

Annual Financial Report And GASB 34

Santa Rosa County School Board
07/01/11 – 06/30/12

Prepared by the Finance Office

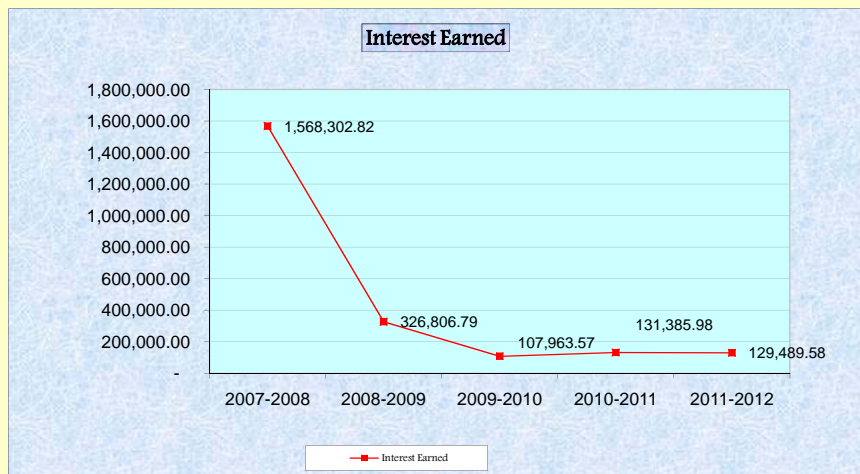
SIGNIFICANT FINANCIAL EVENTS DURING 2011-2012

A COMPARISON OF FUNDING DATA ELEMENTS:

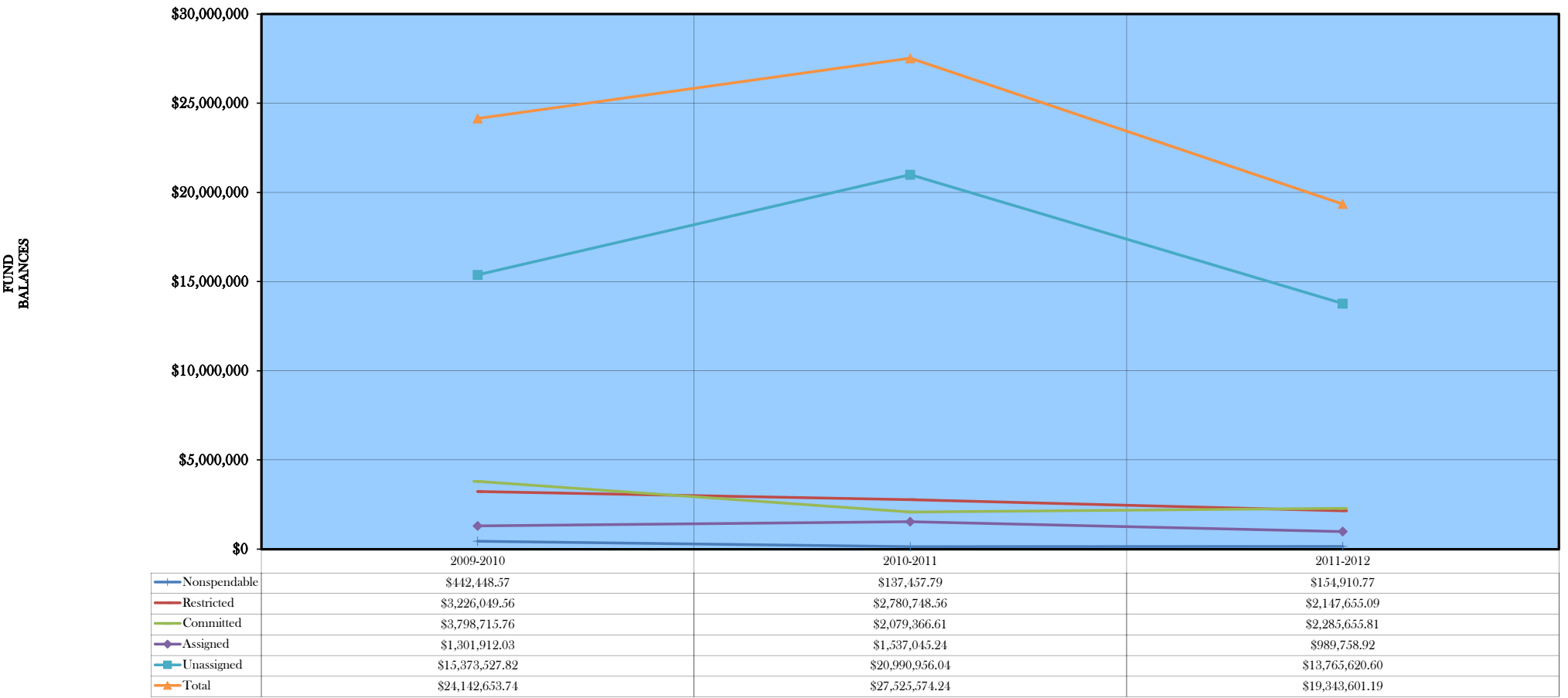
	1	2	3		
	<u>UNWEIGHTED</u>	<u>WEIGHTED</u>	<u>BASE STUDENT</u>		
	<u>FTE</u>	<u>FTE</u>	<u>ALLOCATION</u>		
<u>2011-12</u>	<u>25,265.42</u>	<u>26,869.86</u>	<u>\$3,479.22</u>		
<u>2010-11-Final</u>	<u>25,092.42</u>	<u>26,562.09</u>	<u>\$3,623.76</u>		
<u>INCREASE (DECREASE)</u>	<u>173.00</u>	<u>307.77</u>	<u>(\$144.54)</u>		
<u>% VARIANCE</u>	<u>0.69%</u>	<u>1.16%</u>	<u>-3.99%</u>		
	4	5	6	7	
	<u>DISTRICT COST</u>	<u>TAX</u>	<u>MAJOR</u>	<u>FEFP</u>	
	<u>DIFFERENTIAL</u>	<u>ROLL</u>	<u>CATEGORICALS</u>		
<u>2011-12</u>	<u>94.19%</u>	<u>\$8,325,061,099.00</u>	<u>\$33,869,651.00</u>	<u>\$70,003,799.00</u>	
<u>2010-11-Final</u>	<u>93.57%</u>	<u>\$8,537,191,917.00</u>	<u>\$33,493,724.00</u>	<u>\$73,785,554.00</u>	
<u>INCREASE (DECREASE)</u>	<u>0.62%</u>	<u>(\$212,130,818.00)</u>	<u>\$375,927.00</u>	<u>(\$3,781,755.00)</u>	
<u>% VARIANCE</u>	<u>0.66%</u>	<u>-2.48%</u>	<u>1.12%</u>	<u>-5.13%</u>	
	8	9	10		
	<u>AD VALOREM TAXES-</u>	<u>AD VALOREM TAXES-</u>			
	<u>CAPITAL OUTLAY</u>	<u>GSF</u>	<u>GSF REVENUE</u>		
<u>2011-12</u>	<u>\$11,124,729.10</u>	<u>\$52,362,666.45</u>	<u>\$157,138,190.29</u>		
<u>2010-11-Final</u>	<u>\$11,341,473.36</u>	<u>\$51,844,725.89</u>	<u>\$160,239,261.12</u>		
<u>INCREASE (DECREASE)</u>	<u>(\$216,744.26)</u>	<u>\$517,941</u>	<u>(\$3,101,070.83)</u>		
<u>% VARIANCE</u>	<u>-1.91%</u>	<u>1.00%</u>	<u>-1.94%</u>		

See attached General School Fund Balance graph on page 2.

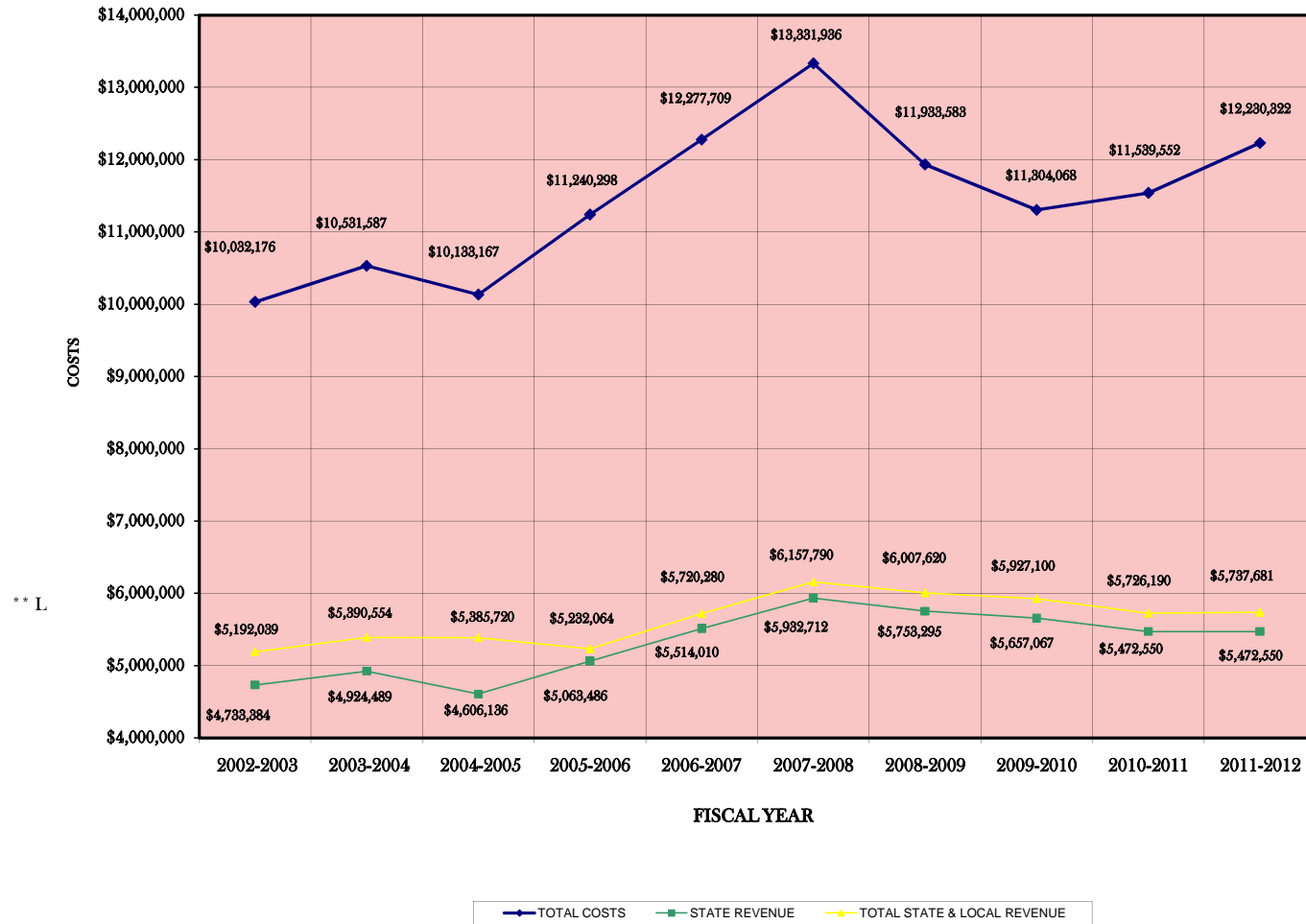
- B** The Board is contracted with Durham, Inc. to provide Transportation Services for the Santa Rosa County School Board. Durham operates the program with Board oversight for a fee certain modified by growth and inflation. See page 3.
- C** Over the past fifteen years, the School Board has contracted with Sodexho to provide food services for the School District. Sodexho continues being successful in the district with their creative approach to nutrition. The attached graph on page 5 shows the Fund Balances for the past ten years.
- D** Direct Deposit of Payroll was implemented during the October 1995 payroll cycle. Currently 2,051 employees use this benefit which saves them the float on their pay and gives them immediate access to the funds. This represents 79% of the Board's 2,602 contract employees utilizing this service.
- E** General School Fund Interest earned during the 2011-12 fiscal year totaled \$129,489.58, which was a decrease of \$1,896.40, or 1% from the prior fiscal year. The following graph shows interest earned over a five-year period:



