

# Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2011



The School Board of Broward County, Florida

Fort Lauderdale, Florida

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

# **COMPREHENSIVE**

## **ANNUAL FINANCIAL REPORT OF**

**The School Board of Broward County, Florida**

**For the Fiscal Year Ended June 30, 2011**

*Issued by:*

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

*Prepared by:*

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

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

# **Broward County Public Schools**



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

**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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Broward County Public Schools

# Introductory Section



# **Broward County Public Schools**



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



# THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

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

**ROBERT W. RUNCIE**  
*Superintendent of Schools*

## SCHOOL BOARD

*Chair* BENJAMIN J. WILLIAMS  
*Vice Chair* ANN MURRAY

ROBIN BARTLEMAN  
MAUREEN S. DINNEN  
PATRICIA GOOD  
DONNA P. KORN  
KATHERINE M. LEACH  
LAURIE RICH LEVINSON  
NORA RUPERT

November 17, 2011



**Robert W. Runcie**  
*Superintendent of Schools*

### Members of the School Board and Citizens of Broward County:

We are pleased to present the Comprehensive Annual Financial Report ("CAFR") of The School Board of Broward County, Florida, (the "District" or "Broward County Public Schools") for the fiscal year ended June 30, 2011. These financial statements are presented to conform to the Generally Accepted Accounting Principles (GAAP) in the United States as applied to governmental units. The Florida Statutes require that the District publish, within six months of the close of each fiscal year, a complete set of audited financial statements. The U.S. Securities and Exchange Commission (SEC) also requires a legal undertaking on the part of governmental debt issuers to provide annual audited financial information. The CAFR is published to fulfill these requirements. In addition to meeting legal requirements, this report is intended to provide informative and relevant financial information for the residents of Broward County, School Board Members (the "Board"), investors, creditors, and other concerned readers. We believe that the

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

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

State statutes allow an outside independent audit of school districts by a firm of certified public accountants in lieu of an audit by the State of Florida Auditor General, under certain conditions. The accounting firm of Moore Stephens Lovelace, P.A. was selected by the Board to perform the audit function. In keeping with the minority business enterprise program established by the Board, Moore Stephens Lovelace, P.A. was assisted by Watson Rice, LLP and GLSC & Company, PLLC, Certified Public Accountants. The independent auditor concluded that there was a reasonable basis for rendering an unqualified opinion on the District's financial statements for the year ended June 30, 2011. The independent auditor's report is presented as the first component of the financial section of this report.

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

## **PROFILE OF THE GOVERNMENT**



The District is the sixth largest school district in the United States – and second largest in Florida, encompassing all of Broward County, Florida (“Broward County”). It is the nation's largest, fully-accredited school district, meeting the rigorous accreditation standards established by the Southern Association of Colleges and Schools Council on Accreditation and School Improvement (SACS CASI). This distinction is the highest level of accreditation that a school system can receive from the SACS CASI organization. The General Fund, the primary operating fund of the District, had an annual operating budget of approximately \$1.9 billion for the fiscal year ended June 30, 2011. This budget served 256,872 pre-kindergarten through 12th grade students at 300 schools.

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

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

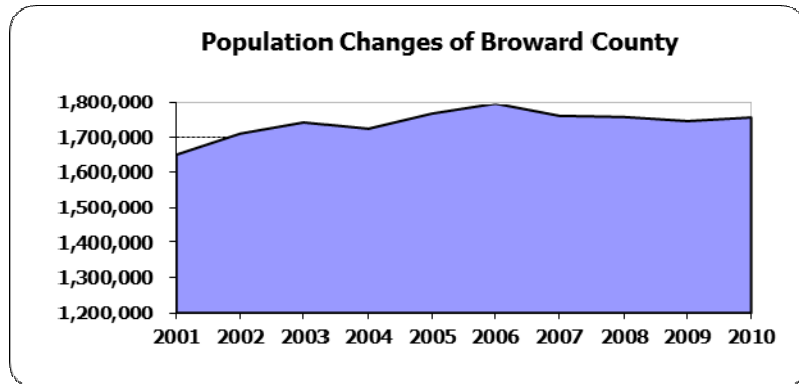
The District was created by the state constitution and is part of the state system of public education operated under the general direction and control of the State Board of Education. Established in 1915, the District is governed by nine elected members. The appointed Superintendent of Schools serves as executive officer of the District. As of October 31, 2011, the Board members were: Benjamin J. Williams, Chair; Ann Murray, Vice Chair; Robin Bartleman, Maureen S. Dinnen, Patricia Good, Donna P. Korn, Katherine M. Leach, Laurie Rich Levinson and Nora Rupert. The CAFR includes all funds of the District, the Broward School Board Leasing Corporation, as well as the Broward Education Foundation and District-sponsored charter schools, which are reported discretely as component units, thus all combined comprise the reporting entity.

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

## FACTORS AFFECTING FINANCIAL CONDITION

### Local Economy

Located on the southeastern coast of Florida, Broward County has an area of approximately 1,200 square miles. It is bordered to the north by Palm Beach County and to the south by Miami-Dade County. Broward County ranks second in population in the state, with a 2010 population of 1.75 million.



In 2010, Broward County's per capita personal income of \$41,185 was approximately 6% higher than that of the state's \$38,929. Among the largest private sector employers in Broward County are: Memorial Healthcare System, American Express and Nova Southeastern University.

Since the enactment of the American Recovery and Reinvestment Act (ARRA) in February 2009, over \$405 million has been awarded to the District in the areas of State Fiscal Stabilization, Workforce Development, Race To The Top, Education Jobs, Title I, Title II, IDEA, Title X, Equipment Assistance, Head Start and Boy's and Girl's Club. During fiscal year 2011, the District saved and created 2,770 jobs as a result of the ARRA funds awarded.

### Long-Term Financial Planning



While maintaining 300 schools and centers, the District has worked to provide enough capacity to reduce class sizes and meet anticipated student enrollment. After a long period of unprecedented student growth the District's student enrollment has stabilized, and with the opening of more charter schools, the enrollment in District operated schools has begun to decline. Therefore, it has become necessary to focus capital outlay resources on preventative maintenance, remodeling and renovation of existing facilities, and meeting health, safety and accessibility requirements.

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

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

The five year capital plan provides the School Board and the public a detailed and financially feasible capital outlay plan that appropriates \$1.3 billion in estimated capital revenues over the next five-year period ending June 30, 2016. The plan identifies the following elements in capital planning:

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



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

### **Relevant Financial Policies**

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

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

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

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

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





any other criteria, such as finance-related legal and contractual compliance requirements applicable to such statements, and (2) to maintain accountability of assets

- o Access to assets is permitted only in accordance with management's authorization
- o The recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences

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

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

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

**Cash Management Policies and Practices.** The District's investment policy authorizes investments with the State Board Administration (SBA), interest-bearing time deposits, savings accounts and U.S. Treasury and Agency securities. All public deposits are held in qualified public depositories. As of June 30, 2011, the District did not maintain a balance with the SBA. Cash management and investment activities are discussed in greater detail in the notes to the financial statements.

## Awards and Acknowledgements



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

Performance Indicators are used as an evaluative research and objective analytical baseline to demonstrate the efficient and effective use of financial resources. The award highlighted the District's implementation of an Enterprise Resource Planning (ERP) system as a means to minimize manual processes and streamline the District business operations.

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

*The School Board of Broward County, Florida  
November 17, 2011*

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

The Association of School Business Officials (ASBO) International awarded a Certificate of Excellence in Financial Reporting to the District for its CAFR for the fiscal year ended June 30, 2010. This was the twenty-eighth consecutive year that the District has received this prestigious award. In order to be awarded a Certificate of Excellence, a governmental unit must publish an easily readable and efficiently organized CAFR, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Excellence is valid for a period of one year only. For the fiscal year ended June 30, 2010, and the fifteenth consecutive year, ASBO also awarded the District the Meritorious Budget Award for excellence in the preparation and issuance of its annual budget.


Additionally, the Government Finance Officers Association of the United States and Canada (GFOA) awarded the District the Certificate of Achievement for Excellence in Financial Reporting and the Distinguished Budget Presentation Award, both for the fifteenth consecutive year. The Certificate of Achievement for Excellence in Financial Reporting award certifies that the CAFR substantially conformed to the accounting and reporting standards adopted by GFOA for the fiscal year ended June 30, 2010.

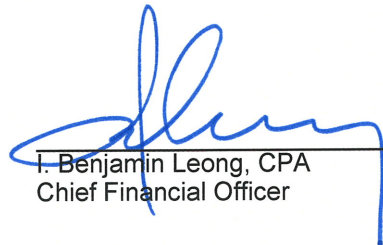
We believe our current comprehensive annual financial report continues to conform to the standards established for both the Certificate of Excellence Program and the Certificate of Achievement Program. Accordingly, we are submitting the CAFR for fiscal year ended June 30, 2011, to both ASBO and GFOA to be considered for these prestigious awards once again.

The preparation of this CAFR could not have been accomplished without the efficient and dedicated services of the entire staff of the Office of the Chief Financial Officer, the Audit Committee, the Office of the Chief Auditor, as well as other departments that provided assistance throughout the preparation of this report. In addition, we appreciate the thoroughness with which our auditors, Moore Stephens Lovelace, P. A., performed their audit function.

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

Respectfully submitted,

  
\_\_\_\_\_  
Robert W. Runcie  
Superintendent of Schools

  
\_\_\_\_\_  
I. Benjamin Leong, CPA  
Chief Financial Officer

  
\_\_\_\_\_  
Oleg Gorokhovskiy, CPA  
Director of Accounting & Financial Reporting

# **Broward County Public Schools**



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



## Principal Officials – Elected/Appointed

### School Board Members As of October 31, 2011

- Benjamin J. Williams, Member, **Chair**, District 5  
First Elected November 2000  
Term Expires November 2012
- Ann Murray, Member, **Vice Chair**, District 1  
First Elected November 2008  
Term Expires November 2014
- Robin Bartleman, Member, At-Large, Countywide  
First Elected November 2004  
Term Expires November 2012
- Maureen S. Dinnen, Member, District 3  
First Elected November 2004  
Term Expires November 2012
- Patricia Good, Member, District 2  
First Elected November 2010  
Term Expires November 2012
- Donna P. Korn, Member, District 4 \*  
Appointed August 2011  
Term Expires November 2012
- Katherine M. Leach, Member, At-Large, Countywide \*  
Appointed August 2011  
Term Expires November 2012
- Laurie Rich Levinson, Member, District 6  
First Elected November 2010  
Term Expires November 2014
- Nora Rupert, Member, District 7  
First Elected November 2010  
Term Expires November 2014

\* On August 26, 2011, the Governor of Florida, Rick Scott, appointed Donna P. Korn and Katherine M. Leach to serve on the Broward County School Board for District 4 and At-Large, respectively.

**The School Board of Broward County, Florida  
Principal Officials – Elected/Appointed  
School Board Members  
As of October 31, 2011**



**Benjamin J. Williams**  
Chair, District 5



**Ann Murray**  
Vice Chair, District 1



**Robin Bartleman**  
At-Large, Countywide



**Maureen S. Dinnen**  
District 3



**Patricia Good**  
District 2



**Donna P. Korn**  
District 4



**Katherine M. Leach**  
At-Large, Countywide



**Laurie Rich Levinson**  
District 6



**Nora Rupert**  
District 7

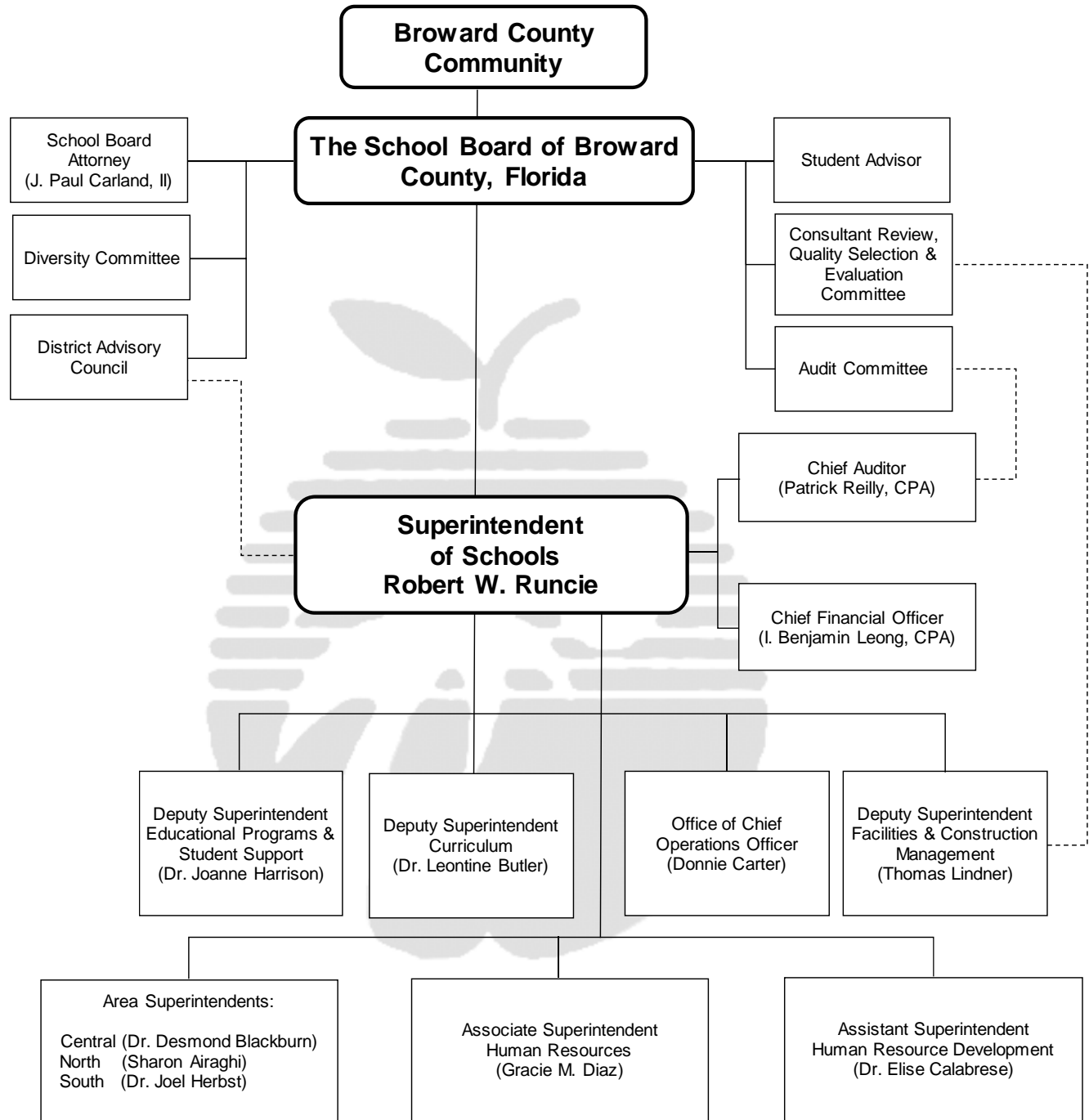
**Other Principal Officials  
As of October 31, 2011**

Robert W. Runcie	Superintendent of Schools
Donnie Carter	Chief Operations Officer
Dr. Leontine Butler	Deputy Superintendent, Curriculum
Thomas Lindner	Deputy Superintendent, Facilities & Construction Management
Dr. Joanne Harrison	Deputy Superintendent, Educational Programs and Student Support
Dr. Desmond Blackburn	Central Area Superintendent
Sharon Airaghi	North Area Superintendent
Dr. Joel Herbst	South Area Superintendent
Gracie M. Diaz	Associate Superintendent, Human Resources
Dr. Elisa Calabrese	Assistant Superintendent, Human Resource Development
I. Benjamin Leong, CPA	Chief Financial Officer
Patrick Reilly, CPA	Chief Auditor

# The School Board of Broward County, Florida

## Organization Chart

### As of October 31, 2011



**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

**For its Comprehensive Annual Financial Report (CAFR)**

For the Fiscal Year Ended June 30, 2010

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

President

Executive Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

The School Board  
of Broward County, Florida

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2010

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



President

Executive Director

# **Broward County Public Schools**



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



Broward County Public Schools

**Financial  
Section**



# **Broward County Public Schools**



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



## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of The School Board of Broward County, Florida (the "District") as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the aggregate discretely presented component units. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us and, our opinion, insofar as it relates to the amounts included for the discretely presented component units, is based on the reports of those other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District as of June 30, 2011, and the respective changes in financial position, and cash flows, where applicable, 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 November 17, 2011, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**  
*(Concluded)*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 7 through 13 and the Major Fund Comparative Schedule of Revenue, Expenditures and Changes in Fund Balances – Budget and Actual, Notes to the Budgetary Comparison Schedule and Schedule of Funding Progress – Other Postemployment Benefits Plan on pages 76 through 79, respectively, 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 non-major 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 non-major 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, the information is 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

Miami Lakes, Florida  
November 17, 2011

# **Required Supplemental Information (Part A)**

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

# **Broward County Public Schools**



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

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

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

# **Broward County Public Schools**



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

# **THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

As management of The School Board of Broward County, Florida (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2011. The narrative is designed to assist the reader in focusing on significant financial issues, provide an overview of the District's financial activity, identify changes in the District's financial position, and identify individual fund issues or concerns. As with other sections of this financial report, the information contained within this narrative should be considered only a part of a greater whole. The reader of this statement should take time to read and evaluate all sections of this report, including the footnotes and other required supplemental information.

In February 2009, the Governmental Accounting Standards Board ("GASB") issued Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", which changed the way fund balance is reported by providing a more structured classification of fund balance and by improving the usefulness of fund balance reporting to the users of the District's financial statements. The reporting standard established a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources. The District implemented this Statement in fiscal year 2011. More details of the GASB 54 implementation are available in Note 20 of the Notes to the Basic Financial Statements.

### **FINANCIAL HIGHLIGHTS**

#### **Government-Wide Financial Statements**

- The District's financial status, as reflected in **total net assets**, decreased by \$48.9 million, or 3.1%, to \$1.55 billion as of June 30, 2011, from \$1.60 billion as of June 30, 2010. The decrease in total net assets reflects primarily decrease in current and other assets of \$35.9 million, and decrease in capital assets of \$41.6 million, offset by a decrease in liabilities of \$28.2 million.
- **Total revenues** increased by \$45.4 million or 1.8%, from \$2.48 billion to \$2.52 billion when compared to the prior year. **General revenues** accounted for \$2.38 billion, or 94.2%, of all revenues. The increase was principally the result of additional inflow of American Recovery and Reinvestment Act (ARRA) Economic Stimulus such as Education Jobs funds.
- The District had \$2.6 billion in **expenses** related to programs, a decrease of \$27.8 million, or 1.1%, from the prior year. The decrease is primarily due to a continuation of hiring and purchasing freezes, energy efficiency strategies, and further contract service reductions.
- The District's **debt** (Bonds Payable, Certificates of Participation and Capital Leases) decreased by \$26.5 million, or 1.3%, to \$2.00 billion from \$2.02 billion in the prior year. The decrease was principally due to scheduled debt repayments offset by the issuance of a COP Series in the early part of the fiscal year. See Notes 10 through 12 of the Notes to the Basic Financial Statements for more information.

#### **Governmental Funds Financial Statements**

The overall **General Fund balance** (the primary operating fund) increased \$30.4 million, or 43.7%, to \$99.8 million from \$69.4 million in the prior year (see Exhibit 4, page 28). Revenues and other financing sources exceeded expenditures and other financing uses principally due to a \$21.8 million Education Jobs funds set aside to cover next year's budget deficit and \$8.0 million from additional Capital Fund transfer for teachers' bonuses and lowering some of the furlough requirements. The District was able to increase Capital transfer because of the property values coming in higher than our own original estimate and because of the 2011 COPs refinancing.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

The District's Comprehensive Annual Financial Report (CAFR) includes a series of basic financial statements and accompanying notes, with the primary focus being on the District as a whole. The Statement of Net Assets and the Statement of Activities are government-wide financial statements that provide both short-term and long-term information about the District's overall financial status. The governmental fund financial statements report the



## **THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

District's operations in more detail by providing information as to how services are financed in the short-term, as well as the remaining available resources for future spending. Additionally, the governmental fund financial statements focus on major funds rather than fund types. The proprietary fund statements offer short-term and long-term financial information about the activities the District operates like businesses, such as printing services and self-insurance programs. The remaining statements, the Fiduciary Funds Statements, provide financial information for those activities in which the District acts solely as a trustee or agent for the benefit of others. The accompanying notes provide essential information that may not be readily available on the face of the basic financial statements. Consequently, these notes form an integral part of the basic financial statements.

### **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

Government-wide financial statements incorporate governmental and business-type activities, as well as its non-fiduciary component units. They contain various adjustment, elimination and reclassification entries, such as the recording of depreciation, the recognition of other revenues, and the recognition of long-term liabilities. The government-wide financial statements are designed to provide the readers with a view of the District as a whole. While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2011?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities, and use the economic resources measurement focus and the accrual basis of accounting similar to the accounting used by most private-sector companies, matching the financial impact of long-term financial decisions to the period in which the expense or revenue is more properly attributed. In short, the financial impact of long-term decisions is promptly recorded as the transaction occurs, as opposed to recording it when paid. A good example of this is the recording of compensated absences, such as vacation and sick leave. In the fund financial statements, vacation and sick leave are expensed when used, not when accrued, with the unused hours accumulating over time. Consequently, the reader of the CAFR would never see the potential financial impact the accumulated leave would have on the District's financial health. In the government-wide financial statements, vacation and sick leave are expensed when accrued, allowing the reader to see the full financial impact.

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

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

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

# **THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

### **FUND FINANCIAL STATEMENTS**

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

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

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

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

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

**Notes to the Basic Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Table 1**

	Summary Statement of Net Assets		
	(in thousands)		Increase (Decrease)
	As of June 30,		
	2011	2010	
Current and other assets	\$ 908,310	\$ 944,245	\$ (35,935)
Non-current assets	21,866	14,730	7,136
Capital assets	3,190,604	3,232,189	(41,585)
Deferred swap outflow (GASB 53)	32,682	39,394	(6,712)
Total assets and deferrals	4,153,462	4,230,558	(77,096)
Current and other liabilities	407,388	418,841	(11,453)
Long-term liabilities	2,197,306	2,214,016	(16,710)
Total liabilities	2,604,694	2,632,857	(28,163)
Net assets:			
Invested in capital assets, net of related debt	1,459,470	1,469,885	(10,415)
Restricted	166,170	236,412	(70,242)
Unrestricted	(76,872)	(108,596)	31,724
Total net assets	\$ 1,548,768	\$ 1,597,701	\$ (48,933)

### **ANALYSIS OF THE OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS**

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

# THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

**Government-Wide Financial Analysis.** The District's net assets were \$1.5 billion at June 30, 2011, representing a \$48.9 million, or 3.1%, decrease from June 30, 2010. By far, the largest portion of the District's net assets (94.2%) reflects its investment in capital assets (i.e., land, buildings, furniture and equipment) less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not liquid or available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The second largest portion of the District's net assets represents resources that are subject to external restrictions on how they may be used. Of the \$166.2 million in restricted net assets, \$126.6 million are restricted for capital projects. The District will use these resources to complete construction in progress and perform property maintenance. Unrestricted net assets were a deficit of \$76.9 million at June 30, 2011 compared to a deficit of \$108.6 million at June 30, 2010. The deficit in the Statement of Net Assets should not be viewed as evidence of financial difficulties. The District would only experience actual deficit if it had to pay all of its long-term liabilities today at once.

**Table 2**

Summary Statement of Changes in Net Assets (in thousands)			
For the Fiscal Years			
Ended June 30,			
	2011	2010	Increase (Decrease)
<b>Revenues:</b>			
Program revenues:			
Charges for services	\$ 45,308	\$ 47,207	\$ (1,899)
Operating grants and contributions	73,666	67,242	6,424
Capital grants and contributions	27,270	32,883	(5,613)
Total program revenues	146,244	147,332	(1,088)
General revenues:			
Ad valorem taxes	1,031,828	1,136,812	(104,984)
Florida Education Finance Program (FEFP)	611,112	502,051	109,061
Other general revenues	731,994	689,541	42,453
Total general revenues	2,374,934	2,328,404	46,530
Total revenues	2,521,178	2,475,736	45,442
<b>Functions/Program Expenses:</b>			
Instructional services	1,544,961	1,500,822	44,139
Instructional support services	236,635	254,985	(18,350)
Operation and maintenance of plant	247,447	250,936	(3,489)
School administration	134,051	133,619	432
Food services	93,200	90,025	3,175
Facilities acquisition and construction	24,517	60,652	(36,135)
General administration	92,854	102,111	(9,257)
Pupil transportation services	93,605	102,714	(9,109)
Interest expense	102,841	102,028	813
Total expenses	2,570,111	2,597,892	(27,781)
Change in net assets	\$ (48,933)	\$ (122,156)	\$ 73,223
Ending net assets	\$ 1,548,768	\$ 1,597,701	\$ (48,933)

As shown in Table 2, governmental activities decreased the District's net assets by \$48.9 million from the prior year. Key highlights are as follows:

- Ad valorem taxes (property taxes) decreased by \$105.0 million principally due to a decrease in the total assessed property value.
- FEFP State Support revenue increased \$109.1 million due to a decline in a required local effort from property taxes.
- Other general revenues increased \$42.5 million primarily due to increase in funding received for ARRA Economic Stimulus.
- Total expenses decreased \$27.8 million, or 1.1%. The decrease is primarily due to a continuation of hiring and purchasing freezes, energy efficiency strategies, and further contract service reductions.

**Financial Analysis of the Government's Funds.** As was noted earlier, the District uses funds to help control and manage money for particular purposes. Looking at the funds aids in determining if the District is being

# THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

accountable for the resources taxpayers and others provide, and may also give more insight into the District's overall financial health.

In particular, the combination of assigned and unassigned fund balance (previously referred to as an 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.

**Governmental Funds.** As of June 30, 2011, the District's governmental funds reported a combined fund balance of \$545.5 million, a decrease of \$37.9 million, or 6.5% from the prior year. The reduction is principally due to a net decrease of \$79.8 million in the Capital Projects funds, which consisted of a decrease of \$16.1 million in the Public Education Capital Outlay (PECO) Fund as a source of state funding, a decrease of \$12.3 million in the Capital Improvement Section 1011.71 (Local Millage) Fund balance due to a decline in the total assessed property values, a decrease of \$64.3 million in the Other Capital Improvement Fund balance, offset by an increase of \$13.6 million in the ARRA Economic Stimulus Capital Project Fund balance. The District's governmental funds balance reduction was offset by an increase of \$30.4 million in the General Fund balance and an increase of \$8.0 million in the Food Service Fund balance.

**Table 3**

Summary Schedule of Revenues, Expenditures and Changes in Fund Balance of General Fund Budget and Actual (Budgetary Basis) (in thousands)				
	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Local sources:				
Ad valorem taxes	\$ 828,793	\$ 831,155	\$ 818,624	\$ (12,531)
Other	59,062	59,115	55,140	(3,975)
Total local sources	887,855	890,270	873,764	(16,506)
State sources:				
Florida Education Finance Program	638,461	611,504	611,112	(392)
Other	311,467	311,759	311,181	(578)
Total state sources	949,928	923,263	922,293	(970)
Federal sources	8,934	9,209	9,220	11
Total revenues	1,846,717	1,822,742	1,805,277	(17,465)
Other financing sources	68,295	78,596	78,546	(50)
Total amounts available for appropriations	1,915,012	1,901,338	1,883,823	(17,515)
<b>Expenditures:</b>				
Instructional services	1,185,612	1,184,243	1,157,201	27,042
Instructional support services	181,553	187,432	167,054	20,378
Pupil transportation services	78,339	90,098	88,090	2,008
Operation and maintenance of plant	253,622	255,398	240,457	14,941
School administration	123,169	108,372	108,010	362
General administration	89,712	97,894	90,037	7,857
Capital outlay	415	535	-	535
Interest	-	765	99	666
Total expenditures	1,912,422	1,924,737	1,850,948	73,789
Other financing uses	5,816	6,281	6,281	-
Total charges against appropriations	1,918,238	1,931,018	1,857,229	73,789
Net change in fund balances	\$ (3,226)	\$ (29,680)	\$ 26,594	\$ 56,274

**Proprietary Funds.** As of June 30, 2011, the District's Proprietary funds, non-governmental internal service funds reported net assets of \$13.6 million, an increase of \$4.2 million from the prior year. This is primarily due to an increase in the Self Insurance fund balance for workers' compensation due to changes in actuarial assumptions.

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

Actual revenues and other financing sources were \$17.5 million less than the final budget primarily due to a difference between the state required collection rate and the actual property taxes collected. The State required the District to budget at a 96.0% collection rate. The actual property taxes collected or accrued for fiscal year 2011 were 94.5% of the taxes levied.

Actual expenditures and other financing uses were \$73.8 million less than the final budget. This was due to hiring and purchasing freezes, energy efficiency strategies, and other cost saving measures that were implemented during the year.

# THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

### CAPITAL ASSETS AND DEBT ADMINISTRATION

**Capital Assets.** As shown in Table 4, at June 30, 2011, the District had \$3.2 billion invested in a broad range of capital assets. This amount represents a net decrease (including additions, deletions and depreciation) of \$41.6 million from last year. The capital additions included one new kindergarten through 8<sup>th</sup> grade school, two partial

replacement schools and two kitchen/cafeteria replacement projects that were completed in fiscal year 2011. In addition, there were several major school renovations and three athletic renovations completed in fiscal year 2011.

For the 2012 fiscal year, the District expects to continue to scale back construction due to a reduction in revenues and student enrollment. The District will continue to complete construction in progress but has cancelled plans to add capacity and do major replacements or remodeling/renovation projects. See Note 6 of the Notes to the Basic Financial Statements for more information.

**Table 4**

	Capital Assets at Year-End (in thousands)		Increase (Decrease)
	2011	2010	
Land	\$ 228,096	\$ 228,014	\$ 82
Land improvements	424,632	392,763	31,869
Construction in progress	80,541	128,978	(48,437)
Broadcast license intangible	3,600	3,600	-
Buildings and fixed equipment	3,484,680	3,394,303	90,377
Furniture, fixtures and equipment	398,723	405,350	(6,627)
Assets under capital leases	55,840	50,723	5,117
Audio visual	926	935	(9)
Computer software	56,266	61,356	(5,090)
Motor vehicles	94,543	94,533	10
Less: accumulated depreciation	(1,637,243)	(1,528,366)	(108,877)
Total capital assets, net	\$ 3,190,604	\$ 3,232,189	\$ (41,585)

**Debt Administration.** As shown in Table 5, below, at the end of this year the District had \$2.00 billion in debt outstanding compared to \$2.02 billion last year, a decrease of \$26.5 million, or 1.3%, from the prior year. The decrease was a result of net reductions of \$13.7 million in COPs, \$11.1 million in capital leases and \$1.7 million in Capital Outlay Bond Issues (COBI) all due to scheduled debt repayments offset by the issuance of COP Series. See Notes 9 through 12 of the Notes to the Basic Financial Statements for more information.

**Table 5**

	Debt Outstanding at Year-End (in thousands)		Increase (Decrease)
	2011	2010	
Capital outlay bond issues	\$ 63,490	\$ 65,190	\$ (1,700)
Certificates of participation	1,907,842	1,921,583	(13,741)
Capital leases	23,740	34,816	(11,076)
Total	\$ 1,995,072	\$ 2,021,589	\$ (26,517)

As of June 30, 2011, the District's COPs were rated Aa3 by Moody's Investors Service, A by Standard and Poor's Corporation and A plus by Fitch Investor Service, respectively, among the highest ratings held by a Florida School District.

