,000	90,000	90,000	-
Interest	132,905	132,905	132,905	-
Fiscal Charges	1,000	1,000	690	310
Total Expenditures	223,905	223,905	223,595	310
Excess (Deficiency) of Revenues Over Expenditures	50	50	(272)	(322)
Net Change in Fund Balance	50	50	(272)	(322)
Fund Balance, Beginning	28,604	28,604	28,604	-
Fund Balance, Ending	\$ 28,654	\$ 28,654	\$ 28,332	\$ (322)

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, 2012

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Local Sources:				
Property Taxes	\$ -	\$ -	\$ 4,669	\$ 4,669
Investment Earnings	6,000	31,000	26,136	(4,864)
Total Revenues	6,000	31,000	30,805	(195)
Expenditures:				
Debt Service:				
Fiscal Charges	100	100	46	54
Total Expenditures	100	100	46	54
Excess (Deficiency) of Revenues Over Expenditures	5,900	30,900	30,759	(141)
Other Financing Sources (Uses):				
Transfer Out	-	(9,974,666)	(9,974,666)	-
Total Other Financing Sources	-	(9,974,666)	(9,974,666)	-
Net Change in Fund Balance	5,900	(9,943,766)	(9,943,907)	(141)
Fund Balances, Beginning	9,943,907	9,943,907	9,943,907	-
Fund Balances, Ending	\$ 9,949,807	\$ 141	\$ -	\$ (141)

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Local Sources:				
Investment Earnings	\$ 4,960	\$ 4,960	\$ (926)	\$ (5,886)
Expenditures:				
Debt Service:				
Principal	21,773,272	21,773,272	20,872,001	901,271
Interest	17,007,278	17,307,278	16,143,136	1,164,142
Fiscal Charges	1,108,777	813,403	713,229	100,174
Total Expenditures	39,889,327	39,893,953	37,728,366	2,165,587
Excess (Deficiency) of Revenues Over Expenditures	(39,884,367)	(39,888,993)	(37,729,292)	2,159,701
Other Financing Sources (Uses):				
Transfers In	39,889,327	50,572,875	50,572,875	-
Total Other Financing Sources	39,889,327	50,572,875	50,572,875	-
Net Change in Fund Balance	4,960	10,683,882	12,843,583	2,159,701
Fund Balances, Beginning	8,049,965	8,049,965	8,049,965	-
Fund Balances, Ending	\$ 8,054,925	\$ 18,733,847	\$ 20,893,548	\$ 2,159,701

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
State Sources:				
Public Education Capital Outlay	\$ 731,531	\$ 703,198	\$ 703,197	\$ (1)
Local Sources:				
Investment Earnings	-	1,685	1,685	-
Total Revenues	731,531	704,883	704,882	(1)
Expenditures:				
Current-Education:				
Facilities Services	-	29,354	29,354	-
Capital Outlay:				
Facilities Acquisition and Construction	2,118,875	3,137,941	3,137,940	1
Total Expenditures	2,118,875	3,167,295	3,167,294	1
Excess (Deficiency) of Revenues Over Expenditures	(1,387,344)	(2,462,412)	(2,462,412)	-
Other Financing Uses:				
Transfer Out	(731,531)	(703,197)	(703,197)	-
Total Other Financing Uses	(731,531)	(703,197)	(703,197)	-
Net Change in Fund Balance	(2,118,875)	(3,165,609)	(3,165,609)	-
Fund Balances, Beginning	3,165,609	3,165,609	3,165,609	-
Fund Balances, Ending	\$ 1,046,734	\$ -	\$ -	\$ -

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Local Sources:				
Local Sales Tax	\$ 22,021,889	\$ 22,021,889	\$ 25,321,574	\$ 3,299,685
Impact Fees	4,000,000	4,000,000	4,818,051	818,051
Other Local	-	-	1,000	1,000
Investment Earnings	-	204,790	84,067	(120,723)
Total Revenues	26,021,889	26,226,679	30,224,692	3,998,013
Expenditures:				
Current-Education:				
Facilities Services	-	1,194,436	1,194,436	-
Capital Outlay:				
Facilities Acquisition and Construction	78,546,397	89,257,659	22,950,134	66,307,525
Total Expenditures	78,546,397	90,452,095	24,144,570	66,307,525
Excess (Deficiency) of Revenues Over Expenditures	(52,524,508)	(64,225,416)	6,080,122	70,305,538
Other Financing Sources (Uses):				
Transfer Out	(18,032,479)	(17,534,151)	(17,534,151)	-
Total Other Financing Sources (Uses)	(18,032,479)	(17,534,151)	(17,534,151)	-
Net Change in Fund Balance	(70,556,987)	(81,759,567)	(11,454,029)	70,305,538
Fund Balances, Beginning	121,845,458	121,845,458	121,845,458	-
Fund Balances, Ending	\$ 51,288,471	\$ 40,085,891	\$ 110,391,429	\$ 70,305,538

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Local Sources:				
Investment Earnings	\$ -	\$ 2,182	\$ 6,080	\$ 3,898
Expenditures:				
Current-Education:				
Facilities Services	-	3,565	3,565	-
Capital Outlay:				
Facilities Acquisition and Construction	1,572,920	1,678,577	130,365	1,548,212
Total Expenditures	1,572,920	1,682,142	133,930	1,548,212
Excess (Deficiency) of Revenues Over Expenditures	(1,572,920)	(1,679,960)	(127,850)	1,552,110
Net Change in Fund Balance	(1,572,920)	(1,679,960)	(127,850)	1,552,110
Fund Balances, Beginning	2,442,026	2,442,026	2,442,026	-
Fund Balances, Ending	\$ 869,106	\$ 762,066	\$ 2,314,176	\$ 1,552,110

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
State Sources:				
CO & DS Distributed	\$ 702,000	\$ 700,000	\$ 260,477	\$ (439,523)
Interest on Undistributed CO & DS	-	2,000	28,397	26,397
Local Sources:				
Investment Earnings	-	-	295,334	295,334
Total Revenues	702,000	702,000	584,208	(117,792)
Expenditures:				
Capital Outlay:				
Facilities Acquisition and Construction	-	1,000,000	16,670	(983,330)
Debt Service:				
Dues, Fees and Issuance Costs	-	851	851	-
Total Expenditures	-	1,000,851	17,521	(983,330)
Excess (Deficiency) of Revenues Over Expenditures	702,000	(298,851)	566,687	865,538
Net Change in Fund Balance	702,000	(298,851)	566,687	865,538
Fund Balances, Beginning	10,329,360	10,329,360	10,329,360	-
Fund Balances, Ending	\$ 11,031,360	\$ 10,030,509	\$ 10,896,047	\$ 865,538

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Local Sources:				
Property Taxes	\$ 32,385,030	\$ 32,385,030	\$ 32,614,698	\$ 229,668
Investment Earnings	-	13,305	55,598	42,293
Total Revenues	32,385,030	32,398,335	32,670,296	271,961
Expenditures:				
Current-Education:				
Facilities Services	-	1,013,442	1,013,442	-
Capital Outlay:				
Facilities Acquisition and Construction	18,405,258	21,030,767	9,328,978	11,701,789
Total Expenditures	18,405,258	22,044,209	10,342,420	11,701,789
Excess of Revenues Over Expenditures	13,979,772	10,354,126	22,327,876	11,973,750
Other Financing Sources (Uses):				
Transfers In	350,000	495,260	495,260	-
Transfers Out	(32,064,244)	(33,271,454)	(29,271,454)	4,000,000
Total Other Financing Sources (Uses)	(31,714,244)	(32,776,194)	(28,776,194)	4,000,000
Net Change in Fund Balance	(17,734,472)	(22,422,068)	(6,448,318)	15,973,750
Fund Balances, Beginning	24,642,410	24,642,410	24,642,410	-
Fund Balances, Ending	\$ 6,907,938	\$ 2,220,342	\$ 18,194,092	\$ 15,973,750

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, 2012

Schedule D

	Fully-Insured Benefit Plans	Flexible Benefits Plan	Property, Casualty, Liability and Workers' Compensation Plans
Assets			
Current Assets:			
Cash	\$ 1,007,159	\$ -	\$ 15,631,177
Cash with Fiscal Agent	-	4,318	34,549
Investments	499,502	1,305,468	15,347,785
Accounts Receivable	516,705	-	85,539
Accrued Interest Receivable	-	4,315	34,521
Total Current Assets	<u>2,023,366</u>	<u>1,314,101</u>	<u>31,133,571</u>
Noncurrent Assets:			
Capital Assets:			
Furniture, Fixtures and Equipment	-	-	-
Accumulated Depreciation	-	-	-
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u><u>\$ 2,023,366</u></u>	<u><u>\$ 1,314,101</u></u>	<u><u>\$ 31,133,571</u></u>
Liabilities			
Current Liabilities:			
Salaries and Benefits Payable	\$ 20,853	\$ -	\$ 23,277
Payroll Deductions and Withholdings Payable	2,422	-	1,874
Accounts Payable	17,298	-	56,198
Current portion of long-term liabilities:			
Compensated Absences Payable	74,456	-	16,600
Estimated Insurance Claims Payable	-	-	2,557,529
Total Current Liabilities	<u>115,029</u>	<u>-</u>	<u>2,655,478</u>
Noncurrent Liabilities:			
Compensated Absences Payable	-	-	96,598
Estimated Insurance Claims Payable	-	-	4,925,351
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>5,021,949</u>
Total Liabilities	<u>115,029</u>	<u>-</u>	<u>7,677,427</u>
Net Assets			
Invested in Capital Assets	-	-	-
Unrestricted	<u>1,908,337</u>	<u>1,314,101</u>	<u>23,456,144</u>
Total Net Assets	<u>1,908,337</u>	<u>1,314,101</u>	<u>23,456,144</u>
Total Liabilities and Net Assets	<u><u>\$ 2,023,366</u></u>	<u><u>\$ 1,314,101</u></u>	<u><u>\$ 31,133,571</u></u>