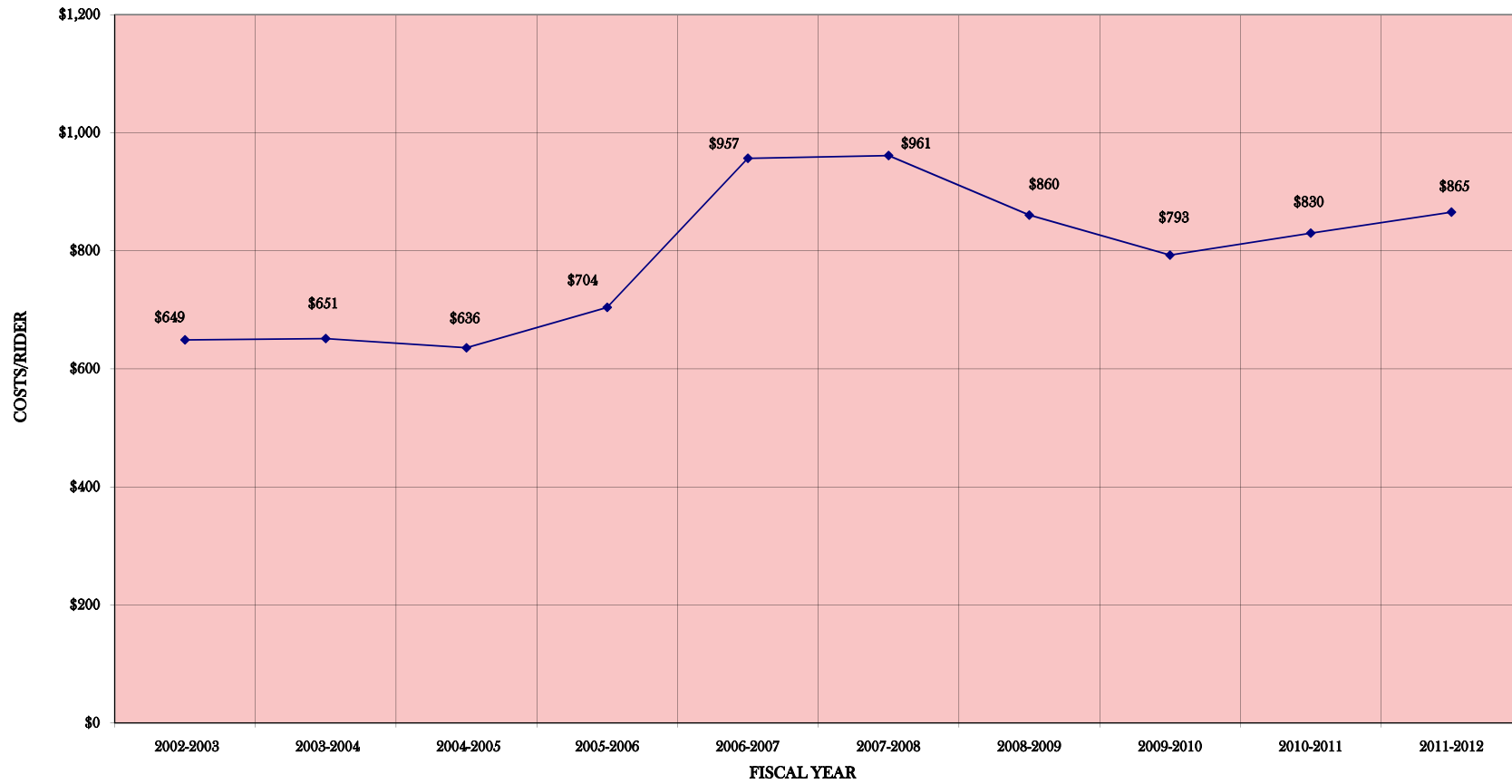
GENERAL SCHOOL FUND BALANCE



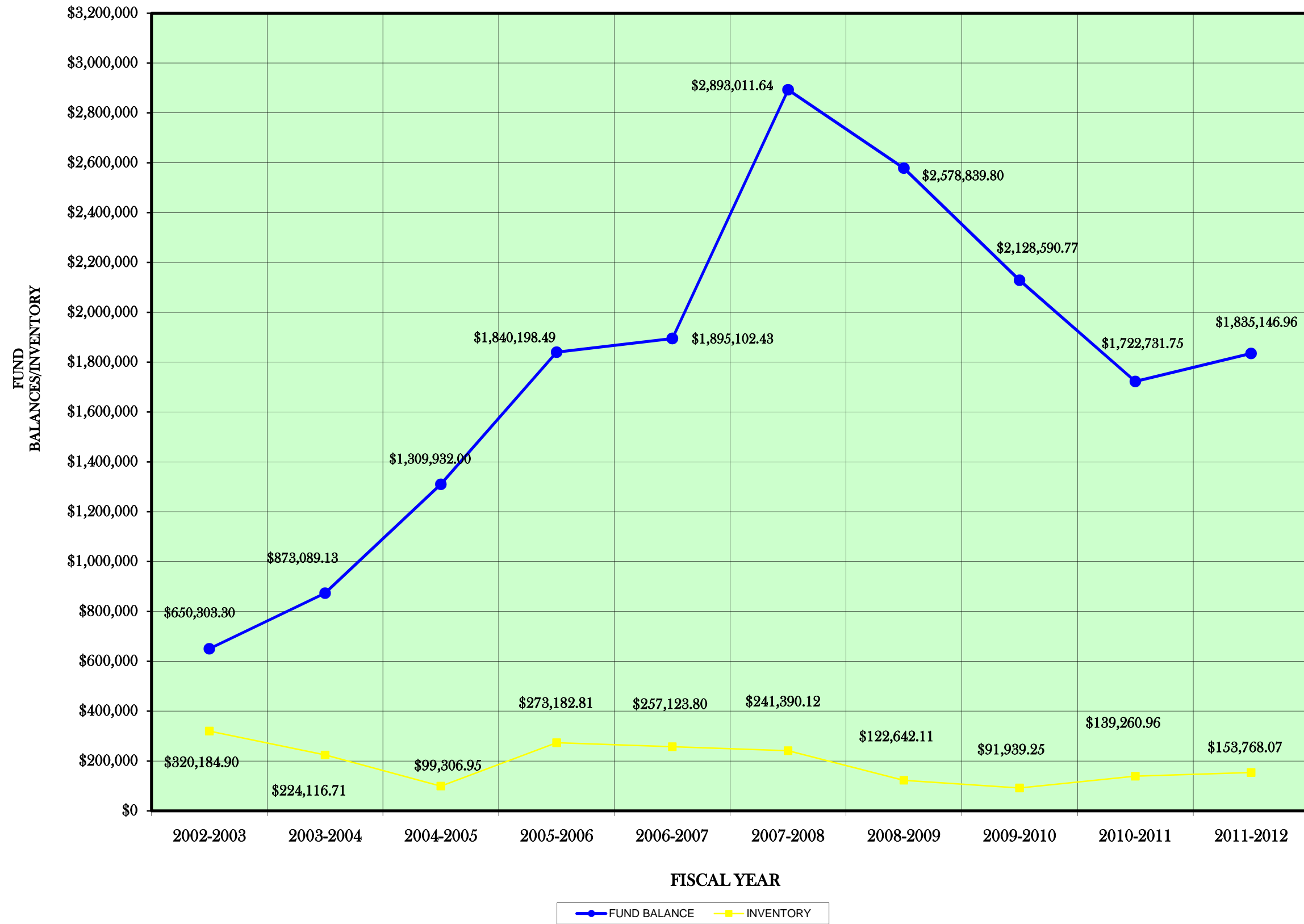
TRANSPORTATION COSTS BY YEAR



TRANSPORTATION COSTS PER RIDER



SCHOOL FOOD SERVICE-FUND BALANCES BY YEAR



**FLORIDA DEPARTMENT OF EDUCATION
REPORT OF FINANCIAL DATA TO THE
COMMISSIONER OF EDUCATION (ESE 348)
DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
For the Fiscal Year Ended June 30, 2012**

Return completed form to: Department of Education Office of Funding and Financial Reporting 325 W. Gaines St., Room 824 Tallahassee, FL 32399-0400
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The Report of Financial Data to the Commissioner of Education (ESE 348) for the fiscal year ended June 30, 2012, was submitted in accordance with Rule 6A-1.0071, F.A.C. (Section 1001.51(12)(b), F.S.). This report was approved by the school board on September 6, 2012.

District Superintendent's Signature

Date

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GENERAL FUND
For the Fiscal Year Ended June 30, 2012

Exhibit K-1
DOE Page 1
Fund 100

	Account Number	
REVENUES		
<i>Federal Direct:</i>		
Federal Impact, Current Operations	3121	781,766.13
Reserve Officers Training Corps (ROTC)	3191	
Miscellaneous Federal Direct	3199	
Total Federal Direct	3100	781,766.13
<i>Federal Through State and Local:</i>		
Medicaid	3202	442,943.37
National Forest Funds	3255	
Federal Through Local	3280	
Miscellaneous Federal Through State	3299	64.80
Total Federal Through State and Local	3200	443,008.17
<i>State:</i>		
Florida Education Finance Program	3310	70,003,799.00
Workforce Development	3315	1,558,026.00
Workforce Development Capitalization Incentive Grant	3316	
Workforce Education Performance Incentive	3317	23,563.00
Adults with Disabilities	3318	49,108.50
CO&DS Withheld for Administrative Expense	3323	14,302.50
<i>Categoricals:</i>		
District Discretionary Lottery Funds	3344	76,947.00
Class Size Reduction/Operating Funds	3355	26,037,456.00
School Recognition Funds	3361	1,127,400.00
Excellent Teaching Program	3363	
Voluntary Prekindergarten Program	3371	328,932.56
Preschool Projects	3372	
Reading Programs	3373	4,500.00
Full Service Schools	3378	
<i>Other State:</i>		
Diagnostic and Learning Resources Centers	3335	
Racing Commission Funds	3341	
State Forest Funds	3342	
State License Tax	3343	30,555.15
Other Miscellaneous State Revenue	3399	55,337.08
Total State	3300	99,309,926.79
<i>Local:</i>		
District School Taxes	3411	52,425,312.18
Tax Redemptions	3421	
Payment in Lieu of Taxes	3422	
Excess Fees	3423	
Tuition	3424	
Rent	3425	25,560.00
Interest on Investments	3431	129,489.58
Gain on Sale of Investments	3432	
Net Increase (Decrease) in Fair Value of Investments	3433	4,385.50
Gifts, Grants and Bequests	3440	
Adult General Education Course Fees	3461	19,420.00
Postsecondary Vocational Course Fees	3462	213,432.88
Continuing Workforce Education Course Fees	3463	
Capital Improvement Fees	3464	
Postsecondary Lab Fees	3465	
Lifelong Learning Fees	3466	
General Education Development (GED) Testing Fees	3467	
Financial Aid Fees	3468	
Other Student Fees	3469	41,819.75
Preschool Program Fees	3471	25,706.00
Pre-K Early Intervention Fees	3472	
School Age Child Care Fees	3473	1,592,534.90
Other Schools, Courses, and Classes Fees	3479	28,752.00
<i>Miscellaneous Local:</i>		
Bus Fees	3491	
Transportation Services-School Activities	3492	259,433.86
Sale of Junk	3493	19,435.76
Receipt of Federal Indirect Cost Rate	3494	505,681.09
Other Miscellaneous Local Sources	3495	1,180,498.05
Impact Fees	3496	
Refunds of Prior Year's Expenditures	3497	180.00
Collections for Lost, Damaged and Sold Textbooks	3498	11,847.65
Receipt of Food Service Indirect Costs	3499	120,000.00
Total Local	3400	56,603,489.20
Total Revenues	3000	157,138,190.29

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GENERAL FUND (Continued)
For the Fiscal Year Ended June 30, 2012

Exhibit K-1
DOE Page 2
Fund 100

	Account Number	100 Salaries	200 Employee Benefits	300 Purchased Services	400 Energy Services	500 Materials and Supplies	600 Capital Outlay	700 Other Expenses	Totals
EXPENDITURES									
<i>Current:</i>									
Instruction	5000	77,274,029.06	17,816,657.70	2,421,867.62	8,888.04	3,928,834.39	272,741.51	1,025,049.09	102,748,067.41
Pupil Personnel Services	6100	3,617,713.26	758,836.72	2,624,615.90		30,671.41	15,176.97	30,199.26	7,077,213.52
Instructional Media Services	6200	1,600,412.94	351,505.53	140,521.65		44,326.16	200,042.62	10,099.80	2,346,908.70
Instruction and Curriculum Development Services	6300	2,022,638.92	404,264.06	89,738.62		48,767.54	21,028.67	3,772.73	2,590,210.54
Instructional Staff Training Services	6400	350,295.52	69,285.30	191,572.14	877.69	16,961.52	2,710.03	35,543.90	667,246.10
Instructional-Related Technology	6500	1,738,191.09	437,832.74	56,316.45	8,627.42	12,301.93	925,268.48	5,486.96	3,184,025.07
Board	7100	162,250.00	43,426.95	220,704.14				1,781,326.25	2,207,707.34
General Administration	7200	404,733.72	110,239.41	39,516.77		5,548.54	995.80	74,052.97	635,087.21
School Administration	7300	9,772,324.33	2,193,564.60	115,672.61		93,670.58	25,743.33	29,941.86	12,230,917.31
Facilities Acquisition and Construction	7410						19,359.18		19,359.18
Fiscal Services	7500	819,606.33	167,210.89	118,913.85	927.56	16,784.50	4,020.12	390.00	1,127,853.25
Food Services	7600								0.00
Central Services	7700	1,061,424.27	311,784.12	730,036.17	3,548.90	13,167.58	4,140.10	4,257.16	2,128,358.30
Pupil Transportation Services	7800	1,948,268.36	658,921.93	7,686,470.22	1,934,522.66	875.73		1,262.62	12,230,321.52
Operation of Plant	7900	334,418.17	115,047.32	6,292,234.64	5,410,781.95	17,205.72	18,979.88	613.62	12,189,281.30
Maintenance of Plant	8100	1,926,721.48	597,722.40	1,020,664.00	93,410.93	463,163.33	234,372.90	10,080.94	4,346,135.98
Administrative Technology Services	8200	891,484.13	185,478.05	198,170.70		23,265.78	231,871.74	525.00	1,530,795.40
Community Services	9100	1,211,136.23	114,911.47	111,170.03		92,851.66	3,629.35	20,575.58	1,554,274.32
<i>Capital Outlay:</i>									
Facilities Acquisition and Construction	7420						1,538,528.71		1,538,528.71
Other Capital Outlay	9300						2,400.00		2,400.00
<i>Debt Service: (Function 9200)</i>									
Redemption of Principal	710								0.00
Interest	720								0.00
Total Expenditures		105,135,647.81	24,336,689.19	22,058,185.51	7,461,585.15	4,808,396.37	3,521,009.39	3,033,177.74	170,354,691.16
Excess (Deficiency) of Revenues Over Expenditures									(13,216,500.87)

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GENERAL FUND (Continued)
For the Fiscal Year Ended June 30, 2012