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

### ECONOMIC FACTORS

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

## ***THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA***

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### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

#### **REQUESTS FOR INFORMATION**

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

# **Broward County Public Schools**



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For Tomorrow's World***

# Basic Financial Statements

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



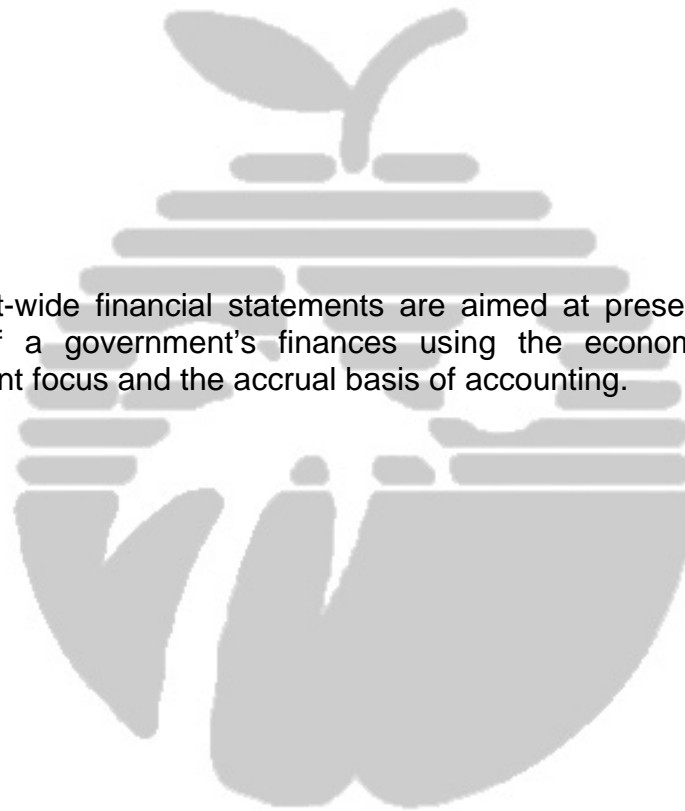
# **Broward County Public Schools**



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# **Government-Wide Financial Statements ("GWFS")**

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



# **Broward County Public Schools**



***Educating Today's Students  
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**STATEMENT OF NET ASSETS**  
**AS OF JUNE 30, 2011**  
(in thousands)

	TOTAL GOVERNMENTAL ACTIVITIES	COMPONENT UNITS
<b>ASSETS:</b>		
<b>Current assets:</b>		
Cash, cash equivalents and investments	\$ 740,043	\$ 24,590
Due from other governmental agencies	136,797	1,630
Due from other schools	-	1,683
Accrued interest receivable	480	-
Inventories	12,552	-
Prepays	12,329	6,577
Other assets	6,109	22,635
Total current assets	<u>908,310</u>	<u>57,115</u>
<b>Non-current assets:</b>		
Deferred charges	21,866	-
Capital assets:		
Non-depreciable	436,205	-
Depreciable, net	2,754,399	27,597
Total non-current assets	<u>3,212,470</u>	<u>27,597</u>
<b>Total assets</b>	<u>4,120,780</u>	<u>84,712</u>
Deferred swap outflow (GASB 53)	32,682	-
<b>Total assets and deferrals</b>	<u>4,153,462</u>	<u>84,712</u>
<b>LIABILITIES:</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	124,882	7,554
Accrued payroll taxes and withholding	24,595	1,445
Matured debt and interest payable	99,120	-
Due to other governmental agencies	11,668	-
Due to other schools	-	750
Retainage payable	13,229	-
Unearned revenue	7,889	2,670
Tax arbitrage rebate payable	1,996	-
Management fees payable	-	204
Obligations under capital leases	7,379	-
Liability for compensated absences	19,225	-
Debt, net of premiums and discounts	75,075	1,304
Estimated liability for self-insurance risks	22,330	-
Other liabilities	-	1,758
Total current liabilities	<u>407,388</u>	<u>15,685</u>
<b>Non-current liabilities:</b>		
Obligations under capital leases	16,361	-
Liability for compensated absences	148,336	-
Debt, net of premiums and discounts	1,941,367	36,768
Estimated liability for self-insurance risks	21,552	-
Other post-employment benefits obligations	37,008	-
Derivatives swap liability (GASB 53)	32,682	-
Total non-current liabilities	<u>2,197,306</u>	<u>36,768</u>
<b>Total liabilities</b>	<u>2,604,694</u>	<u>52,453</u>
<b>NET ASSETS:</b>		
Invested in capital assets, net of related debt	1,459,470	11,849
Restricted for:		
State required carryover programs	4,660	-
Debt service	15,310	-
Capital projects	126,574	-
Special revenue	19,626	-
Scholarships	-	5,766
Unrestricted (deficit)	(76,872)	14,644
<b>Total net assets</b>	<u>\$ 1,548,768</u>	<u>\$ 32,259</u>

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

**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**  
(in thousands)

	EXPENSES	PROGRAM REVENUES	
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS
<b>PROGRAM EXPENSES AND REVENUES:</b>			
<b>PRIMARY GOVERNMENT:</b>			
Instructional services	\$ 1,544,961	\$ 21,169	\$ -
Instructional support services	236,635	-	-
Pupil transportation services	93,605	1,114	-
Operation and maintenance of plant	247,447	-	-
School administration	134,051	-	-
General administration	92,854	-	-
Food services	93,200	23,025	73,666
Facilities acquisition & construction-non capitalized	24,517	-	-
Interest expense	102,841	-	-
Total governmental activities	<u>\$ 2,570,111</u>	<u>\$ 45,308</u>	<u>\$ 73,666</u>
<b>COMPONENT UNITS:</b>			
Component units	\$ 127,092	\$ 6,121	\$ 18,101
Total component units	<u>\$ 127,092</u>	<u>\$ 6,121</u>	<u>\$ 18,101</u>
<b>GENERAL REVENUES:</b>			
Ad valorem taxes levied for:			
General purposes			
Debt service			
Capital outlays			
Grants and contributions not restricted to specific programs:			
Florida education finance program			
Other			
Other unrestricted federal sources			
Other unrestricted state sources			
Other unrestricted local sources			
Unrestricted investment earnings			
Total general revenues			
<b>Change in net assets</b>			
<b>Total net assets, beginning of year</b>			
<b>Total net assets, end of year</b>			

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

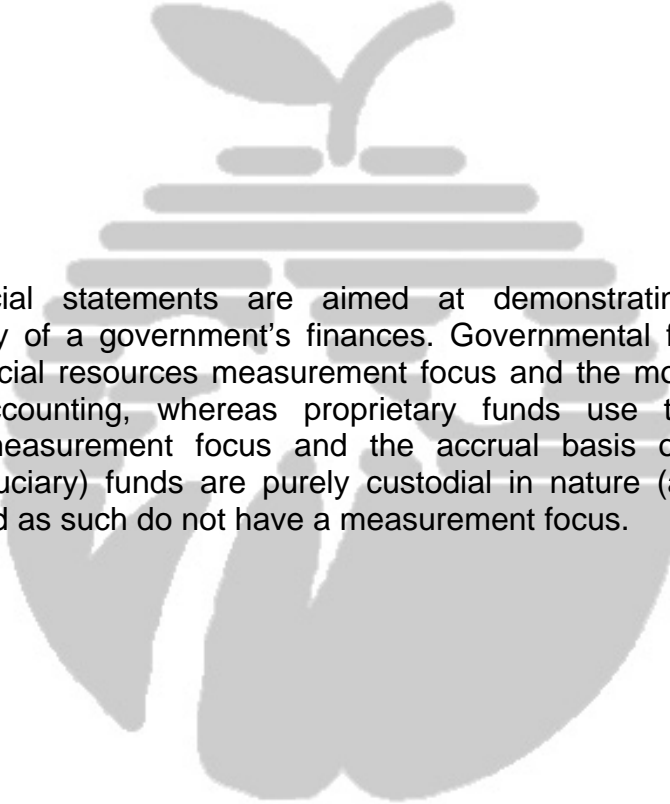
PROGRAM REVENUES	NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS	
	TOTAL PRIMARY GOVERNMENT	COMPONENT UNITS
\$ -	\$ (1,523,792)	\$ -
-	(236,635)	-
-	(92,491)	-
-	(247,447)	-
-	(134,051)	-
-	(92,854)	-
-	3,491	-
17,193	(7,324)	-
10,077	(92,764)	-
<u>\$ 27,270</u>	<u>(2,423,867)</u>	<u>-</u>
\$ 6,518	\$ -	\$ (96,352)
<u>\$ 6,518</u>	<u>\$ -</u>	<u>\$ (96,352)</u>
	\$ 831,155	\$ -
	51	-
	200,622	-
	611,112	-
	-	10,665
	381,178	709
	312,309	93,163
	34,035	2,725
	4,472	348
	<u>2,374,934</u>	<u>107,610</u>
	(48,933)	11,258
	<u>1,597,701</u>	<u>21,001</u>
	<u>\$ 1,548,768</u>	<u>\$ 32,259</u>

# **Broward County Public Schools**



***Educating Today's Students  
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# Fund Financial Statements ("FFS")



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



**BALANCE SHEET  
GOVERNMENTAL FUNDS  
AS OF JUNE 30, 2011  
(in thousands)**

	GENERAL FUND	ARRA ECONOMIC STIMULUS SPECIAL REVENUE FUND	COP SERIES DEBT SERVICE FUND	ARRA ECONOMIC STIMULUS DEBT SERVICE FUND
<b>ASSETS:</b>				
Equity in pooled cash and investments	\$ 166,824	\$ 31	\$ 202	\$ 27
Cash and investments with trustees	-	-	105,240	4,066
Total cash, cash equivalents and investments	166,824	31	105,442	4,093
Due from other governmental agencies	41,693	31,916	-	-
Due from other funds	46,655	-	-	-
Accrued interest receivable	233	-	-	-
Inventories	10,571	-	-	-
Other assets	3,025	-	-	-
<b>Total assets</b>	<u>\$ 269,001</u>	<u>\$ 31,947</u>	<u>\$ 105,442</u>	<u>\$ 4,093</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable and accrued expenditures	\$ 111,079	\$ 1,229	\$ 10	\$ -
Accrued payroll taxes and withholdings	24,595	-	-	-
Tax arbitrage payable	-	-	-	-
Due to other governmental agencies	11,662	-	-	-
Due to other funds	-	30,687	-	-
Deferred revenue	13,579	9	-	-
Retainage payable	-	22	-	-
Matured debt and interest payable	-	-	94,963	4,031
Liability for compensated absences	8,255	-	-	-
<b>Total liabilities</b>	<u>169,170</u>	<u>31,947</u>	<u>94,973</u>	<u>4,031</u>
<b>Fund balances:</b>				
Nonspendable	10,571	-	-	-
Restricted	4,660	-	10,469	62
Committed	2,103	-	-	-
Assigned	25,497	-	-	-
Unassigned	57,000	-	-	-
<b>Total fund balance</b>	<u>99,831</u>	<u>-</u>	<u>10,469</u>	<u>62</u>
<b>Total liabilities and fund balance</b>	<u>\$ 269,001</u>	<u>\$ 31,947</u>	<u>\$ 105,442</u>	<u>\$ 4,093</u>

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

**Exhibit 3 (concluded)**

<b>LOCAL MILLAGE CAPITAL IMPROVEMENT FUND</b>	<b>ARRA ECONOMIC STIMULUS CAPITAL PROJECT FUND</b>	<b>OTHER CAPITAL IMPROVEMENT FUND</b>	<b>OTHER GOVERNMENTAL FUNDS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
\$ 97,923	\$ 407	\$ 3,758	\$ 25,765	\$ 294,937
-	95,803	195,985	-	401,094
97,923	96,210	199,743	25,765	696,031
10,173	-	2,239	50,776	136,797
-	-	2,965	-	49,620
161	-	28	18	440
-	-	-	1,968	12,539
894	-	761	272	4,952
<u>\$ 109,151</u>	<u>\$ 96,210</u>	<u>\$ 205,736</u>	<u>\$ 78,799</u>	<u>\$ 900,379</u>
\$ 1,828	\$ 1,624	\$ 4,313	\$ 4,776	\$ 124,859
-	-	-	-	24,595
-	-	63	-	63
-	-	6	-	11,668
-	2,965	-	15,872	49,524
3,155	-	-	6,832	23,575
3,047	2,514	7,213	433	13,229
-	-	-	-	98,994
-	-	-	114	8,369
8,030	7,103	11,595	28,027	354,876
-	-	-	1,968	12,539
101,121	89,107	192,337	46,597	444,353
-	-	-	-	2,103
-	-	1,804	2,207	29,508
-	-	-	-	57,000
101,121	89,107	194,141	50,772	545,503
<u>\$ 109,151</u>	<u>\$ 96,210</u>	<u>\$ 205,736</u>	<u>\$ 78,799</u>	<u>\$ 900,379</u>

# **Broward County Public Schools**



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

**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE  
STATEMENT OF NET ASSETS  
AS OF JUNE 30, 2011  
(in thousands)**

Total fund balances - governmental funds \$ 545,503

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

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

Land	\$	228,096	
Land improvements- nondepreciable		123,968	
Land improvements, net of \$80,236 accumulated depreciation		220,428	
Broadcast license intangible		3,600	
Buildings and fixed equipment, net of \$1,064,835 accumulated depreciation		2,419,845	
Furniture, fixtures and equipment, net of \$354,294 accumulated depreciation		44,021	
Assets under capital lease, net of \$35,272 accumulated depreciation		19,568	
Audio/visual, net of \$606 accumulated depreciation		320	
Computer software, net of \$24,232 accumulated depreciation		32,034	
Motor vehicles, net of \$76,365 accumulated depreciation		18,178	
Construction in progress		80,541	
			3,190,599

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

Ad valorem taxes - General Fund		12,531	
Ad valorem taxes - Capital Projects funds		3,058	
Miscellaneous revenue - Capital Projects funds		97	
			15,686

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

13,555

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

Balances at June 30, 2011 are:			
Accrued interest on long-term debt		(126)	
Certificates of participation		(1,907,842)	
Debt premiums and discounts, net		(45,110)	
Debt issuance costs		15,686	
Bonds payable		(63,490)	
Deferred COBI Bonds (non-defeased)		6,180	
Capital leases payable		(23,740)	
Compensated absences		(159,193)	
Other post-employment benefits (OPEB)		(37,008)	
Tax arbitrage payable		(1,932)	
Total long-term liabilities			(2,216,575)

Total net assets of governmental activities \$ 1,548,768

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

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

(in thousands)

	GENERAL FUND	ARRA ECONOMIC STIMULUS SPECIAL REVENUE FUND	COP SERIES DEBT SERVICE FUND	ARRA ECONOMIC STIMULUS DEBT SERVICE FUND
<b>REVENUES:</b>				
<b>Local sources:</b>				
Ad valorem taxes	\$ 818,624	\$ -	\$ -	\$ -
Food sales	-	-	-	-
Interest on investments	2,913	-	550	-
Other	52,227	-	-	-
Total local sources	873,764	-	550	-
<b>State sources:</b>				
Florida education finance program	611,112	-	-	-
Public education capital outlay	-	-	-	-
Discretionary lottery funds	1,003	-	-	-
Categorical programs and other	310,178	-	-	-
Total state sources	922,293	-	-	-
<b>Federal sources:</b>				
Food service	-	-	-	-
Grants and other	9,220	204,804	-	-
Total federal sources	9,220	204,804	-	-
<b>Total revenues</b>	<b>1,805,277</b>	<b>204,804</b>	<b>550</b>	<b>-</b>
<b>EXPENDITURES:</b>				
<b>Current operating:</b>				
Instructional services	1,156,534	162,816	-	-
Instructional support services	166,725	12,848	-	-
Pupil transportation services	87,849	-	-	-
Operation and maintenance of plant	238,310	517	-	-
School administration	107,994	21,913	-	-
General administration	89,650	6,535	-	-
Food services	-	175	-	-
Total current operating	1,847,062	204,804	-	-
<b>Debt service:</b>				
Principal retirement	-	-	72,393	-
Interest charges and other	99	-	87,238	7,747
Total debt service	99	-	159,631	7,747
<b>Capital outlay</b>				
<b>Total expenditures</b>	<b>1,847,161</b>	<b>204,804</b>	<b>159,631</b>	<b>7,747</b>
Excess (deficiency) of revenues over (under) expenditures	(41,884)	-	(159,081)	(7,747)
<b>OTHER FINANCING SOURCES (USES):</b>				
Premium on refunding bonds	-	-	-	-
Refunding bonds issued	-	-	-	-
Certificates of participation	-	-	175,510	-
Premium(discount) on long-term debt issued	-	-	8,924	-
Sale of capital assets	-	-	-	-
Other loss recoveries	-	-	-	-
Payments to refunded bond escrow agent	-	-	(182,890)	-
Transfers in	78,546	-	164,560	7,809
Transfers out	(6,281)	-	(3,763)	-
<b>Total other financing sources (uses)</b>	<b>72,265</b>	<b>-</b>	<b>162,341</b>	<b>7,809</b>
Net change in fund balances	30,381	-	3,260	62
<b>Fund balances, beginning of year</b>	<b>69,450</b>	<b>-</b>	<b>7,209</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$ 99,831</b>	<b>\$ -</b>	<b>\$ 10,469</b>	<b>\$ 62</b>

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

**Exhibit 4 (concluded)**

<b>LOCAL MILLAGE CAPITAL IMPROVEMENT FUND</b>	<b>ARRA ECONOMIC STIMULUS CAPITAL PROJECT FUND</b>	<b>OTHER CAPITAL IMPROVEMENT FUND</b>	<b>OTHER GOVERNMENTAL FUNDS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
\$ 197,564	\$ -	\$ -	\$ 51	\$ 1,016,239
-	-	-	23,025	23,025
579	23	154	55	4,274
5,509	-	5,228	3,636	66,600
<u>203,652</u>	<u>23</u>	<u>5,382</u>	<u>26,767</u>	<u>1,110,138</u>
-	-	-	-	611,112
-	-	-	5,000	5,000
-	-	-	-	1,003
-	-	10,837	13,914	334,929
-	-	10,837	18,914	952,044
-	-	-	65,604	65,604
-	-	94	173,770	387,888
-	-	94	239,374	453,492
<u>203,652</u>	<u>23</u>	<u>16,313</u>	<u>285,055</u>	<u>2,515,674</u>
-	-	-	121,021	1,440,371
-	-	-	41,927	221,500
-	-	-	1,583	89,432
-	-	-	165	238,992
-	-	-	64	129,971
-	-	-	6,074	102,259
-	-	-	88,963	89,138
-	-	-	259,797	2,311,663
-	-	-	7,160	79,553
-	421	74	3,089	98,668
-	421	74	10,249	178,221
17,567	37,384	49,191	17,021	121,163
17,567	37,805	49,265	287,067	2,611,047
<u>186,085</u>	<u>(37,782)</u>	<u>(32,952)</u>	<u>(2,012)</u>	<u>(95,373)</u>
-	-	-	1,124	1,124
-	-	-	6,995	6,995
-	51,645	-	-	227,155
-	-	-	-	8,924
146	-	1,855	-	2,001
-	-	2,289	-	2,289
-	-	-	(8,145)	(191,035)
200	-	90	69	251,274
(198,689)	(271)	(35,565)	(6,705)	(251,274)
(198,343)	51,374	(31,331)	(6,662)	57,453
(12,258)	13,592	(64,283)	(8,674)	(37,920)
113,379	75,515	258,424	59,446	583,423
<u>\$ 101,121</u>	<u>\$ 89,107</u>	<u>\$ 194,141</u>	<u>\$ 50,772</u>	<u>\$ 545,503</u>

# **Broward County Public Schools**



***Educating Today's Students  
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**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(in thousands)**

Total net change in fund balances - governmental funds \$ (37,920)

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

Governmental funds report capitalizable and non-capitalizable capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capitalized capital outlays (\$96,646) exceeded depreciation (\$135,787) and deleted assets (\$2,441) in the current period. (41,582)

Debt proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the Statement of Activities, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Assets.

Debt proceeds	\$ (62,371)	
Principal payments	79,553	
	<u>          </u>	
Total net bond proceeds		17,182

Internal service funds are used by the District to charge the costs of services, such as workmans' compensation insurance and printing services, to individual funds. The net income (loss) of internal service funds is reported within the governmental activities. 4,214

In the Statement of Activities, certain operating expenses - compensated absences (vacation and sick leave) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amount actually paid) and for new retirees, the amount expected to be paid out for terminal sick leave over the next year. This year, the long-term portion of vacation and sick leave earned changed the amounts used by \$599.

Net change in compensated absences	(599)
Net change in post-employment benefits obligation	(9,034)

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

Ad valorem taxes - General Fund	12,531	
Ad valorem taxes - Capital Projects funds	3,058	
Miscellaneous revenue - Capital Projects funds	97	
	<u>          </u>	
		15,686

Accrual of the additional tax arbitrage payable do not require the use of current financial resources and therefore are not reported in governmental funds. (1,932)

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

Accrued interest on long-term debt - prior year	156	
Accrued interest on long-term debt - current year	(126)	
	<u>          </u>	
		30

Reversal of prior year's accruals:

Tax arbitrage liability		1,933
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Debt issuance costs and premiums/discounts are expensed as paid in the governmental funds but must be capitalized and amortized in the government-wide presentation. 3,089

Change in net assets of governmental activities \$ (48,933)

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



**STATEMENT OF NET ASSETS  
 PROPRIETARY FUNDS  
 AS OF JUNE 30, 2011  
 (in thousands)**

	<u>INTERNAL SERVICE FUNDS</u>
<b>ASSETS:</b>	
<b>Current assets:</b>	
Equity in pooled cash and investments	\$ 44,012
Accrued interest receivable	40
Inventories	13
Other assets	13,486
<b>Total current assets</b>	<u>57,551</u>
<b>Noncurrent assets:</b>	
Furniture and equipment (net of accumulated depreciation)	5
<b>Total assets</b>	<u>57,556</u>
<b>LIABILITIES:</b>	
<b>Current liabilities:</b>	
Accounts payable and accrued expenses	118
Estimated liability for self-insured risks	22,331
<b>Total current liabilities</b>	<u>22,449</u>
<b>Long-term liabilities:</b>	
Estimated liability for self-insured risks	21,552
<b>Total liabilities</b>	<u>44,001</u>
<b>NET ASSETS:</b>	
Invested in capital assets	5
Unrestricted	13,550
<b>Total net assets</b>	<u>\$ 13,555</u>

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

**STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(in thousands)**

	<u>INTERNAL SERVICE FUNDS</u>
<b>OPERATING REVENUES:</b>	
Premium revenues	\$ 44,854
Charges for services	70,508
Other	1,766
<b>Total operating revenues</b>	<u>117,128</u>
<b>OPERATING EXPENSES:</b>	
Claims	18,924
Insurance	16,855
Personnel services	71,065
Depreciation	3
Other	6,267
<b>Total operating expenses</b>	<u>113,114</u>
<b>Operating income</b>	4,014
<b>NON-OPERATING REVENUE:</b>	
Interest and other	<u>200</u>
<b>Net income</b>	4,214
<b>Total net assets, beginning of year</b>	<u>9,341</u>
<b>Total net assets, end of year</b>	<u>\$ 13,555</u>

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

**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**  
**(in thousands)**

	<b>INTERNAL SERVICE FUNDS</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash received from governmental customers	\$ 116,889
Cash payments for goods and services	(43,890)
Cash payments to employees	(71,065)
Net cash provided (used) by operating activities	<u>1,934</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest received on investments	<u>200</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>2,134</b>
<b>CASH AND CASH EQUIVALENTS:</b>	
Beginning of year	<u>41,878</u>
End of year	<u>\$ 44,012</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>	
Operating Income	\$ 4,014
Adjustments to reconcile operating income to net cash used by operating activities:	
Depreciation	3
Change in assets and liabilities:	
Decrease in interest receivable	37
Increase in other assets	(162)
Decrease in accounts payable and accrued expenditures	(322)
Decrease in estimated liability for self-insured risks	(1,636)
<b>Net cash provided (used) by operating activities</b>	<u>\$ 1,934</u>

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

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**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AS OF JUNE 30, 2011**  
**(in thousands)**

	<u><b>AGENCY FUND</b></u>
<b>ASSETS:</b>	
Equity in pooled cash and investments	\$ 5,415
Cash and cash equivalents	7,983
Interest receivable	5
<b>Total assets</b>	<u><u>\$ 13,403</u></u>
<b>LIABILITIES:</b>	
Accounts payable	\$ 760
Due to individual schools and activities groups	12,643
<b>Total liabilities</b>	<u><u>\$ 13,403</u></u>

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

# **Broward County Public Schools**



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

# **THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

## **NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

#### **A. FINANCIAL REPORTING ENTITY**

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

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

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

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

**Discretely Presented Component Units** - The Foundation, a non-profit direct-support organization of the District, is included as a discretely presented component unit in the accompanying basic financial statements. The purpose of the Foundation is exclusively educational and charitable, namely, to receive, hold, invest and administer property and to make expenditures for the benefit of the District. In addition, the Foundation is fiscally dependent on the District to provide financial support for its ongoing operating expenses. An audit of the Foundation financial statements, for the fiscal year ended June 30, 2011, was conducted by an independent certified public accountant and is on file at the District's administrative office.

Additionally, in accordance with Section 1002.33, Florida Statutes, district school boards are authorized to approve charter ("Charter") school applications. Charter schools are public schools operating under a performance contract with the local school district and are fiscally dependent on the District for a majority of their funding. Revenues such as Florida Education Finance Program ("FEFP"), State Categoryals and other State and Federal revenue sources are received by the District on behalf of the Charter schools and then remitted to them. As such, Charter schools are funded on the same basis and are subject to the same financial reporting requirements as the District. Additionally, all students enrolled in Charter schools are included in the District's total enrollment. To date, the District has approved the establishment of

## ***THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA***

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### **NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

seventy-six Charter schools, of which, sixty-eight were operating sites in fiscal year 2011. All of the Charter schools are considered component units of the District or another legal entity. For financial reporting purposes, sixty-three of the Charter schools are included in the basic financial statements of the District as discretely presented component units. Audits of the Charter school's financial statements, for the fiscal year ended June 30, 2011 were conducted by independent certified public accountants and are on file at the District's administrative office. The audited financial information for Charter Institute Training Center charter school was not reported to the District as of the date of publication of the CAFR.

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

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

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

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

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

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

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

Amounts reported as program revenues include 1) charges to students for tuition fees, rentals, materials, supplies, or services provided, 2) operating grants and contributions, and 3) capital grants and contributions. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

## **THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

***Fund Financial Statements*** – Governmental fund financial statements are prepared using the current financial resource measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred. The principal exceptions to this general rule are: (a) interest on long-term debt is recognized as an expenditure when due; and (b) expenditures related to long-term debt are recognized when due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

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

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

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

When applying the “susceptible to accrual” concept under the modified accrual basis, resources should also be available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

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

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

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

The fund statements provide information about the District’s funds, including fiduciary funds. Separate statements for each fund category – governmental, proprietary and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds rather than reporting funds by type. Each major fund is reported in a separate column. Non-major funds are aggregated and reported in a single column. Currently, the District does not have any funds classified as enterprise funds. The District reports the following major funds:

#### **GENERAL FUND**

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



## **THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

#### **AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)**

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

#### **DEBT SERVICE FUND – CERTIFICATE OF PARTICIPATION SERIES**

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

#### **AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) DEBT SERVICE FUND**

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

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

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

#### **CAPITAL PROJECTS FUNDS – OTHER CAPITAL IMPROVEMENT FUNDS**

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

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

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

The District also reports the following additional fund types:

#### **PROPRIETARY FUNDS – INTERNAL SERVICE FUNDS**

Internal Service Funds are used to account for the financing of goods or services provided by one department to another on a cost reimbursement basis. These funds are used to account for the general and automobile liability self-insurance, workers compensation, and other services provided to other District funds. Proprietary funds are included in the governmental activities in the government-wide financial statements.

#### **FIDUCIARY FUND – AGENCY FUND**

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

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

### **C. DEPOSITS AND INVESTMENTS**

The District maintains an accounting system in which substantially all general District cash, investments, and accrued interest are recorded and maintained in a separate group of accounts. All such cash and

**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

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**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

investments are reflected as "Equity in Pooled Cash and Investments" in each fund in the accompanying financial statements. Investment income is allocated based on the proportionate balances of each fund's Equity in Pooled Cash and Investments.

Cash equivalents include amounts in demand and time accounts as well as cash on hand. For purposes of the statement of cash flows, cash and cash equivalents also include highly liquid investments with a maturity of three months or less at the date of purchase.

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

**D. INVENTORIES AND PREPAIDS**

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

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

**E. CAPITAL ASSETS**

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

The estimated useful lives are as follows:

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

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

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

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

The District is required annually to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. Such events or changes

## **THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

in circumstances that may be indicative of impairment include evidence of physical damage, enactment or approval of laws or regulations or other changes in environmental factors, technological changes or evidence of obsolescence, changes in manner or duration of use of a capital asset, and construction stoppage. A capital asset is considered impaired when its service utility has declined significantly and unexpectedly.

#### **F. REVENUE RECOGNITION**

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

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

The state allocates gross receipts taxes, generally known as PECO money, to the District on an annual basis for capital and other projects. The District is authorized to expend these funds only upon applying for and receiving an encumbrance authorization from the FDOE. PECO and Classroom for Kids revenues are recognized at the time the encumbrance authorization is approved by the State (i.e., when eligibility criteria are satisfied).

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

#### **G. DEFERRED REVENUE**

Delinquent property taxes, net of uncollected amounts, are deferred until received in the fund financial statements. In the government-wide financial statements, property tax revenue is recognized in the period earned (when levied).

#### **H. COMPENSATED ABSENCES**

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

# **THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

## **NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

The current portion represents the estimated terminal sick-leave amount that is due to, and has not been paid out to, employees who have retired on or prior to June 30, 2011.

The non-current portion (the amount estimated to be used in subsequent fiscal years) of \$159.2 million for the governmental funds is maintained separately and represents a reconciling item between the fund financial statements and government-wide financial statements.

### **I. SELF INSURANCE**

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

### **J. FUND EQUITY**

The GASB Statement No. 54 ("GASB 54"), "Fund Balance Reporting and Governmental Fund Type Definitions", addresses issues with the past reporting of the fund balance. Additionally, GASB 54 establishes consistency in the fund balance information reported by many governments, and enables financial statement users to readily interpret reported fund balance information.

The District implemented GASB 54 effective for the fiscal year 2010-2011 and has disclosed information about fund balance reporting in a subsequent note on fund balance reporting (see Note 20 of the Notes to the Basic Financial Statements).

### **K. MANAGEMENT'S USE OF ESTIMATES**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

## **2. BUDGETARY POLICIES**

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

- (1) Budgets are prepared, public hearings are held, and original budgets are adopted annually for all governmental fund types in accordance with procedures and time intervals prescribed by law and State Board of Education rules.
- (2) The major functional level is the legal level of budgetary control. Budgeted amounts may be amended by resolution at any Board meeting prior to the due date for the annual financial report. General Fund budgetary disclosure in the accompanying financial statements reflects the final budget including all amendments approved for the fiscal year through September 7, 2011.
- (3) Project length budgets, such as in the Capital Projects Funds, are determined and then are fully appropriated in their entirety in the year the project is approved. For the beginning of the following year, any unexpended appropriations for a project from the prior year are re-appropriated. This process is repeated from year to year until the project is completed.
- (4) Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward, if applicable, to the following year for the General Fund and are closed after a three month period.

# **THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

## **NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

### **3. DEPOSITS AND INVESTMENTS**

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

#### **Cash and Cash Equivalents:**

As of June 30, 2011, the carrying amount of the District's bank deposit account was \$28.6 million. Banks qualified as public depositories under the Florida Security for Public Deposits Act as required by Chapter 280, Florida Statutes, hold all deposits.

Cash Equivalents consist of amounts placed with the State Board of Administration (SBA) for participation in the Local Government Surplus Funds Trust Fund investment pool created by Section 218.405 Florida Statutes. In November 2007, the District liquidated all investments with the SBA and purchased shares of Columbia Government Reserves. Subsequently, the District diversified and added Fidelity and Federated Government Obligations managed by Bank of America Securities, LLC, as well as Public Financial Management Government Funds. All money market funds are comprised of U.S. Treasury and U.S. Government Obligations that are backed by the full faith and credit of the U.S. Government. At June 30, 2011, the aggregate of the money market funds held by the District totaled \$18.2 million.

Cash and investments at June 30, 2011 are shown below (in thousands):

	Governmental Funds	Internal Service Funds	Total Government- Wide	Agency Fund
Fixed investments – Federal Treasuries & Agency Securities & Corporate Notes	\$ 261,311	\$ 39,200	\$ 300,511	\$ 4,823
Investments not subject to categorization:				
Funds held by Trustee for Certificates of Participation for debt service	109,306	-	109,306	-
Funds held by Trustee for Certificates of Participation issued by the Corporation	291,788	-	291,788	-
Funds held in trust by the State	1,539	-	1,539	-
Money Market Account	15,578	2,337	17,915	288
Total investments	679,522	41,537	721,059	5,111
Total deposits	16,509	2,475	18,984	8,287
Total cash, cash equivalents and investments	\$ 696,031	\$ 44,012	\$ 740,043	\$ 13,398

#### **Credit Risk:**

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

## **THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

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

As of June 30, 2011, the District's investment securities had the following ratings as shown in the chart below (dollars in thousands):

Investments	Fair Market Value	S&P Rating
Short term portfolio:		
Money Market:		
Bank of America	\$ 15,051	A+
PFM Funds-Government Series	3,152	AAAm
Corporate Notes	18,260	AAA-,AA-
Commercial Paper	9,968	A-1
Federal Instrumentalities Coupon Securities	40,004	AAA
Federal Instrumentalities Discounted Notes	136,828	AAA
Treasury Bonds and Notes	14,007	Not Rated
Long term portfolio:		
Corporate Notes	15,183	AAA, AA+,AA-
Federal Instrumentalities Coupon Securities	54,519	AAA
Treasury Bonds and Notes	14,127	Not Rated
Municipal Bonds	2,438	AA

The District's bank balance of \$28.6 million is deposited in a qualified public depository, as required by Chapter 280, Florida Statutes.

The District's investments are in accordance with all investment policies as of June 30, 2011.

#### **Interest Rate Risk:**

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

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

**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

The District's money market account is tied to Federal Funds. The following table shows the District's short term portfolio weighted average maturity at June 30, 2011 (dollars in thousands):

Investments	Fair Market Value	Maturity		Weighted Average Maturity
		Less than 1 Year	2 Years	
Money Market Accounts:				
Bank of America	\$ 15,051	\$ 15,051	\$ -	N/A
PFM Funds-Government Series	3,152	3,152	-	50 Day Average
Total	\$ 18,203	\$ 18,203	\$ -	

The Short Term Portfolio uses the Weighted Average Maturity.

The following table shows the District's long term portfolio effective duration at June 30, 2011:

Investments	Effective Duration
Corporate Notes	0.860
Commercial Paper	0.209
Federal Instrumentalities Coupon Securities	0.893
Federal Instrumentalities Discounted Notes	0.492
Treasury Bonds and Notes	0.764
Municipal Bonds	1.715
Average effective duration	0.682

The Long Term Portfolio uses the Effective Duration.

**Concentration of Credit Risk:**

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

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

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

U.S. Government Securities:

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

These securities include but are not limited to:

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

## **THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

#### U.S. Government Agencies:

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

#### Federal Instrumentalities (U.S. Government sponsored agencies):

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

#### Interest Bearing Time Deposit or Savings Account:

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

#### Corporate Notes:

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



**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

The following table shows the composition of the District's investments at June 30, 2011, excluding funds held in trust (dollars in thousands).