Self-Insured Benefit Plans	Employee Assistance Program	District Print Center	Energy Management Programs	Exclusive Agreement	Totals
\$ -	\$ 7,333	\$ -	\$ 6,063,590	\$ 286,163	\$ 22,995,422
51,823	-	-	7,773	2,591	101,054
20,833,563	140,438	-	2,174,496	1,053,223	41,354,475
420,542	1,888	-	-	-	1,024,674
51,782	-	-	7,767	2,589	100,974
21,357,710	149,659	-	8,253,626	1,344,566	65,576,599
-	-	-	-	197,130	197,130
-	-	-	-	(157,487)	(157,487)
-	-	-	-	39,643	39,643
\$ 21,357,710	\$ 149,659	\$ -	\$ 8,253,626	\$ 1,384,209	\$ 65,616,242
\$ -	\$ 14,529	\$ -	\$ 459	\$ -	\$ 59,118
-	574	-	1,012	-	5,882
15,375,978	30,170	-	1,145,447	-	16,625,091
-	59,825	-	27,958	-	178,839
-	-	-	-	-	2,557,529
15,375,978	105,098	-	1,174,876	-	19,426,459
-	-	-	1,184	-	97,782
-	-	-	-	-	4,925,351
-	-	-	1,184	-	5,023,133
15,375,978	105,098	-	1,176,060	-	24,449,592
-	-	-	-	39,643	39,643
5,981,732	44,561	-	7,077,566	1,344,566	41,127,007
5,981,732	44,561	-	7,077,566	1,384,209	41,166,650
\$ 21,357,710	\$ 149,659	\$ -	\$ 8,253,626	\$ 1,384,209	\$ 65,616,242

District School Board of Pasco County
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Fiscal Year Ending June 30, 2012

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	\$ 1,211,063	\$ 9,600,000
Employees	-	-	-
Retirees	146,424	-	-
Charges for Services Provided	-	-	-
Other Operating Revenues	-	-	489,531
Total Operating Revenues	3,272,800	1,211,063	10,089,531
Operating Expense			
Salaries	306,808	-	258,813
Employee Benefits	162,231	-	80,103
Purchased Services	32,226	-	890,337
Insurance Premiums	2,491,252	1,211,063	3,725,801
Energy Services	-	-	-
Materials and Supplies	3,564	-	2,088
Insurance Claims	-	-	2,424,472
Capital Outlay	400	-	60
Other	3,692	-	50,533
Depreciation	-	-	-
Total Operating Expenses	3,000,173	1,211,063	7,432,207
Operating Income (Loss)	272,627	-	2,657,324
Nonoperating Revenues			
Investment Earnings	492	3,091	40,479
Gifts, Grants and Bequests	109,550	-	-
Loss Recoveries	-	-	32,418
Loss on Disposition of Assets	-	-	-
Total Nonoperating Revenues	110,042	3,091	72,897
Income (Loss) Before Transfers	382,669	3,091	2,730,221
Transfers In	-	-	200,000
Transfers Out	-	-	-
Change in Net Assets	382,669	3,091	2,930,221
Total Net Assets, July 1, 2011	1,525,668	1,311,010	20,525,923
Total Net Assets, June 20, 2012	\$ 1,908,337	\$ 1,314,101	\$ 23,456,144

Self-Insured Benefit Plans	Employee Assistance Program	District Print Center	Energy Management Program	Exclusive Agreement	Totals
\$ 47,830,915	\$ 308,566	\$ -	\$ -	\$ -	\$ 62,076,920
6,238,697	1,187	-	-	-	6,239,884
4,287,044	21,025	-	-	-	4,454,493
-	-	-	14,497,548	-	14,497,548
-	-	-	4,229	66,544	560,304
58,356,656	330,778	-	14,501,777	66,544	87,829,149
-	94,330	-	166,223	-	826,174
-	36,502	-	42,467	-	321,303
-	80,906	-	2,233,829	108,038	3,345,336
8,805,851	-	-	-	-	16,233,967
-	-	-	10,856,585	-	10,856,585
65,461	358	-	11,546	1,721	84,738
49,308,978	153,725	-	-	-	51,887,175
155	-	-	-	-	615
-	-	-	1,597	-	55,822
-	-	-	-	19,698	19,698
58,180,445	365,821	-	13,312,247	129,457	83,631,413
176,211	(35,043)	-	1,189,530	(62,913)	4,197,736
31,270	106	-	5,987	2,352	83,777
-	-	-	-	-	109,550
-	-	-	-	-	32,418
-	-	(127)	-	(557)	(684)
31,270	106	(127)	5,987	1,795	225,061
207,481	(34,937)	(127)	1,195,517	(61,118)	4,422,797
-	-	-	-	-	200,000
-	-	(195,553)	-	-	(195,553)
207,481	(34,937)	(195,680)	1,195,517	(61,118)	4,427,244
5,774,251	79,498	195,680	5,882,049	1,445,327	36,739,406
\$ 5,981,732	\$ 44,561	\$ -	\$ 7,077,566	\$ 1,384,209	\$ 41,166,650

District School Board of Pasco County
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2012

	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	3,522,149	1,211,063	9,596,221
Cash Received from Other Operating Revenues	-	-	489,531
Cash Payments to Suppliers for Goods and Services	(2,597,631)	(1,224,909)	(4,624,706)
Cash Payments to Employees for Services	(543,044)	-	(356,044)
Cash Payments to Insurance Claims	-	-	(3,116,592)
Net Cash Provided (Used) by Operating Activities	381,474	(13,846)	1,988,410
Cash Flows from Noncapital Financing Activities:			
Insurance Loss Recoveries	-	-	32,418
Gifts, Grants and Bequests	109,550	-	-
Transfers From Other Funds	-	-	200,000
Transfers To Other Funds	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	109,550	-	232,418
Cash Flows from Investing Activities:			
Investment Income (Expense)	492	(1,224)	5,958
Purchase and Sale of Investments	515,643	5,542	13,438,940
Net Cash Provided (Used) by Investing Activities	516,135	4,318	13,444,898
Net Change in Cash and Cash Equivalents	1,007,159	(9,528)	15,665,726
Cash and Cash Equivalents, Beginning	-	13,846	-
Cash and Cash Equivalents, Ending	<u>\$ 1,007,159</u>	<u>\$ 4,318</u>	<u>\$ 15,665,726</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ 272,627	\$ -	\$ 2,657,324
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Depreciation	-	-	-
Change in Assets and Liabilities:			
Accounts Receivable	249,349	-	(3,779)
Inventories	-	-	-
Payroll Deductions and Withholdings Payable	2,709	-	(2,189)
Accounts Payable	(66,497)	(13,846)	44,113
Compensated Absences Payable	(76,714)	-	(14,939)
Estimated Insurance Claims Payable	-	-	(692,120)
Total Adjustments	108,847	(13,846)	(668,914)
Net Cash Provided (Used) by Operating Activities	<u>\$ 381,474</u>	<u>\$ (13,846)</u>	<u>\$ 1,988,410</u>

Self-Insured Benefit Plans	Employee Assistance Program	District Print Center	Energy Management Program	Exclusive Agreement	Totals
\$ -	\$ -	\$ -	\$ 14,497,548	\$ -	\$ 14,497,548
58,278,644	330,595	-	-	-	72,938,672
-	-	-	4,229	66,544	560,304
(7,356,028)	(83,605)	(28,282)	(12,959,057)	(110,981)	(28,985,199)
(453,312)	(154,299)	(29,228)	(207,827)	-	(1,743,754)
(49,308,978)	(153,725)	-	-	-	(52,579,295)
<u>1,160,326</u>	<u>(61,034)</u>	<u>(57,510)</u>	<u>1,334,893</u>	<u>(44,437)</u>	<u>4,688,276</u>
-	-	-	-	-	32,418
-	-	-	-	-	109,550
-	-	-	-	-	200,000
-	-	(195,553)	-	-	(195,553)
-	-	(195,553)	-	-	146,415
(20,512)	106	-	(1,780)	(237)	(17,197)
(12,752,055)	68,261	253,063	4,738,250	333,428	6,601,072
(12,772,567)	68,367	253,063	4,736,470	333,191	6,583,875
(11,612,241)	7,333	-	6,071,363	288,754	11,418,566
11,664,064	-	-	-	-	11,677,910
<u>\$ 51,823</u>	<u>\$ 7,333</u>	<u>\$ -</u>	<u>\$ 6,071,363</u>	<u>\$ 288,754</u>	<u>\$ 23,096,476</u>
\$ 176,211	\$ (35,043)	\$ -	\$ 1,189,530	\$ (62,913)	\$ 4,197,736
-	-	-	-	19,698	19,698
(78,012)	(183)	-	-	-	167,375
-	-	11,711	-	-	11,711
(453,312)	(38,105)	(22,271)	(604)	-	(513,772)
1,515,439	(2,341)	(39,993)	144,500	(1,222)	1,580,153
-	14,638	(6,957)	1,467	-	(82,505)
-	-	-	-	-	(692,120)
<u>984,115</u>	<u>(25,991)</u>	<u>(57,510)</u>	<u>145,363</u>	<u>18,476</u>	<u>490,540</u>
<u>\$ 1,160,326</u>	<u>\$ (61,034)</u>	<u>\$ (57,510)</u>	<u>\$ 1,334,893</u>	<u>\$ (44,437)</u>	<u>\$ 4,688,276</u>

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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, 2012

	School Internal Accounts	ABC Program	Total
Assets:			
Cash	\$ 7,167,009	\$ 344	\$ 7,167,353
Investments	-	67,963	67,963
Accounts Receivable	8,382	-	8,382
Inventories	31,035	-	31,035
	<u>7,206,426</u>	<u>68,307</u>	<u>7,274,733</u>
Total Assets	<u>\$ 7,206,426</u>	<u>\$ 68,307</u>	<u>\$ 7,274,733</u>
Liabilities:			
Accounts Payable	\$ 60,054	\$ -	\$ 60,054
Internal Accounts Payable	7,146,372	-	7,146,372
ABC Program Payable	-	68,307	68,307
	<u>7,206,426</u>	<u>68,307</u>	<u>7,274,733</u>
Total Liabilities	<u>\$ 7,206,426</u>	<u>\$ 68,307</u>	<u>\$ 7,274,733</u>

District School Board of Pasco County
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For Fiscal Year Ended June 30, 2012