Exhibit K-1
DOE Page 3
Fund 100

	Account Number	
OTHER FINANCING SOURCES (USES)		
Loans	3720	
Sale of Capital Assets	3730	
Loss Recoveries	3740	20,856.34
<i>Transfers In:</i>		
From Debt Service Funds	3620	
From Capital Projects Funds	3630	5,955,692.17
From Special Revenue Funds	3640	
From Permanent Funds	3660	
From Internal Service Funds	3670	
From Enterprise Funds	3690	
Total Transfers In	3600	5,955,692.17
<i>Transfers Out: (Function 9700)</i>		
To Debt Service Funds	920	
To Capital Projects Funds	930	
To Special Revenue Funds	940	(312,942.21)
To Permanent Funds	960	
To Internal Service Funds	970	
To Enterprise Funds	990	
Total Transfers Out	9700	(312,942.21)
Total Other Financing Sources (Uses)		5,663,606.30
Net Change In Fund Balance		(7,552,894.57)
Fund Balance, July 1, 2011	2800	26,896,495.76
Adjustments to Fund Balance	2891	
<i>Ending Fund Balance:</i>		
Nonspendable Fund Balance	2710	154,910.77
Restricted Fund Balance	2720	2,147,655.09
Committed Fund Balance	2730	2,285,655.81
Assigned Fund Balance	2740	989,758.92
Unassigned Fund Balance	2750	13,765,620.60
Total Fund Balance, June 30, 2012	2700	19,343,601.19

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - SPECIAL REVENUE
FUNDS - FOOD SERVICES

For the Fiscal Year Ended June 30, 2012

Exhibit K-2
DOE Page 4
Fund 410

	Account Number	
REVENUES		
<i>Federal Through State and Local:</i>		
School Lunch Reimbursement	3261	4,236,740.79
School Breakfast Reimbursement	3262	1,186,630.16
After School Snack Reimbursement	3263	15,750.24
Child Care Food Program	3264	
USDA Donated Commodities	3265	452,478.89
Cash in Lieu of Donated Foods	3266	
Summer Food Service Program	3267	133,911.09
Fresh Fruit and Vegetable Program	3268	
Other Food Services	3269	42,781.13
Federal Through Local	3280	
Miscellaneous Federal Through State	3299	24,000.00
Total Federal Through State and Local	3200	6,092,292.30
<i>State:</i>		
School Breakfast Supplement	3337	52,585.00
School Lunch Supplement	3338	61,971.00
Other Miscellaneous State Revenues	3399	2,540.00
Total State	3300	117,096.00
<i>Local:</i>		
Interest on Investments	3431	7,173.17
Gain on Sale of Investments	3432	
Net Increase (Decrease) in Fair Value of Investments	3433	
Gifts, Grants and Bequests	3440	
Student Lunches	3451	1,598,857.65
Student Breakfasts	3452	532,952.55
Adult Breakfasts/Lunches	3453	198,186.75
Student and Adult a la Carte	3454	2,423,026.44
Student Snacks	3455	
Other Food Sales	3456	673.51
Other Miscellaneous Local Sources	3495	123,888.12
Refunds of Prior Year's Expenditures	3497	
Total Local	3400	4,884,758.19
Total Revenues	3000	11,094,146.49

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - SPECIAL REVENUE
FUNDS - FOOD SERVICES (Continued)
For the Fiscal Year Ended June 30, 2012

Exhibit K-2
DOE Page 5
Fund 410

	Account Number	
EXPENDITURES (Function 7600/9300)		
Salaries	100	3,437.28
Employee Benefits	200	3,266.05
Purchased Services	300	10,519,829.47
Energy Services	400	432,747.35
Materials and Supplies	500	293.16
Capital Outlay	600	13,593.10
Other Expenses	700	3,681.11
Other Capital Outlay (Function 9300)	600	15,639.00
Total Expenditures		10,992,486.52
Excess (Deficiency) of Revenues Over Expenditures		101,659.97
OTHER FINANCING SOURCES (USES)		
Loans	3720	
Sale of Capital Assets	3730	
Loss Recoveries	3740	
<i>Transfers In:</i>		
From General Fund	3610	10,755.24
From Debt Service Funds	3620	
From Capital Projects Funds	3630	
Interfund	3650	
From Permanent Funds	3660	
From Internal Service Funds	3670	
From Enterprise Funds	3690	
Total Transfers In	3600	10,755.24
<i>Transfers Out: (Function 9700)</i>		
To General Fund	910	
To Debt Service Funds	920	
To Capital Projects Funds	930	
Interfund	950	
To Permanent Funds	960	
To Internal Service Funds	970	
To Enterprise Funds	990	
Total Transfers Out	9700	0.00
Total Other Financing Sources (Uses)		10,755.24
Net Change in Fund Balance		112,415.21
Fund Balance, July 1, 2011	2800	1,722,731.75
Adjustments to Fund Balance	2891	
<i>Ending Fund Balance:</i>		
Nonspendable Fund Balance	2710	153,768.07
Restricted Fund Balance	2720	
Committed Fund Balance	2730	
Assigned Fund Balance	2740	1,681,378.89
Unassigned Fund Balance	2750	
Total Fund Balance, June 30, 2012	2700	1,835,146.96

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - SPECIAL REVENUE
FUNDS - OTHER FEDERAL PROGRAMS

For the Fiscal Year Ended June 30, 2012

Exhibit K-3
DOE Page 6
Fund 420

	Account Number	
REVENUES		
<i>Federal Direct:</i>		
Workforce Investment Act	3170	
Community Action Programs	3180	
Reserve Officers Training Corps (ROTC)	3191	223,662.86
Miscellaneous Federal Direct	3199	2,589,324.65
Total Federal Direct	3100	2,812,987.51
<i>Federal Through State and Local:</i>		
Vocational Education Acts	3201	197,796.80
Medicaid	3202	
Workforce Investment Act	3220	
Math and Science Partnerships, Title II Part B	3226	924,130.93
Drug Free Schools	3227	5,723,102.58
Individuals with Disabilities Education Act (IDEA)	3230	4,086,051.30
Elementary and Secondary Education Act, Title I	3240	
Adult General Education	3251	264,634.35
Vocational Rehabilitation	3253	
Federal Through Local	3280	406,583.84
Emergency Immigrant Education Program	3293	
Miscellaneous Federal Through State	3299	302,358.55
Total Federal Through State and Local	3200	11,904,658.35
<i>State:</i>		
Other Miscellaneous State Revenue	3399	
Total State	3300	0.00
<i>Local:</i>		
Interest on Investments	3431	
Gain on Sale of Investments	3432	
Net Increase (Decrease) in Fair Value of Investments	3433	
Gifts, Grants and Bequests	3440	
Adult General Education Course Fees	3461	
Sale of Junk	3493	
Other Miscellaneous Local Sources	3495	
Refund of Prior Year's Expenditures	3497	
Total Local	3400	0.00
Total Revenues	3000	14,717,645.86

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY

Exhibit K-3

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - SPECIAL REVENUE FUNDS - OTHER FEDERAL PROGRAMS (Continued)

DOE Page 7

For the Fiscal Year Ended June 30, 2012

Fund 420

		Account Number	100	200	300	400	500	600	700	Totals
			Salaries	Employee Benefits	Purchased Services	Energy Services	Materials and Supplies	Capital Outlay	Other Expenses	
EXPENDITURES										
Current:										
Instruction	5000		4,082,540.17	1,068,254.13	1,381,449.26	605.48	470,505.13	318,591.19	68,862.03	7,390,807.39
Pupil Personnel Services	6100		392,573.68	112,677.71	1,308,605.65	87.28	62,316.04	53,561.16	14,724.51	1,944,546.03
Instructional Media Services	6200				359.10			4,121.18		4,480.28
Instruction and Curriculum Development Services	6300		2,483,595.84	560,319.35	21,847.04		14,606.71	2,044.90	1,731.22	3,084,145.06
Instructional Staff Training Services	6400		360,101.13	55,513.90	454,628.27		62,025.40	1,027.20	135,090.85	1,068,386.75
Instructional-Related Technology	6500		5,821.80	2,072.37	60,294.53		1,713.91	113,004.05	10.69	182,917.35
Board	7100									0.00
General Administration	7200								401,222.42	401,222.42
School Administration	7300		131,249.84	27,353.88	7,295.62		4,882.22	3,008.47	9,395.03	183,185.06
Facilities Acquisition and Construction	7410									0.00
Fiscal Services	7500									0.00
Food Services	7600									0.00
Central Services	7700		19,802.29	1,626.41	21,895.21				6,617.10	49,941.01
Pupil Transportation Services	7800		519.00	65.19	154,034.85				3,229.00	157,848.04
Operation of Plant	7900		28,325.77	9,801.54	985.28		306.86	1,180.00		40,599.45
Maintenance of Plant	8100							3,620.54		3,620.54
Administrative Technology Services	8200									0.00
Community Services	9100			1,701.29	2,685.25				503,746.91	508,133.45
Capital Outlay:										
Facilities Acquisition and Construction	7420									0.00
Other Capital Outlay	9300									0.00
Debt Service: (Function 9200)										
Redemption of Principal	710									0.00
Interest	720									0.00
Total Expenditures			7,504,529.52	1,839,385.77	3,414,080.06	692.76	616,356.27	500,158.69	1,144,629.76	15,019,832.83
Excess (Deficiency) of Revenues over Expenditures										(302,186.97)
OTHER FINANCING SOURCES (USES)			Totals							
Loans	3720									
Sale of Capital Assets	3730									
Loss Recoveries	3740									
Transfers In:										
From General Fund	3610		302,186.97							
From Debt Service Funds	3620									
From Capital Projects Funds	3630									
Interfund	3650									
From Permanent Funds	3660									
From Internal Service Funds	3670									
From Enterprise Funds	3690									
Total Transfers In	3600		302,186.97							
Transfers Out: (Function 9700)										
To the General Fund	910									
To Debt Service Funds	920									
To Capital Projects Funds	930									
Interfund	950									
To Permanent Funds	960									
To Internal Service Funds	970									
To Enterprise Funds	990									
Total Transfers Out	9700		0.00							
Total Other Financing Sources (Uses)				302,186.97						
Net Change in Fund Balance				0.00						
Fund Balance, July 1, 2011	2800									
Adjustments to Fund Balance	2891									
Ending Fund Balance:										
Nonspendable Fund Balance	2710									
Restricted Fund Balance	2720									
Committed Fund Balance	2730									
Assigned Fund Balance	2740									
Unassigned Fund Balance	2750									
Total Fund Balance, June 30, 2012	2700		0.00							

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - SPECIAL REVENUE FUNDS
FEDERAL ECONOMIC STIMULUS PROGRAMS

For the Fiscal Year Ended June 30, 2012

Exhibit K-4
DOE Page 8

	Account Number	ARRA State Fiscal Stabilization Funds 431	Targeted ARRA Stimulus Funds 432	Other ARRA Stimulus Grants 433	ARRA Race to the Top 434	Education Jobs Act 435	Totals
REVENUES							
<i>Federal Direct:</i>							
Workforce Investment Act	3170						0.00
Community Action Programs	3180						0.00
Reserve Officers Training Corps (ROTC)	3191						0.00
Miscellaneous Federal Direct	3199						0.00
Total Federal Direct:	3100	0.00	0.00	0.00	0.00	0.00	0.00
<i>Federal Through State:</i>							
Vocational Education Acts	3201						0.00
State Fiscal Stabilization Funds – K-12	3210						0.00
State Fiscal Stabilization Funds – Workforce	3211						0.00
State Fiscal Stabilization Funds – VPK	3212						0.00
Race to the Top	3214				692,315.72		692,315.72
Education Jobs Act	3215					194,609.89	194,609.89
Individuals with Disabilities Education Act (IDEA)	3230		325,238.97				325,238.97
Elementary and Secondary Education Act, Title I	3240		231,183.81				231,183.81
Adult General Education	3251						0.00
Other Food Services	3269						0.00
Miscellaneous Federal Through State	3299			76,922.18			76,922.18
Total Federal Through State	3200	0.00	556,422.78	76,922.18	692,315.72	194,609.89	1,520,270.57
<i>State:</i>							
Other Miscellaneous State Revenue	3399						0.00
Total State	3300	0.00	0.00	0.00	0.00	0.00	0.00
<i>Local:</i>							
Interest on Investments	3431						0.00
Gain on Sale of Investments	3432						0.00
Net Increase (Decrease) in Fair Value of Investments	3433						0.00
Gifts, Grants and Bequests	3440						0.00
Other Miscellaneous Local Sources	3495						0.00
Refund of Prior Year's Expenditures	3497						0.00
Total Local	3400	0.00	0.00	0.00	0.00	0.00	0.00
Total Revenues	3000	0.00	556,422.78	76,922.18	692,315.72	194,609.89	1,520,270.57

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - SPECIAL REVENUE FUNDS - TARGETED ARRA STIMULUS FUNDS (Continued)
 For the Fiscal Year Ended June 30, 2012