Investments	Fair Market Value	Percentage of Portfolio
Short term investments:		
Money Market Accounts:		
Bank of America	\$ 15,051	4.65%
PFM Funds-Government Series	3,152	.97%
Corporate Notes:		
General Electric	13,199	4.08%
JP Morgan Chase	5,061	1.56%
Commercial Paper:		
Citigroup Global Markets	9,968	3.08%
Federal Instrumentalities Coupon Securities:		
Federal Farm Credit Bank	40,004	12.36%
Federal Agency Discounted Notes:		
Federal Home Loan Bank	56,693	17.53%
Federal Home Loan Mortgage Corporation	60,093	18.57%
Federal National Mortgage Association	20,042	6.19%
Treasury Bonds & Notes	14,007	4.33%
Long term investments:		
Corporate Notes:		
Bank of New York Mellon	4,038	1.25%
Bershire Hathaway	827	.26%
General Electric	3,989	1.23%
Johnson and Johnson	1,013	.31%
Wal-Mart Stores Global Notes	4,036	1.25%
Wells Fargo	315	.10%
XTO Energy Incorporation	965	.30%
Federal Instrumentalities Coupon Securities:		
Federal Farm Credit Bank	16,851	5.21%
Federal Home Loan Mortgage Corporation	17,798	5.50%
Federal National Mortgage Association	19,870	6.15%
Treasury Bonds and Notes	14,127	4.37%
Municipal Bonds		
New York, New York	2,438	.75%
Total investments	\$ <u>323,537</u>	<u>100.00%</u>

**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

**Custodial Risk:**

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

As of June 30, 2011, the District's investment portfolio was held by Wells Fargo (formerly Wachovia Safekeeping), a third party custodian, as required by the School Board's investment policy.

**4. DUE TO/FROM OTHER GOVERNMENTAL AGENCIES**

At June 30, 2011, the District's due to/from other governmental agencies balances are as follows (in thousands):

	General Fund	ARRA Economic Stimulus Funds	Local Millage Capital Improvement Funds	Other Capital Improvement Funds	Other Governmental Funds	Total
Due from other governments:						
Federal Government:						
Miscellaneous Federal	\$ 239	\$ 31,916	\$ -	\$ -	\$ 17,611	\$ 49,766
State Government:						
Food Reimbursement	-	-	-	-	2,438	2,438
Classrooms for Kids	-	-	-	-	12,931	12,931
Public Education Capital Outlay	-	-	-	-	17,398	17,398
Miscellaneous State	2	-	-	118	-	120
Local Government:						
Taxes Receivable	41,452	-	10,173	-	5	51,630
Miscellaneous Local	-	-	-	2,121	393	2,514
Total due from other governmental agencies	\$ 41,693	\$ 31,916	\$ 10,173	\$ 2,239	\$ 50,776	\$ 136,797
Due to other governments:						
Florida Retirement System						
Contribution	\$ 11,662	\$ -	\$ -	\$ -	\$ -	\$ 11,662
Miscellaneous	-	-	-	6	-	6
Total due to other governmental agencies	\$ 11,662	\$ -	\$ -	\$ 6	\$ -	\$ 11,668

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At June 30, 2011, the various components of deferred revenue reported in the government-wide statements and the governmental funds were as follows (in thousands):

	Unearned Revenue Government-Wide	Deferred Revenue Governmental Funds
Delinquent property taxes receivable - General Fund	\$ -	\$ 12,531
Delinquent property taxes receivable - Capital Projects Fund	-	3,058
Interlocal Agreements	-	97
PECO Receivable	6,688	6,688
Grant draw downs prior to meeting all eligibility requirements	1,201	1,201
	\$ 7,889	\$ 23,575

# THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

## NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

### 5. AD VALOREM TAXES

The District is authorized by Florida Statutes to levy property taxes for District operations, capital improvements and debt service. Property taxes consist of ad valorem taxes on real and personal property within the District. Property taxes are assessed by the Broward County Property Appraiser and are collected by the Broward County Revenue Collector who remits them to the District. The Board adopted the 2010 tax levy on September 16, 2010.

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

On April 1 of the year following the year of assessment, taxes become delinquent and Florida Statutes provide for enforcement of collection of personal property taxes by seizure of the property to satisfy unpaid taxes and for enforcement of collection of real property taxes by the sale of interest-bearing certificates to satisfy unpaid taxes. The District recognizes revenue during the fiscal year following the year of assessment. Accordingly, substantially all of the taxes assessed on January 1, 2010 have been recognized during the fiscal year ended June 30, 2011.

The following is a summary of millages and taxes levied on the final 2010 tax rolls for the fiscal year 2011 (dollars in thousands):

	<u>Millages</u>	<u>Taxes</u>			
		<u>Levied</u>	<u>Collected</u>	<u>Uncollected, net</u>	<u>Prior Years Taxes Collected</u>
<u>General Funds</u>					
Non-voted School Tax:					
Required Local Effort	5.133	\$ 714,487	\$ 675,416	\$ 10,491	\$ 10,376
Discretionary Local Effort	0.748	104,117	98,424	1,529	1,512
Critical Need Operating	0.250	34,799	32,896	511	-
	<u>6.131</u>	<u>\$ 853,403</u>	<u>\$ 806,736</u>	<u>\$ 12,531</u>	<u>\$ 11,888</u>
<u>Capital Project Funds</u>					
Non-voted School Tax:					
Capital Improvements	<u>1.500</u>	<u>\$ 208,789</u>	<u>\$ 197,382</u>	<u>\$ 3,058</u>	<u>\$ 181</u>
<u>Debt Service Funds</u>					
Voted Tax:					
Debt Service	<u>0.000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51</u>

The State Constitution limits the non-voted levying of taxes by the District to 10 mills (\$10.00 per thousand of assessed valuation). State law prescribes the upper limit of non-voted taxes to be levied on an annual basis, with the fiscal year 2011, limit being 7.631 mills, which includes up to 1.50 mills for the Capital Projects Funds. The voter approved levy for debt service is limited to 6.0 mills; for fiscal year 2011, no taxes for debt service were levied.

The total assessed value for calendar year 2010, on which the fiscal 2011 levy was based, was approximately \$139.2 billion, which is subject to change based upon appeals to the Broward County Value Adjustment Board.

The Broward County Revenue Collector is not required by law to make an accounting to the District of the difference between taxes levied and taxes collected. The State required the District to budget at a 96.0% collection rate, however, the actual property taxes collected or accrued for fiscal year 2011 were 94.5% of the taxes levied.

# **THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

## **NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

### **6. CAPITAL ASSETS**

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

	Balance 06/30/2010	Additions	Deletions	Transfers	Balance 06/30/2011
<b>Primary Government:</b>					
Capital assets not being depreciated:					
Land	\$ 228,014	\$ 82	\$ -	\$ -	\$ 228,096
Land improvements	117,912	294	-	5,762	123,968
Construction in progress	128,978	69,055	(2,441)	(115,051)	80,541
Broadcast license intangible	3,600	-	-	-	3,600
Total capital assets not being depreciated	<u>478,504</u>	<u>69,431</u>	<u>(2,441)</u>	<u>(109,289)</u>	<u>436,205</u>
Other capital assets:					
Land improvements	274,851	1,941	-	23,872	300,664
Buildings and fixed equipment	3,394,303	4,960	-	85,417	3,484,680
Furniture, fixtures and equipment	404,899	13,797	(20,381)	-	398,315
Assets under capital leases	50,723	5,117	-	-	55,840
Audio visual	935	137	(146)	-	926
Computer software	61,356	844	(5,934)	-	56,266
Motor vehicles:					
Buses	67,690	-	(388)	-	67,302
Other	26,843	419	(21)	-	27,241
Total other capital assets at historical cost	<u>4,281,600</u>	<u>27,215</u>	<u>(26,870)</u>	<u>109,289</u>	<u>4,391,234</u>
Less accumulated depreciation for:					
Land improvements	(67,822)	(12,414)	-	-	(80,236)
Buildings and fixed equipment	(985,341)	(79,494)	-	-	(1,064,835)
Furniture, fixtures and equipment	(349,774)	(24,901)	20,381	-	(354,294)
Assets under capital leases	(28,301)	(7,971)	-	-	(36,272)
Audio visual	(567)	(185)	146	-	(606)
Computer software	(24,527)	(5,639)	5,934	-	(24,232)
Motor vehicles:					
Buses	(52,433)	(3,241)	388	-	(55,286)
Other	(19,158)	(1,942)	21	-	(21,079)
Total accumulated depreciation*	<u>(1,527,923)</u>	<u>(135,787)</u>	<u>26,870</u>	<u>-</u>	<u>(1,636,840)</u>
Total other capital assets, net	<u>2,753,677</u>	<u>(108,572)</u>	<u>-</u>	<u>109,289</u>	<u>2,754,394</u>
Total primary government, net	<u>3,232,181</u>	<u>(39,141)</u>	<u>(2,441)</u>	<u>-</u>	<u>3,190,599</u>
<b>Internal service fund:</b>					
Machinery and equipment	451	1	(44)	-	408
Accumulated depreciation*	(443)	(4)	44	-	(403)
Total Internal service fund, net	<u>8</u>	<u>(3)</u>	<u>-</u>	<u>-</u>	<u>5</u>
Total capital assets, net	<u>\$ 3,232,189</u>	<u>\$ (39,144)</u>	<u>\$ (2,441)</u>	<u>\$ -</u>	<u>\$ 3,190,604</u>

\*Depreciation expense was recorded in the following governmental functions:

Instructional services	\$ 98,376
Instructional support services	14,143
Pupil transportation services	3,784
Operation and maintenance of plant	7,661
School administration	3,393
General administration	2,178
Food services	6,256
Total depreciation expense	<u>\$ 135,791</u>

# THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

## NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

### 7. INTERFUND TRANSACTIONS

**Interfund Transfers.** A summary of interfund transfers for the fiscal year ended June 30, 2011 is as follows (in thousands):

	Transfers In				Total
	General Fund	Major Debt Service Funds	Major Capital Funds	Other Governmental Funds	
Transfers Out:					
General Fund	\$ -	\$ 5,922	\$ 290	\$ 69	\$ 6,281
COPS Series Debt Service Funds	-	3,763	-	-	3,763
Local Millage Capital Improvement Funds	58,022	140,667	-	-	198,689
ARRA Economic Stimulus Capital Project Funds	-	271	-	-	271
Other Capital Improvement Funds	13,819	21,746	-	-	35,565
Other Governmental Funds	6,705	-	-	-	6,705
Total Primary Government	\$ 78,546	\$ 172,369	\$ 290	\$ 69	\$ 251,274

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

**Interfund Receivables and Payables.** Individual fund receivable and payable balances as reported in the Governmental Funds Balance Sheet at June 30, 2011 are as follows (in thousands):

	Payable Fund				Total
	ARRA Economic Stimulus	ARRA Economic Stimulus Capital Projects	Other Governmental Funds	Internal Service Funds	
Receivable Fund:					
General Fund	\$ 30,687	\$ -	\$ 15,872	\$ 96	\$ 46,655
Other Capital Improvement Funds	-	2,965	-	-	2,965
Total	\$ 30,687	\$ 2,965	\$ 15,872	\$ 96	\$ 49,620

Interfund receivables and payables relate to the funding of expenditures paid by the various funds on behalf of other funds.

### 8. TAX ANTICIPATION NOTES

On October 19, 2010, the District issued Tax Anticipation Notes ("TANS"), Series 2010. The \$125.0 million note proceeds were used to pay fiscal year 2011 operating expenditures prior to the receipt of ad valorem taxes. Interest costs incurred on the life of this issue for the year ended June 30, 2011 were \$0.3 million, with the effective yield of 0.33%. There was no arbitrage rebate due on the TANS, Series 2010. The notes came due January 13, 2011.

Short-term debt activity for the year ended June 30, 2011 was as follows (in thousands):

	Beginning Balance July 1, 2010	Issued	Redeemed	Ending Balance June 30, 2011
Tax Anticipation Notes	\$ -	\$ 125,000	\$ 125,000	\$ -

**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

**9. CAPITAL LEASES**

Property acquired under capital leases, which is stated at acquisition cost, is included in the government-wide financial statements. At June 30, 2011, the various components of property acquired under capital leases reported in the government-wide statements were as follows (in thousands):

	<u>Amount</u>
Furniture, fixtures and equipment	\$ 31,116
Buses	<u>24,724</u>
Subtotal	55,840
Equipment – Encumbered	<u>2,642</u>
Total	<u>\$ 58,482</u>

The following is a summary of changes in capital leases for the fiscal year ended June 30, 2011 (in thousands):

	Interest Rate	Final Maturity Date	June 30, 2010	Increases	Decreases	June 30, 2011
School buses	4.35%	06/30/2012	\$ 2,346	-	\$ (1,147)	\$ 1,199
Computer equipment	4.11%	03/17/2011	1,200	-	(1,200)	-
Computer equipment	4.61%	05/01/2011	2,782	-	(2,782)	-
Computer equipment	3.71%	12/18/2012	2,349	-	(914)	1,435
School buses	4.06%	12/18/2016	7,097	-	(975)	6,122
Computer equipment	3.27%	06/30/2014	1,271	-	(303)	968
Computer equipment	3.27%	06/30/2014	2,651	-	(631)	2,020
Buses/Equipment	4.13%	11/01/2014	<u>15,120</u>	-	<u>(3,124)</u>	<u>11,996</u>
Total capital leases			<u>\$ 34,816</u>	<u>\$ -</u>	<u>\$ (11,076)</u>	<u>\$ 23,740</u>
Less: portion due within one year						<u>(7,379)</u>
Total capital leases due in more than one year						<u>\$ 16,361</u>

The following is a summary of the future minimum lease payments under capital leases together with the present value of minimum lease payments as of June 30, 2011 (in thousands):

<u>Fiscal Year</u>	<u>Amount</u>
2012	\$ 8,253
2013	6,520
2014	6,024
2015	3,111
2016	1,253
2017	<u>626</u>
Total minimum lease payments	25,787
Less:	
Amount representing interest	<u>(2,047)</u>
<b>Present value of minimum lease payments</b>	<u>\$ 23,740</u>

The amount representing interest was calculated using annual rates ranging from 3.27% to 4.61%.

# THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

## NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

### 10. NON-CURRENT DEBT

The following is a summary of changes in non-current debt for the fiscal year ended June 30, 2011 (in thousands):

	Interest Rate	Final Maturity Date	June 30, 2010	Increases	Decreases	June 30, 2011	Amounts Due Within One Year
<b>Bonds payable:</b>							
<b>Capital outlay bond issues:</b>							
Series 2001A	4.10-5.25%	01/01/2021	\$ 1,635	\$ -	\$(1,635)	\$ -	\$ -
Series 2002A	3.00-5.00%	01/01/2022	6,950	-	(375)	6,575	395
Series 2002B	3.38-5.38%	01/01/2015	12,085	-	(2,610)	9,475	2,740
Series 2003A	3.00-5.00%	01/01/2023	7,685	-	(340)	7,345	375
Series 2005A	3.00-5.00%	01/01/2017	24,875	-	(3,010)	21,865	3,150
Series 2005B	3.50-5.00%	01/01/2020	3,430	-	(355)	3,075	355
Series 2006A	3.50-5.00%	01/01/2026	280	-	(30)	250	35
Series 2008A	3.25-5.00%	01/01/2028	4,615	-	(65)	4,550	65
Series 2009A- New Money	2.00-5.00%	01/01/2029	1,150	-	(30)	1,120	35
Series 2009A- Refunding	2.00-5.00%	01/01/2019	2,485	-	(245)	2,240	250
Series 2010A- Refunding	4.00-5.00%	01/01/2022	-	6,995	-	6,995	100
Total capital outlay bond issues			<u>65,190</u>	<u>6,995</u>	<u>(8,695)</u>	<u>63,490</u>	<u>7,500</u>
<b>Certificates of participation:</b>							
Series 1997A	4.50-5.75%	07/01/2011	7,320	-	(7,320)	-	-
Series 1997B	4.50-5.25%	07/01/2011	8,015	-	(8,015)	-	-
Series 2000 QZAB (i)		12/20/2013	1,051	-	(350)	701	351
Series 2001A	3.00-5.50%	07/01/2026	179,620	-	(135,630)	43,990	-
Series 2001 QZAB (ii)		06/28/2014	1,105	-	(368)	737	368
Series 2001B	3.00-5.375%	07/01/2026	107,085	-	(55,155)	51,930	-
Series 2003A	2.00-5.25%	07/01/2028	170,535	-	(6,165)	164,370	6,450
Series 2004A	2.00-5.25%	07/01/2017	50,505	-	(6,295)	44,210	6,570
Series 2004B	5.00-5.25%	07/01/2017	71,920	-	-	71,920	6,810
Series 2004C	2.50-5.25%	07/01/2020	75,535	-	(6,505)	69,030	6,755
Series 2004D	Variable	07/01/2029	113,825	-	-	113,825	-
Series 2004 QZAB (iii)		12/22/2020	584	-	(53)	531	53
Series 2005A	3.00-5.00%	07/01/2030	168,590	-	(6,850)	161,740	7,170
Series 2005B	Variable	07/01/2021	44,460	-	-	44,460	-
Series 2006A	4.00-5.25%	07/01/2028	202,105	-	-	202,105	8,280
Series 2006B	Variable	07/01/2031	65,000	-	-	65,000	-
Series 2007A	3.50-5.00%	07/01/2032	249,805	-	(8,190)	241,615	8,485
Series 2008A	3.15-5.25%	07/01/2033	270,560	-	-	270,560	7,355
Series 2009A T-E	5.00-5.25%	07/01/2027	20,140	-	-	20,140	-
Series 2009A BAB	7.40%	07/01/2034	63,910	-	-	63,910	-
Series 2009A QSCB (iv)		07/01/2024	49,913	-	-	49,913	-
Series 2010A QSCB	6.45%	07/01/2027	-	51,645	-	51,645	-
Series 2011A	2.00-5.00%	07/01/2024	-	175,510	-	175,510	4,085
Total certificates of participation			<u>1,921,583</u>	<u>227,155</u>	<u>(240,896)</u>	<u>1,907,842</u>	<u>62,732</u>
Total bonds and certificates of participation payable			\$ <u>1,986,773</u>	\$ <u>234,150</u>	\$ <u>(249,591)</u>	<u>1,971,332</u>	
Add: net premium/discount						45,110	4,843
Less: amounts due within one year						(75,075)	
Add: interest rate swap – fair value (GASB 53)						32,682	
Total debt, net of premiums and discounts						\$ <u>1,974,049</u>	\$ <u>75,075</u>

- (i) Interest on the Series 2000 QZAB is paid by the Federal government in the form of an annual tax credit to the bank or other financial institution that holds the QZAB. Annual payments of \$350,712 will be made for twelve consecutive years, being deposited in an escrow account held by a fiscal agent, which when coupled with interest earnings and net appreciation in market value will be sufficient to pay off the principal balance of the QZAB, in full, at maturity on December 20, 2013.
- (ii) Interest on the Series 2001 QZAB is paid by the Federal government in the form of an annual tax credit to the bank or other financial institution that holds the QZAB. Annual payments of \$368,121 will be made for twelve consecutive years, beginning on June 30, 2002, which will pay off the principal balance of the QZAB, in full, by its maturity on June 28, 2014.
- (iii) Interest on the Series 2004 QZAB is paid by the Federal government in the form of an annual tax credit to the bank or other financial institution that holds the QZAB. Annual payments of \$53,062 will be made for sixteen consecutive years, being deposited in an escrow account held by a fiscal agent, which when coupled with interest earnings and net appreciation in market value will be sufficient to pay off the principal balance of the QZAB, in full, at maturity on December 22, 2020.

## ***THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA***

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### **NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

- (iv) Series 2009A-QSCBs (Qualified School Construction Bonds) are issued with principal only repaid by the District (no interest) and the investor receives a tax credit in lieu of interest payment. Annual payments of \$4,540,000 will be made for eleven consecutive years, being deposited in an escrow account held by a fiscal agent. The Series 2009A-QSCB will mature on July 1, 2024.

The capital outlay bond issues (COBI) are retired by the State on behalf of the District. The bonds mature serially and are secured by a pledge of the District's share of revenue from the sale of license plates. The State Board of Administration determines the sinking fund requirements for these bonds annually. The sinking fund, maintained in the COBI Debt Service Fund, at June 30, 2011 was \$1.5 million.

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

On July 23, 2010, the District issued the Certificates of Participation, Series 2010A (Qualified School Construction Bonds – Federally Taxable – Issuer Subsidy) for \$51.6 million less issuance costs of \$0.6 million. This is the second financing under the ARRA of 2009, which was recently amended by the "Hiring Incentives to Restore Employment Act". The first financing, referred to below, offered investors a federal tax credit. This financing offered investors taxable current interest payments, subsidized by the U.S. Treasury, so that the interest cost to the District will be minimal. The Certificates are liquidated through the COP-Series Debt Service Fund from the proceeds of the capital millage levied by the District. See Note 12 of the Notes to the Basic Financial Statements for further discussion of the Certificates.

The issuance of Certificates of Participation (the "Certificates"), Series 2009A-Tax-Exempt for \$20.1 million less issuance costs of \$0.1 million, was entered into on June 17, 2009. The Series 2009A-Tax Exempt is a conventional Fixed Rate Certificate. See Note 12 of the Notes to the Basic Financial Statements for further discussion of the Certificates.

On June 17, 2009, the District also issued the Certificates of Participation, Series 2009A-BAB (Federally Taxable-Direct Payment-Build America Bonds) for \$63.9 million less issuance costs of \$0.3 million. The Build America Bonds (BABs) program is designed to improve access to the capital markets for tax-exempt borrowers. The program allows the District to issue taxable debt and receive a direct tax subsidy from the U.S. Treasury equaling 35% of the interest on the bonds. The Certificates are liquidated through the COP-Series Debt Service Fund from the proceeds of the capital millage levied by the District. See Note 12 of the Notes to the Basic Financial Statements for further discussion of the Certificates.

Simultaneously with the issuance of the Series 2009A-Tax-Exempt Certificates and the Series 2009A-BAB Certificates on June 17, 2009, the District privately placed the Certificates of Participation (the "Certificates"), Series 2009A-QSCB (Qualified School Construction Bonds) for \$49.9 million less issuance costs of \$0.3 million. The Series 2009A-QSCB Certificates are non-interest bearing obligations, and are issued as "principal only", i.e. the principal is repaid by the District. Investors receive tax credits in lieu of interest on the bonds. The Certificates are liquidated through the COP-Series Debt Service Fund from the proceeds of the capital millage levied by the District. See Note 12 of the Notes to the Basic Financial Statements for further discussion of the Certificates.

The Tax Reform Act of 1986 requires local units of government to rebate to the federal government the income (in excess of interest costs) received from investing proceeds on substantially all tax-exempt debt issued subsequent to August 1986. Such rebate of cumulative arbitrage earnings must be paid every five years until such time as the proceeds have been expended. For the fiscal year ended June 30, 2011, the District's accrued liability for rebatable arbitrage is \$2.0 million.



# **THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

## **NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

Annual requirements to amortize all bond issues outstanding as of June 30, 2011 excluding the Certificates are as follows (in thousands):

<u>Year Ending June 30,</u>	<u>Capital Outlay Bond Issue</u>	<u>Total Interest</u>	<u>Total Principal &amp; Interest</u>
2012	\$ 7,500	\$ 2,744	\$ 10,244
2013	8,230	2,709	10,939
2014	8,645	2,302	10,947
2015	7,080	1,870	8,950
2016	6,745	1,523	8,268
2017-2021	18,310	3,802	22,112
2022-2026	5,740	827	6,567
2027-2029	1,240	92	1,332
Total	<u>\$ 63,490</u>	<u>\$ 15,869</u>	<u>\$ 79,359</u>

### **11. DEFEASED DEBT**

In order to capitalize on favorable market conditions, the District issued \$175.5 million in Certificates of Participation, Series 2011A on June 9, 2011. The proceeds were used to refund a portion of the following: Certificates of Participation, Series 1997A; Certificates of Participation, Series 2001A and Certificates of Participation, Series 2001B. The net proceeds of \$182.9 million (par amount plus original issue premium of \$8.9 million and less \$1.5 million in underwriting fees insurance fees and other costs of issuance) plus an additional \$2.8 million of legally available funds associated with the refunded certificates were deposited into an irrevocable escrow and used to redeem the refunded certificates. As a result, the certificates are considered to be defeased and the liability for those certificates has been removed from the Statement of Net Assets.

The Series 2011A Certificates were issued to reduce the total debt service over the next 13 years by \$10.7 million and to obtain an economic gain (difference between the present value of the debt service payment on the old and new debt) of \$8.3 million.

In fiscal year 2011, the FDOE issued State Board of Education (SBE), Capital Outlay Bonds (COBI), Series 2010A, on October 14, 2010 for \$53.4 million. A portion of these bonds totaling \$22.9 million was used to refund \$8.3 million of the SBE COBI, Series 2001A and \$17.2 million of the SBE COBI, Series 2002A. The District's portion of Series 2010A totaled \$7.0 million and was used to refund \$1.5 million of the District's portion of the Series 2001A and \$6.2 million of the District's portion of the Series 2002A.

On September 7, 2011, the FDOE notified the District that the payment to bond escrow agent for the refunding of the callable portion of the Series 2002A bond issue was invested in the state treasury, which is not considered essentially risk-free in accordance with GASB Statement 7. Therefore, the refunding of the callable portion of the Series 2002A was not considered an in-substance defeasance. As a result, the total outstanding amount of the Series 2002A is still considered outstanding and is presented as a long-term liability on the government-wide financial statements. On the other hand, the refunding of the callable portion of the Series 2001A is considered an in-substance defeasance since this bond issue has been retired on January 1, 2011. As a result, the liability for the Series 2001A has been removed from the District's government-wide financial statements.

The COBI Series 2010A were issued to reduce the total debt service over the next 11 years by approximately \$3.4 million. The economic gain associated with the refunding of the 2001A bond issue was approximately \$1.0 million for the State. The District's portion resulted in a reduction of \$1.1 million over the next 11 years. The economic gain associated with the refunding of the District's share of the Series 2001A is approximately \$0.1 million.

In fiscal year 2010, the FDOE notified the District that the COBI Series 1999A were defeased by a portion of the bond proceeds received from the issuance of the SBE COBI Series 2009A. The SBE COBI Series 2009A, dated August 15, 2009, were issued for \$52.9 million. A portion of these bonds totaling \$39.4 million was used to refund \$42.1 million of the SBE COBI Series 1999A. The District's portion of Series 2009A bonds totaled \$2.8 million, net of issuance costs, was placed in an irrevocable trust to provide future debt service payments. As a result, the

## **THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

COBI Bonds, Series 1999A of \$2.9 million were considered to be defeased, and the liability for these bonds has been removed from the District's government-wide financial statements.

The COBI Series 2009A were issued to reduce the total debt service over the next 10 years by approximately \$3.6 million and to obtain an economic gain of \$3.2 million. The District's portion resulted in a reduction of \$0.3 million over the next 10 years and \$0.2 million in economic gain.

#### **12. OBLIGATION UNDER LEASE PURCHASE AGREEMENT-CERTIFICATES OF PARTICIPATION**

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

In June 2011, the Corporation issued Certificate Series 2011A in the amount of \$175.5 million. The Series 2011A was issued to refund a portion of the outstanding Certificates of Participation pertaining to Series 1997B, Series 2001A and Series 2001B. The District is expected to reduce total debt service over the next 13 years by approximately \$10.7 million.

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

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

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

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

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

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

## ***THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA***

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### **NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

In March 2008, the Corporation remarketed Series 2004D and Series 2006B. Certificates of Participation, Series 2004D and Series 2006B were both originally issued as Auction Rate Securities. The deterioration of the sub-prime mortgage market and the subsequent credit crisis that followed began to adversely impact the Auction Rate Securities market in 2007. On February 12, 2008, the School Board approved a resolution to convert the Auction Rates Securities to Variable Demand Obligations in order to save on interest costs.

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

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

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

On December 20, 2000, the Corporation sold Certificates, Series 2000 Qualified Zone Academy Bonds ("QZAB") in an aggregate principal amount of \$6.4 million of which \$4.2 million in principal will be repaid due to a guarantee investment contract. On June 28, 2001, Certificate Series 2001-QZAB were sold for \$4.4 million. On December 22, 2004, the District sold Series 2004-QZAB for \$1.0 million of which \$848,000 in principal will be repaid pursuant to the Trust Agreement. Issuance costs incurred were \$70,000, \$80,000, and \$56,000, respectively.

The District deposits funds annually in escrow for QZAB 2000 which, when coupled with interest earnings, will be sufficient to pay off the principal, which is due at maturity. There is no interest to be paid on the QZAB as the certificate holders receive Federal tax credits in lieu of interest payments. The total deposits and interest earned on securities held in escrow had a market value of \$5.9 million as of June 30, 2011.

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

# ***THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA***

## **NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

A summary of the lease terms are presented as follows:

<u>Certificates</u>	<u>Lease Term</u>
Series 2000 QZAB	December 20, 2013 as to the Facilities
Series 2001A	June 30, 2026 as to the Facilities
Series 2001 QZAB	June 28, 2014 as to the Facilities
Series 2001B	June 30, 2026 as to the Facilities
Series 2003A	June 30, 2028 as to the Facilities
Series 2004A-Refunding	June 30, 2017 as to the Facilities
Series 2004B-Refunding	June 30, 2017 as to the Facilities
Series 2004C	June 30, 2020 as to the Facilities
Series 2004D	June 30, 2029 as to the Facilities
Series 2004 QZAB	December 22, 2020 as to the Facilities
Series 2005A	June 30, 2030 as to the Facilities
Series 2005B	June 30, 2021 as to the Facilities
Series 2006A	June 30, 2028 as to the Facilities
Series 2006B	June 30, 2031 as to the Facilities
Series 2007A	June 30, 2032 as to the Facilities
Series 2008A	June 30, 2033 as to the Facilities
Series 2009A-Tax Exempt	July 01, 2027 as to the Facilities
Series 2009A-BAB	July 01, 2034 as to the Facilities
Series 2009A-QSCB	July 01, 2024 as to the Facilities
Series 2010A-QSCB	July 01, 2027 as to the Facilities
Series 2011A-Refunding	July 01, 2024 as to the Facilities

The Series 2001A, 2001B, 2004A, 2004B, 2004C, 2004D, 2005A, 2005B, 2006A, 2006B and 2008A Certificates are insured by Financial Security Assurance, Inc. The Series 2003A Certificates are insured by Municipal Bond Investors Assurance Corporation. The Series 2007A and Series 2009A-Tax Exempt are insured by Municipal Bond Investors Financial Guaranty Insurance Company. The Series 2009A-BAB Certificates and the Series 2009A-QSCB Certificates are not guaranteed under the financial guaranty insurance policy. The Series 2010A-QSCB Certificates are not insured by any municipal bond insurance policy. The Series 2011A Certificates are insured by Assured Guaranty.

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

# THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

## NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

The remaining obligation, as of June 30, 2011, through maturity to the holders of the Certificates, which will be serviced by the annual lease payments, is as follows (in thousands):

Year Ending June 30,	Series 2000 QZAB	Series 2001A	Series 2001 QZAB	Series 2001B	Series 2003A	Series 2004A
2012	\$ 350	\$ 2,199	\$ 368	\$ 2,596	\$ 14,561	\$ 8,725
2013	351	2,199	369	2,596	14,558	8,722
2014	-	2,199	-	2,596	14,559	8,726
2015	-	2,200	-	2,597	14,562	8,721
2016	-	2,200	-	2,597	14,559	8,725
2017-2021	-	10,997	-	12,982	72,796	8,725
2022-2026	-	53,915	-	61,176	72,807	-
2027-2031	-	-	-	-	29,117	-
2032-2036	-	-	-	-	-	-
Subtotal	701	75,909	737	87,140	247,519	52,344
Less: Interest	-	(31,919)	-	(35,210)	(83,149)	(8,134)
Total Principal	\$ 701	\$ 43,990	\$ 737	\$ 51,930	\$ 164,370	\$ 44,210

Year Ending June 30,	Series 2004B	Series 2004C	Series 2004D	Series 2004 QZAB	Series 2005A	Series 2005B
2012	\$ 10,509	\$ 10,141	\$ 4,582	\$ 53	\$ 14,929	\$ 1,778
2013	14,854	10,128	4,582	53	14,931	1,778
2014	15,198	10,128	4,582	53	14,933	1,778
2015	15,198	10,030	4,582	53	14,933	1,778
2016	15,204	10,136	4,582	53	14,932	1,778
2017-2021	15,198	36,561	37,028	266	33,315	50,243
2022-2026	-	-	73,921	-	83,545	-
2027-2031	-	-	44,507	-	66,835	-
2032-2036	-	-	-	-	-	-
Subtotal	86,161	87,124	178,366	531	258,353	59,133
Less: Interest	(14,241)	(18,094)	(64,541)	-	(96,613)	(14,673)
Total Principal	\$ 71,920	\$ 69,030	\$ 113,825	\$ 531	\$ 161,740	\$ 44,460

Year Ending June 30,	Series 2006A	Series 2006B	Series 2007A	Series 2008A	Series 2009A T-E	Series 2009A BAB
2012	\$ 18,122	\$ 2,796	\$ 20,118	\$ 20,401	\$ 1,034	\$ 4,729
2013	18,118	2,796	20,113	20,405	1,034	4,729
2014	18,122	2,796	20,114	20,401	1,034	4,729
2015	18,120	2,796	20,110	20,403	1,034	4,729
2016	18,120	2,796	20,117	20,405	1,034	4,729
2017-2021	90,598	13,978	90,751	102,018	5,168	23,647
2022-2026	90,598	13,978	88,291	102,017	17,621	23,647
2027-2031	29,024	75,633	88,286	102,018	7,762	52,826
2032-2036	-	-	17,660	40,808	-	36,078
Subtotal	300,822	117,569	385,560	448,876	35,721	159,843
Less: Interest	(98,717)	(52,569)	(143,945)	(178,316)	(15,581)	(95,933)
Total Principal	\$ 202,105	\$ 65,000	\$ 241,615	\$ 270,560	\$ 20,140	\$ 63,910

# THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

## NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

Year Ending June30,	Series 2009A QSCB	Series 2010A QSCB	Series 2011A	Total
2012	\$ -	\$ 3,332	\$ 13,203	\$ 154,526
2013	-	3,332	8,511	154,159
2014	4,540	3,332	8,511	158,331
2015	4,540	3,332	8,512	158,230
2016	4,540	3,332	8,512	158,351
2017-2021	22,700	37,319	138,680	802,970
2022-2026	13,593	42,483	74,595	812,187
2027-2031	-	8,497	-	504,505
2032-2036	-	-	-	94,546
Subtotal	49,913	104,959	260,524	2,997,805
Less: Interest	-	(53,314)	(85,014)	(1,089,963)
Total Principal	\$ 49,913	\$ 51,645	\$ 175,510	\$ 1,907,842

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

### 13. INTEREST RATE SWAPS

The District is a party to two interest rate swap agreements recorded in the financial statements in accordance with the recently issued GASB Statement No. 53 ("GASB 53"), "Accounting and Financial Reporting for Derivative Instruments", which was in effect for periods beginning with fiscal year ended June 30, 2010. All derivatives are to be reported in the Statement of Net Assets at fair value, and all hedges must be tested for effectiveness to qualify for hedge accounting. Depending on the test results, the change in fair value is either reported in the Statement of Net Assets, or in the Statement of Activities.