	School Internal Accounts			
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Cash	\$ 6,662,819	\$ 18,386,710	\$ 17,882,520	\$ 7,167,009
Accounts Receivable	7,064	19,173	17,855	8,382
Inventories	29,683	25,473	24,121	31,035
Total Assets	<u>\$ 6,699,566</u>	<u>\$ 18,431,356</u>	<u>\$ 17,924,496</u>	<u>\$ 7,206,426</u>
Liabilities:				
Accounts Payable	\$ 84,002	\$ 196,416	\$ 220,364	\$ 60,054
Internal Accounts Payable	6,615,564	556,220	25,412	7,146,372
Total Liabilities	<u>\$ 6,699,566</u>	<u>\$ 752,636</u>	<u>\$ 245,776</u>	<u>\$ 7,206,426</u>
		-		
	ABC Program			
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Cash	\$ -	\$ 5,418	\$ 5,074	\$ 344
Investments	65,074	2,889	-	67,963
Total Assets	<u>\$ 65,074</u>	<u>\$ 8,307</u>	<u>\$ 5,074</u>	<u>\$ 68,307</u>
Liabilities:				
ABC Program Payable	<u>\$ 65,074</u>	<u>\$ 8,108</u>	<u>\$ 4,875</u>	<u>\$ 68,307</u>
	Total Agency Funds			
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Cash	\$ 6,662,819	\$ 18,392,128	\$ 17,887,594	\$ 7,167,353
Investments	65,074	2,889	-	67,963
Accounts Receivable	7,064	19,173	17,855	8,382
Inventories	29,683	25,473	24,121	31,035
Total Assets	<u>\$ 6,764,640</u>	<u>\$ 18,439,663</u>	<u>\$ 17,929,570</u>	<u>\$ 7,274,733</u>
Liabilities:				
Accounts Payable	\$ 84,002	\$ 196,416	\$ 220,364	\$ 60,054
Internal Accounts Payable	6,615,564	556,220	25,412	7,146,372
ABC Program Payable	65,074	8,108	4,875	68,307
Total Liabilities	<u>\$ 6,764,640</u>	<u>\$ 760,744</u>	<u>\$ 250,651</u>	<u>\$ 7,274,733</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, 2012

	Academy at the Farm, Inc.	Athenian Academy of Pasco County, Inc.	Countryside Montessori Charter School, Inc.
Assets:			
Cash	\$ 200,944	\$ 174,170	\$ 121,634
Investments	-	-	-
Accounts Receivable	14,639	11,813	-
Due From Other Agencies	12,909	10,673	16,981
Inventory	677	-	-
Prepaid Expenses	-	45,857	-
Deferred Charges	-	-	-
Capital Assets (net of accumulated depreciation):			
Land	-	-	-
Leasehold Property and Improvements	273,534	-	93,826
Buildings and Fixed Equipment	481,071	261,337	-
Furniture, Fixtures and Equipment	91,517	94,475	10,436
Motor Vehicles	-	-	-
Improvements Other Than Buildings	-	-	-
Total Assets	<u>1,075,291</u>	<u>598,325</u>	<u>242,877</u>
Liabilities:			
Current Liabilities:			
Salaries and Wages Payable	-	86,375	-
Accounts Payable	11,618	18,477	-
Due To Other Agencies	1	-	-
Deferred Revenue	-	-	-
Total Current Liabilities	<u>11,619</u>	<u>104,852</u>	<u>-</u>
Long-term Liabilities:			
Due within one year:			
Note Payable	44,611	78,367	-
Compensated Absences Payable	-	-	-
Total Due within one year	<u>44,611</u>	<u>78,367</u>	<u>-</u>
Due in more than one year:			
Note Payable	582,456	65,044	-
Total Due in more than one year	<u>582,456</u>	<u>65,044</u>	<u>-</u>
Total Liabilities	<u>638,686</u>	<u>248,263</u>	<u>-</u>
Net Assets:			
Invested in Capital Assets, Net of Related Debt	219,055	212,401	104,262
Restricted	-	-	-
Unrestricted	<u>217,550</u>	<u>137,661</u>	<u>138,615</u>
Total Net Assets	<u>\$ 436,605</u>	<u>\$ 350,062</u>	<u>\$ 242,877</u>

Dayspring Academy for Education and the Arts	Imagine School at Land O'Lakes, LLC	Pasco Education Foundation, Inc.	Total Component Units
\$ 305,583	\$ 293,853	\$ 118,749	\$ 1,214,933
-	-	1,717,665	1,717,665
3,882	-	32,660	62,994
20,792	22,553	-	83,908
-	-	-	677
-	-	1,840,497	1,886,354
24,360	-	-	24,360
444,683	-	-	444,683
-	-	-	367,360
1,340,671	-	-	2,083,079
54,723	159,667	-	410,818
5,430	110,632	-	116,062
156,159	-	-	156,159
2,356,283	586,705	3,709,571	8,569,052
142,627	259,808	-	488,810
12,605	48,697	82,606	174,003
-	-	-	1
-	6,350	-	6,350
155,232	314,855	82,606	669,164
188,400	24,874	-	336,252
83,683	-	-	83,683
272,083	24,874	-	419,935
1,118,826	60,882	-	1,827,208
1,118,826	60,882	-	1,827,208
1,546,141	400,611	82,606	2,916,307
718,800	184,543	-	1,439,061
-	-	1,808,316	1,808,316
91,342	1,551	1,818,649	2,405,368
\$ 810,142	\$ 186,094	\$ 3,626,965	\$ 5,652,745

District School Board of Pasco County
Combining Statements of Activities
Component Units
For the Fiscal Year Ended June 30, 2012

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	\$ 1,854,590	\$ -	\$ -	\$ -	\$ (1,854,590)
Pupil Personnel Services	14,158	-	-	-	(14,158)
Instruction Media	436	-	-	-	(436)
Instructional Staff Training	3,885	-	-	-	(3,885)
Instruction Related Technology	99,469	-	-	-	(99,469)
Board of Education	7,000	-	-	-	(7,000)
School Administration	303,639	-	-	-	(303,639)
Facilities Acquisition and Construction	60,734	-	-	60,734	-
Fiscal Services	53,258	-	-	-	(53,258)
Operation of Plant	177,062	-	-	105,228	(71,834)
Maintenance of Plant	24,621	-	-	-	(24,621)
Community Service	98,559	106,068	-	-	7,509
Debt Service - Interest	31,835	-	-	-	(31,835)
Depreciation-Unallocated	94,473	-	-	-	(94,473)
Total Academy at the Farm, Inc., Activities	<u>\$ 2,823,719</u>	<u>\$ 106,068</u>	<u>\$ -</u>	<u>\$ 165,962</u>	<u>(2,551,689)</u>

General Revenues:

Grants and Contributions not restricted to Specific Programs	2,423,561
Total General Revenues	<u>2,423,561</u>
Change in Net Assets	(128,128)
Net Assets, Beginning	<u>564,733</u>
Net Assets, Ending	<u>\$ 436,605</u>

	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	\$ 1,111,151	\$ -	\$ 12,813	\$ -	\$ (1,098,338)
Pupil Personnel Services	36,912	-	-	-	(36,912)
Board of Education	6,544	-	-	-	(6,544)
General Administration	170,845	-	-	-	(170,845)
School Administration	251,715	-	-	-	(251,715)
Fiscal Services	42,974	-	-	-	(42,974)
Food Services	21,396	4,022	-	-	(17,374)
Central Services	15,420	-	-	-	(15,420)
Pupil Transportation Services	53,058	-	-	-	(53,058)
Operation of Plant	308,927	-	-	115,498	(193,429)
Community Services	33,047	46,215	-	-	13,168
Debt Service-Interest	6,613	-	-	-	(6,613)
Depreciation-Unallocated	46,244	-	-	-	(46,244)
Total Athenian Academy of Pasco County, Inc., Activities	<u>\$ 2,104,846</u>	<u>\$ 50,237</u>	<u>\$ 12,813</u>	<u>\$ 115,498</u>	<u>(1,926,298)</u>

General Revenues:

Grants and Contributions not restricted to Specific Programs	1,964,004
Total General Revenues	<u>1,964,004</u>
Change in Net Assets	37,706
Net Assets, Beginning	<u>312,356</u>
Net Assets, Ending	<u>\$ 350,062</u>

<u>Countryside Montessori Charter School, Inc., Activities:</u>	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Instruction	\$ 985,043	\$ -	\$ -	\$ -	\$ (985,043)
Instructional Staff Training	752	-	-	-	(752)
School Administration	265,992	-	-	-	(265,992)
Facilities Acquisition and Construction	168,000	-	73,567	-	(94,433)
Fiscal Services	24,102	-	-	-	(24,102)
Operation of Plant	82,438	-	-	-	(82,438)
Community Service	190,770	-	-	-	(190,770)
Depreciation-Unallocated	16,256	-	-	-	(16,256)
Total Countryside Montessori Charter School, Inc., Activities	<u>\$ 1,733,353</u>	<u>\$ -</u>	<u>\$ 73,567</u>	<u>\$ -</u>	<u>(1,659,786)</u>

General Revenues:

Grants and Contributions not restricted to Specific Programs	1,471,784
Total General Revenues	<u>1,471,784</u>
Change in Net Assets	(188,002)
Net Assets, Beginning	<u>430,879</u>
Net Assets, Ending	<u>\$ 242,877</u>

<u>Dayspring Academy for Education and the Arts Activities:</u>	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Instruction	\$ 1,907,579	\$ -	\$ 12,813	\$ -	\$ (1,894,766)
Pupil Personnel Services	380	-	-	-	(380)
School Administration	730,110	-	-	-	(730,110)
Facilities Acquisition & Construction	6,802	-	-	-	(6,802)
Fiscal Services	74,751	-	-	-	(74,751)
Food Services	129,883	39,941	74,369	-	(15,573)
Pupil Transportation Services	73,506	-	-	-	(73,506)
Operation of Plant	441,331	-	-	187,574	(253,757)
Maintenance of Plant	33,579	-	-	-	(33,579)
Community Service	267,937	-	-	-	(267,937)
Debt Service-Interest	55,297	-	-	-	(55,297)
Depreciation-Unallocated	65,867	-	-	-	(65,867)
Total Dayspring Academy for Education and the Arts Activities	<u>\$ 3,787,022</u>	<u>\$ 39,941</u>	<u>\$ 87,182</u>	<u>\$ 187,574</u>	<u>(3,472,325)</u>

General Revenues:

Grants and Contributions not restricted to Specific Programs	3,435,065
Total General Revenues	<u>3,435,065</u>
Change in Net Assets	(37,260)
Net Assets, Beginning	<u>847,402</u>
Net Assets, Ending	<u>\$ 810,142</u>

**District School Board of Pasco County
Combining Statements of Activities
Component Units
For the Fiscal Year Ended June 30, 2012**