Exhibit K-4
 DOE Page 10
 Fund 432

	Account Number	100	200	300	400	500	600	700	Totals
		Salaries	Employee Benefits	Purchased Services	Energy Services	Materials and Supplies	Capital Outlay	Other Expenses	
EXPENDITURES									
<i>Current:</i>									
Instruction	5000	82,148.85	10,083.36	29,487.55		40,197.21	57,733.36		219,650.33
Pupil Personnel Services	6100	1,697.05	213.15	764.65		5,084.51	1,712.42		9,471.78
Instructional Media Services	6200					1,856.05	3,481.55		5,337.60
Instruction and Curriculum Development Services	6300	77,154.43	9,659.75	422.59		3,675.00	34,320.72		125,232.49
Instructional Staff Training Services	6400	67,486.85	5,911.77	44,374.79		9,881.09	2,932.90	2,565.72	133,153.12
Instructional-Related Technology	6500					1,457.84	34,119.05		35,576.89
Board	7100								0.00
General Administration	7200							10,727.12	10,727.12
School Administration	7300								0.00
Facilities Acquisition and Construction	7410								0.00
Fiscal Services	7500								0.00
Food Services	7600								0.00
Central Services	7700	10,704.00	819.09	4,655.36				1,095.00	17,273.45
Pupil Transportation Services	7800								0.00
Operation of Plant	7900								0.00
Maintenance of Plant	8100								0.00
Administrative Technology Services	8200								0.00
Community Services	9100								0.00
<i>Capital Outlay:</i>									
Facilities Acquisition and Construction	7420								0.00
Other Capital Outlay	9300								0.00
<i>Debt Service: (Function 9200)</i>									
Redemption of Principal	710								0.00
Interest	720								0.00
Total Expenditures		239,191.18	26,687.12	79,704.94	0.00	62,151.70	134,300.00	14,387.84	556,422.78
Excess (Deficiency) of Revenues over Expenditures									0.00
OTHER FINANCING SOURCES (USES)		Totals							
Loans	3720								
Sale of Capital Assets	3730								
Loss Recoveries	3740								
<i>Transfers In:</i>									
From General Fund	3610								
From Debt Service Funds	3620								
From Capital Projects Funds	3630								
Interfund	3650								
From Permanent Funds	3660								
From Internal Service Funds	3670								
From Enterprise Funds	3690								
Total Transfers In	3600								0.00
<i>Transfers Out: (Function 9700)</i>									
To the General Fund	910								
To Debt Service Funds	920								
To Capital Projects Funds	930								
Interfund	950								
To Permanent Funds	960								
To Internal Service Funds	970								
To Enterprise Funds	990								
Total Transfers Out	9700								0.00
Total Other Financing Sources (Uses)									0.00
Net Change in Fund Balance									0.00
Fund Balance, July 1, 2011	2800								
Adjustments to Fund Balance	2891								
<i>Ending Fund Balance:</i>									
Nonspendable Fund Balance	2710								
Restricted Fund Balance	2720								
Committed Fund Balance	2730								
Assigned Fund Balance	2740								
Unassigned Fund Balance	2750								
Total Fund Balance, June 30, 2012	2700								0.00

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - SPECIAL REVENUE FUNDS - OTHER ARRA STIMULUS GRANTS (Continued)
 For the Fiscal Year Ended June 30, 2012

Exhibit K-4
 DOE Page 11
 Fund 433

	Account Number	100	200	300	400	500	600	700	Totals
		Salaries	Employee Benefits	Purchased Services	Energy Services	Materials and Supplies	Capital Outlay	Other Expenses	
EXPENDITURES									
<i>Current:</i>									
Instruction	5000			2,380.50					2,380.50
Pupil Personnel Services	6100			4,298.00		2,717.34			7,015.34
Instructional Media Services	6200								0.00
Instruction and Curriculum Development Services	6300								0.00
Instructional Staff Training Services	6400	39,498.88	3,810.67	21,658.42			299.00	679.95	65,946.92
Instructional-Related Technology	6500								0.00
Board	7100								0.00
General Administration	7200							1,579.42	1,579.42
School Administration	7300								0.00
Facilities Acquisition and Construction	7410								0.00
Fiscal Services	7500								0.00
Food Services	7600								0.00
Central Services	7700								0.00
Pupil Transportation Services	7800								0.00
Operation of Plant	7900								0.00
Maintenance of Plant	8100								0.00
Administrative Technology Services	8200								0.00
Community Services	9100								0.00
<i>Capital Outlay:</i>									
Facilities Acquisition and Construction	7420								0.00
Other Capital Outlay	9300								0.00
<i>Debt Service: (Function 9200)</i>									
Redemption of Principal	710								0.00
Interest	720								0.00
Total Expenditures		39,498.88	3,810.67	28,336.92	0.00	2,717.34	299.00	2,259.37	76,922.18
Excess (Deficiency) of Revenues over Expenditures									0.00
OTHER FINANCING SOURCES (USES)		Totals							
Loans	3720								
Sale of Capital Assets	3730								
Loss Recoveries	3740								
<i>Transfers In:</i>									
From General Fund	3610								
From Debt Service Funds	3620								
From Capital Projects Funds	3630								
Interfund	3650								
From Permanent Funds	3660								
From Internal Service Funds	3670								
From Enterprise Funds	3690								
Total Transfers In	3600								0.00
<i>Transfers Out: (Function 9700)</i>									
To the General Fund	910								
To Debt Service Funds	920								
To Capital Projects Funds	930								
Interfund	950								
To Permanent Funds	960								
To Internal Service Funds	970								
To Enterprise Funds	990								
Total Transfers Out	9700								0.00
Total Other Financing Sources (Uses)									0.00
Net Change in Fund Balance									0.00
Fund Balance, July 1, 2011	2800								
Adjustments to Fund Balance	2891								
<i>Ending Fund Balance:</i>									
Nonspendable Fund Balance	2710								
Restricted Fund Balance	2720								
Committed Fund Balance	2730								
Assigned Fund Balance	2740								
Unassigned Fund Balance	2750								
Total Fund Balance, June 30, 2012	2700								0.00

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - SPECIAL REVENUE FUND - ARRA RACE TO THE TOP (Continued)
 For the Fiscal Year Ended June 30, 2012

Exhibit K-4
 DOE Page 12
 Fund 434

	Account Number	100	200	300	400	500	600	700	Totals
		Salaries	Employee Benefits	Purchased Services	Energy Services	Materials and Supplies	Capital Outlay	Other Expenses	
EXPENDITURES									
<i>Current:</i>									
Instruction	5000						197,895.99		197,895.99
Pupil Personnel Services	6100								0.00
Instructional Media Services	6200								0.00
Instruction and Curriculum Development Services	6300			46,250.00					46,250.00
Instructional Staff Training Services	6400	40,318.34	9,862.68	246,329.04		74,039.76		59,795.25	430,345.07
Instructional-Related Technology	6500								0.00
Board	7100								0.00
General Administration	7200							17,824.66	17,824.66
School Administration	7300								0.00
Facilities Acquisition and Construction	7410								0.00
Fiscal Services	7500								0.00
Food Services	7600								0.00
Central Services	7700								0.00
Pupil Transportation Services	7800								0.00
Operation of Plant	7900								0.00
Maintenance of Plant	8100								0.00
Administrative Technology Services	8200								0.00
Community Services	9100								0.00
<i>Capital Outlay:</i>									
Facilities Acquisition and Construction	7420								0.00
Other Capital Outlay	9300								0.00
<i>Debt Service: (Function 9200)</i>									
Redemption of Principal	710								0.00
Interest	720								0.00
Total Expenditures		40,318.34	9,862.68	292,579.04	0.00	74,039.76	197,895.99	77,619.91	692,315.72
Excess (Deficiency) of Revenues over Expenditures									0.00
OTHER FINANCING SOURCES (USES)		Totals							
Loans	3720								
Sale of Capital Assets	3730								
Loss Recoveries	3740								
<i>Transfers In:</i>									
From General Fund	3610								
From Debt Service Funds	3620								
From Capital Projects Funds	3630								
Interfund	3650								
From Permanent Funds	3660								
From Internal Service Funds	3670								
From Enterprise Funds	3690								
Total Transfers In	3600								0.00
<i>Transfers Out: (Function 9700)</i>									
To the General Fund	910								
To Debt Service Funds	920								
To Capital Projects Funds	930								
Interfund	950								
To Permanent Funds	960								
To Internal Service Funds	970								
To Enterprise Funds	990								
Total Transfers Out	9700								0.00
Total Other Financing Sources (Uses)									0.00
Net Change in Fund Balance									0.00
Fund Balance, July 1, 2011	2800								
Adjustments to Fund Balance	2891								
<i>Ending Fund Balance:</i>									
Nonspendable Fund Balance	2710								
Restricted Fund Balance	2720								
Committed Fund Balance	2730								
Assigned Fund Balance	2740								
Unassigned Fund Balance	2750								
Total Fund Balance, June 30, 2012	2700								0.00

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - SPECIAL REVENUE FUND - EDUCATION JOBS ACT (Continued)
For the Fiscal Year Ended June 30, 2012

Exhibit K-4
DOE Page 13
Fund 435

	Account Number	100	200	300	400	500	600	700	Totals
		Salaries	Employee Benefits	Purchased Services	Energy Services	Materials and Supplies	Capital Outlay	Other Expenses	
EXPENDITURES									
<i>Current:</i>									
Instruction	5000	160,928.30	29,936.74					3,744.85	194,609.89
Pupil Personnel Services	6100								0.00
Instructional Media Services	6200								0.00
Instruction and Curriculum Development Services	6300								0.00
Instructional Staff Training Services	6400								0.00
Instructional-Related Technology	6500								0.00
Board	7100								0.00
General Administration	7200								0.00
School Administration	7300								0.00
Facilities Acquisition and Construction	7410								0.00
Fiscal Services	7500								0.00
Food Services	7600								0.00
Central Services	7700								0.00
Pupil Transportation Services	7800								0.00
Operation of Plant	7900								0.00
Maintenance of Plant	8100								0.00
Administrative Technology Services	8200								0.00
Community Services	9100								0.00
<i>Capital Outlay:</i>									
Facilities Acquisition and Construction	7420								0.00
Other Capital Outlay	9300								0.00
<i>Debt Service: (Function 9200)</i>									
Redemption of Principal	710								0.00
Interest	720								0.00
Total Expenditures		160,928.30	29,936.74	0.00	0.00	0.00	0.00	3,744.85	194,609.89
Excess (Deficiency) of Revenues over Expenditures									0.00
OTHER FINANCING SOURCES (USES)		Totals							
Loans	3720								
Sale of Capital Assets	3730								
Loss Recoveries	3740								
<i>Transfers In:</i>									
From General Fund	3610								
From Debt Service Funds	3620								
From Capital Projects Funds	3630								
Interfund	3650								
From Permanent Funds	3660								
From Internal Service Funds	3670								
From Enterprise Funds	3690								
Total Transfers In	3600								0.00
<i>Transfers Out: (Function 9700)</i>									
To the General Fund	910								
To Debt Service Funds	920								
To Capital Projects Funds	930								
Interfund	950								
To Permanent Funds	960								
To Internal Service Funds	970								
To Enterprise Funds	990								
Total Transfers Out	9700								0.00
Total Other Financing Sources (Uses)									0.00
Net Change in Fund Balance									0.00
Fund Balance, July 1, 2011	2800								
Adjustments to Fund Balance	2891								
<i>Ending Fund Balance:</i>									
Nonspendable Fund Balance	2710								
Restricted Fund Balance	2720								
Committed Fund Balance	2730								
Assigned Fund Balance	2740								
Unassigned Fund Balance	2750								
Total Fund Balance, June 30, 2012	2700								0.00

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - DEBT SERVICE FUNDS
 For the Fiscal Year Ended June 30, 2012

Exhibit K-6
 DOE Page 15

	Account Number	SBE/COBI Bonds 210	Special Act Bonds 220	Section 1011.14/1011.15 F.S. Loans 230	Motor Vehicle Revenue Bonds 240	District Bonds 250	Other Debt Service 290	ARRA Economic Stimulus Debt Service 299	Totals
REVENUES									
<i>Federal:</i>									
Miscellaneous Federal Direct	3199								0.00
Miscellaneous Federal Through State	3299								0.00
<i>State:</i>									
CO & DS Distributed	3321								0.00
CO & DS Withheld for SBE/COBI Bonds	3322	839,448.00							839,448.00
Cost of Issuing SBE/COBI Bonds	3324								0.00
Interest on Undistributed CO&DS	3325								0.00
SBE/COBI Bond Interest	3326	(95.30)							(95.30)
Racing Commission Funds	3341		223,250.00						223,250.00
Other Miscellaneous State Revenue	3399								0.00
Total State Sources	3300	839,352.70	223,250.00	0.00	0.00	0.00	0.00	0.00	1,062,602.70
<i>Local:</i>									
District Debt Service Taxes	3412								0.00
Local Sales Tax	3418								0.00
Tax Redemptions	3421								0.00
Payment in Lieu of Taxes	3422								0.00
Excess Fees	3423								0.00
Interest on Investments	3431		2,548.71				2,498.52		5,047.23
Gain on Sale of Investments	3432								0.00
Net Increase (Decrease) in Fair Value of Investments	3433						11,666.84		11,666.84
Gifts, Grants, and Bequests	3440								0.00
Miscellaneous Local Revenues	3495								0.00
Impact Fees	3496								0.00
Refunds of Prior Year Expenditures	3497								0.00
Total Local Sources	3400	0.00	2,548.71	0.00	0.00	0.00	14,165.36	0.00	16,714.07
Total Revenues	3000	839,352.70	225,798.71	0.00	0.00	0.00	14,165.36	0.00	1,079,316.77
EXPENDITURES (Function 9200)									
Redemption of Principal	710	585,000.00	140,000.00				1,645,000.00		2,370,000.00
Interest	720	267,607.50	53,360.00				2,002,883.38		2,323,850.88
Dues and Fees	730	1,979.60	800.00				14,175.00		16,654.60
Miscellaneous Expense	790								0.00
Total Expenditures		854,587.10	193,860.00	0.00	0.00	0.00	3,662,058.38	0.00	4,710,505.48
Excess (Deficiency) of Revenues Over Expenditures		(15,234.40)	31,938.71	0.00	0.00	0.00	(3,647,893.02)	0.00	(3,631,188.71)
OTHER FINANCING SOURCES (USES)									
Issuance of Bonds	3710								0.00
Premium on Sale of Bonds	3791								0.00
Face Value of Refunding Bonds	3715	510,000.00							510,000.00
Premium on Refunding Bonds	3792	64,725.70							64,725.70
Loans	3720								0.00
Proceeds of Certificates of Participation	3750								0.00
Premium on Certificates of Participation	3793								0.00
Proceeds of Forward Supply Contract	3760								0.00
Payments to Refunded Bond Escrow Agent (Function 9299)	760	(573,235.05)							(573,235.05)
Discount on Sale of Bonds (Function 9299)	891								0.00
Discount on Refunding Bonds (Function 9299)	892								0.00
Discount on Certificates of Participation (Function 9299)	893								0.00
<i>Transfers In:</i>									
From General Fund	3610								0.00
From Capital Projects Funds	3630						3,582,497.80		3,582,497.80
From Special Revenue Funds	3640								0.00
Interfund	3650								0.00
From Permanent Funds	3660								0.00
From Internal Service Funds	3670								0.00
From Enterprise Funds	3690								0.00
Total Transfers In	3600	0.00	0.00	0.00	0.00	0.00	3,582,497.80	0.00	3,582,497.80
<i>Transfers Out: (Function 9700)</i>									
To General Fund	910								0.00
To Capital Projects Funds	930								0.00
To Special Revenue Funds	940								0.00
Interfund	950								0.00
To Permanent Funds	960								0.00
To Internal Service Funds	970								0.00
To Enterprise Funds	990								0.00
Total Transfers Out	9700	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Other Financing Sources (Uses)		1,490.65	0.00	0.00	0.00	0.00	3,582,497.80	0.00	3,583,988.45
Net Change in Fund Balances		(13,743.75)	31,938.71	0.00	0.00	0.00	(65,395.22)	0.00	(47,200.26)
Fund Balances, July 1, 2011	2800	149,633.47	741,980.70				1,475,624.35		2,367,238.52
Adjustments to Fund Balances	2891								0.00
<i>Ending Fund Balance:</i>									
Nonspendable Fund Balance	2710								0.00
Restricted Fund Balance	2720	135,889.72	773,919.41				1,410,229.13		2,320,038.26
Committed Fund Balance	2730								0.00
Assigned Fund Balance	2740								0.00
Unassigned Fund Balance	2750								0.00
Total Fund Balances, June 30, 2012	2700	135,889.72	773,919.41	0.00	0.00	0.00	1,410,229.13	0.00	2,320,038.26