The District engaged an independent party to perform the valuation and required tests on these two swaps, and both swaps qualify for hedge accounting. Therefore, the change in fair value of the interest rate swaps for the period ended June 30, 2011 was reported as a derivative swap liability of \$32.7 million, offset by a corresponding deferred outflow account in the Statement of Net Assets. The option for cancelling these swaps is only available to the District and not to the Counterparty. Following are disclosures of key aspects of these agreements:

#### A. Certificates of Participation, Series 2006B

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

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

Fair Value – The swap had a negative fair value of \$13.9 million as of June 30, 2011.

# THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

## NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

Swap Payments and Associated Debt – Using rates as of June 30, 2011, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term, were as follows. As rates vary, variable rate bond interest payments and net swap payments will vary.

(dollars in thousands)

Year Ending June 30,	Series 2006B Principal	Interest Rate		
		Interest (1)	Swaps, Net (2)	Total
2012	\$ -	\$ 195	\$ 2,601	\$ 2,796
2013	-	195	2,601	2,796
2014	-	195	2,601	2,796
2015	-	195	2,601	2,796
2016	-	195	2,601	2,796
2017-2021	-	975	13,003	13,978
2022-2026	-	975	13,003	13,978
2027-2031	65,000	742	9,891	75,633
Total	\$ 65,000	\$ 3,667	\$ 48,902	\$ 117,569

(1) Assumes variable interest rate of 0.30% (actual rate on 6/30/11).

(2) Assumes fixed swap rate (payment) of 4.13% and variable swap rate (receipt) of 0.13%.

Credit Risk – As of June 30, 2011, the District was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change and the fair value of the swap becomes positive, the District would be exposed to credit risk in the amount of the derivative's fair value. The swap agreement contains a collateral agreement with the Counterparty. To mitigate the potential for credit risk, if a Counterparty's credit rating from either Standard & Poor's (S & P) and/or Moody's Investors Services is "A+"/A1, respectively or lower, and the fair value of the swap reaches certain threshold amounts, the swap requires collateralization of the fair value of the swap by the Counterparty with U. S. Government Securities. Collateral would be posted with a third party custodian.

Swap Counterparty Data as of June 30, 2011  
(dollars in thousands)

Counterparty	Swap Notional Amount	Credit Rating		Swap Fair Value
		Moody's	S&P	
JP Morgan Chase Bank, N.A.	\$ 65,000	Aa1	AA-	\$ (13,924)

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

Termination Risk – The District has the option to terminate the swap prior to its expiration date for any reason. The Counterparty may terminate the swap if the District fails to perform under the terms of the contract. If the swap is terminated, the Series 2006B certificates would no longer carry a synthetic fixed interest rate, and would be subject to the interest rate risk associated with variable rate debt. Also, if at the time of termination, the swap has a negative fair value, the District would be liable to the Counterparty for payment equal to the swap's fair value.

# THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

## NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

### B. Certificates of Participation, Series 2004D

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

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

Fair Value – The swap had a negative fair value of \$18.8 million as of June 30, 2011.

Swap Payments and Associated Debt – Using rates as of June 30, 2011, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term, were as follows. As rates vary, variable rate bond interest payments and net swap payments will vary.

Year Ending June 30,	(dollars in thousands)			
	Series 2004D Principal	Interest (1)	Interest Rate Swaps, Net (2)	Total
2012	\$ -	\$ 341	\$ 4,241	\$ 4,582
2013	-	341	4,241	4,582
2014	-	341	4,241	4,582
2015	-	341	4,241	4,582
2016	-	341	4,241	4,582
2017-2021	14,275	1,696	21,057	37,028
2022-2026	58,400	1,157	14,364	73,921
2027-2029	41,150	250	3,107	44,507
Total	\$ 113,825	\$ 4,808	\$ 59,733	\$ 178,366

(1) Assumes variable interest rate of 0.30% (actual rate on 6/30/2011).

(2) Assumes fixed swap rate (payment) of 3.85% and variable swap rate (receipt) of 0.12%.

Credit Risk – As of June 30, 2011, the District was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change and the fair value of the swap become positive, the District would be exposed to credit risk in the amount of the derivative's fair value. The swap agreement contains a collateral agreement with the Counterparty. To mitigate the potential for credit risk, if a Counterparty's credit rating from either Standard & Poor's (S & P) and Moody's Investors Services is "A+"/A1, respectively or lower, and the fair value of the swap reaches certain threshold amounts, the swap requires collateralization of the fair value of the swap by the Counterparty with U. S. Government Securities. Collateral would be posted with a third party custodian.

#### Swap Counterparty Data as of June 30, 2011

(dollars in thousands)

Counterparty	Swap Notional Amount	Credit Rating		Swap Fair Value
		Moody's	S&P	
Citibank, N.A., New York	\$ 113,825	A1	A+	\$ (18,578)



# **THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

## **NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

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

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

### **14. COMPENSATED ABSENCES**

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

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

At June 30, 2011, the estimated current liability for accumulated sick leave including retirement and social security contributions was \$8.3 million and \$0.1 million in the General Fund and Special Revenue Funds, respectively. The balance of compensated absences payable from future resources was \$27.0 million for accumulated vacation leave and \$132.2 million for accumulated sick leave and are only reflected in the governmental activities in the government-wide presentation. The net change between the prior year balance and the current year balance of the non-current portion was recorded in the government-wide statements as a current year expense.

The following is a summary of changes in the liability for compensated absences for the fiscal year ended June 30, 2011 (in thousands):

Balance - June 30, 2010		\$ 166,367
Additions		83,138
Reductions		(81,944)
Balance - June 30, 2011		<u>167,561</u>
Less:		
Amount due within one year		
Current portion (modified accrual basis)	\$ 8,368	
Non-current portion		159,193
Other amount due within one year	<u>10,857</u>	
Total due in more than one year		<u>\$ 148,336</u>
Total amount due within one year (full accrual basis)	<u>\$ 19,225</u>	

### **15. OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

In the fiscal year ending June 30, 2008, the District implemented Governmental Accounting Standard Board Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions, for certain postemployment benefits including continued coverage for the retiree and dependents in

# **THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

## **NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

the Medical/Prescription Plans as well as participation in the Dental group plan sponsored by the Employer. In addition, retirees are eligible to continue the Employer-sponsored term life insurance policy provided by the District. GASB 45's basic concept is to recognize the cost of an employee's OPEB during the period of service. As defined in the statement, a significant expense recognizing the past and future costs of providing OPEB benefits is required to be recorded annually. The requirement of this Statement was implemented prospectively, with the actuarially determined liability in the amount of \$163,550,945 on January 1, 2011, being amortized over the remaining period of 27 years. The General Fund typically has been used in prior years to liquidate the long-term liabilities associated with the net pension obligation or other postemployment benefit obligations.

**Plan Description.** The Other Postemployment Benefits Plan (Plan) operates as a single employer defined benefit plan. Eligible retirees may choose among the same Medical Plan options available for active employees of the Employer. Prescription drug coverage is automatically extended to retirees and their dependents who continue coverage under any one of the Medical Plan options. Covered retirees and their dependents are subject to all the same medical, prescription and life insurance benefits and rules for coverage as are active employees. Retirees and their dependents are permitted to remain covered under the District's respective medical plans as long as they pay the premium charged by the insurance companies for the plan and coverage elected. This conforms to the requirement for Florida governmental employers' provision of the Section 112.081, Florida Statutes. The premiums charged by the insurance company are based on a blending of the experience among younger active employees and older retired employees. Since the older retirees actually have higher costs, that means that the District is actually subsidizing the cost of the retiree coverage because it pays all or a significant portion of that premium on behalf of the active employees, providing an implicit rate subsidy. Additionally, certain retirees receive insurance coverage at a lower (explicitly subsidized) premium rate under the District's Retirement Assistance Program. The District, therefore, has assumed an obligation to pay for that implicit subsidy for the covered lifetime of the current retirees and their dependents, as well for the covered lifetime of the current employees after they retire in the future. The District does not prepare a standalone financial report for the Plan, and the Plan is not included in the report of a Public Entity Retirement System or another entity.

**Funding Policy.** The District plans to fund this postemployment benefit on a pay-as-you-go basis. For fiscal year 2010-11, approximately 1,327 retirees received post-employment benefits, and 108 retirees receive life insurance postemployment benefits. The District provided required employer contributions toward the annual OPEB cost in the amount of \$8,156,711.

**Annual OPEB Cost and Net OPEB Obligations.** The OPEB cost is calculated based on the Annual Required Contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB 45. The following is a summary of changes for the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation for the fiscal year ended June 30, 2011 (in thousands):

		<u>FY 2011</u>
Annual Required Contribution (ARC)		
Normal Cost	\$ 9,613	
Amortization of Unfunded Actuarial Accrued Liability (UAAL)	7,495	
Interest	-	
ARC		\$ 17,108
Interest on net OPEB Obligation		1,119
Adjustment to ARC		(1,036)
Annual OPEB cost (expense)		<u>17,191</u>
Less: Contributions made		<u>(8,157)</u>
Net OPEB Obligation Increase		9,034
Net OPEB Obligation, Beginning of Year		27,974
Net OPEB Obligation, End of Year		<u>\$ 37,008</u>

# THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

## NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2011, and the two preceding years were as follows (in thousands):

Fiscal Year Ended	Annual OPEB Cost	Amount Contributed	Percent of Annual OPEB Cost Contributed	Net OPEB Obligation
06/30/2009	\$ 17,214	\$ 6,288	36.53%	\$ 17,623
06/30/2010	\$ 17,525	\$ 7,174	40.94%	\$ 27,974
06/30/2011	\$ 17,190	\$ 8,157	47.45%	\$ 37,008

**Funded Status and Funding Progress.** The funded status of the plan as of June 30, 2011, was as follows (in thousands):

Actuarial Accrued Liability (a)	\$ 163,551
Actuarial Value of Assets (b)	-
Unfunded Actuarial Accrued Liability (a-b)	\$ 163,511
Funded Ratio (b)/ (a)	0.0%
Covered Payroll (Active Plan Members) (c)	\$ 1,187,368
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll ((a)-(b))/ (c)	13.77%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

Significant methods and assumptions were as follows:

Actuarial Valuation Date	January 1, 2011
Actuarial Cost Method	Entry Age Normal Cost
Amortization Method	Level Percent of Payroll
Remaining Amortization Period	27 Years, Closed
Asset Valuation Method	Plan Not Funded
Investment Return Discount Rate *	4%
Assumed Rate of Payroll Growth *	4%
Healthcare Inflation Rate	Increase of 9% for First Year, Reduced by 5% Until Ultimate Rate of 4% is reached

\* Includes a price inflation assumption of 3 percent.

# **THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

## **NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

### **16. RETIREMENT PLANS**

**Plan Description:** All regular employees of the District are covered by the Florida Retirement System, a State-administered cost-sharing multiple-employer defined benefit retirement plan ("Plan"). Plan provisions are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System Rules, Chapter 60S, Florida Administrative Code, wherein Plan eligibility, contributions, and benefits are defined and described in detail. Essentially, all regular employees of participating employers are eligible and must enroll as members of the Plan. Benefits vest at specified ages or number of years of service depending upon the employee's classification. The Plan also includes an early retirement provision but imposes a penalty for each year a member retires before the specified retirement age. The Plan provides retirement, disability, and death benefits, and annual cost-of-living adjustments, as well as supplements for certain employees to cover social security benefits lost by virtue of retirement system membership. The Plan's financial statements and required supplemental information are included in the comprehensive annual financial report of the State of Florida which may be obtained by contacting the Florida State Comptroller's Office in Tallahassee, Florida. Also, an annual report on the Plan which includes its financial statements, required supplemental information, actuarial report, and other relevant information may be obtained by contacting the Florida Department of Management Services, Division of Retirement, P.O. Box 9000, Tallahassee, Florida, 32315-9000.

The contribution rates for Plan members are established, and may be amended, by the State of Florida. For the fiscal year ended June 30, 2011, contribution rates were as follows:

Class or Plan	Contribution Rates	
	Employee	Employer <sup>(A)</sup>
Florida Retirement System, Regular	-	10.77%
Florida Retirement System, County Elected Officers	-	18.64%
Florida Retirement System, Senior Management Service	-	14.57%
Florida Retirement System, Special Risk	-	23.25%
Teachers' Retirement System, Plan E	6.25%	11.35%
State & County Officers and Employees' Retirement System, Plan A	6.00%	11.10%
State & County Officers and Employees' Retirement System, Plan B	4.00%	9.10%
Deferred Retirement Option Program	-	12.25%

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

The District's required contributions are reported in accordance with GASB Statement No. 27, "Accounting for Pensions by State and Local Governmental Employers." The District's contributions to the Plan (including employee contributions) for the fiscal years ending June 30, 2011, June 30, 2010 and June 30, 2009 totaled \$141.6 million, \$131.4 million and \$139.4 million, respectively, which were equal to the required contributions for each fiscal year.

### **17. RETIREMENT INCENTIVE PROGRAMS**

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

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

**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

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

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

A summary of the total expenditures for the fiscal year ended June 30, 2011 is as follows (dollars in thousands):

	<u>Number of Participants</u>		<u>Health Insurance*</u>		<u>Life Insurance</u>		<u>Total</u>
RAP	110	\$	704	\$	12	\$	716
Total	<u>110</u>	<u>\$</u>	<u>704</u>	<u>\$</u>	<u>12</u>	<u>\$</u>	<u>716</u>

\*Net of Florida Retirement System subsidy if applicable

The District will subsidize health and life insurance premiums for those qualified employees on an annual basis. The subsidies continue until age 65. Premium costs in excess of the subsidy are borne by the participants. The District’s expenditures are recognized in the fiscal year in which they are paid, and are not funded in advance on an actuarially determined basis. As of June 30, 2011, 110 employees participated in the District’s retirement incentive program.

Effective July 1, 1998, employees who have vested under the Plan may elect to participate in the State of Florida’s Deferred Retirement Option Program (DROP). Under DROP provisions, a participant will have his monthly retirement benefit paid directly into DROP where it will earn tax deferred interest at an effective annual rate of 6.5%, compounded monthly, for up to 60 months, except for teachers who may be granted extensions of 36 months upon the Superintendent’s approval. The participant may continue to work for the District until his pre-selected termination date or the end of the DROP period. At termination, the participant will receive a lump sum payment of his accumulated DROP benefits, and, thereafter, he will receive his monthly Plan benefit. As of June 30, 2011, 1,867 District employees were participants in the DROP incentive program.

**18. FICA ALTERNATIVE**

The District has established the FICA Alternative Retirement Plan (the “FICA Plan”), a defined contribution retirement plan, for certain temporary employees not covered under the Plan. Under provision of the Internal Revenue Code (IRC) section 3121(b)(7)(F), public employers could place employees not covered under existing employer pension plans into an alternative retirement plan in place of social security. The FICA Plan was established under IRC section 401(a) and requires a mandatory pre-tax contribution of 7.5% in lieu of social security. The FICA Plan is noncontributory for the District and eliminates the required match of social security contributions. Approximately 6,283 temporary employees are currently participating in the FICA Plan. For the period ended June 30, 2011, \$2.6 million was contributed by participating employees based on gross wages of \$35.3 million. A third party administrator administers the FICA Plan with administrative fees being paid for by the District.

# **THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

## **NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

### **19. RISK MANAGEMENT**

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

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

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

The claims liability is based on an actuarial evaluation performed by an independent actuary as of June 30, 2011 using a margin for a 50% confidence level. With the 50% confidence level, the actuary is estimating the margin necessary so that there is a 50% likelihood that the funding level will be sufficient to cover the actual liabilities. The total claims liability of \$43.9 million at June 30, 2011 includes estimated losses for all reported claims and for claims incurred but not reported.

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

	<u>2011</u>	<u>2010</u>
Balance, beginning of year	\$ 45,518	\$ 51,797
Additions:		
Estimated future claims	17,288	10,835
Reductions:		
Claims payments	(18,924)	(17,114)
	<u>43,882</u>	<u>\$ 45,518</u>
Balance, end of year		
less: portion due within one year	<u>(22,330)</u>	
Total due in more than one year	<u>\$ 21,552</u>	

# **THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

## **NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

### **20. FUND BALANCE REPORTING**

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

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

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

- Restricted fund balance includes resources constrained to a specific purpose by their external providers such as grantors and contributors, or laws and regulations.
- Committed fund balance includes resources constrained to a specific purpose by the District's highest level of decision-making authority, the School Board. These items cannot be used for any other purpose unless the Board takes action to remove or change the constraint.
- Assigned fund balance includes resources the District intends to use for a specific purpose that are not classified as nonspendable, restricted or committed. The District would record the remaining Education Jobs funds in this category, set aside to cover next year's budget deficit. In addition, encumbrances (purchase orders) were recorded as reserved fund balance in the past. The new standard changes that by recording encumbrances within an assigned fund balance category.
- Unassigned fund balance includes the remaining fund balance, or net resources, available for any purpose. Unassigned fund balance represents amounts that are not constrained in any way.

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

#### Nonspendable:

The District has \$12.5 million in inventory classified as nonspendable.

#### Spendable:

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

Florida Statutes require certain revenues to be designated for the purposes of state categorical programs, debt service, capital projects, and food service. The restricted fund balance totaling \$444.4 million represents \$4.7 million in State categorical programs, \$12.3 million in debt service, \$412.0 million in capital projects, and \$15.4 million in food service.

##### Committed for Student Enrichment Programs:

The School Board had classified \$2.1 million as the committed fund balance for the student enrichment programs.

**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

Assigned for School Operations, Miscellaneous Special Revenue, and Capital Projects:

The District has designated spendable fund balances for school operations, miscellaneous special revenue, and capital projects. The assigned fund balance is \$29.5 million of which \$25.5 million is for school operations, \$2.2 million is for miscellaneous special revenue funds, and \$1.8 million is for capital projects. The General Fund assigned fund balance includes \$3.7 million for outstanding encumbrances and \$21.8 million balance of Education Jobs federal funding set aside to cover next year's budget deficit.

Unassigned:

The District's unassigned fund balance is \$57.0 million.

The following table shows the District's fund balance classification at June 30, 2011 (in thousands):

	Major Funds							Total Governmental Funds
	General Fund	COPS Series Debt Service Fund	ARRA Economic Stimulus Debt Service Fund	Local Millage Capital Improvement Fund	ARRA Economic Stimulus Capital Project Fund	Other Capital Improvement Fund	Other Governmental Funds	
Fund Balances:								
Nonspendable:								
Inventories:								
General Fund	\$ 10,571	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	10,571
Special Revenue – Food Service	-	-	-	-	-	-	1,968	1,968
Restricted:								
State Required Carryover Programs								
	4,660	-	-	-	-	-	-	4,660
Debt Service	-	10,469	62	-	-	-	1,742	12,273
Capital Projects	-	-	-	101,121	89,107	192,337	29,404	411,969
Special Revenue – Food Service	-	-	-	-	-	-	15,451	15,451
Committed:								
Student Enrichment Programs								
	2,103	-	-	-	-	-	-	2,103
Assigned:								
School Operations:								
Encumbrances								
	3,697	-	-	-	-	-	-	3,697
Next Year Budget Deficit								
	21,800	-	-	-	-	-	-	21,800
Special Revenue – Miscellaneous								
	-	-	-	-	-	-	2,207	2,207
Capital Projects								
	-	-	-	-	-	1,804	-	1,804
Unassigned:								
	57,000	-	-	-	-	-	-	57,000
Total Fund Balance:	\$ 99,831	\$ 10,469	\$ 62	\$ 101,121	\$ 89,107	\$ 194,141	\$ 50,772	\$ 545,503

The total of the assigned and unassigned amounts will be used to calculate fund balance as a percentage of revenues under the provisions of Section 1011.051, Florida Statutes. At the end of the fiscal year, the total amount of the assigned and unassigned General Fund balance was \$82.5 million or 4.6 percent of the General Fund's total revenues.

**21. NET ASSETS**

In the government-wide Statement of Net Assets, the difference between total assets and total liabilities is called *net assets*. GAAP further require that net assets be subdivided into three categories: net assets invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.



**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS, Continued**

The composition of net assets invested in capital assets, net of related debt as of June 30, 2011 is shown in the table below (in thousands):

Total capital assets, net of accumulated depreciation		\$	3,190,604
less:			
Total debt outstanding, net of unspent proceeds	\$	(1,717,904)	
Retainage payable		(13,230)	
Total related debt			<u>(1,731,134)</u>
Total invested in capital assets, net of related debt		\$	<u>1,459,470</u>

**22. COMMITMENTS AND CONTINGENCIES**

At June 30, 2011, the District had purchase orders outstanding for goods and/or services related to future expenditures for the 2010-11 school year totaling \$3.7 million in the General Fund, \$1.8 million in the Special Revenue Funds and \$73.2 million in the Capital Projects Funds. The accompanying financial statements do not give effect to these purchase orders.

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

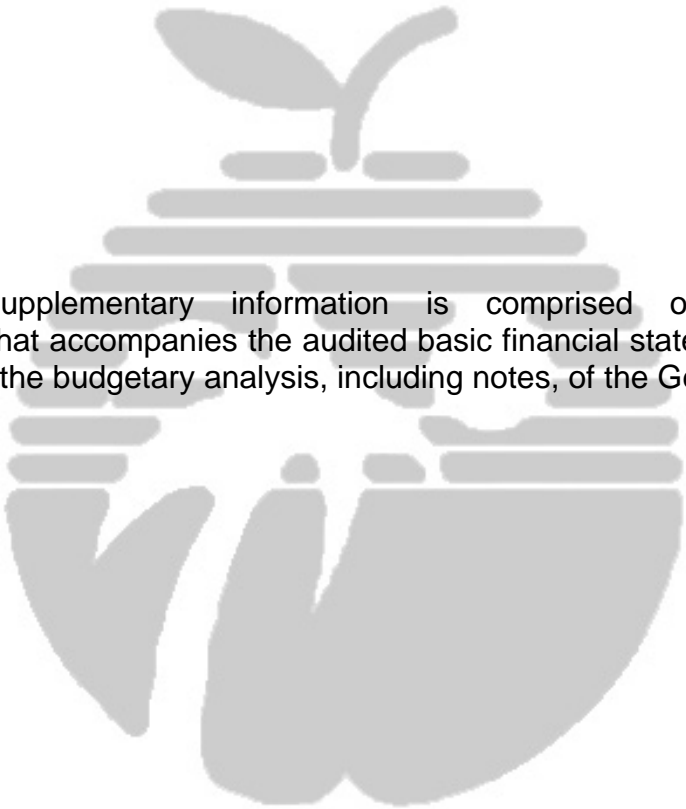
The District receives funding from the State of Florida under the FEFP and is based in part on a computation of the number of students attending different types of instruction (FTE Computation). The accuracy of data compiled by individual schools supporting the FTE Computation is subject to audit by the State and, if found to be in error, could result in refunds to the State or in decreases to future funding allocations. Additionally, the District participates in a number of federal, state and local grants, which are subject to financial, and compliance audits. It is the opinion of management that the amount of revenue, if any, which may be remitted back to the State due to errors in the FTE computation or the amount of grant expenditures, which may be disallowed by grantor agencies, would not be material to the financial position of the District.

The District is a defendant in numerous lawsuits as of June 30, 2011. In the opinion of management, the District's estimated aggregate liability with respect to probable losses has been provided for in the estimated liability for insurance risks and pending claims in the accompanying financial statements, after giving consideration to the District's related insurance coverage, as well as the Florida statutory limitations of governmental liability on uninsured risks. It is the opinion of management in consultation with its legal counsel, that the final settlements of these matters will not have a material adverse effect on the financial condition, changes in financial position, cash flows or changes in fund balance of the affected funds.

**23. SUBSEQUENT EVENT**

On October 19, 2011, the District issued \$125.0 million Tax Anticipation Notes, Series 2011, pursuant to Section 1011.13, Florida Statutes, to provide interim funds for the payment of operating expenses of the District for the fiscal year commencing July 1, 2011 and ending June 30, 2012, in anticipation of the receipt of ad valorem taxes. The Notes and the interest thereon will be special, limited obligations of the District, payable from and secured by a pledge of ad valorem taxes levied and collected for the benefit of the District for operating purposes. The Notes interest rate is 1.50% and the date of maturity is on January 25, 2012. The Notes are not subject to redemption prior to maturity.

# **Required Supplemental Information (Part B)**



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

# **Broward County Public Schools**



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

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

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

## GENERAL FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (in thousands)  
BUDGET AND ACTUAL (BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
<b>SOURCES/INFLOWS:</b>				
<b>Revenues:</b>				
<b>Local sources:</b>				
Ad valorem taxes	\$ 828,793	\$ 831,155	\$ 818,624	\$ (12,531)
Interest on investments	5,205	5,393	2,913	(2,480)
Other	53,857	53,722	52,227	(1,495)
Total local sources	887,855	890,270	873,764	(16,506)
<b>State sources:</b>				
Florida education finance program	638,461	611,504	611,112	(392)
Discretionary lottery funds	745	1,003	1,003	-
Categorical programs and other	310,722	310,756	310,178	(578)
Total state sources	949,928	923,263	922,293	(970)
<b>Federal sources:</b>				
Grants and other	8,934	9,209	9,220	11
Total federal sources	8,934	9,209	9,220	11
<b>Total revenues</b>	<b>1,846,717</b>	<b>1,822,742</b>	<b>1,805,277</b>	<b>(17,465)</b>
<b>Other financing sources</b>				
Transfers in	68,295	78,596	78,546	(50)
<b>Total other financing sources</b>	<b>68,295</b>	<b>78,596</b>	<b>78,546</b>	<b>(50)</b>
<b>Total amounts available for appropriations</b>	<b>1,915,012</b>	<b>1,901,338</b>	<b>1,883,823</b>	<b>(17,515)</b>
<b>USES/OUTFLOWS:</b>				
<b>Expenditures:</b>				
<b>Current operating:</b>				
Instructional services	1,185,612	1,184,243	1,157,201	27,042
Instructional support services	181,553	187,432	167,054	20,378
Pupil transportation services	78,339	90,098	88,090	2,008
Operation and maintenance of plant	253,622	255,398	240,457	14,941
School administration	123,169	108,372	108,010	362
General administration	89,712	97,894	90,037	7,857
<b>Total current operating</b>	<b>1,912,007</b>	<b>1,923,437</b>	<b>1,850,849</b>	<b>72,588</b>
<b>Debt service:</b>				
Interest charges and other	-	765	99	666
<b>Total debt service</b>	<b>-</b>	<b>765</b>	<b>99</b>	<b>666</b>
<b>Capital outlay</b>	<b>415</b>	<b>535</b>	<b>-</b>	<b>535</b>
<b>Total expenditures</b>	<b>1,912,422</b>	<b>1,924,737</b>	<b>1,850,948</b>	<b>73,789</b>
<b>Other financing uses:</b>				
Transfers out	5,816	6,281	6,281	-
<b>Total charges against appropriations</b>	<b>1,918,238</b>	<b>1,931,018</b>	<b>1,857,229</b>	<b>73,789</b>
Net change in fund balances	\$ (3,226)	\$ (29,680)	26,594	\$ 56,274
<b>Appropriated beginning fund balances</b>	<b>\$ 3,226</b>	<b>\$ 29,680</b>		
<b>Adjustment to conform with GAAP:</b>				
Elimination of encumbrances			3,787	
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (GAAP Basis)			30,381	
<b>Fund balances, beginning of year</b>			<b>69,450</b>	
<b>Fund balances, end of year</b>			<b>\$ 99,831</b>	

The accompanying notes are an integral part of this schedule.

**MAJOR SPECIAL REVENUE FUND - ARRA ECONOMIC STIMULUS  
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (in thousands)  
BUDGET AND ACTUAL (BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
<b>Federal sources:</b>				
Other	\$ 149,540	\$ 212,874	\$ 204,804	\$ (8,070)
<b>Total revenues</b>	<u>149,540</u>	<u>212,874</u>	<u>204,804</u>	<u>(8,070)</u>
<b>EXPENDITURES:</b>				
<b>Current operating:</b>				
Instructional services	116,158	163,942	163,379	563
Instructional support services	22,719	17,811	13,244	4,567
Pupil transportation services	2,683	-	-	-
Operation and maintenance of plant	3,450	518	518	-
School administration	1,649	21,947	21,913	34
General administration	2,881	8,481	6,536	1,945
Food services	-	175	175	-
<b>Total current operating</b>	<u>149,540</u>	<u>212,874</u>	<u>205,765</u>	<u>7,109</u>
<b>Capital outlay</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>149,540</u>	<u>212,874</u>	<u>205,765</u>	<u>7,109</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(961)</u>	<u>\$ (961)</u>
<b>Appropriated beginning fund balances</b>	<u>\$ -</u>	<u>\$ -</u>		
<b>Adjustment to conform with GAAP:</b>				
Elimination of encumbrances			<u>961</u>	
<b>Fund balances, beginning of year</b>			<u>-</u>	
<b>Fund balances, end of year</b>			<u>\$ -</u>	

**NOTES TO THE BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**I. BUDGET**

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

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

The budget revenues and expenditures shown in the accompanying schedule reflect all amendments to the original budget through September 15, 2011, the date the final amendments were approved by the Board.