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>Imagine School at Land O'Lakes, LLC, Activities:</u>					
Instruction	\$ 1,853,348	\$ -	\$ -	\$ -	\$ (1,853,348)
Pupil Personnel Services	213	-	-	-	(213)
Instructional Media	9,515	-	-	-	(9,515)
Instructional and Curriculum Development	8,987	-	-	-	(8,987)
Instructional Staff Training Services	1,281	-	-	-	(1,281)
Board of Education	7,880	-	-	-	(7,880)
School Administration	711,692	-	-	-	(711,692)
Fiscal Services	124,577	-	-	-	(124,577)
Food Services	4,801	-	-	-	(4,801)
Central Services	927	-	-	-	(927)
Pupil Transportation Services	75,606	-	-	-	(75,606)
Operation of Plant	786,320	-	-	190,727	(595,593)
Maintenance of Plant	74,429	-	-	-	(74,429)
Community Service	22,574	-	-	-	(22,574)
Debt Service - Interest	7,672	-	-	-	(7,672)
Depreciation-Unallocated	57,416	-	-	-	(57,416)
Total Imagine School at Land O'Lakes Charter School, Activities	\$ 3,747,238	\$ -	\$ -	\$ 190,727	(3,556,511)

General Revenues:

Grants and Contributions not restricted to Specific Programs	3,643,195
Total General Revenues	3,643,195
Change in Net Assets	86,684
Net Assets, Beginning	99,410
Net Assets, Ending	\$ 186,094

	Expenses	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>					
Community Service	\$ 777,590	\$ -	\$ -	\$ -	(777,590)
<u>General Revenues:</u>					
Grants and Contributions not Restricted to Specific Programs	720,475				
Investment Gains	22,214				
Total General Revenues	742,689				
Change in Net Assets	(34,901)				
Net Assets, Beginning	3,661,866				
Net Assets, Ending	\$ 3,626,965				

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Total Component Units Activities:	Expenses				
Instruction	\$ 7,711,711	\$ -	\$ 25,626	\$ -	\$ (7,686,085)
Pupil Personnel Services	51,663	-	-	-	(51,663)
Instructional Media	9,951	-	-	-	(9,951)
Instructional and Curriculum Development	8,987	-	-	-	(8,987)
Instructional Staff Training Services	5,918	-	-	-	(5,918)
Instruction Related Technology	99,469	-	-	-	(99,469)
Board of Education	21,424	-	-	-	(21,424)
General Administration	170,845	-	-	-	(170,845)
School Administration	2,263,148	-	-	-	(2,263,148)
Facilities Acquisition and Construction	235,536	-	73,567	60,734	(101,235)
Fiscal Services	319,662	-	-	-	(319,662)
Central Services	16,347	-	-	-	(16,347)
Food Services	156,080	43,963	74,369	-	(37,748)
Pupil Transportation Services	202,170	-	-	-	(202,170)
Operation of Plant	1,796,078	-	-	599,027	(1,197,051)
Maintenance of Plant	132,629	-	-	-	(132,629)
Community Service	1,390,477	152,283	-	-	(1,238,194)
Debt Service - Interest	101,417	-	-	-	(101,417)
Depreciation-Unallocated	280,256	-	-	-	(280,256)
Total Component Units Activities	<u>\$ 14,973,768</u>	<u>\$ 196,246</u>	<u>\$ 173,562</u>	<u>\$ 659,761</u>	<u>(13,944,199)</u>
General Revenues:					
Grants and Contributions not restricted to Specific Programs					13,658,084
Investment Gains					22,214
Total General Revenues					<u>13,680,298</u>
Change in Net Assets					(263,901)
Net Assets, Beginning					<u>5,916,646</u>
Net Assets, Ending					<u>\$ 5,652,745</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 Ten Fiscal Years
(Unaudited)

Table 1

	For the Fiscal Year Ending			
	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006
Governmental activities:				
Invested in capital assets, net of related debt	\$ 253,158,057	\$ 277,057,761	\$ 284,226,371	\$ 378,990,397
Restricted	86,875,402	92,616,679	132,104,422	111,094,082
Unrestricted	8,190,015	25,890,788	26,058,611	31,819,974
Total Governmental Activities Net Assets	<u>348,223,474</u>	<u>395,565,228</u>	<u>442,389,404</u>	<u>521,904,453</u>
Business-Type Activities:				
Invested in capital assets, net of related debt	49,670	68,678	87,929	301,788
Unrestricted	2,121,863	2,583,585	3,175,388	3,257,051
Total Business-Type Activities Net Assets	<u>2,171,533</u>	<u>2,652,263</u>	<u>3,263,317</u>	<u>3,558,839</u>
Primary Government:				
Invested in capital assets, net of related debt	253,207,727	277,126,439	284,314,300	379,292,185
Restricted	86,875,402	92,616,679	132,104,422	111,094,082
Unrestricted	10,311,878	28,474,373	29,233,999	35,077,025
Total Primary Government Net Assets	<u>\$ 350,395,007</u>	<u>\$ 398,217,491</u>	<u>\$ 445,652,721</u>	<u>\$ 525,463,292</u>

Source: District records

Table 1

For the Fiscal Year Ending					
June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012
\$ 464,698,097	\$ 477,656,475	\$ 532,146,394	\$ 609,215,910	\$ 610,511,400	\$ 587,895,355
150,139,097	239,259,651	199,546,968	150,219,796	156,915,364	177,850,787
36,251,972	30,656,802	35,460,415	29,950,233	42,414,994	29,533,195
651,089,166	747,572,928	767,153,777	789,385,939	809,841,758	795,279,337
282,704	228,564	184,707	146,867	155,131	137,748
2,677,980	2,484,446	2,766,947	3,678,225	4,609,491	5,387,604
2,960,684	2,713,010	2,951,654	3,825,092	4,764,622	5,525,352
464,980,801	477,885,039	532,331,101	609,362,777	610,666,531	588,033,103
150,139,097	239,259,651	199,546,968	150,219,796	156,915,364	177,850,787
38,929,952	33,141,248	38,227,362	33,628,458	47,024,485	34,920,799
\$ 654,049,850	\$ 750,285,938	\$ 770,105,431	\$ 793,211,031	\$ 814,606,380	\$ 800,804,689

District School Board of Pasco County
Changes in Net Assets - Primary Government
Last Ten Fiscal Years
(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	June 30, 2012
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	\$ 334,933,329
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	25,200,500
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	7,354,703
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	13,400,395
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	10,971,329
Instruction Related Technology		-	-	-	4,210,967	5,817,654	6,342,050	6,531,075	6,335,019	6,147,471	4,847,994
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	668,918
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	1,259,433
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	34,008,721
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	12,736,731
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	2,199,577
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	30,476,104
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	1,734,199
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	27,912,093
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	46,432,259
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	11,012,852
Administrative Technology Services		-	-	-	1,704,019	2,245,453	3,066,415	3,229,763	3,299,616	3,173,777	3,084,540
Community Services		587,070	673,936	874,940	690,445	826,818	833,011	816,613	711,668	582,837	618,337
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	17,827,097
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	586,679,111
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	7,753,564
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	7,753,564
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	\$ 594,432,675
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	\$ 1,511,101
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	11,697,038
Pupil Transportation		-	800,264	844,600	654,925	877,040	1,054,361	859,519	820,661	1,031,745	1,148,279
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	21,417,728
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	8,198,949
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	43,973,095

	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	June 30, 2012
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	8,495,164
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	8,495,164
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	\$ 52,468,259
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)	\$ (542,706,016)
Business-Type Activities	329,964	447,137	534,908	125,814	(795,701)	(197,497)	200,189	871,175	935,789	741,600
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)	\$ (541,964,416)
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	\$ 133,136,587
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	32,505,792
Sales taxes	-	-	7,009,724	17,137,576	26,642,211	27,157,517	26,452,520	25,671,147	25,406,921	25,321,574
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	326,929,740
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	9,702,528
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	547,374
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	528,143,595
Business-Type Activities										
Interest	37,817	34,400	76,146	169,708	197,546	103,894	37,709	2,263	3,741	13,223
Gain on sales of Capital Assets	(19,239)	(807)	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	746	-	-	5,907
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	19,130
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	\$ 528,162,725
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	\$ (14,562,421)
Business-type activities	348,542	480,730	611,054	295,522	(598,155)	(247,674)	238,644	873,438	939,530	760,730
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	\$ (13,801,691)

Source: District records

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

	For the Fiscal Year Ending			
	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006
General Fund:				
Fund Balance:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	19,023,621	20,765,087	29,826,188	30,718,655
Unreserved	23,759,323	27,424,436	22,854,329	22,662,970
Total General Fund	\$ 42,782,944	\$ 48,189,523	\$ 52,680,517	\$ 53,381,625
All Other Governmental Funds				
Fund Balance:				
Nonspendable				
Special Revenue-Food Service	\$ -	\$ -	\$ -	\$ -
Restricted				
Special Revenue	-	-	-	-
Debt Service	-	-	-	-
Capital Projects	-	-	-	-
Assigned				
Capital Projects	-	-	-	-
Reserved	41,226,410	17,114,439	52,272,443	84,322,255
Unreserved, reported in:				
Capital Projects funds	31,418,093	137,603,806	117,450,717	66,991,443
Debt Service funds	-	-	-	-
Special Revenue funds	67,732	7,615,190	414,307	1,112,459
Total all other government funds	\$ 72,712,235	\$ 162,333,435	\$ 170,137,467	\$ 152,426,157

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, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012
\$ -	\$ -	\$ -	\$ -	\$ 3,893,982	\$ 4,568,706
-	-	-	-	7,563,258	5,276,826
-	-	-	-	26,466,857	15,723,033
-	-	-	-	22,964,288	22,714,296
25,400,645	24,833,534	14,467,726	12,185,376	-	-
33,724,599	36,087,039	32,803,154	37,788,339	-	-
<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>	<u>\$ 48,282,861</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,695,810	\$ 1,380,195
-	-	-	-	4,383,403	7,183,864
-	-	-	-	18,525,444	21,389,660
-	-	-	-	135,332,919	110,020,160
-	-	-	-	27,091,944	31,775,584
67,080,440	111,256,904	87,804,190	32,442,711	-	-
122,514,782	191,033,956	159,097,171	144,692,524	-	-
-	-	-	13,921,942	-	-
1,390,340	1,127,901	1,700,634	3,665,452	-	-
<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>	<u>\$ 171,749,463</u>