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - CAPITAL PROJECTS FUNDS
For the Fiscal Year Ended June 30, 2012

Exhibit K-7
DOE Page 16

	Account Number	Capital Outlay Bond Issues (COBI) 310	Special Act Bonds (Racetrack) 320	Section 1011.14/1011.15 F.S. Loans 330	Public Education Capital Outlay (PECO) 340	District Bonds 350	Capital Outlay and Debt Service Funds 360	Capital Improvement Section 1011.71(2) F.S. 370	Voted Capital Improvement 380	Other Capital Projects 390	ARRA Economic Stimulus Capital Projects 399	Totals
REVENUES												
<i>Federal:</i>												
Miscellaneous Federal Direct	3199											0.00
Miscellaneous Federal Through State	3299											0.00
<i>State:</i>												
CO&DS Distributed	3321						99,749.50					99,749.50
Interest on Undistributed CO&DS	3325						9,712.89					9,712.89
SBE/COBI Bond Interest	3326											0.00
Racing Commission Funds	3341											0.00
Public Education Capital Outlay (PECO)	3391				133,796.61							133,796.61
Classrooms First Program	3392											0.00
School Infrastructure Thrift Program	3393											0.00
Effort Index Grant	3394											0.00
Smart Schools Small County Assistance Program	3395											0.00
Class Size Reduction/Capital Outlay	3396											0.00
Charter School Capital Outlay Funding	3397									44,756.07		44,756.07
Other Miscellaneous State Revenue	3399									64,359.84		64,359.84
Total State Sources	3300	0.00	0.00	0.00	133,796.61	0.00	109,462.39	0.00	0.00	109,115.91	0.00	352,374.91
<i>Local:</i>												
District Local Capital Improvement Tax	3413							11,264,162.23				11,264,162.23
Local Sales Tax	3418									6,473,970.72		6,473,970.72
Tax Redemptions	3421											0.00
Interest on Investments	3431	511.79			833.60		698.19	44,890.75		64,627.28		111,561.61
Gain on Sale of Investments	3432											0.00
Net Increase (Decrease) in Fair Value of Investments	3433											0.00
Gifts, Grants, and Bequests	3440											0.00
Miscellaneous Local Sources	3495									533,181.47		533,181.47
Impact Fees	3496											0.00
Total Local Sources	3400	511.79	0.00	0.00	833.60	0.00	698.19	11,309,052.98	0.00	7,071,779.47	0.00	18,382,876.03
Total Revenues	3000	511.79	0.00	0.00	134,630.21	0.00	110,160.58	11,309,052.98	0.00	7,180,895.38	0.00	18,735,250.94
EXPENDITURES (Function 7400)												
Library Books	610											0.00
Audio-Visual Materials (Non-consumable)	620											0.00
Buildings and Fixed Equipment	630	420,352.81						4,510,657.17		9,164,969.73		14,095,979.71
Furniture, Fixtures and Equipment	640							716,211.20		641,358.47		1,357,569.67
Motor Vehicles (Including Buses)	650											0.00
Land	660											0.00
Improvements Other than Buildings	670				51,417.02		24,496.50	43,983.26		253,205.80		373,102.58
Remodeling and Renovations	680				415,537.75		97,748.10	1,453,470.29		1,072,317.92		3,039,074.06
Computer Software	690									3,191.04		3,191.04
Debt Service (Function 9200)												
Redemption of Principal	710											0.00
Interest	720											0.00
Dues and Fees	730											0.00
Miscellaneous Expense	790											0.00
Total Expenditures		420,352.81	0.00	0.00	466,954.77	0.00	122,244.60	6,724,321.92	0.00	11,135,042.96	0.00	18,868,917.06
Excess (Deficiency) of Revenues Over Expenditures		(419,841.02)	0.00	0.00	(332,324.56)	0.00	(12,084.02)	4,584,731.06	0.00	(3,954,147.58)	0.00	(133,666.12)

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - CAPITAL PROJECTS FUNDS (Continued)
 For the Fiscal Year Ended June 30, 2012

Exhibit K-7
 DOE Page 17

	Account Number	Capital Outlay Bond Issues (COBI) 310	Special Act Bonds (Racetrack) 320	Section 1011.14/1011.15 F.S. Loans 330	Public Education Capital Outlay (PECO) 340	District Bonds 350	Capital Outlay and Debt Service Funds 360	Capital Improvement Section 1011.71(2) F.S. 370	Voted Capital Improvement 380	Other Capital Projects 390	ARRA Economic Stimulus Capital Projects 399	Totals
OTHER FINANCING SOURCES (USES)												
Issuance of Bonds	3710											0.00
Premium on Sale of Bonds	3791											0.00
Face Value of Refunding Bonds	3715											0.00
Premium on Refunding Bonds	3792											0.00
Loans	3720											0.00
Sale of Capital Assets	3730											0.00
Loss Recoveries	3740									1,032,930.31		1,032,930.31
Proceeds of Certificates of Participation	3750											0.00
Premium on Certificates of Participation	3793											0.00
Proceeds of Forward Supply Contract	3760											0.00
Proceeds from Special Facilities Construction Advance	3770											0.00
Payments to Refunded Bond Escrow Agent (Function 9299)	760											0.00
Discount on Sale of Bonds (Function 9299)	891											0.00
Discount on Refunding Bonds (Function 9299)	892											0.00
Discount on Certificates of Participation (Function 9299)	893											0.00
<i>Transfers In:</i>												
From General Fund	3610											0.00
From Debt Service Funds	3620											0.00
From Special Revenue Funds	3640											0.00
Interfund	3650											0.00
From Permanent Funds	3660											0.00
From Internal Service Funds	3670											0.00
From Enterprise Funds	3690											0.00
Total Transfers In	3600	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Transfers Out: (Function 9700)</i>												
To General Fund	910							(3,996,554.68)		(1,959,137.49)		(5,955,692.17)
To Debt Service Funds	920							(3,582,497.80)				(3,582,497.80)
To Special Revenue Funds	940											0.00
Interfund	950											0.00
To Permanent Funds	960											0.00
To Internal Service Funds	970											0.00
To Enterprise Funds	990											0.00
Total Transfers Out	9700	0.00	0.00	0.00	0.00	0.00	0.00	(7,579,052.48)	0.00	(1,959,137.49)	0.00	(9,538,189.97)
Total Other Financing Sources (Uses)		0.00	0.00	0.00	0.00	0.00	0.00	(7,579,052.48)	0.00	(1,959,137.49)	0.00	(8,505,259.66)
Net Change in Fund Balances		(419,841.02)	0.00	0.00	(332,324.56)	0.00	(12,084.02)	(2,994,321.42)	0.00	(4,880,354.76)	0.00	(8,638,925.78)
Fund Balances, July 1, 2011	2800	420,352.81			832,997.81		218,470.82	10,190,495.32		18,158,343.29		29,820,660.05
Adjustments to Fund Balances	2891											0.00
<i>Ending Fund Balance:</i>												
Nonspendable Fund Balance	2710											0.00
Restricted Fund Balance	2720	511.79			500,673.25		206,386.80	7,196,173.90		13,277,988.53		21,181,734.27
Committed Fund Balance	2730											0.00
Assigned Fund Balance	2740											0.00
Unassigned Fund Balance	2750											0.00
Total Fund Balances, June 30, 2012	2700	511.79	0.00	0.00	500,673.25	0.00	206,386.80	7,196,173.90	0.00	13,277,988.53	0.00	21,181,734.27

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
SCHOOL INTERNAL FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
June 30, 2012

Exhibit K-11
DOE Page 21
Fund 891

	Account Number	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
ASSETS					
Cash	1110	3,047,594.33	7,439,239.53	7,474,016.03	3,012,817.83
Investments	1160				0.00
Accounts Receivable, Net	1130				0.00
Interest Receivable on Investments	1170				0.00
<i>Due From Other Funds:</i>					
Budgetary Funds	1141				0.00
Inventory	1150				0.00
Due from Other Agencies	1220				0.00
Total Assets		3,047,594.33	7,439,239.53	7,474,016.03	3,012,817.83
LIABILITIES					
Accrued Salaries and Benefits	2110				0.00
Payroll Deductions and Withholdings	2170	135,796.81	457,608.65	463,163.96	130,241.50
Accounts Payable	2120	269,613.00			269,613.00
Due to Budgetary Funds	2161	0.00	5,616.74		5,616.74
Internal Accounts Payable	2290	2,642,184.52	6,976,014.14	7,010,852.07	2,607,346.59
Total Liabilities		3,047,594.33	7,439,239.53	7,474,016.03	3,012,817.83

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
SCHEDULE OF LONG-TERM LIABILITIES
June 30, 2012

Exhibit K-12
DOE Page 22
Fund 601

	Account Number	Governmental Activities Total Balance June 30, 2012 [1]	Business-type Activities Total Balance June 30, 2012 [1]	Total
Notes Payable	2310			0.00
Obligations Under Capital Leases	2315			0.00
Bonds Payable	2320	5,975,000.00		5,975,000.00
Liability for Compensated Absences	2330	18,904,307.71		18,904,307.71
Certificates of Participation Payable	2340	42,096,113.20		42,096,113.20
Estimated Liability for Long-Term Claims	2350			0.00
Other Post-Employment Benefits Liability	2360	3,302,457.00		3,302,457.00
Estimated PECO Advance Payable	2370			0.00
Other Long-Term Liabilities	2380			0.00
Total Long-Term Liabilities		70,277,877.91	0.00	70,277,877.91

[1] Include total current and noncurrent liability balances at June 30, 2012.

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
SCHEDULE OF CATEGORICAL PROGRAMS
REPORT OF EXPENDITURES AND AVAILABLE FUNDS
For the Fiscal Year Ended June 30, 2012

Exhibit K-13
DOE Page 23

CATEGORICAL PROGRAMS (Revenue Number) [Footnote]	Grant Number	Unexpended June 30, 2011	Returned To DOE	Revenues [3] 2011-12	Expenditures 2011-12	Flexibility [4] 2011-12	Unexpended June 30, 2012
Class Size Reduction - Operating Funds (3355)	94740	0.00		26,037,456.00	26,037,456.00		0.00
Class Size Reduction - Capital Outlay (3396)	91050						
Comprehensive K-12 Reading Plan (FEFP Earmark)	90800	360,242.22		886,621.00	748,918.27		497,944.95
Excellent Teaching (3363)	90570	6,049.21		0.00	6,049.21		0.00
Florida Teachers Lead Program (FEFP Earmark)	97580	0.00		305,914.00	305,914.00		0.00
Instructional Materials (FEFP Earmark) [1]	90880	1,602,946.92		1,936,411.00	2,753,740.78		785,617.14
Library Media (FEFP Earmark) [1]	90881	27,445.88		114,842.00	115,199.64		27,088.24
Preschool Projects (3372)	97950						
Public School Technology	90320	0.00			0.00		
Safe Schools (FEFP Earmark) [2]	90803	66,410.56		371,074.00	327,648.72		109,835.84
Salary Bonus Outstanding Teachers in D and F Schools	94030						
School Recognition Funds (3361)	92040	58,294.84		1,127,400.00	1,136,975.04		48,719.80
Supplemental Academic Instruction (FEFP Earmark)	91280	368,647.80		7,434,158.00	7,592,565.77		210,240.03
Teacher Recruitment and Retention	93460	0.00			0.00		
Teacher Training	91290	10,876.52			0.00		10,876.52
Pupil Transportation (FEFP Earmark)	90830	0.00		5,461,400.00	5,461,400.00		0.00
Voluntary Prekindergarten - School Year Program (3371)	96440	48,263.88		240,198.38	199,515.09		88,947.17
Voluntary Prekindergarten - Summer Program (3371)	96441	38,959.25		88,734.18	70,267.50		57,425.93

[1] Report the Library Media portion of the Instructional Materials allocation under the line "Library Media."

[2] Combine all programs funded from the Safe Schools allocation under one line "Safe Schools."

[3] Include both state and local revenue sources. Revenue should agree to the FEFP 4th Calculation allocation.

[4] Report the amount of funds transferred from each program to maintain board-specified academic classroom instruction.