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

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

**Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 1,883,823
Transfers from other funds and sale of capital assets are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(78,546)</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	<u>\$ 1,805,277</u>

**Uses/outflows of resources:**

Actual amounts (budgetary basis) "Total charges to appropriations" from the budgetary comparison schedule	\$ 1,857,229
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(6,281)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds (budgetary basis)	<u>1,850,948</u>
Encumbrances for goods and services is reported in the year the purchase order, contract or commitment for expenditures is initiated; but reported in the year received or delivered for financial reporting purposes	<u>(3,787)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balance (GAAP)	<u>\$ 1,847,161</u>

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

Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balance – major Special Revenue Funds (budgetary basis)	<u>\$ 205,765</u>
Encumbrances for goods and services is reported in the year the purchase order, contract or commitment for expenditures is initiated; but reported in the year received or delivered for financial reporting purposes	<u>(961)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balance (GAAP)	<u>\$ 204,804</u>

**OTHER POSTEMPLOYMENT BENEFITS  
SCHEDULE OF FUNDING PROGRESS (in thousands)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Actuarial Valuation Date (a)	Actuarial Value of Assets (b)	Actuarial Accrued Liability (AAL) (c)	Unfunded AAL (UAAL) (c-b)	Funded Ratio (b/c)	Covered Payroll (d)	UAAL as a % of Covered Payroll ((c-b) / d)
01/01/2006	\$ 0	\$ 105,622	\$ 105,622	0.0%	\$ 1,141,485	9.25%
01/01/2009	\$ 0	\$ 162,964	\$ 162,964	0.0%	\$ 1,249,245	13.04%
01/01/2011	\$ 0	\$ 163,551	\$ 163,551	0.0%	\$ 1,187,368	13.77%

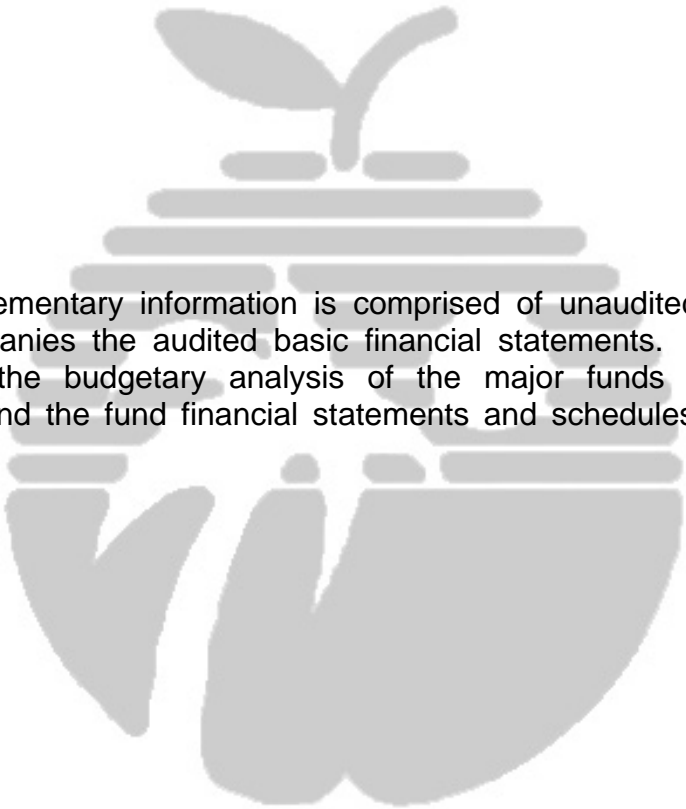


# **Broward County Public Schools**



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## Other Supplemental Information



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

# **Broward County Public Schools**



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

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

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

**NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (in thousands)  
AS OF JUNE 30, 2011**

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL
<b>ASSETS:</b>				
Equity in pooled cash and investments	\$ 16,381	\$ 1,737	\$ 7,647	\$ 25,765
Due from other governmental agencies	20,441	5	30,330	50,776
Accrued interest receivable	13	-	5	18
Inventories	1,968	-	-	1,968
Other assets	272	-	-	272
<b>Total assets</b>	<b>\$ 39,075</b>	<b>\$ 1,742</b>	<b>\$ 37,982</b>	<b>\$ 78,799</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable and accrued expenditures/expenses	\$ 3,308	\$ -	\$ 1,468	\$ 4,776
Due to other funds	15,872	-	-	15,872
Deferred revenue	144	-	6,688	6,832
Retainage payable	11	-	422	433
Liability for compensated absences	114	-	-	114
<b>Total liabilities</b>	<b>19,449</b>	<b>-</b>	<b>8,578</b>	<b>28,027</b>
<b>Fund balances:</b>				
Nonspendable	1,968	-	-	1,968
Restricted	15,451	1,742	29,404	46,597
Assigned	2,207	-	-	2,207
<b>Total fund balance</b>	<b>19,626</b>	<b>1,742</b>	<b>29,404</b>	<b>50,772</b>
<b>Total liabilities and fund balance</b>	<b>\$ 39,075</b>	<b>\$ 1,742</b>	<b>\$ 37,982</b>	<b>\$ 78,799</b>

**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES (in thousands)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL</u>
<b>REVENUES:</b>				
<b>Local sources:</b>				
Ad valorem taxes	\$ -	\$ 51	\$ -	\$ 51
Food sales	23,025	-	-	23,025
Interest on investments	47	(3)	11	55
Other	3,629	7	-	3,636
Total local sources	<u>26,701</u>	<u>55</u>	<u>11</u>	<u>26,767</u>
<b>State sources:</b>				
Public education capital outlay	-	-	5,000	5,000
Categorical programs and other	2,652	10,076	1,186	13,914
Total state sources	<u>2,652</u>	<u>10,076</u>	<u>6,186</u>	<u>18,914</u>
<b>Federal sources:</b>				
Food service	65,604	-	-	65,604
Grants and other	173,770	-	-	173,770
Total federal sources	<u>239,374</u>	<u>-</u>	<u>-</u>	<u>239,374</u>
<b>Total revenues</b>	<u>268,727</u>	<u>10,131</u>	<u>6,197</u>	<u>285,055</u>
<b>EXPENDITURES:</b>				
<b>Current operating:</b>				
Instructional services	121,021	-	-	121,021
Instructional support services	41,927	-	-	41,927
Pupil transportation services	1,583	-	-	1,583
Operation and maintenance of plant	165	-	-	165
School administration	64	-	-	64
General administration	6,074	-	-	6,074
Food services	88,963	-	-	88,963
Total current operating	<u>259,797</u>	<u>-</u>	<u>-</u>	<u>259,797</u>
<b>Debt service:</b>				
Principal retirement	-	7,160	-	7,160
Interest charges and other	-	3,084	5	3,089
Total debt service	<u>-</u>	<u>10,244</u>	<u>5</u>	<u>10,249</u>
<b>Capital outlay</b>	<u>-</u>	<u>-</u>	<u>17,021</u>	<u>17,021</u>
<b>Total expenditures</b>	<u>259,797</u>	<u>10,244</u>	<u>17,026</u>	<u>287,067</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,930</u>	<u>(113)</u>	<u>(10,829)</u>	<u>(2,012)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Premium on refunding bonds	-	1,124	-	1,124
Refunding bonds issued	-	6,995	-	6,995
Payments to refunded bond escrow agent	-	(8,145)	-	(8,145)
Transfers in	69	-	-	69
Transfers out	(727)	-	(5,978)	(6,705)
<b>Total other financing sources (uses)</b>	<u>(658)</u>	<u>(26)</u>	<u>(5,978)</u>	<u>(6,662)</u>
Net change in fund balances	<u>8,272</u>	<u>(139)</u>	<u>(16,807)</u>	<u>(8,674)</u>
<b>Fund balances, beginning of year</b>	<u>11,354</u>	<u>1,881</u>	<u>46,211</u>	<u>59,446</u>
<b>Fund balances, end of year</b>	<u>\$ 19,626</u>	<u>\$ 1,742</u>	<u>\$ 29,404</u>	<u>\$ 50,772</u>

# **Broward County Public Schools**



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# Non-Major Special Revenue Funds



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

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

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

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



**NON-MAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET (in thousands)**  
**AS OF JUNE 30, 2011**

<b>ASSETS:</b>	<b>FOOD SERVICES</b>	<b>CONTRACTED PROGRAMS</b>	<b>OTHER SPECIAL REVENUE</b>	<b>TOTAL</b>
Equity in pooled cash and investments	\$ 14,186	\$ 6	\$ 2,189	\$ 16,381
Due from other governmental agencies	2,437	18,004	-	20,441
Accrued interest receivable	11	-	2	13
Inventories	1,968	-	-	1,968
Other assets	35	211	26	272
<b>Total assets</b>	<b>\$ 18,637</b>	<b>\$ 18,221</b>	<b>\$ 2,217</b>	<b>\$ 39,075</b>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>LIABILITIES:</b>				
Accounts payable and accrued expenditures	\$ 1,104	\$ 2,194	\$ 10	\$ 3,308
Due to other funds	-	15,872	-	15,872
Deferred revenue	-	144	-	144
Retainages payable	-	11	-	11
Liability for compensated absences	114	-	-	114
<b>Total liabilities</b>	<b>1,218</b>	<b>18,221</b>	<b>10</b>	<b>19,449</b>
<b>FUND BALANCES:</b>				
Nonspendable	1,968	-	-	1,968
Restricted	15,451	-	-	15,451
Assigned	-	-	2,207	2,207
<b>Total fund balances</b>	<b>17,419</b>	<b>-</b>	<b>2,207</b>	<b>19,626</b>
<b>Total liabilities and fund balances</b>	<b>\$ 18,637</b>	<b>\$ 18,221</b>	<b>\$ 2,217</b>	<b>\$ 39,075</b>

**NON-MAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (in thousands)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>FOOD SERVICES</u>	<u>CONTRACTED PROGRAMS</u>	<u>OTHER SPECIAL REVENUE</u>	<u>TOTAL</u>
<b>REVENUES:</b>				
<b>Local sources:</b>				
Food sales	\$ 23,025	\$ -	\$ -	\$ 23,025
Interest on investments	38	-	9	47
Other	234	2,024	1,371	3,629
Total local sources	<u>23,297</u>	<u>2,024</u>	<u>1,380</u>	<u>26,701</u>
<b>State sources:</b>				
Other	<u>1,368</u>	<u>1,284</u>	<u>-</u>	<u>2,652</u>
<b>Federal sources:</b>				
Food service	65,604	-	-	65,604
USDA	6,229	-	-	6,229
Other	480	167,061	-	167,541
Total federal sources	<u>72,313</u>	<u>167,061</u>	<u>-</u>	<u>239,374</u>
<b>Total revenues</b>	<u>96,978</u>	<u>170,369</u>	<u>1,380</u>	<u>268,727</u>
<b>EXPENDITURES:</b>				
<b>Current operating:</b>				
Instructional services	-	120,629	392	121,021
Instructional support services	-	41,927	-	41,927
Pupil transportation services	-	1,579	4	1,583
Operation and maintenance of plant	-	165	-	165
School administration	-	64	-	64
General administration	-	6,074	-	6,074
Food service	88,963	-	-	88,963
Total current operating	<u>88,963</u>	<u>170,438</u>	<u>396</u>	<u>259,797</u>
<b>Total expenditures</b>	<u>88,963</u>	<u>170,438</u>	<u>396</u>	<u>259,797</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,015</u>	<u>(69)</u>	<u>984</u>	<u>8,930</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	69	-	69
Transfers out	<u>-</u>	<u>-</u>	<u>(727)</u>	<u>(727)</u>
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>69</u>	<u>(727)</u>	<u>(658)</u>
Net change in fund balances	8,015	-	257	8,272
<b>Fund balances (deficits), beginning of year</b>	<u>9,404</u>	<u>-</u>	<u>1,950</u>	<u>11,354</u>
<b>Fund balances, end of year</b>	<u>\$ 17,419</u>	<u>\$ -</u>	<u>\$ 2,207</u>	<u>\$ 19,626</u>

**NON-MAJOR SPECIAL REVENUE FUND - FOOD SERVICES  
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (in thousands)  
BUDGET AND ACTUAL (BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
<b>Local sources:</b>				
Food sales	\$ 20,713	\$ 23,025	\$ 23,025	\$ -
Interest on investments	-	38	38	-
Other	125	234	234	-
Total local sources	<u>20,838</u>	<u>23,297</u>	<u>23,297</u>	<u>-</u>
<b>State sources:</b>				
Other	1,419	1,368	1,368	-
<b>Federal sources:</b>				
Federal reimbursement	66,743	65,604	65,604	-
USDA	4,361	6,229	6,229	-
Other	1,122	480	480	-
Total federal sources	<u>72,226</u>	<u>72,313</u>	<u>72,313</u>	<u>-</u>
<b>Total revenues</b>	<u>94,483</u>	<u>96,978</u>	<u>96,978</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Salaries	25,657	23,827	23,825	2
Employee benefits	14,838	13,802	13,803	(1)
Purchased services	3,133	5,420	5,509	(89)
Energy services	2,270	2,148	2,148	-
Materials and supplies	43,343	40,016	41,033	(1,017)
Capital outlay	1,021	1,298	1,767	(469)
Other expenditures	3,456	2,451	2,451	-
<b>Total expenditures</b>	<u>93,718</u>	<u>88,962</u>	<u>90,536</u>	<u>(1,574)</u>
Excess (deficiency) of revenues over (under) expenditures (budgetary basis)	<u>\$ 765</u>	<u>\$ 8,016</u>	6,442	<u>\$ (1,574)</u>
<b>Appropriated beginning fund balances</b>	<u>\$ -</u>	<u>\$ -</u>		
<b>Adjustment to conform with GAAP:</b>				
Elimination of encumbrances			<u>1,573</u>	
Excess(deficiency) of revenues over (under) expenditures (GAAP basis)			8,015	
<b>Fund balances (deficits), beginning of year</b>			<u>9,404</u>	
<b>Fund balances, end of year</b>			<u>\$ 17,419</u>	

**NON-MAJOR SPECIAL REVENUE FUND - CONTRACTED PROGRAMS  
 COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES (in thousands)  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
<b>Local sources:</b>				
Other	\$ 2,894	\$ 2,040	\$ 2,024	\$ (16)
<b>State sources:</b>				
Other	471	1,488	1,284	(204)
<b>Federal sources:</b>				
Other	176,046	193,284	167,061	(26,223)
<b>Total revenues</b>	<u>179,411</u>	<u>196,812</u>	<u>170,369</u>	<u>(26,443)</u>
<b>EXPENDITURES:</b>				
<b>Current operating:</b>				
Instructional services	120,120	132,692	124,487	8,205
Instructional support services	47,393	53,742	43,286	10,456
Pupil transportation services	3,676	2,634	1,579	1,055
Operation and maintenance of plant	891	167	165	2
School administration	2	79	64	15
General administration	-	7,143	6,074	1,069
<b>Total current operating</b>	<u>172,082</u>	<u>196,457</u>	<u>175,655</u>	<u>20,802</u>
<b>Capital outlay</b>	<u>283</u>	<u>355</u>	<u>-</u>	<u>355</u>
<b>Total expenditures</b>	<u>172,365</u>	<u>196,812</u>	<u>175,655</u>	<u>21,157</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,046</u>	<u>-</u>	<u>(5,286)</u>	<u>(5,286)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	69	69
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>69</u>	<u>69</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (budgetary basis)	<u>\$ 7,046</u>	<u>\$ -</u>	<u>(5,217)</u>	<u>\$ (5,217)</u>
<b>Appropriated beginning fund balances</b>	<u>\$ -</u>	<u>\$ -</u>		
<b>Adjustment to conform with GAAP:</b>				
Elimination of encumbrances			<u>5,217</u>	
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (GAAP basis)			-	
<b>Fund balances, beginning of year</b>			<u>-</u>	
<b>Fund balances, end of year</b>			<u>\$ -</u>	

**NON-MAJOR SPECIAL REVENUE FUND - OTHER SPECIAL REVENUE  
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (in thousands)  
BUDGET AND ACTUAL (BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE Positive (Negative)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES:</b>				
<b>Local sources:</b>				
Interest on investments	\$ 13	\$ 9	\$ 9	\$ -
Other	1,292	1,370	1,371	1
<b>Total revenues</b>	<b>1,305</b>	<b>1,379</b>	<b>1,380</b>	<b>1</b>
<b>EXPENDITURES:</b>				
Purchased services	540	186	208	(22)
Materials and supplies	-	189	189	-
Capital outlay	-	7	7	-
Other expenditures	-	14	14	-
<b>Total expenditures</b>	<b>540</b>	<b>396</b>	<b>418</b>	<b>(22)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	2	-	(2)
Transfers out	(795)	(729)	(727)	2
<b>Total other financing uses</b>	<b>(795)</b>	<b>(727)</b>	<b>(727)</b>	<b>-</b>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (budgetary basis)	<u>\$ (30)</u>	<u>\$ 256</u>	235	<u>\$ (21)</u>
<b>Appropriated beginning fund balances</b>	<u>\$ 30</u>	<u>\$ -</u>		
<b>Adjustment to conform with GAAP:</b>				
Elimination of encumbrances			22	
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (GAAP Basis)			257	
<b>Fund balances, beginning of year</b>			<u>1,950</u>	
<b>Fund balances, end of year</b>			<u>\$ 2,207</u>	

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

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

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

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

**NON-MAJOR DEBT SERVICE FUNDS  
COMBINING BALANCE SHEET (in thousands)  
AS OF JUNE 30, 2011**

	<b>COBI BONDS</b>	<b>DISTRICT BONDS</b>	<b>TOTAL</b>
<b>ASSETS:</b>			
Equity in pooled cash and investments	\$ 1,539	\$ 198	\$ 1,737
Due from other governmental agencies	-	5	5
<b>Total assets</b>	<b>\$ 1,539</b>	<b>\$ 203</b>	<b>\$ 1,742</b>
<b>LIABILITIES AND FUND BALANCES:</b>			
<b>LIABILITIES:</b>			
<b>Total liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>FUND BALANCES:</b>			
Restricted	\$ 1,539	\$ 203	\$ 1,742
<b>Total fund balances</b>	<b>1,539</b>	<b>203</b>	<b>1,742</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,539</b>	<b>\$ 203</b>	<b>\$ 1,742</b>

**NON-MAJOR DEBT SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (in thousands)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<b>COBI BONDS</b>	<b>DISTRICT BONDS</b>	<b>TOTAL</b>
<b>REVENUES:</b>			
<b>Local sources:</b>			
Ad valorem taxes	\$ -	\$ 51	\$ 51
Interest on investments	-	(3)	(3)
Other	-	7	7
Total local sources	<u>-</u>	<u>55</u>	<u>55</u>
<b>State sources:</b>			
Other	<u>10,076</u>	<u>-</u>	<u>10,076</u>
Total state sources	<u>10,076</u>	<u>-</u>	<u>10,076</u>
<b>Total revenues</b>	<u>10,076</u>	<u>55</u>	<u>10,131</u>
<b>EXPENDITURES:</b>			
Principal retirement	7,160	-	7,160
Interest charges and other	<u>3,084</u>	<u>-</u>	<u>3,084</u>
<b>Total expenditures</b>	<u>10,244</u>	<u>-</u>	<u>10,244</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(168)</u>	<u>55</u>	<u>(113)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Premium on refunding bonds	1,124	-	1,124
Refunding bonds issued	6,995	-	6,995
Payments to refunded bond escrow agent	<u>(8,145)</u>	<u>-</u>	<u>(8,145)</u>
<b>Total other financing sources (uses)</b>	<u>(26)</u>	<u>-</u>	<u>(26)</u>
Net change in fund balances	(194)	55	(139)
<b>Fund balances, beginning of year</b>	<u>1,733</u>	<u>148</u>	<u>1,881</u>
<b>Fund balances, end of year</b>	<u>\$ 1,539</u>	<u>\$ 203</u>	<u>\$ 1,742</u>



**MAJOR DEBT SERVICE FUNDS - COP SERIES  
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (in thousands)  
BUDGET AND ACTUAL (BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
<b>REVENUES:</b>				
<b>Local sources:</b>				
Interest on investments	\$ -	\$ 550	\$ 550	\$ -
<b>Total revenues</b>	<u>-</u>	<u>550</u>	<u>550</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Principal retirement	72,393	72,393	72,393	-
Interest charges and other	93,500	87,238	87,238	-
<b>Total expenditures</b>	<u>165,893</u>	<u>159,631</u>	<u>159,631</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(165,893)</u>	<u>(159,081)</u>	<u>(159,081)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES:</b>				
Certificates of participation	-	175,510	175,510	-
Net premium on long-term debt issued	-	8,924	8,924	-
Payments to refunded bond escrow agent	-	(182,890)	(182,890)	-
Transfers in	165,893	160,844	164,560	3,716
Transfers out		(47)	(3,763)	(3,716)
<b>Total other financing sources</b>	<u>165,893</u>	<u>162,341</u>	<u>162,341</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ 3,260</u>	3,260	<u>\$ -</u>
<b>Appropriated beginning fund balances</b>	<u>\$ -</u>	<u>\$ -</u>		
<b>Fund balances, beginning of year</b>			<u>7,209</u>	
<b>Fund balances, end of year</b>			<u>\$ 10,469</u>	

**MAJOR DEBT SERVICE FUNDS - ARRA ECONOMIC STIMULUS  
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (in thousands)  
BUDGET AND ACTUAL (BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
<b>REVENUES:</b>				
<b>Total revenues</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>EXPENDITURES:</b>				
Interest charges and other	<u>-</u>	<u>7,747</u>	<u>7,747</u>	<u>-</u>
<b>Total expenditures</b>	<u>-</u>	<u>7,747</u>	<u>7,747</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(7,747)</u>	<u>(7,747)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	<u>-</u>	<u>7,809</u>	<u>7,809</u>	<u>-</u>
<b>Total other financing sources</b>	<u>-</u>	<u>7,809</u>	<u>7,809</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ 62</u>	<u>62</u>	<u>\$ -</u>
<b>Appropriated beginning fund balances</b>	<u>\$ -</u>	<u>\$ -</u>		
<b>Fund balances, beginning of year</b>			<u>-</u>	
<b>Fund balances, end of year</b>			<u>\$ 62</u>	

**NON-MAJOR DEBT SERVICE FUNDS - COBI DEBT SERVICE  
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (in thousands)  
BUDGET AND ACTUAL (BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
<b>REVENUES:</b>				
Withheld for COBI bonds	\$ 10,222	\$ 10,075	\$ 10,075	\$ -
Interest on investments	-	1	1	-
<b>Total revenues</b>	<u>10,222</u>	<u>10,076</u>	<u>10,076</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Principal retirement	6,800	7,160	7,160	-
Interest charges and other	3,422	3,084	3,084	-
<b>Total expenditures</b>	<u>10,222</u>	<u>10,244</u>	<u>10,244</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(168)</u>	<u>(168)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Premium on refunding bonds	-	1,124	1,124	-
Refunding bonds issued	-	6,995	6,995	-
Payments to refunded bond escrow agent	-	(8,145)	(8,145)	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(26)</u>	<u>(26)</u>	<u>-</u>
Excess (Deficiency) of revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ (194)</u>	<u>(194)</u>	<u>\$ -</u>
<b>Appropriated beginning fund balances</b>	<u>\$ -</u>	<u>\$ 194</u>		
<b>Fund balances, beginning of year</b>			<u>1,733</u>	
<b>Fund balances, end of year</b>			<u>\$ 1,539</u>	

**NON-MAJOR DEBT SERVICE FUNDS - DISTRICT BONDS AND SECTION 237.161 LOANS  
 COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES (in thousands)  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
<b>REVENUES:</b>				
<b>Local sources:</b>				
Ad valorem taxes	\$ -	\$ 51	\$ 51	\$ -
Interest on investments	-	(3)	(3)	-
Other	-	7	7	-
<b>Total revenues</b>	<u>-</u>	<u>55</u>	<u>55</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Interest charges and other	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 55</u>	55	<u>\$ -</u>
<b>Appropriated beginning fund balances</b>	<u>\$ -</u>	<u>\$ -</u>		
<b>Fund balances, beginning of year</b>			<u>148</u>	
<b>Fund balances, end of year</b>			<u>\$ 203</u>	

# **Broward County Public Schools**



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

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

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

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

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

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

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

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

**NON-MAJOR CAPITAL PROJECTS FUNDS**  
**COMBINING BALANCE SHEET (in thousands)**  
**AS OF JUNE 30, 2011**

	<b>CAPITAL OUTLAY AND DEBT SERVICE</b>	<b>CAPITAL OUTLAY BOND ISSUE</b>	<b>DISTRICT BONDS</b>	<b>PUBLIC EDUCATION CAPITAL FUND</b>	<b>F.S. LOANS</b>	<b>TOTAL</b>
<b>ASSETS:</b>						
Equity in pooled cash and investments	\$ 3,063	\$ 2,256	\$ 200	\$ 2,112	\$ 16	\$ 7,647
Due from other governmental agencies	-	-	-	30,330	-	30,330
Accrued interest receivable	2	1	-	2	-	5
<b>Total assets</b>	<b>\$ 3,065</b>	<b>\$ 2,257</b>	<b>\$ 200</b>	<b>\$ 32,444</b>	<b>\$ 16</b>	<b>\$ 37,982</b>
<b>LIABILITIES AND FUND BALANCES:</b>						
<b>LIABILITIES:</b>						
Accounts payable and accrued expenditures	\$ 55	\$ 28	\$ -	\$ 1,385	\$ -	\$ 1,468
Deferred revenue	-	-	-	6,688	-	6,688
Retainages payable	-	187	-	235	-	422
<b>Total liabilities</b>	<b>55</b>	<b>215</b>	<b>-</b>	<b>8,308</b>	<b>-</b>	<b>8,578</b>
<b>FUND BALANCES:</b>						
Restricted	3,010	2,042	200	24,136	16	29,404
<b>Total fund balances</b>	<b>3,010</b>	<b>2,042</b>	<b>200</b>	<b>24,136</b>	<b>16</b>	<b>29,404</b>
<b>Total liabilities and fund balances</b>	<b>\$ 3,065</b>	<b>\$ 2,257</b>	<b>\$ 200</b>	<b>\$ 32,444</b>	<b>\$ 16</b>	<b>\$ 37,982</b>

**NON-MAJOR CAPITAL PROJECTS FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES (in thousands)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<b>CAPITAL OUTLAY AND DEBT SERVICE</b>	<b>CAPITAL OUTLAY BOND ISSUE</b>	<b>DISTRICT BONDS</b>	<b>PUBLIC EDUCATION CAPITAL OUTLAY FUND</b>	<b>F.S. LOANS</b>	<b>TOTAL</b>
<b>REVENUES:</b>						
<b>Local sources:</b>						
Interest on investments	\$ 8	\$ 3	\$ (3)	\$ 3	\$ -	\$ 11
Total local sources	8	3	(3)	3	-	11
<b>State sources:</b>						
Public education capital outlay	-	-	-	5,000	-	5,000
Other	1,186	-	-	-	-	1,186
Total state sources	1,186	-	-	5,000	-	6,186
<b>Total revenues</b>	<b>1,194</b>	<b>3</b>	<b>(3)</b>	<b>5,003</b>	<b>-</b>	<b>6,197</b>
<b>EXPENDITURES:</b>						
Interest charges and other	5	-	-	-	-	5
Capital outlay	1,087	619	144	15,171	-	17,021
<b>Total expenditures</b>	<b>1,092</b>	<b>619</b>	<b>144</b>	<b>15,171</b>	<b>-</b>	<b>17,026</b>
Excess (deficiency) of revenues over (under) expenditures	102	(616)	(147)	(10,168)	-	(10,829)
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers out	-	-	-	(5,978)	-	(5,978)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,978)</b>	<b>-</b>	<b>(5,978)</b>
Net change in fund balances	102	(616)	(147)	(16,146)	-	(16,807)
<b>Fund balances, beginning of year</b>	<b>2,908</b>	<b>2,658</b>	<b>347</b>	<b>40,282</b>	<b>16</b>	<b>46,211</b>
<b>Fund balances, end of year</b>	<b>\$ 3,010</b>	<b>\$ 2,042</b>	<b>\$ 200</b>	<b>\$ 24,136</b>	<b>\$ 16</b>	<b>\$ 29,404</b>



**MAJOR CAPITAL PROJECTS FUNDS - LOCAL MILLAGE CAPITAL IMPROVEMENT  
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (in thousands)  
BUDGET AND ACTUAL (BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
<b>REVENUES:</b>				
<b>Local sources:</b>				
Ad valorem taxes	\$ 200,440	\$ 197,564	\$ 197,564	\$ -
Interest on investments	-	579	579	-
Other	-	5,511	5,511	-
Total local sources	200,440	203,654	203,654	-
<b>Total revenues</b>	<b>200,440</b>	<b>203,654</b>	<b>203,654</b>	<b>-</b>
<b>EXPENDITURES:</b>				
Capital outlay	103,539	131,831	40,066	91,765
<b>Total expenditures</b>	<b>103,539</b>	<b>131,831</b>	<b>40,066</b>	<b>91,765</b>
Excess (deficiency) of revenues over (under) expenditures	96,901	71,823	163,588	91,765
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets	-	146	146	-
Transfers in	-	200	200	-
Transfers out	(215,577)	(190,845)	(198,689)	(7,844)
<b>Total other financing sources (uses)</b>	<b>(215,577)</b>	<b>(190,499)</b>	<b>(198,343)</b>	<b>(7,844)</b>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (budgetary basis)	\$ (118,676)	\$ (118,676)	(34,755)	\$ 83,921
<b>Appropriated beginning fund balances</b>	<b>\$ 118,676</b>	<b>\$ 118,676</b>		
<b>Adjustments to conform with GAAP:</b>				
Elimination of encumbrances			22,497	
Excess (deficiency) of revenues over (under) expenditures (GAAP basis)			(12,258)	
<b>Fund balances, beginning of year</b>			113,379	
<b>Fund balances, end of year</b>			\$ 101,121	

**MAJOR CAPITAL PROJECTS FUNDS - ARRA ECONOMIC STIMULUS  
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (in thousands)  
BUDGET AND ACTUAL (BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
<b>REVENUES:</b>				
<b>Local sources:</b>				
Interest on investments	\$ -	\$ 23	\$ 23	\$ -
Total local sources	-	23	23	-
<b>Total revenues</b>	-	23	23	-
<b>EXPENDITURES:</b>				
<b>Debt service:</b>				
Interest charges and other	-	669	421	248
Total debt service	-	669	421	248
<b>Capital outlay</b>	51,000	128,398	53,073	75,325
<b>Total expenditures</b>	51,000	129,067	53,494	75,573
Excess (deficiency) of revenues over (under) expenditures	(51,000)	(129,044)	(53,471)	75,573
<b>OTHER FINANCING SOURCES (USES):</b>				
Certificates of participation	51,000	51,645	51,645	-
Transfers out		(271)	(271)	-
<b>Total other financing sources (uses)</b>	51,000	51,374	51,374	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (budgetary basis)	\$ -	\$ (77,670)	(2,097)	\$ 75,573
<b>Appropriated beginning fund balances</b>	\$ -	\$ 77,670		
<b>Adjustment to conform with GAAP:</b>				
Elimination of encumbrances			15,689	
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (GAAP basis)			13,592	
<b>Fund balances, beginning of year</b>			75,515	
<b>Fund balances, end of year</b>			\$ 89,107	

**MAJOR CAPITAL PROJECTS FUNDS - OTHER CAPITAL IMPROVEMENT  
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (in thousands)  
BUDGET AND ACTUAL (BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
<b>REVENUES:</b>				
<b>Local sources:</b>				
Interest on investments	\$ 3,455	\$ 154	\$ 154	\$ -
Other		5,228	5,228	-
Total local sources	3,455	5,382	5,382	-
<b>State sources:</b>				
Other	10,000	10,837	10,837	-
Total state sources	10,000	10,837	10,837	-
<b>Federal sources:</b>				
Other	2,000	94	94	-
<b>Total revenues</b>	<b>15,455</b>	<b>16,313</b>	<b>16,313</b>	<b>-</b>
<b>EXPENDITURES:</b>				
<b>Debt service:</b>				
Interest charges and other	-	1,906	74	1,832
Total debt service	-	1,906	74	1,832
<b>Capital outlay</b>	<b>337,030</b>	<b>233,983</b>	<b>74,883</b>	<b>159,100</b>
<b>Total expenditures</b>	<b>337,030</b>	<b>235,889</b>	<b>74,957</b>	<b>160,932</b>
Excess (deficiency) of revenues over (under) expenditures	(321,575)	(219,576)	(58,644)	160,932
<b>OTHER FINANCING SOURCES (USES):</b>				
Capital lease	5,000	-	-	-
Sale of capital assets	-	1,855	1,855	-
Other loss recoveries	-	2,289	2,289	-
Transfers in	-	90	90	-
Transfers out	(12,000)	(35,565)	(35,565)	-
<b>Total other financing sources (uses)</b>	<b>(7,000)</b>	<b>(31,331)</b>	<b>(31,331)</b>	<b>-</b>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (budgetary basis)	\$ (328,575)	\$ (250,907)	(89,975)	\$ 160,932
<b>Appropriated beginning fund balances</b>	<b>\$ 328,575</b>	<b>\$ 250,907</b>		
<b>Adjustment to conform with GAAP:</b>				
Elimination of encumbrances			25,692	
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (GAAP basis)			(64,283)	
<b>Fund balances, beginning of year</b>			258,424	
<b>Fund balances, end of year</b>			\$ 194,141	

**NON-MAJOR CAPITAL PROJECTS FUNDS - CAPITAL OUTLAY AND DEBT SERVICE  
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (in thousands)  
BUDGET AND ACTUAL (BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
<b>Local sources:</b>				
Interest on investments	\$ -	\$ 8	\$ 8	\$ -
Total local sources	-	8	8	-
<b>State sources:</b>				
Other	1,211	1,186	1,186	-
Total state sources	1,211	1,186	1,186	-
<b>Total revenues</b>	<b>1,211</b>	<b>1,194</b>	<b>1,194</b>	<b>-</b>
<b>EXPENDITURES:</b>				
Interest charges and other	-	5	5	-
Capital outlay	4,114	4,092	1,397	2,695
<b>Total expenditures</b>	<b>4,114</b>	<b>4,097</b>	<b>1,402</b>	<b>2,695</b>
Excess (deficiency) of revenues over (under) expenditures (budgetary basis)	\$ (2,903)	\$ (2,903)	(208)	\$ 2,695
<b>Appropriated beginning fund balances</b>	<b>\$ 2,903</b>	<b>\$ 2,903</b>		
<b>Adjustments to conform with GAAP:</b>				
Elimination of encumbrances			310	
Excess (deficiency) of revenues over (under) expenditures (GAAP basis)			102	
<b>Fund balances, beginning of year</b>			<b>2,908</b>	
<b>Fund balances, end of year</b>			<b>\$ 3,010</b>	

**NON-MAJOR CAPITAL PROJECTS FUNDS - CAPITAL OUTLAY BOND ISSUES  
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (in thousands)  
BUDGET AND ACTUAL (BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES:</b>				
<b>Local sources:</b>				
Interest on investments	\$ -	\$ 3	\$ 3	\$ -
<b>Total revenues</b>	<u>-</u>	<u>3</u>	<u>3</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Capital outlay	4,656	2,659	619	2,040
<b>Total expenditures</b>	<u>4,656</u>	<u>2,659</u>	<u>619</u>	<u>2,040</u>
Excess (deficiency) of revenues over (under) expenditures (budgetary basis)	<u>(4,656)</u>	<u>(2,656)</u>	<u>(616)</u>	<u>2,040</u>
<b>OTHER FINANCING SOURCES:</b>				
Bonds	2,000	-	-	-
<b>Total other financing sources</b>	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures (budgetary basis)	<u>\$ (2,656)</u>	<u>\$ (2,656)</u>	(616)	<u>\$ 2,040</u>
<b>Appropriated beginning fund balances</b>	<u>\$ 2,656</u>	<u>\$ 2,656</u>		
<b>Adjustment to conform with GAAP:</b>				
Elimination of encumbrances			-	
Excess (deficiency) of revenues and other sources over (under) expenditures (GAAP basis)			(616)	
<b>Fund balances, beginning of year</b>			<u>2,658</u>	
<b>Fund balances, end of year</b>			<u>\$ 2,042</u>	

**NON-MAJOR CAPITAL PROJECTS FUNDS - DISTRICT BONDS  
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (in thousands)  
BUDGET AND ACTUAL (BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES:</b>				
<b>Local sources:</b>				
Interest on investments	\$ -	\$ (3)	\$ (3)	\$ -
<b>Total revenues</b>	<u>-</u>	<u>(3)</u>	<u>(3)</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Capital outlay	347	344	144	200
<b>Total expenditures</b>	<u>347</u>	<u>344</u>	<u>144</u>	<u>200</u>
Excess (deficiency) of revenues over (under) expenditures (budgetary basis)	<u>\$ (347)</u>	<u>\$ (347)</u>	<u>(147)</u>	<u>\$ 200</u>
<b>Appropriated beginning fund balances</b>	<u>\$ 347</u>	<u>\$ 347</u>		
<b>Adjustment to conform with GAAP:</b>				
Elimination of encumbrances			<u>-</u>	
Excess (deficiency) of revenues and other sources over (under) expenditures (GAAP basis)			(147)	
<b>Fund balances, beginning of year</b>			<u>347</u>	
<b>Fund balances, end of year</b>			<u>\$ 200</u>	

**NON-MAJOR CAPITAL PROJECTS FUNDS - PUBLIC EDUCATION CAPITAL OUTLAY  
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (in thousands)  
BUDGET AND ACTUAL (BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
<b>Local sources:</b>				
Interest on investments	\$ -	\$ 3	\$ 3	\$ -
Total local sources	-	3	3	-
<b>State sources:</b>				
Public education capital outlay	11,688	11,688	5,000	(6,688)
Total state sources	11,688	11,688	5,000	(6,688)
<b>Total revenues</b>	<b>11,688</b>	<b>11,691</b>	<b>5,003</b>	<b>(6,688)</b>
<b>EXPENDITURES:</b>				
Capital outlay	52,045	46,071	16,757	29,314
<b>Total expenditures</b>	<b>52,045</b>	<b>46,071</b>	<b>16,757</b>	<b>29,314</b>
Excess (deficiency) of revenues over (under) expenditures (budgetary basis)	\$ (40,357)	\$ (34,380)	(11,754)	\$ 22,626
<b>OTHER FINANCING USES:</b>				
Transfers out	-	(5,985)	(5,978)	7
<b>Total other financing uses</b>	<b>-</b>	<b>(5,985)</b>	<b>(5,978)</b>	<b>7</b>
Excess (Deficiency) of revenues over (under) expenditures and other uses (budgetary basis)	\$ (40,357)	\$ (40,365)	(17,732)	\$ 22,633
<b>Appropriated beginning fund balances</b>	<b>\$ 40,357</b>	<b>\$ 40,365</b>		
<b>Adjustments to conform with GAAP:</b>				
Elimination of encumbrances			1,586	
Excess (deficiency) of revenues over (under) expenditures (GAAP basis)			(16,146)	
<b>Fund balances, beginning of year</b>			<b>40,282</b>	
<b>Fund balances, end of year</b>			<b>\$ 24,136</b>	