Table 4

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

	For the Fiscal Year Ending		
	June 30, 2003	June 30, 2004	June 30, 2005
Revenues:			
Federal Sources:			
Federal Grants	\$ 26,678,188	\$ 29,851,174	\$ 32,356,248
Food Services	11,193,116	11,711,559	12,809,355
Total Federal Sources	37,871,304	41,562,733	45,165,603
State Sources:			
Florida Education Finance Program	178,891,142	186,318,235	193,043,959
Public Education Capital Outlay	9,188,024	2,591,195	8,532,339
Food Services	344,530	346,848	355,324
State Grants and Other	35,685,425	72,217,070	63,561,130
Total State Sources	224,109,121	261,473,348	265,492,752
Local Sources:			
Property Taxes	106,045,757	117,711,496	126,476,401
Voter Approved Sales Tax	-	-	7,009,724
Food Service sales	8,131,164	9,337,438	10,080,135
Interest Income and other	2,245,513	1,931,693	4,732,004
Local grants and other	16,444,875	18,959,383	25,701,558
Total local sources	132,867,309	147,940,010	173,999,822
Total Revenues	394,847,734	450,976,091	484,658,177
Expenditures:			
Current-Education:			
Instruction	186,201,942	217,194,639	233,509,362
Pupil Personnel Services	18,749,083	19,477,582	21,062,301
Instructional Media Services	7,955,608	7,917,753	8,668,730
Instruction and Curriculum Development Services	7,800,511	7,516,009	8,218,853
Instructional Staff Training	9,590,885	9,931,680	11,271,261
Instruction Related Technology	-	-	-
Board of Education	1,131,241	1,307,482	1,419,980
General Administration	1,137,085	1,219,732	1,192,890
School Administration	21,450,583	22,842,424	24,595,874
Facilities Services	4,042,513	3,673,013	5,143,051
Fiscal Services	1,776,948	1,795,050	2,018,434
Food Services	19,698,367	21,457,407	23,103,185
Central Services	7,043,454	7,425,925	7,444,562
Pupil Transportation Services	15,090,707	16,674,101	19,003,325
Operation of Plant	25,367,491	26,927,868	31,827,115
Maintenance of Plant	8,629,940	9,401,376	10,192,985
Administrative Technology Services	-	-	-
Community Services	477,035	703,861	836,651
Capital Outlay:			
Facilities Acquisition and Construction	31,781,067	30,235,927	49,969,607
Other Capital Outlay	2,612,226	2,309,026	2,593,958
Debt Service:			
Principal	8,872,000	7,615,000	8,010,000
Interest	4,125,435	3,670,519	6,132,698
Fiscal Charges	3,569,026	4,519,550	3,022,013
Total Expenditures	387,103,147	423,815,924	479,236,835
Excess (Deficiency) of Revenues Over Expenditures	7,744,587	27,160,167	5,421,342
Other Financing Sources (Uses):			
Bonds Issued	2,314,443	1,990,000	2,880,000
Certificates of Participation Issued	-	63,970,000	4,018,097
Proceeds of Certificates of Participation Issued	-	-	-
Premiums on Bonds Issued	-	2,010,597	55,692
Proceeds from the Sale of Capital Assets	732,655	97,015	119,895
Payments to Refunded Bond Escrow Agent	-	-	-
Transfers In	10,349,265	7,596,261	9,604,411
Transfers Out	(10,549,265)	(7,796,261)	(9,804,411)
Total Other Financing Sources (Uses)	2,847,098	67,867,612	6,873,684
Net Change in Fund Balances	<u>\$ 10,591,685</u>	<u>\$ 95,027,779</u>	<u>\$ 12,295,026</u>
Debt service as a percentage of noncapital expenditures	3.69%	2.88%	3.31%

Table 4

For the Fiscal Year Ending						
June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012
\$ 39,534,258	\$ 35,062,439	\$ 41,047,707	\$ 39,525,911	\$ 79,516,781	\$ 96,950,923	\$ 42,340,203
13,241,412	14,638,784	15,555,805	17,236,057	19,688,152	20,815,526	20,980,131
52,775,670	49,701,223	56,603,512	56,761,968	99,204,933	117,766,449	63,320,334
200,638,043	210,168,920	212,672,606	195,130,222	213,428,570	222,031,695	204,656,075
6,276,697	16,678,822	20,051,633	19,148,129	1,622,195	3,524,056	703,197
450,066	461,379	488,356	382,031	493,454	426,031	437,597
74,807,937	141,270,054	145,324,059	105,937,551	84,614,338	85,811,367	82,611,163
282,172,743	368,579,175	378,536,654	320,597,933	300,158,557	311,793,149	288,408,032
150,581,718	187,410,636	216,116,400	211,284,811	180,142,788	170,492,726	165,642,379
17,137,576	26,642,211	27,157,517	26,452,520	25,671,147	25,406,921	25,321,574
11,218,023	12,631,122	12,995,845	12,998,964	12,249,850	11,778,792	11,650,985
12,119,203	11,720,442	10,595,698	379,403	5,176,446	2,388,287	590,385
44,272,755	31,862,340	14,407,476	11,409,494	20,931,370	19,274,584	16,094,030
235,329,275	270,266,751	281,272,936	262,525,192	244,171,601	229,341,310	219,299,353
570,277,688	688,547,149	716,413,102	639,885,093	643,535,091	658,900,908	571,027,719
267,722,522	298,891,425	322,304,412	324,672,253	313,051,706	325,557,314	296,241,293
23,602,641	26,420,325	29,726,490	29,528,612	28,028,160	27,470,406	24,952,342
9,174,479	9,299,160	9,859,723	9,889,155	9,787,927	9,468,350	7,142,745
9,055,144	9,242,792	10,507,790	10,715,100	15,211,665	15,299,116	13,293,905
8,514,846	9,487,305	9,612,129	8,283,841	14,045,255	13,976,906	10,844,460
3,601,604	5,740,027	6,232,514	6,535,854	6,270,107	6,126,500	4,799,806
1,694,729	2,196,541	2,324,216	2,630,591	3,085,096	2,980,400	487,161
1,695,006	2,616,659	2,767,340	2,325,305	3,355,050	3,317,673	1,226,250
27,011,757	31,362,443	34,253,024	34,093,343	36,185,408	36,404,238	33,210,176
5,813,105	8,342,020	7,826,662	6,192,119	6,532,646	6,424,831	4,028,151
2,230,050	2,300,185	2,211,103	2,422,560	2,316,906	2,404,739	2,114,358
25,057,154	27,918,172	29,541,716	29,274,591	31,001,571	30,565,745	30,189,633
7,097,572	7,191,057	7,317,591	6,900,844	6,326,380	6,675,392	5,903,365
21,827,807	25,471,695	29,248,215	26,931,416	26,787,809	27,697,245	27,217,617
35,057,234	39,315,801	45,123,394	43,075,688	45,838,612	46,183,311	46,025,891
11,191,370	12,349,335	12,800,678	12,846,399	13,167,442	12,518,437	10,877,222
1,704,019	2,815,871	3,029,555	3,118,180	3,178,804	3,196,306	3,030,764
714,491	764,654	816,942	805,803	698,604	648,347	622,397
152,246,322	202,581,398	143,463,842	106,068,134	97,667,371	37,632,689	35,571,766
3,421,282	3,084,807	3,614,880	2,176,402	2,212,318	1,930,515	907,144
10,060,000	11,115,000	17,470,000	20,115,000	20,987,001	21,812,001	22,527,001
8,850,650	10,418,172	20,787,539	19,679,686	18,099,076	17,440,390	17,133,664
3,206,317	2,536,961	15,951,113	1,174,013	1,751,549	1,361,160	721,224
640,550,101	751,461,805	766,790,868	709,454,889	705,586,463	657,092,011	599,068,335
(70,272,413)	(62,914,656)	(50,377,766)	(69,569,796)	(62,051,372)	1,808,897	(28,040,616)
-	88,590,000	5,295,000	-	1,300,000	1,450,000	1,710,000
67,833,454	-	143,605,000	1,170,010	11,000,000	-	-
-	-	162,630,000	-	-	-	-
-	4,051,356	859,010	-	130,248	117,416	226,415
236,031	169,048	193,213	133,327	63,037	45,248	154,466
-	-	(147,930,000)	-	(1,418,444)	-	(1,931,399)
41,977,480	16,507,160	114,192,061	42,595,724	36,990,185	45,089,857	58,144,210
(42,177,480)	(16,707,160)	(114,237,990)	(42,795,724)	(37,190,185)	(45,289,857)	(58,148,657)
67,869,485	92,610,404	164,606,294	1,103,337	10,874,841	1,412,664	155,035
\$ (2,402,928)	\$ 29,695,748	\$ 114,228,528	\$ (68,466,459)	\$ (51,176,531)	\$ 3,221,561	\$ (27,885,581)
3.90%	3.95%	6.17%	6.62%	6.45%	6.36%	7.05%

Table 5

District School Board of Pasco County
Assessed and Estimated Actual Value of Taxable Property
Last Ten 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		
2012	\$ 28,013,760	\$ 3,039,322	\$ 7,278,503	\$ 1,322,493	\$ 20,735,257	\$ 1,716,829	\$ 14,073	\$ 22,466,159	72.31%	7.35
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

(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 Ten Fiscal Years
(Unaudited)**

Table 6

Fiscal Year	Property Tax			Sales Tax (2)	Total
	General Purposes	Debt Service (1)	Capital Projects		
2012	\$ 133,136,587	\$ -	\$ 32,505,792	\$ 25,321,574	\$ 190,963,953
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

(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 Ten 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
2012	\$ 165,034,114	\$ 165,642,379	100.4%	\$ 554,161	\$ 166,196,540	100.7%
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%

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 Ten Fiscal Years
(per \$1,000 assessed valuation)
(Unaudited)**