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
SCHEDULE OF SELECTED SUBOBJECT EXPENDITURES
For the Fiscal Year Ended June 30, 2012

Exhibit K-14
DOE Page 24

	Sub-Object	General Fund 100	Special Revenue Food Services 410	Special Revenue Other Federal Programs 420	Special Revenue Federal Economic Stimulus Programs 430	Total
ENERGY EXPENDITURES:						
Natural Gas	411	121,948.83	7,085.60			129,034.43
Bottled Gas	421	13,106.40	2,014.67			15,121.07
Electricity	430	5,254,341.69	422,581.02			5,676,922.71
Heating Oil	440					0.00
Total		5,389,396.92	431,681.29	0.00	0.00	5,821,078.21
ENERGY EXPENDITURES FOR PUPIL						
TRANSPORTATION:						
Compressed Natural Gas	412					0.00
Liquefied Petroleum Gas	422					0.00
Gasoline	450	41,668.27				41,668.27
Diesel Fuel	460	1,892,854.39				1,892,854.39
Oil & Grease	540					0.00
Total		1,934,522.66		0.00	0.00	1,934,522.66

	Sub-Object	General Fund 100	Special Revenue Other Federal Programs 420	Special Revenue Federal Economic Stimulus Programs 430	Capital Projects Funds 3XX	Total
EXPENDITURES FOR SCHOOL BUSES AND SCHOOL BUS REPLACEMENTS:						
Buses	651					0.00
EXPENDITURES FOR CAPITALIZED AUDIO-VISUAL MATERIALS:						
Audio-Visual Materials	621					0.00

	Sub-Object	General Fund 100	Special Revenue Food Services 410	Special Revenue Other Federal Programs 420	Special Revenue Federal Economic Stimulus Programs 430	Total
SUBAWARDS FOR INDIRECT COST RATE:						
Subrecipient awards up to \$25,000	311	20,000.00	0.00	255,568.08	0.00	275,568.08
Subrecipient awards greater than \$25,000	312	46,540.00	0.00	832,128.73	4,298.00	882,966.73
Subrecipient awards up to \$25,000	391	0.00	0.00	1,610.00	2,380.50	3,990.50
Subrecipient awards greater than \$25,000	392	0.00	0.00	0.00	0.00	0.00

	Sub-Object	Special Revenue Food Services 410
FOOD SERVICE SUPPLIES SUBOBJECT		
Supplies	510	883.36
Purchased food to include commodities	570	108.12

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
SCHEDULE OF SELECTED SUBOBJECT EXPENDITURES
For the Fiscal Year Ended June 30, 2012

Exhibit K-14
DOE Page 25

	Sub-Object	General Fund 100	Special Revenue Other Federal Programs 420	Special Revenue Federal Economic Stimulus Programs 430	Total
Teacher Salaries					
Basic Programs 101, 102, and 103 (Function 5100)	120	49,613,708.00	608,621.00	126,145.00	50,348,474.00
Basic Programs 101, 102, and 103 (Function 5100)	140				0.00
Basic Programs 101, 102, and 103 (Function 5100)	750	791,882.00	3,653.00	3,700.00	799,235.00
Total Basic Program Salaries		50,405,590.00	612,274.00	129,845.00	51,147,709.00
Other Programs 130 (ESOL) (Function 5100)	120	610,200.00	0.00	1,500.00	611,700.00
Other Programs 130 (ESOL) (Function 5100)	140				0.00
Other Programs 130 (ESOL) (Function 5100)	750	9,861.00	0.00	45.00	9,906.00
Total Other Program Salaries		620,061.00	0.00	1,545.00	621,606.00
ESE Programs 111, 112, 113, 254, and 255 (Function 5200)	120	16,646,481.00	180,062.00	23,198.00	16,849,741.00
ESE Programs 111, 112, 113, 254, and 255 (Function 5200)	140				0.00
ESE Programs 111, 112, 113, 254, and 255 (Function 5200)	750	70,776.00	0.00	0.00	70,776.00
Total ESE Program Salaries		16,717,257.00	180,062.00	23,198.00	16,920,517.00
Career Program 300 (Function 5300)	120	1,306,727.00	0.00	0.00	1,306,727.00
Career Program 300 (Function 5300)	140				0.00
Career Program 300 (Function 5300)	750	42,992.00	6,350.00	0.00	49,342.00
Total Career Program Salaries		1,349,719.00	6,350.00	0.00	1,356,069.00
TOTAL		69,092,627.00	798,686.00	154,588.00	70,045,901.00

	Sub-Object	General Fund 100	Special Revenue Other Federal Programs 420	Special Revenue Federal Economic Stimulus Programs 430	Total
Textbooks (used for classroom instruction)					
Textbooks (Function 5000)	520	2,695,944.71	151,779.10	3,827.45	2,851,551.26

ESE 348

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
SPECIFIC ACADEMIC CLASSROOM INSTRUCTION AND OTHER DATA COLLECTION
For the Fiscal Year Ended June 30, 2012

Exhibit K-14
DOE Page 26
Fund 100

CATEGORICAL FLEXIBLE SPENDING - GENERAL FUND:	Account Number	Safe Schools	Pupil Transportation	Supplemental Academic Instruction	Comprehensive K-12 Reading	Instructional Materials	Instructional Materials Library Media	Totals
EXPENDITURES								
<i>Instruction:</i>								
Basic Instruction	5100							0.00
Exceptional Instruction	5200							0.00
Career Instruction	5300							0.00
Adult Instruction	5400							0.00
Prekindergarten	5500							0.00
Other Instruction	5900							0.00
Total Flexible Spending Instructional Expenditures	5000	0.00	0.00	0.00	0.00	0.00	0.00	0.00

LIFELONG LEARNING:	Account Number	Amount
(Lifelong Learning Expenditures are used in federal reporting)		
<i>Expenditures:</i>		
General Fund	5900	2,253,091.07
Other Federal Programs Special Revenue Fund	5900	852,751.82
Federal Economic Stimulus Special Revenue Funds	5900	90,897.38
Total:	5900	3,196,740.27

MEDICAID EXPENDITURE REPORT	Unexpended July 1, 2011	Earnings 2011-2012	Expenditures 2011-2012	Unexpended June 30, 2012
(Medicaid Expenditures are used in federal reporting)				
Earnings, Expenditures, and Carryforward Amounts:	46,609.08	442,943.37	489,452.45	100.00
<i>Expenditure Program or Activity:</i>				
Exceptional Student Education			32,317.55	
School Nurses and Health Care Services				
Occupational Therapy, Physical Therapy, and Other Therapy Services			351,485.39	
ESE Professional and Technical Services				
Gifted Student Education			7,225.13	
Staff Training and Curriculum Development			53,500.00	
Medicaid Administration and Billing Services			43,870.63	
Student Services				
Consultants				
Other			1,053.75	
Total Expenditures			489,452.45	

SCHEDULE 5
SUPPLEMENTARY SCHEDULE OF FEDERAL FINANCIAL
ASSISTANCE PROGRAM EXPENDITURES
For the Fiscal Year Ended June 30, 2012

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass - Through Grantor Number	Amount of Expenditures (1)	Amount Provided To Subrecipients
United States Department of Agriculture:				
Indirect:				
Child Nutrition Cluster:				
Florida Department of Education:				
School Breakfast Program	10.553	300	1,186,630.16	-
National School Lunch Program	10.555	321	4,252,491.03	-
Summer Food Service Program for Children	10.559	323	133,911.09	-
Florida Department of Agriculture and Consumer Services:				
National School Lunch Program	10.555 (2) (A)	300	608,545.81	-
Total Child Nutrition Cluster			6,181,578.09	-
Florida Department of Education:				
Team Nutrition Training Grants	10.574	301	108.12	-
Fresh Fruit and Vegetable Program	10.582	330, 331	42,673.01	-
Florida Department of Financial Services:				
Schools and Roads - Grants to States	10.665	none	0.11	-
Total United States Department of Agriculture			6,224,359.33	-
United States Department of Defense:				
Direct:				
Air Force Junior Reserve Officers Training Corps	12	N/A	52,836.21	-
Navy Junior Reserve Officers Training Corps	12	N/A	216,427.95	-
Indirect:				
Florida Department of Financial Services:				
Payments to States in Lieu of Real Estate Taxes	12.112	none	64.69	-
Total United States Department of Defense			269,328.85	-
United States Department of Labor:				
Indirect:				
Workforce Escarosa, Inc.:				
WIA Youth Activities	17.259	none	314,708.86	-
Total United States Department of Labor			314,708.86	-
United States Department of Energy:				
Indirect:				
University of Central Florida				
ARRA - State Energy Program	81.041 (2) (B)	none	120,610.64	-
Total United States Department of Energy			120,610.64	-
United States Department of Education:				
Direct:				
Student Financial Assistance Cluster:				
Federal Supplemental Educational Opportunity Grants	84.007	N/A	5,703.00	-
Federal Work-Study Program	84.033	N/A	5,613.57	-
Federal Pell Grant Program	84.063	N/A	379,172.02	-
Total Student Financial Assistance Cluster			390,488.59	-
Impact Aid	84.041	N/A	781,766.13	-
Total Direct			1,172,254.72	-
Indirect:				
Special Education Cluster:				
Florida Department of Education:				
Special Education - Grants to States	84.027	262,263	5,590,078.78	-
Special Education - Preschool Grants	84.173	267	133,023.80	-
ARRA - Special Education - Grants to States, Recovery Act	84.391	263	296,925.68	-
ARRA - Special Education - Preschool Grants, Recovery Act	84.392	267	28,313.29	-
University of South Florida				
Special Education - Grants to States	84.027	none	4,866.00	-
Total Special Education Cluster			6,053,207.55	-
Florida Department of Education:				
Adult Education - Basic Grants to States	84.002	191, 193	264,634.35	-
Career and Technical Education - Basic Grants to States	84.048	161	197,796.80	-
Even Start - State Educational Agencies	84.213	219	91,621.58	-
Charter Schools	84.282	298	153,850.48	153,850.48

English Language Acquisition Grants	84.365	102	47,453.15	-
Improving Teacher Quality State Grants	84.367	224	924,130.93	-
			<u>1,679,487.29</u>	<u>153,850.48</u>
Title I, Part A Cluster:				
Florida Department of Education:				
Title I Grants to Local Educational Agencies	84.010	212, 222, 223, 226, 228	4,086,051.30	-
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	212, 226	231,183.81	-
Total Title I, Part A Cluster			<u>4,317,235.11</u>	<u>-</u>
Education of Homeless Children & Youth Cluster:				
Florida Department of Education:				
Education for Homeless Children and Youth	84.196	127	96,442.32	-
ARRA - Education for Homeless Children and Youth, Recovery Act	84.387	127	9,649.99	-
Total Education of Homeless Children & Youth Cluster			<u>106,092.31</u>	<u>-</u>
Educational Technology State Grants Cluster:				
Florida Department of Education:				
ARRA - Education Technology State Grants, Recovery Act	84.386	122	67,272.19	-
Total Educational Technology State Grants Cluster			<u>67,272.19</u>	<u>-</u>
State Fiscal Stabilization Fund:				
Florida Department of Education:				
ARRA - State Fiscal Stabilization Fund - Race to the Top Incentive Grants, Recovery Act	84.395	111	692,315.72	-
Education Jobs Fund Cluster:				
Florida Department of Education				
ARRA - Education Jobs Fund	84.410	541	194,609.89	-
Total Indirect			<u>13,110,220.06</u>	<u>153,850.48</u>
Total United States Department of Education			<u>14,282,474.78</u>	<u>153,850.48</u>
United States Department of Health and Human Services:				
Direct:				
Head Start Cluster:				
Head Start	93.600 (3)	none	2,198,836.06	-
Total United States Department of Health and Human Services			<u>2,198,836.06</u>	<u>-</u>
United States Department of Homeland Security:				
Indirect:				
Florida Department of Community Affairs:				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036 (4)	none	1,032,930.31	-
Total United States Department of Homeland Security			<u>1,032,930.31</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 24,443,248.83</u>	<u>153,850.48</u>

Notes: (1) Basis of Presentation. The Schedule of Expenditures of Federal Awards represents amounts expended from Federal Programs during the 2011-2012 fiscal year as determined based on the modified accrual basis of accounting. The amounts reported on the Schedule have been reconciled to and are in material agreement with amounts recorded in the District's accounting records from which the general purpose financial statements have been reported.

(2) Noncash Assistance:

(A) Food Donation - Represents the amount of donated Food received during the fiscal year. Commodities are valued at fair value as determined at time of donation.

(B) Donation of Federal Personal Property - Represents the Federally paid portion of the Solar Electric System installed at 2 schools that were selected as Emergency Shelters..

(3) Head Start - Expenditures include \$1,217,937.86 for grant number/program year 04CH0384/21 and \$980,898.20 for grant number/program year 04CH0384/22.

(4) Disaster Grants - Public Assistance (Presidentially Declared Disasters). The amount disclosed as expenditures represents hurricane-loss recoveries for the 2011-12 fiscal year as follows: \$1,027,302.78 for large projects for which the District is required to make an accounting of eligible costs for each approved project; \$0.00 for small projects; and \$5,627.53 for allowable administrative costs.

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**FLORIDA DEPARTMENT OF EDUCATION
SUPERINTENDENT'S ANNUAL FINANCIAL REPORT (ESE 145)
DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
For the Fiscal Year Ended June 30, [2012](#)**

Return completed form to: Department of Education Office of Funding and Financial Reporting 325 W. Gaines St., Room 824 Tallahassee, FL 32399-0400
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		<u>Reporting</u>
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The Superintendent's Annual Financial Report (ESE 145) for the fiscal year ended June 30, [2012](#), was submitted in accordance with Rule 6A-1.0071, F.A.C. (Section 1001.51(12)(b), F.S.). This report was approved by the school board on September 6, [2012](#).

District Superintendent's Signature

Date

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the Santa Rosa County District School Board (the District) has prepared the following discussion and analysis of financial activities for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to (a) assist the reader in focusing on significant financial issues, (b) provide an overview and analysis of the District's financial activities, (c) identify changes in the District's financial position, (d) identify material deviations from the approved budget, and (e) highlight significant issues in individual funds. Because the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events, and conditions, it should be considered in conjunction with the District's financial statements and notes to financial statements found on pages 2 through 18.