**NON MAJOR CAPITAL PROJECTS FUNDS - F.S. LOANS  
 COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES (in thousands)  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
<b>Total revenues</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>EXPENDITURES:</b>				
Capital outlay	<u>16</u>	<u>16</u>	<u>-</u>	<u>16</u>
<b>Total expenditures</b>	<u>16</u>	<u>16</u>	<u>-</u>	<u>16</u>
Excess (deficiency) of revenues over (under) expenditures (budgetary basis)	<u>\$ (16)</u>	<u>\$ (16)</u>	<u>-</u>	<u>\$ 16</u>
<b>Appropriated beginning fund balances</b>	<u>\$ 16</u>	<u>\$ 16</u>		
<b>Adjustments to conform with GAAP:</b>				
Elimination of encumbrances			<u>-</u>	
Excess (deficiency) of revenues over (under) expenditures (GAAP basis)			<u>-</u>	
<b>Fund balances, beginning of year</b>			<u>16</u>	
<b>Fund balances, end of year</b>			<u>\$ 16</u>	



# **Broward County Public Schools**



***Educating Today's Students  
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## Internal Service Funds

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

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

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

**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF NET ASSETS (in thousands)**  
**AS OF JUNE 30, 2011**

	<u>SELF- INSURANCE</u>	<u>OTHER SERVICES</u>	<u>TOTAL</u>
<b>ASSETS:</b>			
<b>Current assets:</b>			
Equity in pooled cash and investments	\$ 43,916	\$ 96	\$ 44,012
Accrued interest receivable	40	-	40
Inventories	-	13	13
Other assets	13,480	6	13,486
Total current assets	<u>57,436</u>	<u>115</u>	<u>57,551</u>
<b>Noncurrent assets:</b>			
Machinery and equipment (net of accumulated depreciation)	-	5	5
<b>Total assets</b>	<u>\$ 57,436</u>	<u>\$ 120</u>	<u>\$ 57,556</u>
<b>LIABILITIES:</b>			
<b>Current liabilities:</b>			
Accounts payable and accrued expenses	\$ 10	\$ 108	\$ 118
Estimated liability for self-insured risks	22,331	-	22,331
Total current liabilities	22,341	108	22,449
<b>Long-term liabilities:</b>			
Estimated liability for self-insured risks	21,552	-	21,552
<b>Total liabilities</b>	<u>43,893</u>	<u>108</u>	<u>44,001</u>
<b>NET ASSETS:</b>			
Invested in capital assets	-	5	5
Unrestricted	13,543	7	13,550
<b>Total net assets</b>	<u>\$ 13,543</u>	<u>\$ 12</u>	<u>\$ 13,555</u>

**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN FUND NET ASSETS (in thousands)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>SELF- INSURANCE</u>	<u>OTHER SERVICES</u>	<u>TOTAL</u>
<b>OPERATING REVENUES:</b>			
Premium revenues	\$ 44,854	\$ -	\$ 44,854
Charges for services	-	70,508	70,508
Other	1,766	-	1,766
<b>Total operating revenues</b>	<u>46,620</u>	<u>70,508</u>	<u>117,128</u>
<b>OPERATING EXPENSES:</b>			
Claims	18,924	-	18,924
Insurance	16,855	-	16,855
Personnel services	1,571	69,494	71,065
Depreciation	-	3	3
Other	5,155	1,112	6,267
<b>Total operating expenses</b>	<u>42,505</u>	<u>70,609</u>	<u>113,114</u>
<b>Operating income (loss)</b>	4,115	(101)	4,014
<b>NON-OPERATING REVENUE:</b>			
Interest and other	200	-	200
<b>Net income (loss)</b>	4,315	(101)	4,214
<b>Total net assets, beginning of year</b>	<u>9,228</u>	<u>113</u>	<u>9,341</u>
<b>Total net assets, end of year</b>	<u>\$ 13,543</u>	<u>\$ 12</u>	<u>\$ 13,555</u>

**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS (in thousands)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>SELF- INSURANCE</u>	<u>OTHER SERVICES</u>	<u>TOTAL</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from governmental customers	\$ 46,383	\$ 70,506	\$ 116,889
Cash payments for goods and services	(42,884)	(1,006)	(43,890)
Cash payments to employees	(1,571)	(69,494)	(71,065)
Net cash provided (used) by operating activities	<u>1,928</u>	<u>6</u>	<u>1,934</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest received on investments	<u>200</u>	<u>-</u>	<u>200</u>
<b>Net change in cash and cash equivalents</b>	<b>2,128</b>	<b>6</b>	<b>2,134</b>
<b>CASH AND CASH EQUIVALENTS:</b>			
Beginning of year	<u>41,788</u>	<u>90</u>	<u>41,878</u>
End of year	<u>\$ 43,916</u>	<u>\$ 96</u>	<u>\$ 44,012</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ 4,115	\$ (101)	\$ 4,014
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	-	3	3
Change in assets and liabilities:			
(Increase) decrease in interest receivable	37	-	37
(Increase) decrease in other assets	(163)	1	(162)
Increase (decrease) in accounts payable and accrued expenditures	(425)	103	(322)
Increase (decrease) in estimated liability for self-insured risks	(1,636)	-	(1,636)
<b>Net cash provided (used) by operating activities</b>	<u>\$ 1,928</u>	<u>\$ 6</u>	<u>\$ 1,934</u>

# Agency Fund

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

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

**AGENCY FUND**  
**STATEMENT OF ASSETS AND LIABILITIES (in thousands)**  
**AS OF JUNE 30, 2011**

	<b>AGENCY FUND</b>
<b>ASSETS:</b>	
Equity in pooled cash and investments	\$ 5,415
Cash and cash equivalents	7,983
Interest receivable	5
<b>Total assets</b>	<b>\$ 13,403</b>
<b>LIABILITIES:</b>	
Accounts payable	\$ 760
Due to individual schools and activities groups	12,643
<b>Total liabilities</b>	<b>\$ 13,403</b>

## AGENCY FUND

## STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (in thousands)

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	AGENCY FUND			
	2010	Increases	Decreases	2011
<b>ASSETS:</b>				
Equity in pooled cash and investments	\$ 6,075	\$ 5,415	\$ (6,075)	\$ 5,415
Cash and cash equivalents	8,291	68,078	(68,386)	7,983
Interest receivable	11	5	(11)	5
<b>Total assets</b>	<b>\$ 14,377</b>	<b>\$ 73,498</b>	<b>\$ (74,472)</b>	<b>\$ 13,403</b>
<b>LIABILITIES:</b>				
Accounts payable	\$ 1,103	\$ 760	\$ (1,103)	\$ 760
Due to individual schools and activities groups	13,274	72,739	(73,370)	12,643
<b>Total liabilities</b>	<b>\$ 14,377</b>	<b>\$ 73,499</b>	<b>\$ (74,473)</b>	<b>\$ 13,403</b>

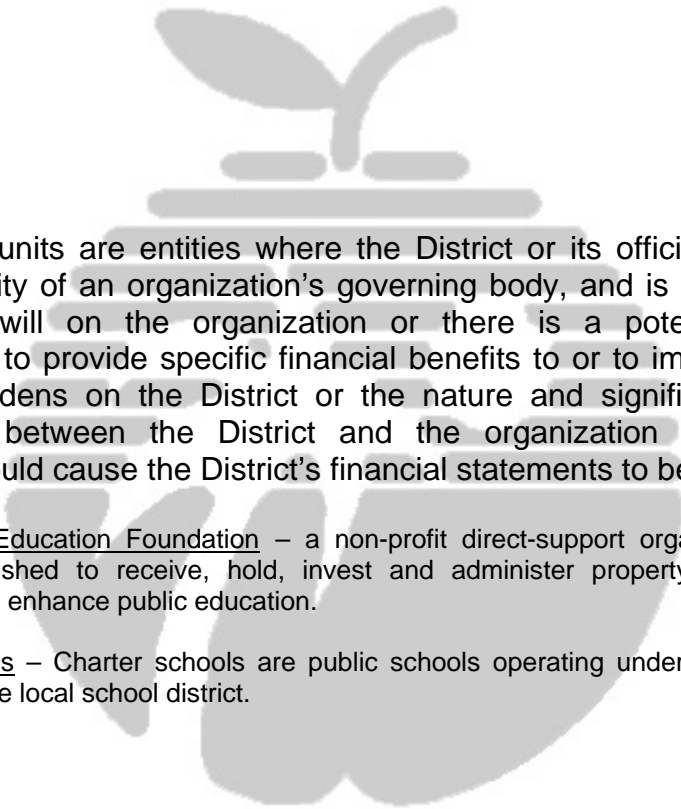


# **Broward County Public Schools**



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

# Component Units



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

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

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

**COMBINING SCHEDULE OF NET ASSETS**  
**COMPONENT UNITS (in thousands)**  
**AS OF JUNE 30, 2011**

	<b>BEN GAMLA CHARTER SCHOOL</b>	<b>BEN GAMLA CHARTER SCHOOL AT NORTH BROWARD</b>	<b>BEN GAMLA CHARTER SCHOOL AT SOUTH BROWARD</b>	<b>BROWARD COMMUNITY CHARTER SCHOOL</b>	<b>BROWARD COMMUNITY CHARTER MIDDLE SCHOOL</b>
<b>ASSETS:</b>					
Cash, cash equivalents and investments	\$ 141	\$ 143	\$ 11	\$ 2	\$ 130
Due from other governmental agencies	8	-	4	-	-
Due from other schools	159	-	-	-	-
Prepays	71	1	65	14	11
Other assets	120	-	170	14	28
<b>Total Current Assets</b>	<b>499</b>	<b>144</b>	<b>250</b>	<b>30</b>	<b>169</b>
Non-current assets:					
Capital assets:					
Depreciable, net	529	51	337	1	27
<b>Total assets</b>	<b>1,028</b>	<b>195</b>	<b>587</b>	<b>31</b>	<b>196</b>
<b>LIABILITIES:</b>					
<b>Current liabilities:</b>					
Accounts payable and accrued expenses	192	6	134	30	27
Accrued payroll taxes and withholding	-	-	-	-	-
Due to other schools	-	-	-	-	-
Unearned revenue	-	120	-	-	-
Management fees payable	-	-	-	-	-
Debt, net of premiums and discounts	-	-	-	-	-
Other liabilities	68	3	46	-	-
<b>Total current liabilities</b>	<b>260</b>	<b>129</b>	<b>180</b>	<b>30</b>	<b>27</b>
<b>Non-current liabilities:</b>					
Debt, net of premiums and discounts	120	-	70	-	-
<b>Total non-current liabilities</b>	<b>120</b>	<b>-</b>	<b>70</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>380</b>	<b>129</b>	<b>250</b>	<b>30</b>	<b>27</b>
<b>NET ASSETS (DEFICITS):</b>					
Invested in capital assets, net of related debt	529	51	267	1	27
Restricted for:					
Other	78	-	-	-	-
Unrestricted net assets (deficits)	41	15	70	-	142
<b>Total net assets (deficits)</b>	<b>\$ 648</b>	<b>\$ 66</b>	<b>\$ 337</b>	<b>\$ 1</b>	<b>\$ 169</b>

\* The audited financial information for Charter Institute Training Center charter school was not reported to the District as of the date of publication of the CAFR.

**Exhibit H1 (continued)**

<b>BROWARD COMMUNITY CHARTER SCHOOL WEST</b>	<b>CENTRAL CHARTER SCHOOL</b>	<b>CHARTER INSTITUTE TRAINING CENTER *</b>	<b>CHARTER SCHOOL OF EXCELLENCE FORT LAUDERDALE</b>	<b>CHARTER SCHOOL OF EXCELLENCE FORT LAUDERDALE 2</b>	<b>CHARTER SCHOOL OF EXCELLENCE AT DAVIE</b>	<b>CHARTER SCHOOL OF EXCELLENCE AT DAVIE 2</b>
\$ 35	\$ 1,497	\$ -	\$ 1,037	\$ 285	\$ 52	\$ 340
-	-	-	-	254	-	370
-	656	-	-	-	-	-
47	60	-	6	-	3	3
88	48	-	146	-	15	7
<u>170</u>	<u>2,261</u>	<u>-</u>	<u>1,189</u>	<u>539</u>	<u>70</u>	<u>720</u>
157	523	-	744	-	256	10
<u>327</u>	<u>2,784</u>	<u>-</u>	<u>1,933</u>	<u>539</u>	<u>326</u>	<u>730</u>
168	4	-	67	-	17	12
-	121	-	80	4	23	24
-	-	-	-	-	-	-
-	-	-	-	525	-	525
-	-	-	-	-	-	-
-	23	-	71	-	-	-
-	-	-	905	-	5	-
<u>168</u>	<u>148</u>	<u>-</u>	<u>1,123</u>	<u>529</u>	<u>45</u>	<u>561</u>
-	64	-	154	-	-	-
-	64	-	154	-	-	-
<u>168</u>	<u>212</u>	<u>-</u>	<u>1,277</u>	<u>529</u>	<u>45</u>	<u>561</u>
157	437	-	519	-	256	10
-	-	-	-	-	-	-
2	2,135	-	137	10	25	159
<u>\$ 159</u>	<u>\$ 2,572</u>	<u>\$ -</u>	<u>\$ 656</u>	<u>\$ 10</u>	<u>\$ 281</u>	<u>\$ 169</u>

**COMBINING SCHEDULE OF NET ASSETS**  
**COMPONENT UNITS (in thousands)**  
**AS OF JUNE 30, 2011**

	CHARTER SCHOOL OF EXCELLENCE AT RIVERLAND	CHARTER SCHOOL OF EXCELLENCE AT RIVERLAND 2	CHARTER SCHOOL OF EXCELLENCE AT TAMARAC 1	CHARTER SCHOOL OF EXCELLENCE AT TAMARAC 2	DISCOVERY MIDDLE CHARTER SCHOOL
<b>ASSETS:</b>					
Cash, cash equivalents and investments	\$ 291	\$ 60	\$ 120	\$ 99	\$ 116
Due from other governmental agencies	-	343	55	38	-
Due from other schools	-	-	-	-	-
Prepays	-	-	7	7	13
Other assets	28	8	35	10	31
Total Current Assets	<u>319</u>	<u>411</u>	<u>217</u>	<u>154</u>	<u>160</u>
Non-current assets:					
Capital assets:					
Depreciable, net	204	-	179	83	2
<b>Total assets</b>	<u>523</u>	<u>411</u>	<u>396</u>	<u>237</u>	<u>162</u>
<b>LIABILITIES:</b>					
<b>Current liabilities:</b>					
Accounts payable and accrued expenses	12	10	25	28	22
Accrued payroll taxes and withholding	28	14	34	26	-
Due to other schools	-	-	-	-	-
Unearned revenue	-	250	-	-	-
Management fees payable	-	-	-	-	-
Debt, net of premiums and discounts	71	-	68	-	-
Other liabilities	149	-	-	-	-
Total current liabilities	<u>260</u>	<u>274</u>	<u>127</u>	<u>54</u>	<u>22</u>
<b>Non-current liabilities:</b>					
Debt, net of premiums and discounts	154	-	36	-	2
Total non-current liabilities	<u>154</u>	<u>-</u>	<u>36</u>	<u>-</u>	<u>2</u>
<b>Total liabilities</b>	<u>414</u>	<u>274</u>	<u>163</u>	<u>54</u>	<u>24</u>
<b>NET ASSETS (DEFICITS):</b>					
Invested in capital assets, net of related debt	(21)	-	179	83	2
Restricted for:					
Other	-	-	-	-	-
Unrestricted net assets (deficits)	130	137	54	100	136
<b>Total net assets (deficits)</b>	<u>\$ 109</u>	<u>\$ 137</u>	<u>\$ 233</u>	<u>\$ 183</u>	<u>\$ 138</u>

**Exhibit H1 (continued)**

<b>DOLPHIN PARK HIGH SCHOOL</b>	<b>EAGLE CHARTER ACADEMY</b>	<b>EAGLES' NEST ELEMENTARY CHARTER SCHOOL</b>	<b>EAGLES' NEST MIDDLE CHARTER SCHOOL</b>	<b>EXCELSIOR CHARTER OF BROWARD</b>	<b>FLORIDA INTER- CULTURAL ACADEMY ELEMENTARY</b>	<b>FLORIDA INTER- CULTURAL ACADEMY MIDDLE</b>
\$ 474	\$ 8	\$ 403	\$ 58	\$ 220	\$ 263	\$ 40
-	-	-	-	-	10	-
-	411	-	-	-	-	-
-	12	-	-	31	-	-
-	31	25	10	-	19	3
<u>474</u>	<u>462</u>	<u>428</u>	<u>68</u>	<u>251</u>	<u>292</u>	<u>43</u>
64	18	-	-	74	3,834	15
<u>538</u>	<u>480</u>	<u>428</u>	<u>68</u>	<u>325</u>	<u>4,126</u>	<u>58</u>
409	149	26	11	59	74	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	69	-	-	-	-	-
-	-	-	-	-	100	-
-	-	-	-	-	-	10
<u>409</u>	<u>218</u>	<u>26</u>	<u>11</u>	<u>59</u>	<u>174</u>	<u>10</u>
-	-	-	-	-	3,200	-
-	-	-	-	-	3,200	-
<u>409</u>	<u>218</u>	<u>26</u>	<u>11</u>	<u>59</u>	<u>3,374</u>	<u>10</u>
64	18	-	-	74	534	15
16	-	-	-	-	-	-
49	244	402	57	192	218	33
<u>\$ 129</u>	<u>\$ 262</u>	<u>\$ 402</u>	<u>\$ 57</u>	<u>\$ 266</u>	<u>\$ 752</u>	<u>\$ 48</u>

**COMBINING SCHEDULE OF NET ASSETS**  
**COMPONENT UNITS (in thousands)**  
**AS OF JUNE 30, 2011**

	HENRY MCNEAL TURNER LEARNING ACADEMY	HOLLYWOOD ACADEMY OF ARTS & SCIENCE	HOLLYWOOD ACADEMY OF ARTS & SCIENCE MIDDLE	IMAGINE CHARTER SCHOOL AT BROWARD	IMAGINE CHARTER SCHOOL AT BROWARD MIDDLE
<b>ASSETS:</b>					
Cash, cash equivalents and investments	\$ 1	\$ 805	\$ 391	\$ 594	\$ 128
Due from other governmental agencies	12	8	1	2	-
Due from other schools	-	-	-	44	-
Prepays	-	2	1	29	8
Other assets	-	13,966	5,632	50	-
Total Current Assets	13	14,781	6,025	719	136
Non-current assets:					
Capital assets:					
Depreciable, net	80	70	6	109	80
<b>Total assets</b>	<b>93</b>	<b>14,851</b>	<b>6,031</b>	<b>828</b>	<b>216</b>
<b>LIABILITIES:</b>					
<b>Current liabilities:</b>					
Accounts payable and accrued expenses	34	328	34	319	57
Accrued payroll taxes and withholding	-	-	-	-	-
Due to other schools	-	-	-	-	-
Unearned revenue	-	94	49	6	-
Management fees payable	-	-	4	-	-
Debt, net of premiums and discounts	-	-	-	75	-
Other liabilities	19	-	134	200	-
Total current liabilities	53	422	221	600	57
<b>Non-current liabilities:</b>					
Debt, net of premiums and discounts	-	13,757	5,625	76	-
Total non-current liabilities	-	13,757	5,625	76	-
<b>Total liabilities</b>	<b>53</b>	<b>14,179</b>	<b>5,846</b>	<b>676</b>	<b>57</b>
<b>NET ASSETS (DEFICITS):</b>					
Invested in capital assets, net of related debt	80	70	6	109	80
Restricted for:					
Other	-	-	-	-	-
Unrestricted net assets (deficits)	(40)	602	179	43	79
<b>Total net assets (deficits)</b>	<b>\$ 40</b>	<b>\$ 672</b>	<b>\$ 185</b>	<b>\$ 152</b>	<b>\$ 159</b>

IMAGINE CHARTER SCHOOL AT NORTH N LAUDERDALE	IMAGINE CHARTER SCHOOL AT N LAUDERDALE MIDDLE	IMAGINE CHARTER SCHOOL AT WESTON	INTERNATIONAL SCHOOL OF BROWARD	KIDZ CHOICE CHARTER SCHOOL	LAUDERHILL HIGH SCHOOL	LIFE SKILLS CENTER
\$ 367	\$ 157	\$ 661	\$ 20	\$ 72	\$ 417	\$ 223
70	47	-	-	-	-	-
14	-	-	-	-	-	-
12	6	198	-	6	-	-
115	93	186	7	-	-	2
<u>578</u>	<u>303</u>	<u>1,045</u>	<u>27</u>	<u>78</u>	<u>417</u>	<u>225</u>
25	7	388	201	115	64	-
<u>603</u>	<u>310</u>	<u>1,433</u>	<u>228</u>	<u>193</u>	<u>481</u>	<u>225</u>
238	93	581	154	34	290	5
-	-	-	-	-	-	-
-	9	-	-	-	-	-
-	-	24	-	-	-	-
54	33	-	-	-	-	-
330	84	245	110	-	-	-
-	-	24	-	7	-	-
<u>622</u>	<u>219</u>	<u>874</u>	<u>264</u>	<u>41</u>	<u>290</u>	<u>5</u>
716	-	659	220	-	-	-
716	-	659	220	-	-	-
<u>1,338</u>	<u>219</u>	<u>1,533</u>	<u>484</u>	<u>41</u>	<u>290</u>	<u>5</u>
24	8	388	46	115	64	-
-	-	-	-	-	79	-
(759)	83	(488)	(302)	37	48	220
<u>\$ (735)</u>	<u>\$ 91</u>	<u>\$ (100)</u>	<u>\$ (256)</u>	<u>\$ 152</u>	<u>\$ 191</u>	<u>\$ 220</u>



**COMBINING SCHEDULE OF NET ASSETS**  
**COMPONENT UNITS (in thousands)**  
**AS OF JUNE 30, 2011**

	<b>MAVERICKS HIGH SCHOOL CENTRAL BROWARD</b>	<b>NORTH BROWARD ACADEMY OF EXCELLENCE</b>	<b>NORTH BROWARD ACADEMY OF EXCELLENCE MIDDLE</b>	<b>NORTH UNIVERSITY HIGH SCHOOL</b>	<b>PARAGON ELEMENTARY CHARTER SCHOOL</b>
<b>ASSETS:</b>					
Cash, cash equivalents and investments	\$ 5	\$ 782	\$ 415	\$ 412	\$ 94
Due from other governmental agencies	-	60	11	-	-
Due from other schools	-	-	-	-	-
Prepays	32	3	-	-	14
Other assets	16	223	14	-	23
<b>Total Current Assets</b>	<b>53</b>	<b>1,068</b>	<b>440</b>	<b>412</b>	<b>131</b>
Non-current assets:					
Capital assets:					
Depreciable, net	384	6,897	3,202	63	4
<b>Total assets</b>	<b>437</b>	<b>7,965</b>	<b>3,642</b>	<b>475</b>	<b>135</b>
<b>LIABILITIES:</b>					
<b>Current liabilities:</b>					
Accounts payable and accrued expenses	324	441	23	372	70
Accrued payroll taxes and withholding	-	-	-	-	-
Due to other schools	-	-	-	-	-
Unearned revenue	-	135	64	-	-
Management fees payable	-	25	19	-	-
Debt, net of premiums and discounts	-	32	-	-	-
Other liabilities	-	8	148	-	-
<b>Total current liabilities</b>	<b>324</b>	<b>641</b>	<b>254</b>	<b>372</b>	<b>70</b>
<b>Non-current liabilities:</b>					
Debt, net of premiums and discounts	250	6,843	3,220	-	-
<b>Total non-current liabilities</b>	<b>250</b>	<b>6,843</b>	<b>3,220</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>574</b>	<b>7,484</b>	<b>3,474</b>	<b>372</b>	<b>70</b>
<b>NET ASSETS (DEFICITS):</b>					
Invested in capital assets, net of related debt	384	21	(18)	64	3
Restricted for:					
Other	-	-	-	-	-
Unrestricted net assets (deficits)	(521)	460	186	39	62
<b>Total net assets (deficits)</b>	<b>\$ (137)</b>	<b>\$ 481</b>	<b>\$ 168</b>	<b>\$ 103</b>	<b>\$ 65</b>

PARAGON ACADEMY OF TECHNOLOGY	PARKWAY ACADEMY	POMPANO CHARTER MIDDLE SCHOOL	RISE ACADEMY SCHOOL OF SCIENCE & TECHNOLOGY	RISE ACADEMY SCHOOL OF SCIENCE & TECHNOLOGY II	SMART SCHOOL MIDDLE	SOMERSET ACADEMY & SOMERSET NEIGHBORHOOD SCHOOL
\$ 133	\$ 278	\$ 58	\$ 21	\$ 15	\$ 10	\$ 1,611
-	-	-	-	75	-	11
-	-	-	-	-	-	157
7	-	1	-	-	7	128
3	11	7	85	-	209	-
<u>143</u>	<u>289</u>	<u>66</u>	<u>106</u>	<u>90</u>	<u>226</u>	<u>1,907</u>
3	1,205	54	209	91	200	1,477
<u>146</u>	<u>1,494</u>	<u>120</u>	<u>315</u>	<u>181</u>	<u>426</u>	<u>3,384</u>
30	260	29	169	73	82	301
-	-	-	-	-	1,091	-
-	-	-	-	-	411	83
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	77	-
-	-	-	-	-	-	-
<u>30</u>	<u>260</u>	<u>29</u>	<u>169</u>	<u>73</u>	<u>1,661</u>	<u>384</u>
-	1,387	-	-	38	137	-
-	1,387	-	-	38	137	-
<u>30</u>	<u>1,647</u>	<u>29</u>	<u>169</u>	<u>111</u>	<u>1,798</u>	<u>384</u>
3	(183)	54	246	53	36	1,477
-	-	-	-	-	-	-
113	30	37	(100)	17	(1,408)	1,523
<u>\$ 116</u>	<u>\$ (153)</u>	<u>\$ 91</u>	<u>\$ 146</u>	<u>\$ 70</u>	<u>\$ (1,372)</u>	<u>\$ 3,000</u>

**COMBINING SCHEDULE OF NET ASSETS**  
**COMPONENT UNITS (in thousands)**  
**AS OF JUNE 30, 2011**

	SOMERSET ACADEMY DAVIE CHARTER SCHOOL	SOMERSET ACADEMY MIDDLE SCHOOL	SOMERSET ACADEMY CHARTER HIGH SCHOOL	SOMERSET ARTS CONSERVATORY	SOMERSET ACADEMY MIRAMAR
<b>ASSETS:</b>					
Cash, cash equivalents and investments	\$ 663	\$ 240	\$ 1,196	\$ 367	\$ 2,491
Due from other governmental agencies	-	2	2	-	40
Due from other schools	-	32	-	-	118
Prepays	12	159	113	6	50
Other assets	4	-	-	-	-
<b>Total Current Assets</b>	<b>679</b>	<b>433</b>	<b>1,311</b>	<b>373</b>	<b>2,699</b>
Non-current assets:					
Capital assets:					
Depreciable, net	37	1,229	1,258	61	702
<b>Total assets</b>	<b>716</b>	<b>1,662</b>	<b>2,569</b>	<b>434</b>	<b>3,401</b>
<b>LIABILITIES:</b>					
<b>Current liabilities:</b>					
Accounts payable and accrued expenses	40	178	155	36	174
Accrued payroll taxes and withholding	-	-	-	-	-
Due to other schools	-	1	32	-	-
Unearned revenue	-	-	-	-	-
Management fees payable	-	-	-	-	-
Debt, net of premiums and discounts	-	-	-	-	-
Other liabilities	-	-	-	-	-
<b>Total current liabilities</b>	<b>40</b>	<b>179</b>	<b>187</b>	<b>36</b>	<b>174</b>
<b>Non-current liabilities:</b>					
Debt, net of premiums and discounts	-	-	-	-	-
<b>Total non-current liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>40</b>	<b>179</b>	<b>187</b>	<b>36</b>	<b>174</b>
<b>NET ASSETS (DEFICITS):</b>					
Invested in capital assets, net of related debt	37	1,229	1,258	61	702
Restricted for:					
Other	-	-	273	-	-
Unrestricted net assets (deficits)	639	254	851	337	2,525
<b>Total net assets (deficits)</b>	<b>\$ 676</b>	<b>\$ 1,483</b>	<b>\$ 2,382</b>	<b>\$ 398</b>	<b>\$ 3,227</b>

SOMERSET ACADEMY MIRAMAR MIDDLE SCHOOL	SOMERSET ACADEMY EAST PREPARATORY	SOMERSET PINES ACADEMY	SOMERSET PREPARATORY ELEMENTARY SCHOOL	SOMERSET PREPARATORY MIDDLE SCHOOL	SOMERSET PREPARATORY HIGH SCHOOL	SOMERSET VILLAGE ACADEMY
\$ 686	\$ 333	\$ 224	\$ 476	\$ 355	\$ 190	\$ 572
21	75	23	54	6	7	21
-	19	-	26	7	-	-
28	37	36	20	-	11	22
-	27	27	50	-	-	67
<u>735</u>	<u>491</u>	<u>310</u>	<u>626</u>	<u>368</u>	<u>208</u>	<u>682</u>
252	380	334	401	8	197	458
<u>987</u>	<u>871</u>	<u>644</u>	<u>1,027</u>	<u>376</u>	<u>405</u>	<u>1,140</u>
112	55	78	224	14	10	68
-	-	-	-	-	-	-
-	7	-	-	-	26	181
-	-	77	75	250	152	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>112</u>	<u>62</u>	<u>155</u>	<u>299</u>	<u>264</u>	<u>188</u>	<u>249</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>112</u>	<u>62</u>	<u>155</u>	<u>299</u>	<u>264</u>	<u>188</u>	<u>249</u>
252	381	335	401	8	197	458
-	-	-	55	-	-	4
623	428	154	272	104	20	429
<u>\$ 875</u>	<u>\$ 809</u>	<u>\$ 489</u>	<u>\$ 728</u>	<u>\$ 112</u>	<u>\$ 217</u>	<u>\$ 891</u>

**COMBINING SCHEDULE OF NET ASSETS**  
**COMPONENT UNITS (in thousands)**  
**AS OF JUNE 30, 2011**

	<b>SOMERSET VILLAGE ACADEMY MIDDLE</b>	<b>SUNSHINE ELEMENTARY CHARTER SCHOOL</b>	<b>TOUCHDOWNS 4LIFE, INC.</b>	<b>BROWARD EDUCATION FOUNDATION</b>	<b>TOTAL</b>
<b>ASSETS:</b>					
Cash, cash equivalents and investments	\$ 368	\$ 185	\$ -	\$ 2,749	\$ 24,590
Due from other governmental agencies	-	-	-	-	1,630
Due from other schools	40	-	-	-	1,683
Prepays	15	2	-	5,261	6,577
Other assets	6	-	-	976	22,635
Total Current Assets	<u>429</u>	<u>187</u>	<u>-</u>	<u>8,986</u>	<u>57,115</u>
Non-current assets:					
Capital assets:					
Depreciable, net	220	16	2	-	27,597
<b>Total assets</b>	<u>649</u>	<u>203</u>	<u>2</u>	<u>8,986</u>	<u>84,712</u>
<b>LIABILITIES:</b>					
<b>Current liabilities:</b>					
Accounts payable and accrued expenses	82	31	99	375	7,554
Accrued payroll taxes and withholding	-	-	-	-	1,445
Due to other schools	-	-	-	-	750
Unearned revenue	324	-	-	-	2,670
Management fees payable	-	-	-	-	204
Debt, net of premiums and discounts	-	-	18	-	1,304
Other liabilities	-	-	32	-	1,758
Total current liabilities	<u>406</u>	<u>31</u>	<u>149</u>	<u>375</u>	<u>15,685</u>
<b>Non-current liabilities:</b>					
Debt, net of premiums and discounts	40	-	-	-	36,768
Total non-current liabilities	<u>40</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,768</u>
<b>Total liabilities</b>	<u>446</u>	<u>31</u>	<u>149</u>	<u>375</u>	<u>52,453</u>
<b>NET ASSETS (DEFICITS):</b>					
Invested in capital assets, net of related debt	180	16	2	-	11,849
Restricted for:					
Other	-	-	-	5,261	5,766
Unrestricted net assets (deficits)	23	156	(149)	3,350	14,644
<b>Total net assets (deficits)</b>	<u>\$ 203</u>	<u>\$ 172</u>	<u>\$ (147)</u>	<u>\$ 8,611</u>	<u>\$ 32,259</u>

# **Broward County Public Schools**



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

## COMBINING SCHEDULE OF ACTIVITIES

## COMPONENT UNITS (in thousands)

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	BEN GAMLA CHARTER SCHOOL	BEN GAMLA SCHOOL AT NORTH BROWARD	BEN GAMLA SCHOOL AT SOUTH BROWARD	BROWARD COMMUNITY CHARTER SCHOOL	BROWARD COMMUNITY CHARTER MIDDLE SCHOOL
<b>EXPENSES:</b>					
Instructional services	\$ 2,413	\$ 59	\$ 945	\$ 410	\$ 313
Instructional support services	8	-	11	1	-
Pupil transportation services	-	-	-	36	27
Operation and maintenance of plant	1,108	44	307	64	37
School administration	616	19	237	41	71
General administration	197	6	83	117	110
Food services	214	-	68	57	29
Scholarships and programs	-	-	-	-	-
Facility acquisition and construction	14	-	-	156	114
Interest expense	-	-	-	-	-
Depreciation - unallocated <sup>(1)</sup>	-	-	-	-	37
<b>Total expenses</b>	<b>4,570</b>	<b>128</b>	<b>1,651</b>	<b>882</b>	<b>738</b>
<b>PROGRAM REVENUES:</b>					
Charges for services	264	-	39	56	27
Operating grants and contributions	145	59	95	763	518
Capital grants and contributions	337	9	-	43	23
<b>Total program revenues</b>	<b>746</b>	<b>68</b>	<b>134</b>	<b>862</b>	<b>568</b>
<b>Net program expense</b>	<b>(3,824)</b>	<b>(60)</b>	<b>(1,517)</b>	<b>(20)</b>	<b>(170)</b>
<b>GENERAL REVENUES:</b>					
Grants and contributions not restricted to specific programs	-	-	-	-	-
Other federal sources	-	-	-	47	116
Other state sources	3,809	126	1,499	2	1
Other local sources	-	-	102	24	-
Unrestricted investment earnings	-	-	-	-	-
<b>Total general revenues</b>	<b>3,809</b>	<b>126</b>	<b>1,601</b>	<b>73</b>	<b>117</b>
<b>Change in net assets (deficits)</b>	<b>(15)</b>	<b>66</b>	<b>84</b>	<b>53</b>	<b>(53)</b>
<b>Total net assets (deficits), beginning of year</b>	<b>663</b>	<b>-</b>	<b>253</b>	<b>(52)</b>	<b>222</b>
<b>Total net assets (deficits), end of year</b>	<b>\$ 648</b>	<b>\$ 66</b>	<b>\$ 337</b>	<b>\$ 1</b>	<b>\$ 169</b>

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

\* The audited financial information for Charter Institute Training Center charter school was not reported to the District as of the date of publication of the CAFR.