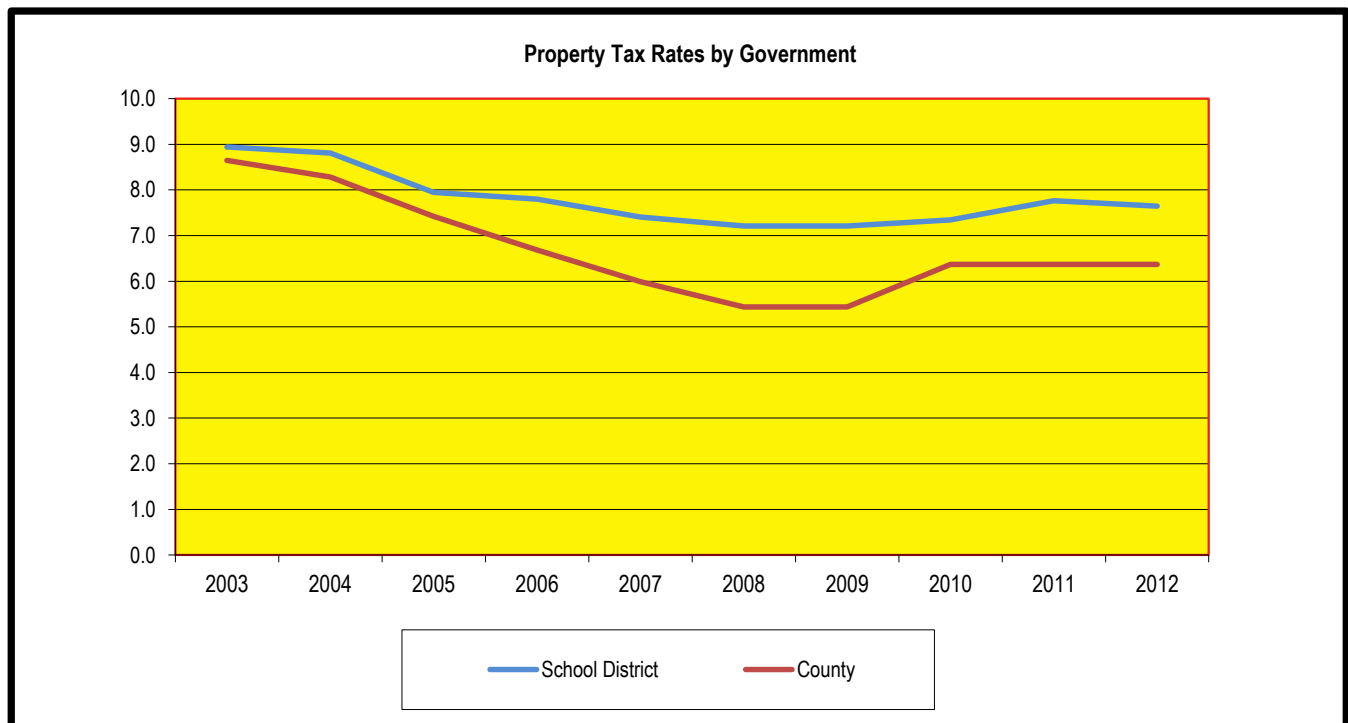
Fiscal Year	Local Required Effort Millage (3)	Discretionary Local Millage	Supplemental Discretionary Millage (1)	Capital Improvement Millage	Debt Service Millage (2)	Total Pasco Schools	Pasco County
2012	5.396	0.748	0.000	1.500	0.000	7.644	6.367
2011	5.519	0.748	0.000	1.500	0.000	7.767	6.367
2010	5.092	0.748	0.000	1.500	0.000	7.340	6.367
2009	4.969	0.498	0.241	1.500	0.000	7.208	5.433
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

(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 Ten Years Ago
(Unaudited)**

Table 9

<u>Taxpayer</u>	<u>Rank</u>	<u>2012</u>		<u>Rank</u>	<u>2002</u>	
		<u>Taxable Assessed Valuation</u>	<u>Percentage of Total Assessed Value</u>		<u>Taxable Assessed Valuation</u>	<u>Percentage of Total Assessed Value</u>
Florida Power Corporation	1	\$ 349,801,684	1.33%	1	\$ 234,824,276	1.45%
Verizon Communications Inc. (1)	2	202,049,259	0.76%	2	160,975,261	0.99%
Withlacoochee River Electric Cooperative	3	210,830,519	0.80%	3	124,131,895	0.76%
Shady Hills Power Company LLC	4	117,387,065	0.44%			
Goodforest LLC	5	100,620,462	0.38%			
Bright House Networks	6	93,827,343	0.35%			
Wal-Mart Stores	7	82,413,729	0.31%	6	48,305,810	0.29%
Zephyrhills Bottled Water	8	67,413,905	0.25%	4	55,805,420	0.34%
HCA Health Services of Florida	9	76,511,724	0.29%	5	56,366,546	0.34%
Publix Super Markets Inc.	10	46,953,134	0.17%			
Pasco Beverage Company, Inc.				8	43,460,218	0.26%
Pasco Cogen, Ltd.				9	41,302,102	0.25%
Gulf View Associates				10	37,585,039	0.23%
New Port Richey Hospital, Inc.				7	34,983,433	0.28%
Total		<u>\$ 1,347,808,824</u>	<u>5.08%</u>		<u>\$ 837,740,000</u>	<u>5.19%</u>

(1) Formerly General Telephone Company of Florida

Source: District School Board of Pasco County - 2002 CAFR
Pasco County Property Appraiser - 2012 Data

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

Governmental Activities												Personal	Ratio of
Fiscal	State Board	District	General	Sales	Certificates	Note	Capital	Total	Estimated	Per		Income	Outstanding Debt
Year	of Education	Revenue	Obligation	Tax Revenue	of	Payable	Leases	Primary	Population	Capita		(thousands of	To Personal
	Bonds	Bonds	Bonds	Bonds	Participation			Government				dollars)	Income
2012	\$ 18,015,000	\$ 2,960,000	\$ -	\$ 38,680,000	\$ 350,210,619	\$ -	\$ -	\$ 409,865,619	466,457	\$ 879		N/A	N/A
2011	18,315,000	3,050,000	-	50,365,000	359,397,620	-	-	431,127,620	464,697	928	\$	13,790,695	31
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

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 Ten 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
2012	466,457	\$ 22,466,159	\$ -	\$ -	\$ -	0.00%	\$ -
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

(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, 2012
(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	\$ 86,297	0%	\$ -
District School Board of Pasco County Direct Debt	388,890,619	100%	388,890,619
Totals	\$ 388,976,916		\$ 388,890,619

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, 2011

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

	For the Fiscal Year Ending		
	June 30, 2003	June 30, 2004	June 30, 2005
Assessed Valuation	\$ 12,275,385,000	\$ 13,991,326,000	\$ 16,263,731,000
Debt Limit	\$ 1,227,538,500	\$ 1,399,132,600	\$ 1,626,373,100
Less: Net Debt applicable to the limit	142,400,000	200,745,000	200,136,223
Legal debt margin	<u>\$ 1,085,138,500</u>	<u>\$ 1,198,387,600</u>	<u>\$ 1,426,236,877</u>
Total net debt applicable to the limit as a percentage of debt	11.60%	14.35%	12.31%

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, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012
\$ 19,949,524,000	\$ 25,892,656,671	\$ 29,694,362,126	\$ 29,432,260,894	\$ 25,445,098,119	\$ 22,963,002,249	\$ 22,466,159,275
\$ 1,994,952,400	\$ 2,589,265,667	\$ 2,969,436,213	\$ 2,943,226,089	\$ 2,544,509,812	\$ 2,296,300,225	\$ 2,246,615,928
257,301,612	333,361,612	480,491,612	461,546,622	451,489,621	431,127,620	409,865,619
<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>	<u>\$ 1,836,750,309</u>
12.90%	12.87%	16.18%	15.68%	17.74%	18.77%	18.24%

**District School Board of Pasco County
Demographic and Economic Statistics
Last Ten 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)
2012	466,457	N/A	N/A	9.0%	65,976
2011	464,697	\$ 13,790,695	\$ 29,236	11.7%	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

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 Ten Years Ago
(Unaudited)**

Table 15

<u>Employer</u>	2012			2002		
	<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	9,396	5.39%	1	7,015	4.71%
Wal*Mart Supercenters (NPR, PR, ZH, Hud.)	2	2,050	1.18%			
Pasco County Government	3	2,000	1.15%	2	1,717	1.15%
Pasco County Sheriff	4	1,300	0.75%	6	1,025	0.69%
State of Florida Government	5	1,296	0.74%	3	1,220	0.82%
Regional Medical Center Bayonet Point	6	1,074	0.62%	5	1,050	0.71%
Florida Hospital Zephyrhills	7	1,050	0.60%			
Medical Center of Trinity	8	1,012	0.58%			
Florida Medical Clinic	9	909	0.52%			
Morton Plant North Bay Hosp./Recovery Ctr	10	777	0.45%			
Total		<u>20,864</u>	<u>11.96%</u>		<u>12,027</u>	<u>8.08%</u>

Source: Pasco Economic Development Council
U.S Department of Labor: Bureau of Labor Statistics

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

Table 16

Fiscal Year	Instructional	Administrative	Other Support Personnel	Total	Ratio of Instructional and Administrative Personnel to Pupils
2012	5,268	287	3,841	9,396	11.85
2011	5,412	314	4,085	9,811	11.55
2010	5,133	340	3,970	9,783	12.10
2009	6,261	329	4,310	9,210	10.04
2008	6,045	324	2,620	8,675	10.41
2007	5,746	321	2,306	8,373	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

Source: State of Florida Data for Budget Advertisement
District records

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

Table 17

Fiscal Year	Minimum Salary (1)	Maximum Salary (1)	County Average Salary (2)	Statewide Average Salary (2)
2012	\$ 36,420	\$ 63,870	\$ 42,710	\$ 45,723
2011	36,420	63,870	42,710	46,089
2010	36,420	63,870	42,850	46,938
2009	36,420	63,870	43,901	46,655
2008	36,420	63,870	45,211	45,296
2007	35,300	61,750	43,472	42,702
2006	33,100	59,300	41,600	41,578
2005	31,550	56,750	39,600	40,598
2004	31,100	54,900	38,800	40,275
2003	31,000	53,800	38,000	39,275

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

**District School Board of Pasco County
Operating Statistics
Last Ten 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
2012	65,976	\$ 451,316,247	\$ 6,841	0.14%	5,268	12.52	57.28%
2011	66,162	450,668,927	6,812	-1.00%	5,412	12.23	52.14%
2010	66,207	455,202,664	6,875	-7.53%	5,133	12.90	48.78%
2009	66,190	492,124,221	7,435	-0.34%	6,261	10.57	44.85%
2008	66,313	494,727,086	7,460	5.68%	6,045	10.97	44.36%
2007	64,688	456,679,581	7,060	9.53%	5,746	11.26	44.18%
2006	62,085	400,178,410	6,446	8.16%	5,469	11.35	46.28%
2005	59,722	355,917,943	5,960	3.79%	5,049	11.83	46.08%
2004	56,822	326,277,926	5,742	7.91%	4,365	13.02	46.01%
2003	54,595	290,523,060	5,321	-1.56%	4,278	12.76	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 Ten Fiscal Years
(Unaudited)