FINANCIAL HIGHLIGHTS

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

- In total, net assets decreased by \$6,502,452.55, or 2.64 percent.
- General revenues of the total governmental funds total \$191,748,239.08, or 93.10 percent of all revenues in the 2011-12 fiscal year, compared to \$209,479,551.62 or 93.16 percent in the prior year. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions total \$14,214,558.79, or 6.90 percent of all revenue in the 2011-12 fiscal year, compared to \$15,389,647.69, or 6.84 percent in the prior fiscal year.
- The unassigned fund balance of the General Fund, representing the net current financial resources available for general appropriation by the Board, totals \$13,765,620.60 at June 30, 2012, or 8.16 percent of total General Fund expenditures. In the 2010-11 fiscal year, the unassigned fund balance in the General Fund was \$20,990,956.04.
- During the 2011-12 fiscal year, General Fund expenditures exceeded revenues by \$11,470,312.62. This may be compared to the prior fiscal year's results in which General Fund revenues exceeded expenditures by \$105,234.28.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements consist of three components:

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

Government-wide Financial Statements

The government-wide financial statements provide both short-term and long-term information about the District's overall financial condition in a manner similar to those of a private-sector business. The statements include a statement of net assets and a statement of activities that are designed to provide consolidated financial information about the governmental activities of the District presented on the accrual basis of accounting. The statement of net assets provides information about the District's financial position, its assets and liabilities, using an economic resources measurement focus. The difference between the assets and liabilities, the net assets, is a measure of the financial health of the District. The statement of activities presents information about the change in the District's net assets, the results of operations, during the fiscal year. An increase or decrease in net assets is an indication of whether the District's financial health is improving or deteriorating. This information should be evaluated in conjunction with other non-financial factors, such as changes in the District's property tax base, student enrollment, and the condition of the District's capital assets, including its school buildings and administrative facilities.

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

- Governmental activities – This represents most of the District's services, including its educational programs: basic, vocational, adult, and exceptional education. Support functions such as transportation and administration are also included. Local property taxes and the State's education finance program provide most of the resources that support these activities.
- Component units – The District presents three separate legal entities in this report that meet the criteria for inclusion provided by generally accepted accounting principles. The Santa Rosa School Board Leasing Corporation is reported as a blended component unit. Due to the substantive economic relationship between the District and the Leasing Corporation, the Leasing Corporation has been included as an integral part of the primary government. The Learning Academy, Inc. and the Santa Rosa Education Foundation, Inc. are reported as discretely presented component units. Financial information for these component units is reported separately from the financial information presented for the primary government.

Fund Financial Statements

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

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental funds use a spendable financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements. This financial resources measurement focus allows the governmental fund statements to provide information on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year.

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

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the District's most significant funds. The District's major funds are the General Fund, the Special Revenue – American Recovery and Reinvestment Act (ARRA) Economic Stimulus Fund, the Capital Projects – Local Capital Improvement Fund, and the Capital Projects – Other Fund. Data from the other governmental funds are combined into a single, aggregated presentation.

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

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

The District uses agency funds to account for the financial resources of the District's pre-tax flexible benefits plan and the school internal funds which are used to account for moneys collected at the various schools in connection with school, student athletic, class, and club activities.

Notes to Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. The following is a summary of the District's net assets as of June 30, 2012, compared to net assets as of June 30, 2011:

	Net Assets, End of Year Governmental Activities		
	6/30/2012	6/30/2011	Increase (Decrease)
Current and Other Assets	\$50,468,823.71	\$67,686,730.83	(\$17,217,907.12)
Capital Assets	265,386,065.56	256,903,191.20	8,482,874.36
Total Assets	315,854,889.27	324,589,922.03	(8,735,032.76)
Long-Term Liabilities	70,277,877.91	72,249,527.79	(1,971,649.88)
Other Liabilities	5,788,303.03	6,049,233.36	(260,930.33)
Total Liabilities	76,066,180.94	78,298,761.15	(2,232,580.21)
Invested in Capital Assets - Net of Debt	221,179,820.56	212,249,913.79	8,929,906.77
Restricted	30,495,285.26	39,497,891.45	(9,002,606.19)
Unrestricted	(11,886,397.49)	(5,456,644.36)	(6,429,753.13)
Total Net Assets	\$239,788,708.33	\$246,291,160.88	(\$6,502,452.55)

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

The restricted portion of the District's net assets represents resources that are subject to external restrictions on how they may be used.

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

	Operating Results for the Year		
	Governmental Activities		Increase (Decrease)
	6-30-12	6-30-11	
Program Revenues:			
Charges for Services	\$ 6,934,796.29	\$ 7,265,353.21	\$ (330,556.92)
Operating Grants and Contributions	6,182,848.30	6,212,672.64	(29,824.34)
Capital Grants and Contributions	1,096,914.20	1,911,621.84	(814,707.64)
General Revenues:			
Property Taxes, Levied for Operational Purposes	52,404,893.18	51,948,095.14	456,798.04
Property Taxes, Levied for Capital Projects	11,264,162.23	11,490,869.79	(226,707.56)
Local Sales Tax	6,473,970.72	6,295,501.80	178,468.92
Grants and Contributions Not Restricted to Specific Programs	117,137,739.93	135,561,189.73	(18,423,449.80)
Unrestricted Investment Earnings	269,323.93	308,468.90	(39,144.97)
Miscellaneous	4,198,149.09	3,871,685.99	326,463.10
Total Revenues	205,962,797.87	224,865,459.04	(18,902,661.17)
Functions/Program Expenses:			
Instruction	111,318,614.17	116,448,340.13	(5,129,725.96)
Pupil Personnel Services	8,987,144.08	8,929,065.99	58,078.09
Instructional Media Services	2,443,363.88	2,583,617.41	(140,253.53)
Instruction and Curriculum Development Services	5,904,569.81	5,231,801.16	672,768.65
Instructional Staff Training Services	2,453,026.75	3,654,106.72	(1,201,079.97)
Instruction Related Technology	3,619,250.98	2,843,281.28	775,969.70
Board of Education	395,904.85	427,837.64	(31,932.79)
General Administration	1,069,725.66	1,043,877.76	25,847.90
School Administration	12,421,968.42	12,649,492.02	(227,523.60)
Facilities Acquisition and Construction	1,482,830.39	1,409,430.53	73,399.86
Fiscal Services	1,121,542.20	1,125,875.66	(4,333.46)
Food Services	11,087,777.81	11,792,201.66	(704,423.85)
Central Services	2,250,842.78	2,339,955.50	(89,112.72)
Pupil Transportation Services	12,464,141.89	11,886,065.56	578,076.33
Operation of Plant	12,248,047.26	14,294,100.00	(2,046,052.74)
Maintenance of Plant	7,214,338.06	7,837,232.41	(622,894.35)
Administrative Technology Services	1,637,395.65	1,394,718.24	242,677.41
Community Services	2,080,844.36	1,954,943.56	125,900.80
Interest on Long-Term Debt	4,659,928.78	2,418,922.11	2,241,006.67
Unallocated Depreciation Expense*	6,773,521.25	6,156,371.61	617,149.64
Total Expenses	211,634,779.03	216,421,236.95	(4,786,457.92)
Deficiency Before Transfer	(5,671,981.16)	8,444,222.09	(14,116,203.25)
Special Item - Gain on Disposition of Asset	-	3,740.27	(3,740.27)
Decrease in Net Assets	\$ (5,671,981.16)	\$ 8,447,962.36	\$ (14,119,943.52)
Beginning Net Assets	245,460,689.49	237,843,198.52	7,617,490.97
Ending Net Assets	\$ 239,788,708.33	\$ 246,291,160.88	\$ (6,502,452.55)

* This amount excludes the depreciation that is included in the direct expenses of the various functions.

Grants and contributions not restricted to specific programs represent 56.87 percent of total governmental revenues in 2011-12 fiscal year. Grants and contributions not restricted to specific programs decreased \$18,423,449.80 or 13.6 percent, primarily due to a decrease in Other Special Revenue – ARRA Economic Stimulus funding received from the State.

Instructional expenditures represent 52.6 percent of total governmental expenditures in the 2011-12 fiscal year. Instructional expenditures decreased by \$5,129,725.96, or 4.4 percent, primarily due to a decrease in the retirement contributions made by the school District. The retirement rate decreased in conjunction with 3% of retirement now being contributed by employees instead of the District.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Major Governmental Funds

The General Fund is the chief operating fund of the District. At the end of the 2011-12 fiscal year, unassigned fund balance of the General Fund is \$13,765,620.60, while the total fund balance is \$19,343,601.19. As a measure of the

General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total expenditures. Unassigned fund balance represents 8.16 percent of total General Fund expenditures, while total fund balance represents 11.47 percent of total General Fund expenditures.

The District's General Fund's total fund balance for the 2011-12 fiscal year decreased by \$7,552,894.57, or 28.08 percent, as compared to the prior fiscal year. Key factors of this change are as follows:

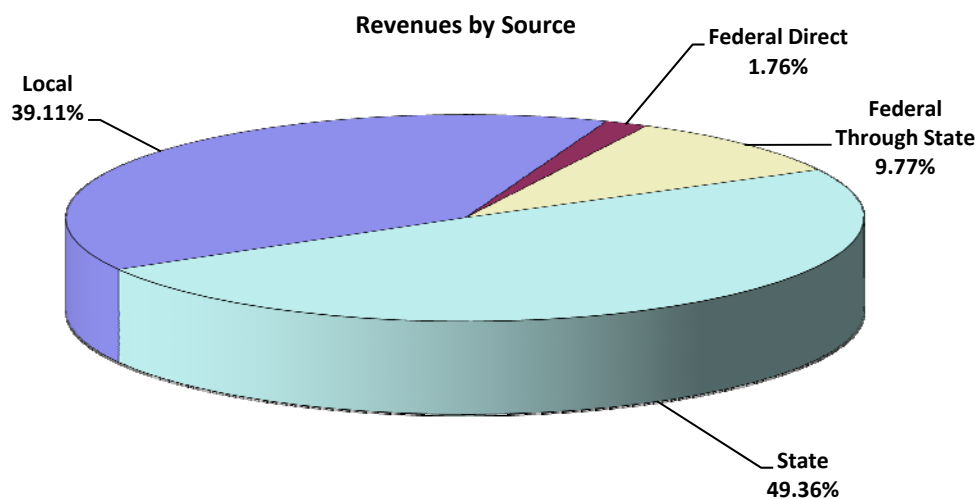
- Total expenditures increased by \$8,474,476.07, or 5.29 percent, mainly because of increases in fuel costs, salaries and benefits, and the board's portion of the increase in health insurance premiums.
- Total revenues decreased by \$3,101,070.83, or 1.94 percent, mainly because of decreases in Medicaid funding and no more receipt of Education Jobs funds.

The Special Revenue – ARRA Economic Stimulus Fund accounts for certain Federal grant program resources related to the American Recovery and Reinvestment Act of 2009. Revenues and expenditures each totaled \$1,520,270.57 during the 2011-12 fiscal year. Since revenues equal expenditures, this fund does not have a fund balance.

The Capital Projects – Local Capital Improvement Fund has a total fund balance of \$7,196,173.90, which is restricted for the acquisition, construction and maintenance of capital assets. The fund balance decreased by \$2,994,321.42, or 29.38 percent, during the 2011-12 fiscal year, primarily due to the decrease in tax roll.

The Capital Projects – Other Fund has a total fund balance of \$13,277,988.53, which is restricted for financial resources generated by various capital funding sources. The fund balance decreased by \$4,880,354.76, or 26.88 percent, during the 2011-12 fiscal year, primarily due to the decrease in certificates of participation payments.

In the governmental funds, revenues by source for the 2011-12 fiscal year were as follows:



The largest revenue source is the State of Florida. The District's State appropriations for current operations are based primarily on the Florida Education Finance Program (FEFP) funding formula. The FEFP formula uses

student enrollment data and is designed to maintain equity in funding across all Florida school districts, taking into consideration the District's funding ability based on the local property tax base. Other State revenues primarily fund specific projects. State revenues decreased by \$4,563,273.46, or 4.33 percent, primarily due to decreases in FEFP (amount funded per student), ESE allocation, instructional materials, SAI and reading allocation funding.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District prepares its budgets and budget amendments in accordance with Florida law. The most significant budgeted fund is the General Fund.

During the course of the 2011-12 fiscal year, the District amended its General Fund budget several times, which resulted in budgeted expenditures decreasing \$5,525,196.16, or 3.17 percent. At the same time, final budgeted revenues increased by \$1,515,211.11, or 0.97 percent. These budget amendments resulted in a final budgeted ending fund balance of \$10,020,258.99, which was 16.75 percent less than the ending fund balance included in the original budget.

Actual revenues were \$57,935.35 more than the final budgeted amounts, whereas actual expenditures were \$11,011,595.07 less than final budgeted amounts. Positive budget variances occurred in all functions. The actual ending fund balance exceeded the estimated fund balance contained in the final amended budget by \$9,323,342.20. Circumstances contributing to the higher fund balance include: the District used the Education Jobs Fund in Special Revenue to pay for over \$4.5 million in salaries for people that normally would have been coded to Operating; and the District took steps to reduce expenditures.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2012, amounts to \$265,386,065.56 (net of accumulated depreciation). This investment in capital assets includes land; land improvements; construction in progress; improvements other than buildings; buildings and fixed equipment; furniture, fixtures, and equipment; motor vehicles; and audio visual materials and computer software.

Construction projects completed during the 2011-12 fiscal year included classroom additions and cafeteria expansions. New construction projects include classroom additions and cafeteria expansions.

Additional information on the District's capital assets can be found in Notes 4 and 14 of the notes to financial statements.

Long-Term Debt

At June 30, 2012, the District has total long-term debt outstanding of \$48,071,113.20. This amount is comprised of \$5,975,000.00 of bonds payable and \$42,096,113.20 of certificates of participation payable. During the 2011-12 fiscal year, retirement of debt totaled \$2,419,364.60.

Additional information on the District's long-term debt can be found in Notes 5 through 7 to the financial statements.