BROWARD COMMUNITY CHARTER SCHOOL WEST	CENTRAL CHARTER SCHOOL	CHARTER INSTITUTE TRAINING CENTER *	CHARTER SCHOOL OF EXCELLENCE FORT LAUDERDALE	CHARTER SCHOOL OF EXCELLENCE FORT LAUDERDALE 2	CHARTER SCHOOL OF EXCELLENCE FORT AT DAVIE	CHARTER SCHOOL OF EXCELLENCE FORT AT DAVIE 2
\$ 1,068	\$ 2,531	\$ -	\$ 921	\$ 81	\$ 455	\$ 447
82	360	-	8	-	23	-
149	62	-	106	22	46	49
215	510	-	349	14	105	64
291	343	-	132	37	187	101
335	773	-	648	64	278	290
136	-	-	141	6	81	25
-	-	-	-	-	-	-
521	-	-	142	-	51	60
1	2	-	-	-	-	-
115	-	-	-	-	-	-
<u>2,913</u>	<u>4,581</u>	<u>-</u>	<u>2,447</u>	<u>224</u>	<u>1,226</u>	<u>1,036</u>
189	451	-	249	1	123	54
2,429	-	-	-	-	-	-
138	240	-	114	-	62	61
<u>2,756</u>	<u>691</u>	<u>-</u>	<u>363</u>	<u>1</u>	<u>185</u>	<u>115</u>
<u>(157)</u>	<u>(3,890)</u>	<u>-</u>	<u>(2,084)</u>	<u>(223)</u>	<u>(1,041)</u>	<u>(921)</u>
-	363	-	-	-	-	-
128	-	-	-	-	-	-
34	3,961	-	1,977	220	1,045	1,020
364	-	-	122	12	64	69
-	10	-	2	1	-	1
<u>526</u>	<u>4,334</u>	<u>-</u>	<u>2,101</u>	<u>233</u>	<u>1,109</u>	<u>1,090</u>
369	444	-	17	10	68	169
(210)	2,128	-	639	-	213	-
<u>\$ 159</u>	<u>\$ 2,572</u>	<u>\$ -</u>	<u>\$ 656</u>	<u>\$ 10</u>	<u>\$ 281</u>	<u>\$ 169</u>



## COMBINING SCHEDULE OF ACTIVITIES

COMPONENT UNITS (in thousands)

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	CHARTER SCHOOL OF EXCELLENCE AT RIVERLAND	CHARTER SCHOOL OF EXCELLENCE AT RIVERLAND 2	CHARTER SCHOOL OF EXCELLENCE AT TAMARAC 1	CHARTER SCHOOL OF EXCELLENCE AT TAMARAC 2	DISCOVERY MIDDLE CHARTER SCHOOL
<b>EXPENSES:</b>					
Instructional services	\$ 536	\$ 244	\$ 611	\$ 557	\$ 283
Instructional support services	5	8	20	3	-
Pupil transportation services	59	57	99	61	32
Operation and maintenance of plant	60	22	141	68	44
School administration	112	49	148	170	42
General administration	296	200	537	443	118
Food services	92	35	81	76	29
Scholarships and programs	-	-	-	-	-
Facility acquisition and construction	86	25	169	169	137
Interest expense	-	-	8	-	-
Depreciation - unallocated <sup>(1)</sup>	-	-	-	-	-
<b>Total expenses</b>	<b>1,246</b>	<b>640</b>	<b>1,814</b>	<b>1,547</b>	<b>685</b>
<b>PROGRAM REVENUES:</b>					
Charges for services	119	40	140	106	37
Operating grants and contributions	230	-	75	103	603
Capital grants and contributions	40	38	68	76	43
<b>Total program revenues</b>	<b>389</b>	<b>78</b>	<b>283</b>	<b>285</b>	<b>683</b>
<b>Net program expense</b>	<b>(857)</b>	<b>(562)</b>	<b>(1,531)</b>	<b>(1,262)</b>	<b>(2)</b>
<b>GENERAL REVENUES:</b>					
Grants and contributions not restricted to specific programs	-	-	-	-	-
Other federal sources	-	-	-	-	90
Other state sources	906	659	1,484	1,292	9
Other local sources	56	40	93	83	-
Unrestricted investment earnings	-	-	-	-	-
<b>Total general revenues</b>	<b>962</b>	<b>699</b>	<b>1,577</b>	<b>1,375</b>	<b>99</b>
<b>Change in net assets (deficits)</b>	<b>105</b>	<b>137</b>	<b>46</b>	<b>113</b>	<b>97</b>
<b>Total net assets (deficits), beginning of year</b>	<b>4</b>	<b>-</b>	<b>187</b>	<b>70</b>	<b>41</b>
<b>Total net assets (deficits), end of year</b>	<b>\$ 109</b>	<b>\$ 137</b>	<b>\$ 233</b>	<b>\$ 183</b>	<b>\$ 138</b>

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

Exhibit H2 (continued)

DOLPHIN PARK HIGH SCHOOL	EAGLE CHARTER ACADEMY	EAGLES' NEST ELEMENTARY CHARTER SCHOOL	EAGLES' NEST MIDDLE CHARTER SCHOOL	EXCELSIOR CHARTER OF BROWARD	FLORIDA INTER- CULTURAL ACADEMY ELEMENTARY	FLORIDA INTER- CULTURAL ACADEMY MIDDLE
\$ 594	\$ 1,801	\$ 494	\$ 238	\$ 580	\$ 889	\$ 103
-	-	49	3	55	-	-
267	161	32	27	-	-	-
429	564	83	45	73	243	23
1,081	139	186	60	60	433	33
52	676	85	33	191	196	19
4	87	14	2	40	74	6
-	-	-	-	-	-	-
122	69	91	40	152	-	-
-	-	-	-	-	-	-
-	-	-	-	15	92	1
<u>2,549</u>	<u>3,497</u>	<u>1,034</u>	<u>448</u>	<u>1,166</u>	<u>1,927</u>	<u>185</u>
-	70	15	1	20	-	-
-	266	1,073	364	35	34	2
-	236	63	26	63	-	-
-	572	1,151	391	118	34	2
<u>(2,549)</u>	<u>(2,925)</u>	<u>117</u>	<u>(57)</u>	<u>(1,048)</u>	<u>(1,893)</u>	<u>(183)</u>
-	-	-	-	-	-	-
3	-	74	72	-	-	-
2,543	2,848	-	-	1,080	1,813	226
-	105	2	-	43	198	9
-	-	-	-	-	-	-
<u>2,546</u>	<u>2,953</u>	<u>76</u>	<u>72</u>	<u>1,123</u>	<u>2,011</u>	<u>235</u>
(3)	28	193	15	75	118	52
132	234	209	42	191	634	(4)
<u>\$ 129</u>	<u>\$ 262</u>	<u>\$ 402</u>	<u>\$ 57</u>	<u>\$ 266</u>	<u>\$ 752</u>	<u>\$ 48</u>

## COMBINING SCHEDULE OF ACTIVITIES

COMPONENT UNITS (in thousands)

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	HENRY MCNEAL TURNER LEARNING ACADEMY	HOLLYWOOD ACADEMY OF ARTS & SCIENCE	HOLLYWOOD ACADEMY OF ARTS & SCIENCE MIDDLE	IMAGINE CHARTER SCHOOL AT BROWARD	IMAGINE CHARTER SCHOOL AT BROWARD MIDDLE
<b>EXPENSES:</b>					
Instructional services	\$ 285	\$ 1,341	\$ 763	\$ 2,046	\$ 226
Instructional support services	4	441	182	100	42
Pupil transportation services	71	-	-	-	-
Operation and maintenance of plant	41	744	455	1,343	132
School administration	97	-	-	1,016	81
General administration	63	425	161	16	18
Food services	15	78	-	-	-
Scholarships and programs	-	-	-	-	-
Facility acquisition and construction	63	-	-	-	-
Interest expense	-	-	-	-	-
Depreciation - unallocated <sup>(1)</sup>	2	-	-	-	-
<b>Total expenses</b>	<b>641</b>	<b>3,029</b>	<b>1,561</b>	<b>4,521</b>	<b>499</b>
<b>PROGRAM REVENUES:</b>					
Charges for services	2	130	-	406	-
Operating grants and contributions	34	41	3	435	181
Capital grants and contributions	75	171	110	-	88
<b>Total program revenues</b>	<b>111</b>	<b>342</b>	<b>113</b>	<b>841</b>	<b>269</b>
<b>Net program expense</b>	<b>(530)</b>	<b>(2,687)</b>	<b>(1,448)</b>	<b>(3,680)</b>	<b>(230)</b>
<b>GENERAL REVENUES:</b>					
Grants and contributions not restricted to specific programs	44	2,827	1,404	-	-
Other federal sources	-	-	-	-	-
Other state sources	479	-	-	4,080	388
Other local sources	-	20	4	99	1
Unrestricted investment earnings	-	-	-	-	-
<b>Total general revenues</b>	<b>523</b>	<b>2,847</b>	<b>1,408</b>	<b>4,179</b>	<b>389</b>
<b>Change in net assets (deficits)</b>	<b>(7)</b>	<b>160</b>	<b>(40)</b>	<b>499</b>	<b>159</b>
<b>Total net assets (deficits), beginning of year</b>	<b>47</b>	<b>512</b>	<b>225</b>	<b>(347)</b>	<b>-</b>
<b>Total net assets (deficits), end of year</b>	<b>\$ 40</b>	<b>\$ 672</b>	<b>\$ 185</b>	<b>\$ 152</b>	<b>\$ 159</b>

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

IMAGINE CHARTER SCHOOL AT NORTH N LAUDERDALE	IMAGINE CHARTER SCHOOL AT N LAUDERDALE MIDDLE	IMAGINE CHARTER SCHOOL AT WESTON	INTERNATIONAL SCHOOL OF BROWARD	KIDZ CHOICE CHARTER SCHOOL	LAUDERHILL HIGH SCHOOL	LIFE SKILLS CENTER
\$ 1,247	\$ 564	\$ 3,244	\$ 850	\$ 255	\$ 578	\$ 741
97	1	139	59	2	-	336
-	24	163	2	-	284	63
658	282	2,229	147	40	325	155
576	233	1,016	333	137	805	304
17	11	15	274	124	44	202
221	95	-	37	4	9	-
-	-	-	-	-	-	-
-	-	-	185	85	190	360
79	6	49	-	2	-	-
-	-	-	40	-	-	-
<u>2,895</u>	<u>1,216</u>	<u>6,855</u>	<u>1,927</u>	<u>649</u>	<u>2,235</u>	<u>2,161</u>
57	2	608	42	-	-	-
664	364	642	57	22	-	4
-	-	-	142	40	-	-
<u>721</u>	<u>366</u>	<u>1,250</u>	<u>241</u>	<u>62</u>	<u>-</u>	<u>4</u>
<u>(2,174)</u>	<u>(850)</u>	<u>(5,605)</u>	<u>(1,686)</u>	<u>(587)</u>	<u>(2,235)</u>	<u>(2,157)</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,376	1,027	5,616	1,690	690	2,279	2,101
41	-	188	60	2	3	82
-	-	-	-	-	-	-
<u>2,417</u>	<u>1,027</u>	<u>5,804</u>	<u>1,750</u>	<u>692</u>	<u>2,282</u>	<u>2,183</u>
243	177	199	64	105	47	26
<u>(978)</u>	<u>(86)</u>	<u>(299)</u>	<u>(320)</u>	<u>47</u>	<u>144</u>	<u>194</u>
<u>\$ (735)</u>	<u>\$ 91</u>	<u>\$ (100)</u>	<u>\$ (256)</u>	<u>\$ 152</u>	<u>\$ 191</u>	<u>\$ 220</u>

## COMBINING SCHEDULE OF ACTIVITIES

COMPONENT UNITS (in thousands)

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	MAVERICKS HIGH SCHOOL CENTRAL BROWARD	NORTH BROWARD ACADEMY OF EXCELLENCE	NORTH BROWARD ACADEMY OF EXCELLENCE MIDDLE	NORTH UNIVERSITY HIGH SCHOOL	PARAGON ELEMENTARY CHARTER SCHOOL
<b>EXPENSES:</b>					
Instructional services	\$ 609	\$ 2,110	\$ 968	\$ 592	\$ 561
Instructional support services	227	58	21	215	59
Pupil transportation services	77	-	-	85	41
Operation and maintenance of plant	803	936	549	492	72
School administration	-	-	-	930	165
General administration	275	1,037	370	47	127
Food services	-	352	-	4	9
Scholarships and programs	-	-	-	-	-
Facility acquisition and construction	-	-	-	140	93
Interest expense	25	372	171	-	-
Depreciation - unallocated <sup>(1)</sup>	-	-	-	-	11
<b>Total expenses</b>	<b>2,016</b>	<b>4,865</b>	<b>2,079</b>	<b>2,505</b>	<b>1,138</b>
<b>PROGRAM REVENUES:</b>					
Charges for services	-	295	-	-	2
Operating grants and contributions	6	432	86	-	1,025
Capital grants and contributions	225	247	150	-	61
<b>Total program revenues</b>	<b>231</b>	<b>974</b>	<b>236</b>	<b>-</b>	<b>1,088</b>
<b>Net program expense</b>	<b>(1,785)</b>	<b>(3,891)</b>	<b>(1,843)</b>	<b>(2,505)</b>	<b>(50)</b>
<b>GENERAL REVENUES:</b>					
Grants and contributions not restricted to specific programs	-	4,140	1,848	-	-
Other federal sources	-	-	-	3	91
Other state sources	1,643	-	-	2,476	12
Other local sources	5	1	1	-	-
Unrestricted investment earnings	-	-	-	-	-
<b>Total general revenues</b>	<b>1,648</b>	<b>4,141</b>	<b>1,849</b>	<b>2,479</b>	<b>103</b>
<b>Change in net assets (deficits)</b>	<b>(137)</b>	<b>250</b>	<b>6</b>	<b>(26)</b>	<b>53</b>
<b>Total net assets (deficits), beginning of year</b>	<b>-</b>	<b>231</b>	<b>162</b>	<b>129</b>	<b>12</b>
<b>Total net assets (deficits), end of year</b>	<b>\$ (137)</b>	<b>\$ 481</b>	<b>\$ 168</b>	<b>\$ 103</b>	<b>\$ 65</b>

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

PARAGON ACADEMY OF TECHNOLOGY	PARKWAY ACADEMY	POMPANO CHARTER MIDDLE SCHOOL	RISE ACADEMY SCHOOL OF SCIENCE & TECHNOLOGY	RISE ACADEMY SCHOOL OF SCIENCE & TECHNOLOGY II	SMART SCHOOL MIDDLE	SOMERSET ACADEMY & SOMERSET NEIGHBORHOOD SCHOOL
\$ 311	\$ 1,740	\$ 211	\$ 963	\$ 419	\$ 506	\$ 3,785
67	48	21	6	4	1	6
41	324	41	95	62	94	1
44	467	34	357	150	228	1,848
74	707	93	262	202	45	665
76	183	75	221	45	252	325
5	50	3	171	62	44	218
-	-	-	-	-	-	-
70	1	47	2	2	17	88
-	60	-	-	-	2	-
-	248	27	58	33	-	-
<u>688</u>	<u>3,828</u>	<u>552</u>	<u>2,135</u>	<u>979</u>	<u>1,189</u>	<u>6,936</u>
-	-	1	149	52	38	750
114	105	427	46	271	181	351
46	257	31	-	-	30	587
<u>160</u>	<u>362</u>	<u>459</u>	<u>195</u>	<u>323</u>	<u>249</u>	<u>1,688</u>
<u>(528)</u>	<u>(3,466)</u>	<u>(93)</u>	<u>(1,940)</u>	<u>(656)</u>	<u>(940)</u>	<u>(5,248)</u>
-	-	-	-	-	-	-
-	-	85	-	-	-	-
628	3,144	1	1,881	656	877	6,246
10	269	-	8	1	380	125
-	-	-	-	-	-	-
<u>638</u>	<u>3,413</u>	<u>86</u>	<u>1,889</u>	<u>657</u>	<u>1,257</u>	<u>6,371</u>
110	(53)	(7)	(51)	1	317	1,123
6	(100)	98	197	69	(1,689)	1,877
<u>\$ 116</u>	<u>\$ (153)</u>	<u>\$ 91</u>	<u>\$ 146</u>	<u>\$ 70</u>	<u>\$ (1,372)</u>	<u>\$ 3,000</u>

## COMBINING SCHEDULE OF ACTIVITIES

COMPONENT UNITS (in thousands)

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	SOMERSET ACADEMY DAVIE CHARTER SCHOOL	SOMERSET ACADEMY MIDDLE SCHOOL	SOMERSET ACADEMY CHARTER HIGH SCHOOL	SOMERSET ARTS CONSERVATORY	SOMERSET ACADEMY MIRAMAR
<b>EXPENSES:</b>					
Instructional services	\$ 540	\$ 2,087	\$ 2,171	\$ 278	\$ 2,726
Instructional support services	1	7	17	1	4
Pupil transportation services	-	33	44	3	26
Operation and maintenance of plant	230	1,919	1,270	131	1,344
School administration	144	835	692	17	923
General administration	62	277	246	33	241
Food services	23	231	210	-	117
Scholarships and programs	-	-	-	-	-
Facility acquisition and construction	4	67	70	-	21
Interest expense	-	-	-	-	-
Depreciation - unallocated <sup>(1)</sup>	-	-	-	-	-
<b>Total expenses</b>	<b>1,004</b>	<b>5,456</b>	<b>4,720</b>	<b>463</b>	<b>5,402</b>
<b>PROGRAM REVENUES:</b>					
Charges for services	94	129	230	-	615
Operating grants and contributions	55	251	227	17	450
Capital grants and contributions	56	523	562	46	419
<b>Total program revenues</b>	<b>205</b>	<b>903</b>	<b>1,019</b>	<b>63</b>	<b>1,484</b>
<b>Net program expense</b>	<b>(799)</b>	<b>(4,553)</b>	<b>(3,701)</b>	<b>(400)</b>	<b>(3,918)</b>
<b>GENERAL REVENUES:</b>					
Grants and contributions not restricted to specific programs	-	-	-	-	-
Other federal sources	-	-	-	-	-
Other state sources	942	4,824	4,441	477	4,636
Other local sources	-	5	1	-	7
Unrestricted investment earnings	-	-	-	-	-
<b>Total general revenues</b>	<b>942</b>	<b>4,829</b>	<b>4,442</b>	<b>477</b>	<b>4,643</b>
<b>Change in net assets (deficits)</b>	<b>143</b>	<b>276</b>	<b>741</b>	<b>77</b>	<b>725</b>
<b>Total net assets (deficits), beginning of year</b>	<b>533</b>	<b>1,207</b>	<b>1,641</b>	<b>321</b>	<b>2,502</b>
<b>Total net assets (deficits), end of year</b>	<b>\$ 676</b>	<b>\$ 1,483</b>	<b>\$ 2,382</b>	<b>\$ 398</b>	<b>\$ 3,227</b>

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

SOMERSET ACADEMY MIRAMAR MIDDLE SCHOOL	SOMERSET ACADEMY EAST PREPARATORY	SOMERSET PINES ACADEMY	SOMERSET PREPARATORY ELEMENTARY SCHOOL	SOMERSET PREPARATORY MIDDLE SCHOOL	SOMERSET PREPARATORY HIGH SCHOOL	SOMERSET VILLAGE ACADEMY
\$ 1,309	\$ 853	\$ 1,001	\$ 1,302	\$ 189	\$ 134	\$ 784
3	3	2	8	1	2	2
15	-	-	-	-	-	-
750	359	599	689	101	97	512
460	252	181	459	77	53	275
140	95	100	155	25	23	117
95	120	104	171	36	24	160
-	-	-	-	-	-	-
6	2	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>2,778</u>	<u>1,684</u>	<u>1,987</u>	<u>2,784</u>	<u>429</u>	<u>333</u>	<u>1,850</u>
35	138	166	23	8	2	59
285	213	419	546	57	211	510
222	92	111	232	33	30	139
<u>542</u>	<u>443</u>	<u>696</u>	<u>801</u>	<u>98</u>	<u>243</u>	<u>708</u>
<u>(2,236)</u>	<u>(1,241)</u>	<u>(1,291)</u>	<u>(1,983)</u>	<u>(331)</u>	<u>(90)</u>	<u>(1,142)</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,412	1,573	1,779	2,708	443	306	2,032
-	3	1	3	-	1	1
-	-	-	-	-	-	-
<u>2,412</u>	<u>1,576</u>	<u>1,780</u>	<u>2,711</u>	<u>443</u>	<u>307</u>	<u>2,033</u>
176	335	489	728	112	217	891
699	474	-	-	-	-	-
<u>\$ 875</u>	<u>\$ 809</u>	<u>\$ 489</u>	<u>\$ 728</u>	<u>\$ 112</u>	<u>\$ 217</u>	<u>\$ 891</u>



## COMBINING SCHEDULE OF ACTIVITIES

COMPONENT UNITS (in thousands)

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	SOMERSET VILLAGE ACADEMY MIDDLE	SUNSHINE ELEMENTARY CHARTER SCHOOL	TOUCHDOWNS 4LIFE, INC.	BROWARD EDUCATION FOUNDATION	TOTAL
<b>EXPENSES:</b>					
Instructional services	\$ 305	\$ 372	\$ 222	\$ -	\$ 55,761
Instructional support services	1	27	3	-	2,854
Pupil transportation services	-	41	-	-	2,922
Operation and maintenance of plant	185	59	24	-	25,412
School administration	86	80	127	-	16,990
General administration	38	88	36	362	12,188
Food services	64	7	2	-	4,038
Scholarships and programs	-	-	-	1,709	1,709
Facility acquisition and construction	-	45	85	-	3,761
Interest expense	-	-	1	-	778
Depreciation - unallocated <sup>(1)</sup>	-	-	-	-	679
<b>Total expenses</b>	<b>679</b>	<b>719</b>	<b>500</b>	<b>2,071</b>	<b>127,092</b>
<b>PROGRAM REVENUES:</b>					
Charges for services	4	-	-	83	6,121
Operating grants and contributions	253	55	-	2,267	18,101
Capital grants and contributions	43	45	25	-	6,518
<b>Total program revenues</b>	<b>300</b>	<b>100</b>	<b>25</b>	<b>2,350</b>	<b>30,740</b>
<b>Net program expense</b>	<b>(379)</b>	<b>(619)</b>	<b>(475)</b>	<b>279</b>	<b>(96,352)</b>
<b>GENERAL REVENUES:</b>					
Grants and contributions not restricted to specific programs	-	-	39	-	10,665
Other federal sources	-	-	-	-	709
Other state sources	582	749	415	-	93,163
Other local sources	-	14	3	-	2,725
Unrestricted investment earnings	-	-	-	334	348
<b>Total general revenues</b>	<b>582</b>	<b>763</b>	<b>457</b>	<b>334</b>	<b>107,610</b>
<b>Change in net assets (deficits)</b>	<b>203</b>	<b>144</b>	<b>(18)</b>	<b>613</b>	<b>11,258</b>
<b>Total net assets (deficits), beginning of year</b>	<b>-</b>	<b>28</b>	<b>(129)</b>	<b>7,998</b>	<b>21,001</b>
<b>Total net assets (deficits), end of year</b>	<b>\$ 203</b>	<b>\$ 172</b>	<b>\$ (147)</b>	<b>\$ 8,611</b>	<b>\$ 32,259</b>

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



Broward County Public Schools

**Statistical  
Section**

# **Broward County Public Schools**



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

# Statistical Tables

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

## **Financial Trends (Table 1 – 4)**

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

## **Revenue Capacity (Table 5 – 8)**

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

## **Debt Capacity (Table 9 – 13)**

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

## **Demographic & Economic Information (Table 14 - 17)**

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

## **Operating Information (Table 18 – 21)**

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

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>PRIMARY GOVERNMENT:</b>										
<b>NET ASSETS:</b>										
Invested in capital assets, net of related debt	\$ 1,045,747	\$ 1,128,245	\$ 1,183,094	\$ 1,292,131	\$ 1,375,410	\$ 1,429,092	\$ 1,467,281	\$ 1,528,246	\$ 1,469,885	\$ 1,459,470
Restricted for:										
State required carryover programs	14,835	10,095	11,947	8,817	9,613	18,179	12,934	2,882	5,104	4,660
Debt service	5,712	8,155	25,201	25,919	25,837	30,433	23,605	13,324	12,318	15,310
Capital projects	384,993	363,448	413,033	336,947	316,111	324,154	359,238	263,636	207,636	126,574
Special revenue	33,560	37,225	21,643	15,053	4,748	2,576	1,380	2,611	11,354	19,626
Unrestricted (deficits)	(16,779)	19,979	36,727	(5,896)	(11,752)	(54,951)	(40,486)	(90,842)	(108,596)	(76,872)
Total net assets	\$ 1,468,068	\$ 1,567,147	\$ 1,691,645	\$ 1,672,971	\$ 1,719,967	\$ 1,749,483	\$ 1,823,952	\$ 1,719,857	\$ 1,597,701	\$ 1,548,768

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

(UNAUDITED)

## TABLE 2 - CHANGES IN NET ASSETS

LAST TEN FISCAL YEARS (accrual basis of accounting)

(dollars in thousands)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>PRIMARY GOVERNMENT:</b>										
<b>PROGRAM EXPENSES:</b>										
Instructional services	\$ 937,013	\$ 1,043,226	\$ 1,179,520	\$ 1,304,527	\$ 1,391,571	\$ 1,458,996	\$ 1,535,029	\$ 1,570,848	\$ 1,500,822	\$ 1,544,961
Instructional support services	198,573	216,844	227,624	228,344	251,724	262,062	269,177	274,977	254,985	236,635
Pupil transportation services	67,099	71,572	70,485	81,628	83,456	85,097	92,070	91,121	102,714	93,605
Operation and maintenance of plant	177,384	190,932	203,328	222,763	233,472	249,784	256,039	256,559	250,936	247,447
School administration	100,905	105,638	113,350	119,513	121,995	130,786	134,685	136,038	133,619	134,051
General administration	67,528	80,321	79,856	87,172	89,612	120,302	111,333	100,440	102,111	92,854
Food services	61,611	67,414	81,903	89,662	90,871	89,644	94,192	93,785	90,025	93,200
Interest expense	51,261	53,214	46,754	88,443	85,380	115,679	151,433	97,615	60,652	24,517
Facilities acquisition and construction	74,939	79,415	79,968	54,952	64,849	90,227	89,550	71,259	102,028	102,841
Depreciation - unallocated <sup>(1)</sup>	81,937	-	-	-	-	-	-	-	-	-
Total expenses	\$ 1,818,250	\$ 1,908,576	\$ 2,082,788	\$ 2,277,004	\$ 2,412,930	\$ 2,602,577	\$ 2,733,508	\$ 2,692,642	\$ 2,597,892	\$ 2,570,111
<b>PROGRAM REVENUES:</b>										
Charges for services										
Instructional services	\$ 17,182	\$ 17,881	\$ 19,967	\$ 18,220	\$ 18,822	\$ 20,103	\$ 20,470	\$ 20,576	\$ 21,038	\$ 21,169
Pupil transportation services	711	892	805	848	838	1,134	1,054	1,338	1,375	1,114
Food services	22,483	22,883	23,596	24,551	24,563	29,662	29,460	27,894	24,794	23,025
Total charges for services	40,376	41,656	44,368	43,619	44,223	50,899	50,984	49,808	47,207	45,308
Operating grants and contributions	72,234	76,732	80,815	85,086	81,455	85,858	90,974	93,765	67,242	73,666
Capital grants and contributions	111,368	54,022	104,151	20,546	47,959	31,620	128,579	47,632	32,883	27,270
Total program revenues	\$ 223,978	\$ 172,410	\$ 229,334	\$ 149,251	\$ 173,637	\$ 168,377	\$ 270,537	\$ 191,205	\$ 147,332	\$ 146,244
<b>GENERAL REVENUES:</b>										
Ad valorem taxes levied for:										
General purposes	\$ 504,215	\$ 584,120	\$ 601,061	\$ 663,239	\$ 743,610	\$ 864,254	\$ 926,121	\$ 961,492	\$ 906,798	\$ 831,155
Debt service	31,314	30,672	28,804	28,187	28,189	28,867	28,980	210	51	51
Capital outlays	158,603	178,433	200,957	215,966	254,586	304,126	338,057	297,268	229,963	200,622
Grants and contributions not restricted to specific programs:										
Florida education finance program	729,046	770,036	808,127	768,967	730,799	679,652	616,014	486,418	502,051	611,112
Other federal sources	113,133	131,270	158,451	181,255	202,916	171,201	193,891	183,247	348,546	381,178
Other state sources	108,250	89,027	134,019	191,207	242,855	304,479	351,042	338,170	303,494	312,309
Other local sources	20,937	26,338	34,764	34,008	43,123	40,210	28,290	93,412	28,913	34,035
Unrestricted investment earnings	26,301	25,349	11,769	26,250	40,211	70,927	55,045	37,125	8,588	4,472
Total general revenues	1,691,799	1,835,245	1,977,952	2,109,079	2,286,289	2,463,716	2,537,440	2,397,342	2,328,404	2,374,934
Total revenues	\$ 1,915,777	\$ 2,007,655	\$ 2,207,286	\$ 2,258,330	\$ 2,459,926	\$ 2,632,093	\$ 2,807,977	\$ 2,588,547	\$ 2,475,736	\$ 2,521,178
Change in net assets	\$ 97,527	\$ 99,079	\$ 124,498	\$ (18,674)	\$ 46,996	\$ 29,516	\$ 74,469	\$ (104,095)	\$ (122,156)	\$ (48,933)

(1) The District elected to allocate the depreciation expense beginning in the fiscal year ended June 30, 2003.

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

(UNAUDITED)

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

	<u>2002 *</u>	<u>2003 *</u>	<u>2004 *</u>	<u>2005 *</u>
<b>GENERAL FUND:</b>				
Nonspendable	\$ 14,028	\$ 10,305	\$ 16,706	\$ 12,183
Restricted	14,835	10,095	11,947	8,817
Committed	2,103	2,016	2,103	2,103
Assigned	7,871	7,233	36,106	15,120
Unassigned	55,500	81,658	77,873	81,165
Total General Fund	<u>\$ 94,337</u>	<u>\$ 111,307</u>	<u>\$ 144,735</u>	<u>\$ 119,388</u>
Total Change in General Fund Balance	<u>\$ 5,277</u>	<u>\$ 16,970</u>	<u>\$ 33,428</u>	<u>\$ (25,347)</u>
<b>ALL OTHER GOVERNMENTAL FUNDS:<sup>(1)</sup></b>				
Nonspendable	\$ 2,226	\$ 2,956	\$ 2,096	\$ 2,951
Restricted	708,241	726,840	854,036	860,529
Assigned	479	474	726	1,677
Total All Other Governmental Funds	<u>\$ 710,946</u>	<u>\$ 730,270</u>	<u>\$ 856,858</u>	<u>\$ 865,157</u>
Total Change in Other Gov Funds Balance	<u>\$ 238,014</u>	<u>\$ 19,324</u>	<u>\$ 126,588</u>	<u>\$ 8,299</u>

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

\* The District implemented GASB 54 for the fiscal year ended June 30, 2011.

The fund balances from the prior fiscal years were restated for comparison purposes.