Table 19

	Place in Service (a)	Square Footage (b)	Portables	Capacity (Students)	Full-Time Equivalent Enrollment Data	
					Enrollment Data	
					2002-2003	2003-2004
Elementary Schools						
Anclote	1973	64,909	4	481	605.36	631.94
Calusa	1979	75,551	4	657	726.92	707.83
Centennial	1986	87,837	4	687	679.38	664.89
Chasco	2000	104,734	7	624	877.85	939.54
Chester W. Taylor	1996	96,454	12	536	729.25	765.50
Connerton	2010	118,741	-	762	-	-
Cotee River	1993	122,294	1	751	820.21	792.00
Cypress	1973	70,647	12	708	693.44	736.58
Deer Park	1988	78,637	7	615	919.90	919.88
Denham Oaks	1994	130,087	4	870	1,025.02	878.29
Double Branch	2008	105,122	6	762	-	-
Fox Hollow	1990	113,120	4	774	931.91	967.31
Gulf Highlands	2006	124,261	-	762	-	-
Gulf Trace	2008	96,625	-	762	-	-
Gulfside	1977	75,658	3	649	556.37	604.84
Hudson	1966	77,623	15	561	790.04	805.02
James M. Marlowe	1999	100,489	1	616	675.72	704.78
Lacoochee	1971	82,667	3	579	429.84	422.06
Lake Myrtle	1984	98,627	9	754	1,033.27	862.12
Longleaf	2005	104,502	15	685	-	-
Dr. Mary Giella	1989	89,354	3	634	597.52	564.74
Mitty P. Locke	1966	85,466	6	746	785.75	802.71
Moon Lake	1982	74,370	11	602	560.97	569.59
New River	2008	110,530	-	762	-	-
Northwest	1973	81,776	6	720	757.00	807.97
Oakstead	2006	126,143	24	762	-	-
Odessa	2010	97,687	-	762	-	-
Pasco	1954	92,802	4	715	685.67	670.66
Pine View	2003	99,191	9	624	-	588.20
Quail Hollow	1975	64,849	2	554	569.42	611.94
Richey	1958	78,517	10	558	613.99	659.77
Rodney B. Cox	1925	67,685	8	510	434.15	422.41
San Antonio	1981	89,860	2	776	608.60	612.97
Sand Pine	1998	82,033	16	517	708.36	810.25
Sanders Memorial	1944	33,670	1	280	804.58	731.75
Schrader	1972	88,153	1	749	631.09	645.06
Seven Oaks	2005	101,322	22	674	-	-
Seven Springs	1987	92,004	-	636	678.69	655.12
Shady Hills	1973	74,506	2	437	570.06	561.80
Sunray	2000	98,044	-	629	752.22	740.98
Trinity	2001	101,287	9	621	810.12	977.27
Trinity Oaks	2006	116,943	-	762	-	-
Veterans	2008	94,705	-	762	-	-
Watergrass	2009	97,710	-	762	-	-
Wesley Chapel	2002	99,856	18	613	829.77	1,123.22
West Zephyrhills	1958	93,125	9	758	834.61	874.17
Woodland	1977	78,211	25	670	888.47	889.59
Total Elementary Schools				31190	24,615.52	25,722.75

Table 19

Full-Time Equivalent Enrollment Data							
2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
612.26	582.82	574.48	585.62	568.08	574.60	539.34	512.51
737.85	743.61	686.86	682.42	632.04	581.83	597.29	591.85
697.83	695.92	713.95	689.60	697.81	653.01	670.28	644.00
982.98	1,041.04	655.34	704.37	652.34	662.78	653.15	663.37
789.74	814.96	842.44	827.22	599.12	611.35	532.22	577.48
-	-	-	-	-	-	809.50	847.35
761.40	779.67	787.20	721.32	657.12	619.73	603.90	540.11
728.41	782.17	879.17	904.72	889.03	831.56	810.75	797.54
1,014.77	688.00	650.38	632.70	648.37	677.73	671.86	642.78
901.90	915.07	881.93	868.77	872.12	846.44	803.96	744.33
-	-	-	723.47	763.21	798.68	808.39	810.32
994.31	1,006.68	704.13	684.15	615.47	609.34	560.06	524.90
-	-	609.92	634.96	589.40	592.77	552.29	532.72
-	-	-	231.98	563.17	588.38	590.27	592.26
640.07	627.65	642.37	624.43	548.29	554.88	541.33	542.97
805.78	830.99	836.59	759.20	675.36	699.77	711.44	717.82
697.10	653.67	638.86	542.67	530.62	508.46	498.20	501.41
401.57	428.06	406.20	396.10	399.06	410.84	420.72	384.53
854.22	830.00	828.13	825.13	782.83	832.77	782.25	730.81
-	712.44	809.65	893.19	943.09	990.02	651.78	674.12
642.07	674.13	614.11	656.98	631.46	649.01	647.39	621.79
863.67	880.13	882.26	856.74	585.38	589.00	555.85	526.58
595.17	565.92	624.79	674.65	611.51	665.65	726.45	656.84
-	-	-	256.91	449.63	510.51	582.75	571.90
743.88	713.73	698.45	670.47	707.31	656.62	642.88	624.11
-	-	730.76	1,000.33	1,096.17	1,064.34	974.99	1,017.56
-	-	-	-	-	-	637.67	691.79
674.70	724.82	684.04	661.28	650.22	631.16	638.28	621.12
718.68	693.13	725.37	716.19	721.16	737.84	733.38	704.31
782.13	823.35	834.19	794.95	390.03	380.95	399.04	370.77
643.73	642.65	654.02	623.48	600.02	620.77	581.41	580.95
436.80	445.86	468.17	447.42	460.75	413.01	378.46	360.75
638.63	689.07	694.46	689.54	724.58	646.69	660.75	682.60
980.23	987.61	1,043.65	749.86	707.03	701.02	672.20	661.58
834.43	1,052.44	733.34	854.25	745.26	725.74	-	-
709.43	756.70	562.53	569.85	625.07	587.90	552.92	543.04
-	913.38	1,057.30	1,153.35	887.82	928.79	932.35	933.80
691.02	735.03	704.47	620.09	579.26	571.16	549.23	530.81
594.60	611.95	589.66	563.38	536.06	505.15	459.60	424.80
790.60	863.56	865.61	577.86	533.01	523.23	541.80	539.64
1,219.49	1,103.08	653.81	649.54	663.27	699.92	531.68	497.99
-	-	559.64	650.32	685.86	729.63	721.54	707.72
-	-	-	-	726.44	765.82	815.70	805.46
-	-	-	-	-	472.38	487.05	504.21
1,339.56	1,030.74	1,377.56	1,095.98	1,071.34	589.01	579.82	591.37
914.31	934.72	895.33	818.70	813.51	750.10	767.94	764.74
918.36	938.28	938.12	945.82	917.58	924.14	866.69	853.97
27,351.68	28,913.03	29,739.24	30,229.96	29,746.26	29,684.48	29,446.80	28,963.38

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

Table 19

	Place in Service (a)	Square Footage (b)	Portables	Capacity (Students)	Full-Time Equivalent Enrollment Data	
					2002-2003	2003-2004
Middle Schools						
Bayonet Point	1973	133,360	5	900	949.51	1,036.93
Centennial	2001	115,614	6	617	629.10	677.37
Charles S. Rushe	2007	192,785	11	1,344	-	-
Chasco	2001	134,642	4	849	939.70	978.00
Crews Lake	2008	191,951	-	1,343	-	-
Dr. John Long	2006	187,602	23	1,327	-	-
Gulf	1964	167,643	3	1,350	1,034.94	1,101.16
Hudson	1984	148,691	5	1,051	1,161.42	1,186.65
Pasco	1946	139,280	10	958	895.05	806.00
Paul R. Smith	2006	187,602	-	1,287	-	-
Pine View	1977	138,136	6	1,152	1,514.21	1,629.42
Raymond B. Stewart	1926	181,813	5	1,075	947.71	959.86
River Ridge (c)	1990	-	12	1,152	-	-
Seven Springs	1995	224,939	5	1,350	1,676.40	1,826.74
Thomas E. Weightman	1990	163,132	10	974	1,434.66	1,622.18
Total Middle Schools				16729	11,182.70	11,824.31
Education Centers						
Energy & Marine	1964	13,287	-	75	89.42	84.94
F. K. Marchman Tech	1984	177,967	5	1,122	528.57	478.83
Harry Schwettman	1923	28,351	4	155	118.40	125.76
James Irvin	1995	22,214	20	500	119.49	107.85
Moore Mickens	1952	73,442	4	513	188.90	177.98
Other Programs	n/a	n/a	-	n/a	563.86	658.21
Total Education Centers				2365	1,608.64	1,633.57
High Schools						
Anclote	2009	226,852	-	1,684	-	-
Fivay	2010	278,342	-	1,825	-	-
Gulf	1971	242,732	7	1,536	1,408.06	1,440.64
Hudson	1973	185,238	5	1,609	1,524.04	1,533.07
J. W. Mitchell	2000	220,930	26	1,853	1,921.82	2,092.21
Land O' Lakes	1973	207,212	16	1,516	1,856.48	1,927.15
Pasco	1964	242,637	18	1,490	1,265.48	1,261.52
Ridgewood	1977	195,090	12	1,464	1,682.52	1,680.84
River Ridge (c)	1990	445,860	7	1,863	3,261.26	3,339.14
Sunlake	2007	218,643	-	1,697	-	-
Wesley Chapel	1999	217,180	3	1,493	1,589.52	1,794.41
Wiregrass Ranch	2006	218,690	18	1,675	-	-
Zephyrhills	1973	217,998	15	1,371	1,353.97	1,383.16
Total High Schools				21076	15,863.15	16,452.14

Table 19

Full-Time Equivalent Enrollment Data							
2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
1,053.98	996.28	985.50	975.00	1,005.52	947.24	822.68	781.17
675.80	622.14	652.80	660.36	659.14	664.91	668.89	675.20
-	-	-	1,223.93	1,279.33	1,317.04	1,329.22	1,283.69
957.01	898.17	888.52	855.84	869.92	791.23	764.44	740.46
-	-	-	-	666.70	683.16	819.51	792.16
-	-	1,263.58	1,534.60	1,653.75	1,705.56	1,778.26	1,538.44
1,107.17	1,143.62	949.17	935.59	919.45	878.77	874.74	845.93
1,198.00	1,214.83	1,195.56	1,186.12	892.03	864.90	869.61	850.69
823.66	768.59	756.11	707.82	720.33	717.11	725.71	866.67
-	-	915.92	899.50	917.81	937.36	1,017.48	1,050.05
1,756.39	1,821.72	1,871.85	898.10	885.29	877.43	823.42	847.56
998.66	977.82	1,003.34	1,017.92	1,014.75	970.64	950.57	1,027.45
-	-	1,467.56	1,421.79	1,149.35	1,131.99	1,060.62	1,064.96
1,960.16	1,942.20	1,307.65	1,329.30	1,381.79	1,358.92	1,288.22	1,302.63
1,823.40	1,914.89	1,074.60	1,057.25	1,073.09	1,048.49	1,075.54	1,137.23
12,354.23	12,300.26	14,332.16	14,703.12	15,088.25	14,894.75	14,868.91	14,804.29
80.81	80.82	74.72	66.47	82.27	-	-	-
472.43	475.19	450.10	454.04	397.77	392.28	335.39	275.55
96.25	120.52	109.54	128.12	158.17	86.28	106.80	128.08
114.23	138.52	107.25	107.76	110.00	71.09	107.02	103.04
213.44	180.58	198.50	207.55	200.73	184.90	163.51	148.80
708.96	824.16	829.14	858.02	893.76	813.09	1,082.05	1,381.08
1,686.12	1,819.79	1,769.25	1,821.96	1,842.70	1,547.64	1,794.77	2,036.55
-	-	-	-	-	913.35	1,155.12	1,140.05
-	-	-	-	-	-	1,206.52	1,496.63
1,538.04	1,676.18	1,681.49	1,676.71	1,654.55	1,382.12	1,286.34	1,224.47
1,547.86	1,602.24	1,604.57	1,601.01	1,542.26	1,505.06	1,126.44	1,086.02
2,278.11	2,363.38	2,423.92	2,458.87	2,388.46	1,832.02	1,660.55	1,657.86
2,043.68	2,289.43	2,499.67	1,687.95	1,465.35	1,486.85	1,518.99	1,558.24
1,255.87	1,327.94	1,280.16	1,244.55	1,230.23	1,233.96	1,228.31	1,293.52
1,826.36	1,850.34	1,846.46	1,824.09	1,752.22	1,765.37	1,188.49	1,037.44
3,497.02	3,420.93	1,935.79	1,933.85	1,881.95	1,823.88	1,508.65	1,452.96
-	-	-	1,115.57	1,433.25	1,507.19	1,529.25	1,485.55
2,045.29	2,275.14	1,789.58	1,569.29	1,290.21	1,305.37	1,277.51	1,325.06
-	-	715.01	1,316.77	1,813.07	1,960.21	2,035.56	1,952.62
1,434.37	1,505.77	1,597.89	1,624.66	1,524.86	1,509.82	1,457.96	1,466.19
17,466.60	18,311.35	17,374.54	18,053.32	17,976.41	18,225.20	18,179.69	18,176.61

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

Table 19

	Place in Service (a)	Square Footage (b)	Portables	Capacity (Students)	Full-Time Equivalent Enrollment Data	
					2002-2003	2003-2004
Charter Schools						
Academy at the Farm	n/a	n/a	n/a	n/a	140.11	185.00
Athenian Academy	n/a	n/a	n/a	n/a	-	-
Countryside Monetssori	n/a	n/a	n/a	n/a	49.94	70.00
Dayspring Academy	n/a	n/a	n/a	n/a	298.50	349.82
Deerwood Academy	n/a	n/a	n/a	n/a	183.65	-
Imagine School	n/a	n/a	n/a	n/a	-	-
Language Academy	n/a	n/a	n/a	n/a	65.41	135.00
Richard Milburn Academy	n/a	n/a	n/a	n/a	39.51	112.73
Total Charter Schools					777.12	852.55
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					54,047.13	56,485.32

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

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

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

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

Source: District Records

Table 19

Full-Time Equivalent Enrollment Data							
2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
223.29	253.31	255.79	289.00	284.00	378.00	379.34	381.50
-	-	106.50	215.00	258.50	276.64	318.00	328.99
99.50	126.50	153.50	151.00	180.02	203.50	209.00	213.50
359.81	391.68	403.92	404.00	416.06	458.03	490.00	524.33
-	-	-	-	-	-	-	-
-	-	-	-	397.50	538.50	475.56	546.92
124.50	117.00	87.00	-	-	-	-	-
128.26	170.84	154.01	-	-	-	-	-
935.36	1,059.33	1,160.72	1,059.00	1,536.08	1,854.67	1,871.90	1,995.24
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
59,793.99	62,403.76	64,375.91	65,867.36	66,189.70	66,206.74	66,162.07	65,976.07

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SINGLE AUDIT SECTION



**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 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, 2012, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 10, 2012. 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 10, 2012.

This report is intended solely for the information and use of the District's management, the School Board, State of Florida Auditor General, 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.

A handwritten signature in blue ink that reads "Moore Stephens Lovelace, P.A.".

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
December 10, 2012



**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, 2012. 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, 2012.

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, 2012, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 10, 2012, 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, State of Florida Auditor General, 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.

A handwritten signature in blue ink that reads "Moore Stephens Lovelace, P.A.".

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
December 10, 2012

DISTRICT SCHOOL BOARD OF PASCO COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDING JUNE 30, 2012

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 Agriculture and Consumer Services:				
Child Nutrition Cluster:				
Non-Cash Assistance:				
Food Donation	10.555(2)	None	\$ 1,035,019	\$ -
Cash Assistance:				
School Breakfast Program	10.553	321	4,826,585	-
National School Lunch Program	10.555	300	14,673,815	-
Summer Food Service Program for Children	10.559	323	330,962	-
Total Child Nutrition Cluster			<u>20,866,381</u>	<u>-</u>
Fresh Fruit & Vegetable Program	10.582		113,750	-
Team Nutrition	10.574	None	<u>213</u>	<u>-</u>
Total United States Department of Agriculture			<u>20,980,344</u>	<u>-</u>
United States Department of Labor:				
Indirect:				
Florida Department of Education:				
Farmworker Jobs and Education Program	17.264	405	<u>157,389</u>	<u>-</u>
Total United States Department of Labor			<u>157,389</u>	<u>-</u>
United States Department of Education:				
Direct:				
Readiness and Emergency Management for Schools	84.184		179,585	-
Federal Pell Grant	84.063		476,612	218,902
Indirect:				
Florida Department of Education:				
Special Education Cluster:				
Special Education - Grants to States	84.027	262, 263	11,874,226	-
Special Education - Preschool Grants	84.173	267	<u>298,183</u>	<u>-</u>
Total Special Education Cluster			12,172,409	-
Title I, Part A Cluster:				
Title I Grants to Local Educational Agencies	84.010	212, 222, 226, 228	<u>14,900,353</u>	<u>-</u>
Total Title I, Part A Cluster			14,900,353	-
Educational Technology State Grants Cluster:				
Education Technology State Grants	84.318	121	153,313	-
ARRA - Education Technology State Grants, Recovery Act	84.386	121	<u>10,048</u>	<u>-</u>
Total Educational Technology State Grants Cluster			163,361	-
Education for Homeless Children and Youth Cluster:				
Education for Homeless Children and Youth	84.196	127	<u>111,819</u>	<u>-</u>
Total Education for Homeless Children and Youth Cluster			111,819	-
School Improvement Grants Cluster:				
School Improvement Grants	84.377	126	68,934	-
ARRA-School Improvement Grants, Recovery Act	84.388	126	<u>606,285</u>	<u>-</u>
Total School Improvement Grants Cluster			675,219	-

DISTRICT SCHOOL BOARD OF PASCO COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDING JUNE 30, 2012

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 Education (continued):				
Adult Education - State Grant Program	84.002	191, 193	614,402	-
Migrant Education - State Grant Program	84.011	217	151,711	-
Vocational Education -Basic Grants to States	84.048	161	631,294	-
Safe and Drug-Free Schools and Communities - State Grants	84.186	103	4,327	-
English Language Acquisition Grants	84.365	102	423,132	-
Improving Teacher Quality State Grants	84.367	224,225	1,809,551	-
ARRA-State Fiscal Stabilization Fund-Race-to-the Top Incentive Grants, Recovery Act	84.395	111	897,932	12,813
Education Jobs Fund, Title I, Recovery Act	84.410	541	205,244	-
Total United States Department of Education			33,416,951	231,715
United States Department of Health and Human Services:				
Direct:				
Head Start Cluster:				
Head Start	93.600(3)	N/A	5,743,784	-
ARRA - Head Start	93.708(4)	N/A	37,829	-
ARRA - Early Head Start	93.709(5)	N/A	152,886	-
Total Head Start Cluster			5,934,499	-
Total United States Department of Health and Human Services:			5,934,499	-
Corporation for National and Community Service:				
Direct:				
Retired and Senior Volunteer Program	94.002	N/A	82,044	-
Indirect:				
Florida Department of Education:				
Learn and Serve America - School and Community Based Programs	94.004	234	10,414	-
Total Corporation for National and Community Service			92,458	-
United States Department of Defense:				
Direct:				
Air Force Junior Reserve Officers Training Corps	None	N/A	77,745	-
Army Junior Reserve Officers Training Corps	None	N/A	181,906	-
Navy Junior Reserve Officers Training Corps	None	N/A	226,952	-
Total United States Department of Defense			486,603	-
Total Expenditures of Federal Awards			\$ 61,068,244	\$ 231,715

- 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.
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.
- (3)-2 Head Start. Expenditures include \$268,732 for grant number/program year 04CH3070/43 and \$5,475,052 for grant number/program year 04CH3070/44.
- (4)-2 Head Start-ARRA. Expenditures include \$37,829 for grant number/program year 04SE3070/02.
- (5)-2 Early Head Start ARRA. Expenditures include \$152,886 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, 2012

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

Noncompliance material to financial statements noted?

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	Title I Grants to Local Educational Agencies
84.377, 84.388 ARRA	School Improvement Grants 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:

\$1,832,047

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, 2012

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 – FEDERAL AWARDS
For The Year Ended June 30, 2012

PRIOR YEAR AUDIT FINDINGS

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