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

**Table 3 (concluded)**

<b>2006 *</b>	<b>2007 *</b>	<b>2008 *</b>	<b>2009 *</b>	<b>2010 *</b>	<b>2011</b>
\$ 10,657	\$ 14,895	\$ 18,392	\$ 19,401	\$ 11,105	\$ 10,571
9,613	18,179	12,934	2,882	5,104	4,660
2,103	2,103	2,103	2,103	2,103	2,103
4,024	7,478	14,119	2,365	2,510	25,497
90,419	56,213	68,351	58,206	48,628	57,000
<u>\$ 116,816</u>	<u>\$ 98,868</u>	<u>\$ 115,899</u>	<u>\$ 84,957</u>	<u>\$ 69,450</u>	<u>\$ 99,831</u>
<u>\$ (2,572)</u>	<u>\$ (17,948)</u>	<u>\$ 17,031</u>	<u>\$ (30,942)</u>	<u>\$ (15,507)</u>	<u>\$ 30,381</u>
\$ 3,428	\$ 2,661	\$ 2,139	\$ 1,699	\$ 1,677	\$ 1,968
913,480	906,141	964,778	721,383	510,346	439,693
1,387	1,844	1,981	1,982	1,950	4,011
<u>\$ 918,295</u>	<u>\$ 910,646</u>	<u>\$ 968,898</u>	<u>\$ 725,064</u>	<u>\$ 513,973</u>	<u>\$ 445,672</u>
<u>\$ 53,138</u>	<u>\$ (7,649)</u>	<u>\$ 58,252</u>	<u>\$ (243,834)</u>	<u>\$ (211,091)</u>	<u>\$ (68,301)</u>

**(UNAUDITED)**



**TABLE 4 - GENERAL GOVERNMENT SUMMARY OF REVENUES BY SOURCE AND  
EXPENDITURES BY FUNCTION <sup>(1)</sup> (modified accrual basis of accounting)**
**LAST TEN FISCAL YEARS**

(dollars in thousands)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<b>REVENUES:</b>				
<b>Local sources:</b>				
Ad valorem taxes	\$ 701,099	\$ 787,404	\$ 832,371	\$ 914,028
Food sales	22,483	22,883	23,596	24,551
Interest income	22,474	22,324	10,390	23,455
Other	52,025	51,003	58,765	62,852
Total local sources	<u>798,081</u>	<u>883,614</u>	<u>925,122</u>	<u>1,024,886</u>
<b>State sources:</b>				
Florida education finance program	729,046	770,036	808,127	768,967
Public education capital outlay	46,143	23,403	26,045	-
Classrooms for kids	-	-	43,227	8,688
Effort Index Grants	41,836	6,381	-	-
Discretionary lottery funds	25,662	20,614	13,903	15,818
Categorical programs and other	122,642	113,607	186,593	221,142
Total state sources	<u>965,329</u>	<u>934,041</u>	<u>1,077,895</u>	<u>1,014,615</u>
<b>Federal sources:</b>				
Food service	39,187	41,534	44,051	45,885
Grants and other	113,975	137,482	162,719	183,564
Total federal sources	<u>153,162</u>	<u>179,016</u>	<u>206,770</u>	<u>229,449</u>
<b>TOTAL REVENUES</b>	<u>\$ 1,916,572</u>	<u>\$ 1,996,671</u>	<u>\$ 2,209,787</u>	<u>\$ 2,268,950</u>
<b>EXPENDITURES:</b>				
<b>Current operating:</b>				
Instructional services	\$ 941,777	\$ 995,797	\$ 1,121,289	\$ 1,223,377
Instructional support services	199,631	211,888	220,155	217,428
Pupil transportation services	61,423	66,559	66,883	78,026
Operation and maintenance of plant	177,002	187,140	198,368	216,215
School administration	100,662	104,580	111,408	116,383
General administration	77,159	84,838	86,327	104,260
Food services	66,178	67,739	81,949	86,447
Total current operating	<u>1,623,832</u>	<u>1,718,541</u>	<u>1,886,379</u>	<u>2,042,136</u>
<b>Debt service:</b>				
Principal retirement	43,914	54,320	62,406	72,280
Interest charges	45,703	50,477	52,736	61,142
Total debt service	<u>89,617</u>	<u>104,797</u>	<u>115,142</u>	<u>133,422</u>
<b>Capital outlay:</b>				
Facilities acquisition & construction-non capitalized	48,372	59,118	58,185	59,772
Facilities acquisition & construction-capitalized	309,847	298,537	265,062	311,320
Total capital outlay	<u>358,219</u>	<u>357,655</u>	<u>323,247</u>	<u>371,092</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 2,071,668</u>	<u>\$ 2,180,993</u>	<u>\$ 2,324,768</u>	<u>\$ 2,546,650</u>
<b>Excess of revenues over (under)</b>				
<b>Expenditures</b>	<u>(155,096)</u>	<u>(184,322)</u>	<u>(114,981)</u>	<u>(277,700)</u>
<b>Other financing sources (uses):</b>				
Bonds	62,941	117,846	10,391	-
Premium on refunding bonds	-	-	-	-
Refunding bonds issued	-	-	-	-
Certificates of participation	178,287	212,535	366,165	243,607
Premium (discount) on long-term debt issued	-	-	17,722	10,231
Capital leases	27,490	-	8,284	3,600
Sale of capital assets	3,589	5,107	4,627	2,487
Other loss recoveries	-	444	388	201
Payments to refunded bond escrow agents	(53,482)	(113,025)	(140,725)	-
Miscellaneous other uses	-	(2,291)	-	-
Transfers in	142,903	168,134	130,091	140,951
Transfers out	<u>(142,903)</u>	<u>(168,134)</u>	<u>(121,946)</u>	<u>(140,951)</u>
<b>Total other financing sources (uses)</b>	<u>218,825</u>	<u>220,616</u>	<u>274,997</u>	<u>260,126</u>
<b>Net change in fund balances</b>	<u>\$ 63,729</u>	<u>\$ 36,294</u>	<u>\$ 160,016</u>	<u>\$ (17,574)</u>
<b>Debt service as a percentage of noncapital expenditures</b>	5.09%	5.57%	5.59%	5.97%

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

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

Table 4 (concluded)

2006	2007	2008	2009	2010	2011
\$ 1,028,902	\$ 1,197,247	\$ 1,293,158	\$ 1,258,970	\$ 1,129,024	\$ 1,016,239
24,563	29,663	29,461	27,896	24,794	23,025
36,860	68,737	50,388	33,697	6,992	4,274
68,526	64,613	69,389	67,662	59,439	66,600
<u>1,158,851</u>	<u>1,360,260</u>	<u>1,442,396</u>	<u>1,388,225</u>	<u>1,220,249</u>	<u>1,110,138</u>
730,797	679,652	616,014	486,418	502,051	611,112
31,662	19,626	105,718	25,570	10,894	5,000
4,386	-	-	-	-	-
-	-	-	-	-	-
13,656	10,833	13,012	6,608	749	1,003
274,891	342,176	397,823	389,270	326,109	334,929
<u>1,055,392</u>	<u>1,052,287</u>	<u>1,132,567</u>	<u>907,866</u>	<u>839,803</u>	<u>952,044</u>
42,638	45,381	51,096	55,767	62,534	65,604
200,218	188,273	185,369	196,824	352,119	387,888
242,856	233,654	236,465	252,591	414,653	453,492
<u>\$ 2,457,099</u>	<u>\$ 2,646,201</u>	<u>\$ 2,811,428</u>	<u>\$ 2,548,682</u>	<u>\$ 2,474,705</u>	<u>\$ 2,515,674</u>
\$ 1,284,930	\$ 1,364,798	\$ 1,427,580	\$ 1,455,381	\$ 1,396,303	\$ 1,440,371
237,445	249,491	254,565	258,476	239,841	221,500
80,005	83,540	89,126	88,616	97,486	89,432
225,552	242,697	247,274	247,376	242,354	238,992
118,487	127,287	130,432	131,907	129,519	129,971
98,451	124,842	116,385	107,400	99,396	102,259
84,848	83,855	87,492	86,656	83,625	89,138
<u>2,129,718</u>	<u>2,276,510</u>	<u>2,352,854</u>	<u>2,375,812</u>	<u>2,288,524</u>	<u>2,311,663</u>
97,361	102,083	106,839	89,484	79,303	79,553
71,273	96,128	107,318	103,359	101,653	98,668
168,634	198,211	214,157	192,843	180,956	178,221
65,918	96,361	142,072	71,189	60,652	24,517
400,930	389,542	318,606	408,389	189,031	96,646
466,848	485,903	460,678	479,578	249,683	121,163
<u>\$ 2,765,200</u>	<u>\$ 2,960,624</u>	<u>\$ 3,027,689</u>	<u>\$ 3,048,233</u>	<u>\$ 2,719,163</u>	<u>\$ 2,611,047</u>
(308,101)	(314,423)	(216,261)	(499,551)	(244,458)	(95,373)
460	40,757	4,875	-	4,217	-
-	-	-	-	-	1,124
-	-	-	-	-	6,995
267,105	272,625	270,560	133,963	-	227,155
6,740	13,695	4,627	(816)	-	8,924
81,355	-	10,896	16,972	8,902	-
257	217	386	3,211	626	2,001
2,750	2,928	200	198	7,116	2,289
-	(41,396)	-	-	(3,001)	(191,035)
-	-	-	-	-	-
167,598	230,279	260,734	353,096	251,564	251,274
<u>(167,598)</u>	<u>(230,279)</u>	<u>(260,734)</u>	<u>(281,849)</u>	<u>(251,564)</u>	<u>(251,274)</u>
358,667	288,826	291,544	224,775	17,860	57,453
<u>\$ 50,566</u>	<u>\$ (25,597)</u>	<u>\$ 75,283</u>	<u>\$ (274,776)</u>	<u>\$ (226,598)</u>	<u>\$ (37,920)</u>
7.13%	7.71%	7.91%	7.31%	7.15%	7.09%

(UNAUDITED)

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

FISCAL YEAR	ASSESSED VALUE <sup>(1)</sup>		EXEMPTIONS <sup>(2)</sup>		NET ASSESSED TAXABLE PROPERTY VALUE	DIRECT TAX RATE
	REAL PROPERTY	PERSONAL PROPERTY	REAL PROPERTY	PERSONAL PROPERTY		
2002	\$ 96,746,510	\$ 7,361,194	\$ 22,132,853	\$ 107,046	\$ 81,867,805	8.7541
2003	113,848,917	7,680,054	29,375,911	108,446	92,044,614	8.8825
2004	133,033,884	7,904,298	36,863,946	97,406	103,976,830	8.4176
2005	152,761,535	7,736,460	44,300,477	107,407	116,090,111	8.2695
2006	182,205,008	7,858,592	56,377,574	113,389	133,572,637	8.0623
2007	228,312,740	8,133,702	77,337,384	83,781	159,025,277	7.8687
2008	255,456,494	7,983,385	86,564,782	104,821	176,770,276	7.6484
2009	239,733,615	7,993,405	70,349,768	160,322	177,216,930	7.4170
2010	202,144,709	7,955,487	50,824,776	189,290	159,086,130	7.4310
2011	171,869,596	7,732,226	40,219,956	187,099	139,194,767	7.6310

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

(2) Exemptions allowed by Florida Statutes, Chapter 196.

SOURCE: Broward County Property Appraiser

(UNAUDITED)

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

FISCAL YEAR	THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA				BROWARD COUNTY COMMISSION	SPECIAL TAXING DISTRICTS <sup>(1)</sup>	TOTAL
	GENERAL FUND	CAPITAL PROJECTS	DEBT SERVICE	TOTAL			
<b>Property Tax Rates (per \$1,000 of assessed value)</b>							
2002	6.3590	2.0000	0.3951	8.7541	7.4005	0.6970	16.8516
2003	6.5410	2.0000	0.3415	8.8825	7.3650	0.6970	16.9445
2004	6.1240	2.0000	0.2936	8.4176	7.1880	0.6970	16.3026
2005	6.0140	2.0000	0.2555	8.2695	7.0230	0.6970	15.9895
2006	5.8410	2.0000	0.2213	8.0623	6.7830	0.6970	15.5423
2007	5.6790	2.0000	0.1897	7.8687	6.0660	0.6970	14.6317
2008	5.4770	2.0000	0.1714	7.6484	5.2868	0.6240	13.5592
2009	5.6670	1.7500	0.0000	7.4170	5.3150	0.6240	13.3560
2010	5.9310	1.5000	0.0000	7.4310	4.8890	0.6240	12.9440
2011	6.1310	1.5000	0.0000	7.6310	5.1020	0.6240	13.3570
<b>Property Tax Levies</b>							
2002	\$ 520,597	\$ 163,736	\$ 32,346	\$ 716,679	\$ 605,863	\$ 57,062	\$ 1,379,604
2003	602,064	184,089	31,433	817,586	677,909	64,155	1,559,650
2004	636,754	207,954	30,528	875,236	747,385	72,472	1,695,093
2005	698,166	232,180	29,661	960,007	815,301	80,915	1,856,223
2006	780,198	267,145	29,560	1,076,903	906,023	93,100	2,076,026
2007	903,105	318,051	30,167	1,251,323	964,647	110,841	2,326,811
2008	968,171	353,541	30,298	1,352,010	934,549	110,305	2,396,864
2009	1,004,289	310,130	-	1,314,419	941,819	110,583	2,366,821
2010	943,539	238,629	-	1,182,168	777,756	99,270	2,059,194
2011	853,403	208,789	-	1,062,192	710,172	86,858	1,859,222

(1) Includes South Florida Water Management and Florida Inland Navigation Districts.

SOURCE: Broward County Property Appraiser

(UNAUDITED)

# **Broward County Public Schools**



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

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

TAXPAYER	2011			2002		
	TAX LEVY <sup>(1)</sup>	RANK	PERCENT OF TOTAL AGGREGATE TAX LEVY	TAX LEVY <sup>(1)</sup>	RANK	PERCENT OF TOTAL AGGREGATE TAX LEVY
Florida Power & Light Co	\$ 35,041	1	1.12%	\$ 28,863	1	1.33%
Bellsouth Telecommunications Inc	8,882	2	0.28%	-	-	-
Sunrise Mills LTD PRTNR	8,123	3	0.26%	-	-	-
Diplomat Properties LTD PRTNR	6,635	4	0.21%	-	-	-
TRG Holiday Ltd	6,100	5	0.20%	-	-	-
Wal-Mart Stores East LP	5,574	6	0.18%	-	-	-
WCI Communities LLC	4,250	7	0.14%	-	-	-
Publix Super Markets, Inc	3,386	8	0.11%	2,303	6	0.10%
City of Fort Lauderdale	3,246	9	0.10%	-	-	-
Pembroke Lakes Mall Ltd	3,206	10	0.10%	1,973	9	0.09%
AT&T	-	-	-	5,180	2	0.24%
Motorola Inc	-	-	-	2,969	3	0.14%
Northwestern Mutual life Ins Co	-	-	-	2,514	4	0.12%
Marriott Ownership Resorts	-	-	-	2,406	5	0.11%
Mills-Kan Am Sawgrass	-	-	-	2,017	7	0.09%
Broward mall Inc.	-	-	-	2,004	8	0.09%
Coral-CS, Ltd.	-	-	-	1,762	10	0.08%
<b>Total principal taxpayers</b>	<u>84,443</u>		<u>2.70%</u>	<u>51,991</u>		<u>2.39%</u>
<b>All other taxpayers</b>	<u>3,046,057</u>		<u>97.30%</u>	<u>2,125,075</u>		<u>97.61%</u>
<b>Total aggregate tax levy</b>	<u>\$ 3,130,500</u>		<u>100.00%</u>	<u>\$ 2,177,066</u>		<u>100.00%</u>

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

SOURCE: Broward County Revenue Collections Department

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

(UNAUDITED)

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

FISCAL YEAR	TOTAL TAX LEVY	LESS ADJUSTMENTS		NET TAX LEVY	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY	
		DEDUCTIONS <sup>(1)</sup>	DISCOUNTS <sup>(2)</sup>		AMOUNT	PERCENTAGE OF LEVY
2002	\$ 716,679	\$ 10,708	\$ 24,565	\$ 681,406	\$ 669,421	98.24%
2003	817,586	10,855	27,618	779,113	774,179	99.37%
2004	875,236	16,150	29,688	829,398	822,321	99.15%
2005	960,007	12,964	32,614	914,429	909,490	99.46%
2006	1,076,903	8,137	36,051	1,032,715	1,025,439	99.30%
2007	1,251,323	6,739	40,646	1,203,938	1,194,144	99.19%
2008	1,352,010	9,019	42,928	1,300,063	1,289,033	99.15%
2009	1,314,419	6,670	42,216	1,265,533	1,249,478	98.73%
2010	1,182,168	12,390	38,689	1,131,089	1,115,273	98.60%
2011	1,062,192	10,880	35,658	1,015,654	1,004,118	98.86%

(1) Deductions reflect adjustments by Value Adjustment Board.

(2) Reflects discounts for early payment.

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

**Table 8 (concluded)**

COLLECTED IN SUBSEQUENT YEARS	TOTAL COLLECTIONS THRU JUNE 30, 2011	
	AMOUNT	PERCENTAGE OF LEVY
\$ -	\$ 669,421	98.24%
-	774,179	99.37%
-	822,321	99.15%
-	909,490	99.46%
-	1,025,439	99.30%
-	1,194,144	99.19%
-	1,289,033	99.15%
-	1,249,478	98.73%
-	1,115,273	98.60%
-	1,004,118	98.86%

**(UNAUDITED)**



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

FISCAL YEAR	CAPITAL OUTLAY BONDS	GENERAL OBLIGATION BONDS	CERTIFICATES OF PARTICIPATION	CAPITAL LEASES	TOTAL	PERCENT OF ASSESSED TAXABLE PROPERTY VALUATION <sup>(2)</sup>	PERCENT OF TOTAL OUTSTANDING DEBT TO PERSONAL INCOME <sup>(1)</sup>	PER CAPITA <sup>(1)</sup>
2002	\$ 98,100	\$ 149,949	\$ 648,942	\$ 27,603	\$ 924,594	1.13%	1.69%	\$ 541
2003	92,810	125,882	835,993	23,867	1,078,552	1.17%	1.92%	620
2004	97,480	103,018	1,031,509	28,253	1,260,260	1.21%	2.09%	731
2005	92,105	79,088	1,237,558	26,902	1,435,653	1.24%	2.20%	813
2006	86,925	54,056	1,460,917	86,013	1,687,911	1.26%	2.40%	941
2007	79,090	27,949	1,687,556	62,743	1,857,338	1.17%	2.58%	1,056
2008	77,545	-	1,903,179	48,744	2,029,468	1.15%	2.76%	1,156
2009	71,050	-	1,980,665	39,204	2,090,919	1.18%	2.87%	1,199
2010	65,190	-	1,921,583	34,816	2,021,589	1.27%	NA	1,152
2011	63,490	-	1,907,842	23,740	1,995,072	1.43%	NA	1,141

NA Not Available

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

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

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

(UNAUDITED)

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

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

<b>FISCAL YEAR</b>	<b>NET ASSESSED TAXABLE VALUE<sup>(1)</sup></b>	<b>TOTAL BONDED DEBT</b>	<b>LESS DEBT SERVICE FUNDS</b>	<b>NET BONDED DEBT<sup>(2)</sup></b>	<b>RATIO OF NET BONDED DEBT TO TAXABLE VALUE</b>	<b>NET BONDED DEBT PER CAPITA<sup>(3)</sup></b>	<b>NET BONDED DEBT PER PUPIL<sup>(3)</sup></b>
2002	\$ 81,867,805	\$ 248,049	\$ 7,650	\$ 240,399	0.29%	\$ 141	\$ 921
2003	92,044,614	218,692	8,175	210,517	0.23%	121	791
2004	103,976,830	200,498	8,046	192,452	0.19%	112	709
2005	116,090,111	171,193	6,879	164,314	0.14%	93	603
2006	133,572,637	140,981	8,046	132,935	0.10%	74	491
2007	159,025,277	107,039	8,046	98,993	0.06%	56	377
2008	176,770,276	77,545	8,046	69,499	0.04%	40	268
2009	177,216,930	71,050	8,046	63,004	0.04%	36	246
2010	159,086,130	65,190	8,046	57,144	0.04%	33	224
2011	139,194,767	63,490	1,742	61,748	0.04%	35	240

(1) SOURCE: Broward County Property Appraiser

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

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

(UNAUDITED)

# **Broward County Public Schools**



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

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

FINANCIAL PARAMETERS	JUNE 30, 2011	JUNE 30, 2002
<b>Direct debt:</b>		
General obligation bonds	\$ -	\$ 149,949
Certificates of Participation	1,907,841	648,942
Special obligation bonds <sup>(1)</sup>	<u>63,490</u>	<u>98,100</u>
<b>TOTAL DIRECT DEBT</b>	1,971,331	896,991
<b>Overlapping debt:</b> <sup>(2)</sup>		
Broward County <sup>(3)</sup>	<u>393,665</u>	<u>368,200</u>
<b>TOTAL DIRECT AND OVERLAPPING DEBT</b>	<u>\$ 2,364,996</u>	<u>\$ 1,265,191</u>
<b>Population - Estimated for 2011</b> <sup>(4)</sup>	1,748,066	1,709,155
Assessed property valuation <sup>(5)</sup>	\$ 179,601,822	\$ 104,107,704
Net Assessed taxable property valuation <sup>(5)</sup>	\$ 139,194,767	\$ 81,867,806

**DEBT RATIOS**

**PERCENT OF ASSESSED PROPERTY VALUATION**

Direct debt	1.10%	0.86%
Overlapping debt	0.22%	0.35%
Direct and overlapping debt	1.32%	1.22%

**PERCENT OF ASSESSED TAXABLE PROPERTY VALUATION**

Direct debt	1.42%	1.10%
Overlapping debt	0.28%	0.45%
Direct and overlapping debt	1.70%	1.55%

**PER CAPITA**

Direct debt	\$ 1,128	\$ 525
Overlapping debt	\$ 225	\$ 215
Direct and overlapping debt	\$ 1,353	\$ 740

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

(2) Overlapping debt includes only general obligation debt secured by ad valorem taxes as of September 30, 2010.

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

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

(5) SOURCE: Broward County Property Appraiser

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

(dollars in thousands)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Limit on bond indebtedness	\$ 8,186,781	\$ 9,204,461	\$ 10,397,683	\$ 11,609,011
Total net debt applicable to limit	<u>240,399</u>	<u>210,517</u>	<u>192,452</u>	<u>163,147</u>
Legal debt margin on bonded debt	<u>\$ 7,946,382</u>	<u>\$ 8,993,944</u>	<u>\$ 10,205,231</u>	<u>\$ 11,445,864</u>
Total net debt applicable to limit as a percentage of debt limit	2.94%	2.29%	1.85%	1.41%

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

Rule repealed April 18, 2006.

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

**Table 12 (concluded)**

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 13,357,264	\$ 15,902,528	\$ 17,677,028	\$ 17,721,693	\$ 15,908,613	\$ 13,919,477
<u>132,934</u>	<u>98,993</u>	<u>69,499</u>	<u>63,004</u>	<u>57,144</u>	<u>61,748</u>
<u>\$ 13,224,330</u>	<u>\$ 15,803,535</u>	<u>\$ 17,607,529</u>	<u>\$ 17,658,689</u>	<u>\$ 15,851,469</u>	<u>\$ 13,857,729</u>
1.00%	0.62%	0.39%	0.36%	0.36%	0.44%

**LEGAL DEBT MARGIN CALCULATION FOR FISCAL YEAR**

Net Assessed Taxable Property Value - January 2011	<u>\$ 139,194,767</u>
Limit on Bond Indebtedness, 10% of net assessed taxable property value	\$ 13,919,477
Total Bonded Debt	63,490
Less:	
Net Assets in Debt Service Funds	<u>(1,742)</u>
<b>TOTAL AMOUNT APPLICABLE TO DEBT LIMIT</b>	<u>61,748</u>
<b>LEGAL DEBT MARGIN ON BONDED DEBT</b>	<u>\$ 13,857,729</u>

**(UNAUDITED)**

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

<b>FISCAL YEAR</b>	<b>PRINCIPAL<sup>(1)</sup></b>	<b>INTEREST<sup>(1)</sup></b>	<b>TOTAL DEBT SERVICE</b>	<b>TOTAL GENERAL EXPENDITURES</b>	<b>RATIO OF DEBT SERVICE TO GENERAL EXPENDITURES</b>
2002	\$ 25,970	\$ 14,355	\$ 40,325	\$ 2,071,668	1.95%
2003	27,410	11,698	39,108	\$ 2,180,993	1.79%
2004	28,585	10,265	38,850	\$ 2,324,768	1.67%
2005	29,940	9,054	38,994	\$ 2,546,650	1.53%
2006	31,350	7,629	38,979	\$ 2,765,200	1.41%
2007	32,825	5,209	38,034	\$ 2,960,624	1.28%
2008	27,007	4,486	31,493	\$ 3,027,689	1.04%
2009	6,495	3,591	10,086	\$ 3,048,233	0.33%
2010	6,835	3,406	10,241	\$ 2,719,163	0.38%
2011	7,160	3,011	10,171	\$ 2,611,047	0.39%

**(1) Excludes Certificates of Participation (COPs).**

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

**(UNAUDITED)**

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

<b>FISCAL YEAR</b>	<b>POPULATION<sup>(1)</sup></b>	<b>PER CAPITA INCOME<sup>(1)</sup></b>	<b>CIVILIAN LABOR FORCE<sup>(1)</sup></b>	<b>UNEMPLOYMENT RATE<sup>(1)</sup></b>	<b>PERSONAL INCOME<sup>(2)</sup></b>	<b>FALL SCHOOL ENROLLMENT<sup>(3)</sup></b>
2002	1,709,155	\$ 29,409	831,967	6.00%	\$ 54,850,632	260,892
2003	1,740,792	31,785	863,331	5.90%	56,254,396	266,272
2004	1,723,131	32,844	908,224	4.50%	60,265,418	271,339
2005	1,765,855	34,560	949,061	3.50%	65,213,329	272,691
2006	1,793,998	37,403	963,022	3.10%	70,454,147	270,935
2007	1,759,591	39,743	1,002,106	3.40%	71,994,871	262,616
2008	1,756,087	41,169	1,010,017	5.20%	73,591,000	258,905
2009	1,744,590	41,974	1,008,628	9.50%	72,752,000	255,738
2010	1,754,893	41,185	986,391	10.10%	NA	255,203
2011	1,748,066 *	NA	988,080	9.60%	NA	256,872

**NA Not Available**

\* 2011: Population Estimated

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

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

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

**(UNAUDITED)**



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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Student Enrollment: <sup>(1)</sup>				
Pre-K	5,205	5,194	5,236	4,881
K	17,798	18,272	18,556	18,178
Pre-1	41	75	-	-
1	19,329	19,206	19,687	19,707
2	19,635	19,394	19,208	19,482
3	19,776	19,785	21,561	20,979
4	20,149	20,096	18,352	19,804
5	20,439	20,181	20,137	18,632
6	20,157	20,536	20,399	20,057
7	20,385	20,420	20,519	20,202
8	19,279	19,669	20,067	20,096
9	22,983	23,408	25,159	21,802
10	14,275	15,523	15,458	19,329
11	14,503	15,529	15,970	16,709
12	13,379	13,253	14,415	14,918
Centers	4,879	4,347	4,160	4,354
Charter Schools	8,680	11,384	12,455	13,561
Total	<u>260,892</u>	<u>266,272</u>	<u>271,339</u>	<u>272,691</u>
Average Class Size:				
Grades Pre-K - 3	-	24.87	20.80	18.98
Grades 4 - 8	-	27.16	23.68	21.77
Grades 9 - 12	-	28.22	25.96	24.82
Number of Schools: <sup>(1)</sup>				
Elementary	131	136	136	137
Middle	35	39	39	41
High	24	25	27	30
Adult/Vocational	5	5	5	5
Centers	10	10	10	10
Charter	18	22	24	28
K-8				
Total	<u>223</u>	<u>237</u>	<u>241</u>	<u>251</u>

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

**Table 15 (concluded)**

<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
4,321	3,876	4,042	4,002	4,244	4,465
18,086	17,039	16,471	15,814	15,772	16,035
-	-	-	-	-	-
19,039	18,571	18,010	17,244	16,468	16,603
19,205	17,918	18,022	17,467	17,062	16,296
20,757	18,926	18,603	18,524	18,262	17,690
18,580	18,916	17,785	17,643	17,509	17,331
19,985	17,967	18,486	17,671	17,422	17,389
18,668	19,011	17,603	18,154	17,315	16,952
19,781	18,069	18,627	17,577	18,238	17,418
19,790	18,875	17,513	18,112	17,399	17,999
21,676	20,778	20,240	19,320	18,488	17,486
19,236	18,887	18,394	18,167	17,941	18,211
17,336	17,264	16,974	16,785	17,345	16,872
15,403	15,704	15,770	15,968	16,460	16,947
3,936	4,715	5,243	4,592	4,676	5,904
15,136	16,100	17,122	18,698	20,602	23,274
<u>270,935</u>	<u>262,616</u>	<u>258,905</u>	<u>255,738</u>	<u>255,203</u>	<u>256,872</u>
18.05	-	-	-	-	-
20.95	-	-	-	-	-
24.29	-	-	-	-	-
138	138	138	138	141	141
41	41	42	43	42	42
31	32	32	33	33	33
5	5	5	5	5	5
10	12	12	10	10	10
38	48	52	56	56	68
					1
<u>263</u>	<u>276</u>	<u>281</u>	<u>285</u>	<u>287</u>	<u>300</u>

(UNAUDITED)

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

<b>SCHOOL DISTRICT</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
New York City, NY	1,066,516	1,049,831	1,077,381	1,023,674
Los Angeles, CA	721,346	735,058	746,852	747,009
Chicago, IL	435,261	437,418	436,048	434,419
Miami-Dade County, FL	368,625	375,836	373,395	371,785
Clark County, NV (Las Vegas)	231,655	245,659	256,574	270,529
<b>Broward County, FL <sup>(2)</sup></b>	<b>249,923</b>	<b>260,892</b>	<b>266,272</b>	<b>271,339</b>
Houston, TX	208,462	210,950	212,099	211,499
Hillsborough County, FL	164,311	169,789	175,454	181,900
State of Hawaii	184,360	184,546	183,829	183,609
Orange County, FL	NA	NA	NA	NA

**NA Not Available**

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

**SOURCE: National Center For Education Statistics**

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

**Table 16 (concluded)**

<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
1,023,674	1,014,058	999,150	1,035,406	1,029,459	1,038,741
741,367	727,319	707,627	693,680	687,534	670,746
426,812	420,982	413,694	407,510	421,430	407,157
368,933	362,070	353,790	348,128	345,525	345,804
283,221	294,131	303,448	309,051	312,761	307,059
<b>272,691</b>	<b>270,935</b>	<b>262,616</b>	<b>258,905</b>	<b>255,738</b>	<b>255,203</b>
208,945	210,292	202,936	199,534	200,225	202,773
189,469	193,757	193,517	193,180	192,007	193,265
183,185	182,818	180,728	179,897	179,478	180,196
NA	NA	NA	174,142	172,257	173,259

**(UNAUDITED)**

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

<b>EMPLOYERS</b>	<b>2011</b>		
	<b>EMPLOYEES</b>	<b>RANK</b>	<b>PERCENTAGE OF TOTAL COUNTY EMPLOYMENT</b>
School Board of Broward County	27,756	1	2.8%
Broward County Government	12,232	2	1.2%
The Healthcare Company (HCA)	15,000	3	1.5%
Tenet Healthcare Corp.	10,962	4	1.1%
Memorial Healthcare System	10,653	5	1.1%
Broward Health	8,332	6	0.8%
American Express	4,846	7	0.5%
Nova Southeastern University	3,563	8	0.4%
PRC, LLC	3,300	9	0.3%
AutoNation	3,000	10	0.3%
	<u>99,644</u>		<u>10.0%</u>

	<b>2002</b>		
	<b>EMPLOYEES</b>	<b>RANK</b>	<b>PRODUCTS/ SERVICE</b>
Broward County School Board	26,423	1	Public Education
Broward County Government	7,575	2	County Government
North Broward Hospital District	6,190	3	Hospital/Health Care
American Express	6,000	4	Financial Services
Memorial Healthcare System	5,600	5	Hospital/Health Care
Motorola	3,800	6	Communications Equipment
JM Family Enterprises	3,200	7	Automotive
Mars, Inc	2,800	8	Music Retailer
General Roofing	2,500	9	Contracting Firm
Nova Southeastern University	2,426	10	Colleges/Universities
	<u>66,514</u>		

**SOURCE: 2011: South Florida Business Journal**

**SOURCE: 2002: Broward County School Board CAFR - Statistical Section**

**(UNAUDITED)**

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

<b>FISCAL YEAR</b>	<b>INSTRUCTIONAL STAFF<sup>(1)</sup></b>	<b>TEACHER AIDES</b>	<b>PRINCIPALS &amp; ASSISTANT PRINCIPALS</b>	<b>MANAGEMENT &amp; SUPPORT STAFF<sup>(2)</sup></b>	<b>TOTAL</b>
2002	14,764	2,627	630	8,826	26,847
2003	14,813	2,790	612	9,074	27,289
2004	16,109	2,873	635	9,546	29,163
2005	17,199	2,871	636	9,779	30,485
2006	17,253	2,629	648	9,620	30,150
2007	17,527	2,605	677	9,794	30,603
2008	17,178	2,631	654	9,714	30,177
2009	16,848	2,398	665	9,408	29,319
2010	15,490	2,207	651	8,934	27,282
2011	16,143	2,377	650	8,621	27,791

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

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

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

**(UNAUDITED)**

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

<u>FISCAL YEAR</u>	<u>MINIMUM SALARY</u>	<u>MAXIMUM SALARY</u>	<u>AVERAGE SALARY</u>
2002	\$ 31,260	\$ 63,152	\$ 47,206
2003	32,600	65,959	49,280
2004	32,700	67,161	49,931
2005	34,000	69,954	51,977
2006	35,000	73,000	54,000
2007	37,000	75,488	56,244
2008	38,500	78,000	58,250
2009	39,000	79,250	59,125
2010	39,000	79,250	59,125
2011	39,000	79,250	59,125

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

**(UNAUDITED)**

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

<b>FISCAL YEAR</b>	<b>ENROLLMENT</b>	<b>OPERATING EXPENDITURES</b>	<b>COST PER PUPIL</b>	<b>INSTRUCTIONAL STAFF</b>
2002	260,892	\$ 1,623,832,000	\$ 6,224	14,764
2003	266,272	1,718,541,000	6,454	14,813
2004	271,339	1,886,379,000	6,952	16,109
2005	272,691	2,042,136,000	7,489	17,199
2006	270,935	2,129,718,000	7,861	17,253
2007	262,616	2,276,510,000	8,669	17,527
2008	258,905	2,352,854,000	9,088	17,178
2009	255,738	2,375,812,000	9,290	16,848
2010	255,203	2,288,524,000	8,967	15,490
2011	256,872	2,311,663,000	8,999	16,143

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

**(UNAUDITED)**



**TABLE 21 - CAPITAL ASSET INFORMATION  
LAST NINE FISCAL YEARS**

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

**Note:** Due to reporting format and definition changes prescribed by GASB Statement 34, only fiscal years 2003-2011 are reported.

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

(UNAUDITED)

Broward County



Public Schools

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