OTHER MATTERS OF SIGNIFICANCE

Effective July 1, 2011, all employees began contributing 3% towards their retirement pensions. Governor Rick Scott signed the cost-saving measure into law in May 2011. The Florida Education Association quickly brought a lawsuit stating that the new mandate is unconstitutional because Florida law says employees do not have to contribute toward the state retirement system. The case is still pending.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Santa Rosa County District School Board's finances. Questions concerning information provided in this report or requests for additional financial information should be addressed to the Assistant Superintendent for Finance, Santa Rosa County District School Board, 5086 Canal Street, Milton, Florida 32570. Information is also available on the World Wide Web at <http://www.santarosa.k12.fl.us/finance>.

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
STATEMENT OF NET ASSETS
June 30, 2012

ASSETS	Account Number	Primary Government		Component Units
		Governmental Activities	Total	Total Nonmajor Component Units
Cash and Cash Equivalents	1110	45,586,470.49	45,586,470.49	124,695.98
Investments	1160	288,526.01	288,526.01	0.00
Taxes Receivable, Net	1120		0.00	0.00
Accounts Receivable, Net	1130	4,500.00	4,500.00	0.00
Interest Receivable	1170		0.00	0.00
Due from Reinsurer	1180		0.00	0.00
Deposits Receivable	1210		0.00	0.00
Due from Other Agencies	1220	4,322,348.68	4,322,348.68	15,332.00
Internal Balances			0.00	0.00
Inventory	1150	266,978.53	266,978.53	0.00
Prepaid Items	1230		0.00	6,107.00
<i>Restricted Assets:</i>				
Cash with Fiscal Agent	1114		0.00	0.00
<i>Deferred Charges:</i>				
Issuance Costs			0.00	0.00
<i>Noncurrent Assets:</i>				
Other Post-employment Benefits Obligation (asset)	1410		0.00	0.00
<i>Capital Assets:</i>				
Land	1310	6,847,359.70	6,847,359.70	185,000.00
Land Improvements - Nondepreciable	1315	3,905,807.69	3,905,807.69	0.00
Construction in Progress	1360	15,991,109.43	15,991,109.43	0.00
Improvements Other Than Buildings	1320	23,252,681.09	23,252,681.09	267,386.00
Less Accumulated Depreciation	1329	(13,004,340.96)	(13,004,340.96)	(182,402.00)
Buildings and Fixed Equipment	1330	318,686,163.91	318,686,163.91	1,100.00
Less Accumulated Depreciation	1339	(98,130,258.73)	(98,130,258.73)	(1,100.00)
Furniture, Fixtures and Equipment	1340	16,257,460.00	16,257,460.00	48,270.00
Less Accumulated Depreciation	1349	(9,375,296.36)	(9,375,296.36)	(42,621.00)
Motor Vehicles	1350	3,763,108.00	3,763,108.00	8,735.00
Less Accumulated Depreciation	1359	(3,218,974.56)	(3,218,974.56)	(7,977.00)
Property Under Capital Leases	1370		0.00	0.00
Less Accumulated Depreciation	1379		0.00	0.00
Audio Visual Materials	1381	7,371.00	7,371.00	0.00
Less Accumulated Depreciation	1388	(12,006.37)	(12,006.37)	0.00
Computer Software	1382	5,386,273.00	5,386,273.00	0.00
Less Accumulated Amortization	1389	(4,970,391.28)	(4,970,391.28)	0.00
Total Capital Assets net of Accum. Depreciation		265,386,065.56	265,386,065.56	276,391.00
Total Assets		315,854,889.27	315,854,889.27	422,525.98
LIABILITIES AND NET ASSETS				
LIABILITIES				
Salaries and Wages Payable	2110	2,601,116.42	2,601,116.42	11,786.28
Payroll Deductions and Withholdings	2170	1,345,674.14	1,345,674.14	0.00
Accounts Payable	2120	980,694.94	980,694.94	16,886.00
Judgments Payable	2130		0.00	0.00
Construction Contracts Payable	2140		0.00	0.00
Construction Contracts Retainage Payable	2150	512,904.23	512,904.23	0.00
Due to Fiscal Agent	2240		0.00	0.00
Accrued Interest Payable	2210		0.00	0.00
Deposits Payable	2220	134,574.39	134,574.39	0.00
Due to Other Agencies	2230	169.50	169.50	0.00
Sales Tax Payable	2260		0.00	0.00
Deferred Revenue	2410		0.00	0.00
Estimated Unpaid Claims	2271	213,169.41	213,169.41	0.00
Estimated Liability for Claims Adjustment	2272		0.00	0.00
Estimated Liability for Arbitrage Rebate	2280		0.00	0.00
<i>Noncurrent Liabilities:</i>				
<i>Portion Due Within One Year:</i>				
Section 1011.13, F.S., Notes Payable	2250		0.00	0.00
Notes Payable	2310		0.00	0.00
Obligations Under Capital Leases	2315		0.00	19,687.00
Bonds Payable	2320	765,000.00	765,000.00	0.00
Liability for Compensated Absences	2330	5,389,435.77	5,389,435.77	0.00
Certificates of Participation Payable	2340	1,720,000.00	1,720,000.00	0.00
Estimated Liability for Long-Term Claims	2350		0.00	0.00
Other Post-employment Benefits Obligation	2360		0.00	0.00
Estimated PECO Advance Payable	2370		0.00	0.00
Estimated Liability for Arbitrage Rebate	2280		0.00	0.00
<i>Portion Due After One Year:</i>				
Notes Payable	2310		0.00	0.00
Obligations Under Capital Leases	2315		0.00	32,903.00
Bonds Payable	2320	5,210,000.00	5,210,000.00	0.00
Liability for Compensated Absences	2330	13,514,871.94	13,514,871.94	0.00
Certificates of Participation Payable	2340	40,376,113.20	40,376,113.20	0.00
Estimated Liability for Long-Term Claims	2350		0.00	0.00
Other Post-employment Benefits Obligation	2360	3,302,457.00	3,302,457.00	0.00
Estimated PECO Advance Payable	2370		0.00	0.00
Estimated Liability for Arbitrage Rebate	2280		0.00	0.00
Total Liabilities		76,066,180.94	76,066,180.94	81,262.28
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	2770	221,179,820.56	221,179,820.56	223,801.00
<i>Restricted For:</i>				
Categorical Carryover Programs	2780	2,147,655.09	2,147,655.09	0.00
Food Service	2780	1,681,378.89	1,681,378.89	0.00
Debt Service	2780	2,209,102.28	2,209,102.28	0.00
Capital Projects	2780	21,181,734.27	21,181,734.27	0.00
Other Purposes	2780	3,275,414.73	3,275,414.73	72,410.90
Unrestricted	2790	(11,886,397.49)	(11,886,397.49)	45,051.80
Total Net Assets		239,788,708.33	239,788,708.33	341,263.70
Total Liabilities and Net Assets		315,854,889.27	315,854,889.27	422,525.98

The accompanying notes to financial statements are an integral part of this statement.
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DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2012

FUNCTIONS	Account Number	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
						Governmental Activities	Business-type Activities	Total	
<i>Governmental Activities:</i>									
Instruction	5000	111,318,614.17	1,921,665.53			(109,396,948.64)		(109,396,948.64)	
Pupil Personnel Services	6100	8,987,144.08				(8,987,144.08)		(8,987,144.08)	
Instructional Media Services	6200	2,443,363.88				(2,443,363.88)		(2,443,363.88)	
Instruction and Curriculum Development Services	6300	5,904,569.81				(5,904,569.81)		(5,904,569.81)	
Instructional Staff Training Services	6400	2,453,026.75				(2,453,026.75)		(2,453,026.75)	
Instructional-Related Technology	6500	3,619,250.98				(3,619,250.98)		(3,619,250.98)	
Board	7100	395,904.85				(395,904.85)		(395,904.85)	
General Administration	7200	1,069,725.66				(1,069,725.66)		(1,069,725.66)	
School Administration	7300	12,421,968.42				(12,421,968.42)		(12,421,968.42)	
Facilities Acquisition and Construction	7400	1,482,830.39			257,561.50	(1,225,268.89)		(1,225,268.89)	
Fiscal Services	7500	1,121,542.20				(1,121,542.20)		(1,121,542.20)	
Food Services	7600	11,087,777.81	4,753,696.90	6,182,848.30		(151,232.61)		(151,232.61)	
Central Services	7700	2,250,842.78				(2,250,842.78)		(2,250,842.78)	
Pupil Transportation	7800	12,464,141.89	259,433.86			(12,204,708.03)		(12,204,708.03)	
Operation of Plant	7900	12,248,047.26				(12,248,047.26)		(12,248,047.26)	
Maintenance of Plant	8100	7,214,338.06				(7,214,338.06)		(7,214,338.06)	
Administrative Technology Services	8200	1,637,395.65				(1,637,395.65)		(1,637,395.65)	
Community Services	9100	2,080,844.36				(2,080,844.36)		(2,080,844.36)	
Interest on Long-term Debt	9200	4,659,928.78			839,352.70	(3,820,576.08)		(3,820,576.08)	
Unallocated Depreciation/Amortization Expense*		6,773,521.25				(6,773,521.25)		(6,773,521.25)	
Total Governmental Activities		211,634,779.03	6,934,796.29	6,182,848.30	1,096,914.20	(197,420,220.24)		(197,420,220.24)	
<i>Business-type Activities:</i>									
Self Insurance Consortium							0.00	0.00	
Daycare Operations							0.00	0.00	
Other Business-type Activity							0.00	0.00	
Total Business-type Activities		0.00	0.00	0.00	0.00		0.00	0.00	
Total Primary Government		211,634,779.03	6,934,796.29	6,182,848.30	1,096,914.20	(197,420,220.24)	0.00	(197,420,220.24)	
<i>Component Units:</i>									
Major Component Unit Major Component Unit Name		0.00	0.00	0.00	0.00				0.00
Major Component Unit Major Component Unit Name		0.00	0.00	0.00	0.00				0.00
Total Nonmajor Component Units		1,062,773.55	0.00	295,868.29	44,756.00				(722,149.26)
Total Component Units		1,062,773.55	0.00	295,868.29	44,756.00				(722,149.26)

General Revenues:

Taxes:

Property Taxes, Levied for Operational Purposes
Property Taxes, Levied for Debt Service
Property Taxes, Levied for Capital Projects
Local Sales Taxes
Grants and Contributions Not Restricted to Specific Programs
Investment Earnings
Miscellaneous
Special Items
Extraordinary Items
Transfers

Total General Revenues, Special Items, Extraordinary Items, and Transfers

Change in Net Assets

Net Assets - July 1, 2011

Net Assets - June 30, 2012

52,404,893.18		52,404,893.18	0.00
		0.00	0.00
11,264,162.23		11,264,162.23	0.00
6,473,970.72		6,473,970.72	0.00
117,137,739.93		117,137,739.93	679,104.00
269,323.93		269,323.93	326.22
4,198,149.09		4,198,149.09	10,278.00
		0.00	0.00
		0.00	0.00
		0.00	0.00
191,748,239.08	0.00	191,748,239.08	689,708.22
(5,671,981.16)	0.00	(5,671,981.16)	(32,441.04)
245,460,689.49		245,460,689.49	373,704.74
239,788,708.33	0.00	239,788,708.33	341,263.70

*This amount excludes the depreciation/amortization that is included in the direct expenses of the various functions.

The accompanying notes to financial statements are an integral part of this statement.
ESE 145

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2012

	Account Number	General 100	Federal Economic Stimulus Programs 430	Capital Improvement Section 1011.71(2) F.S. 370	Other Capital Projects 390	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and Cash Equivalents	1110	23,479,657.44	(40,705.50)	7,364,466.63	13,226,682.65	1,556,369.27	45,586,470.49
Investments	1160	41,700.31	0.00	0.00	0.00	246,825.70	288,526.01
Taxes Receivable, Net	1120	0.00	0.00	0.00	0.00	0.00	0.00
Accounts Receivable, Net	1130	4,500.00	0.00	0.00	0.00	0.00	4,500.00
Interest Receivable	1170	0.00	0.00	0.00	0.00	0.00	0.00
Due from Reinsurer	1180	0.00	0.00	0.00	0.00	0.00	0.00
Deposits Receivable	1210	0.00	0.00	0.00	0.00	0.00	0.00
<i>Due From Other Funds:</i>							
Budgetary Funds	1141	202,490.74	0.00	0.00	0.00	0.00	202,490.74
Internal Funds	1142	0.00	0.00	0.00	0.00	0.00	0.00
Due from Other Agencies	1220	79,478.24	46,857.92	9,072.66	546,484.29	3,640,455.57	4,322,348.68
Inventory	1150	113,210.46	0.00	0.00	0.00	153,768.07	266,978.53
Prepaid Items	1230	0.00	0.00	0.00	0.00	0.00	0.00
<i>Restricted Assets</i>							
Cash with Fiscal/Service Agent	1114	0.00	0.00	0.00	0.00	0.00	0.00
Total Assets		23,921,037.19	6,152.42	7,373,539.29	13,773,166.94	5,597,418.61	50,671,314.45
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Salaries, Benefits and Payroll Taxes Payable	2110	2,371,201.83	2,869.32	0.00	0.00	227,045.27	2,601,116.42
Payroll Deductions and Withholdings	2170	1,246,115.48	819.33	0.00	0.00	98,739.33	1,345,674.14
Accounts Payable	2120	746,949.28	0.00	3,055.00	156,584.57	74,106.09	980,694.94
Judgments Payable	2130	0.00	0.00	0.00	0.00	0.00	0.00
Construction Contracts Payable	2140	0.00	0.00	0.00	0.00	0.00	0.00
Construction Contracts Payable-Retained Percentage	2150	0.00	0.00	174,310.39	338,593.84	0.00	512,904.23
Matured Bonds Payable	2180	0.00	0.00	0.00	0.00	0.00	0.00
Matured Interest Payable	2190	0.00	0.00	0.00	0.00	0.00	0.00
Due to Fiscal Agent	2240	0.00	0.00	0.00	0.00	0.00	0.00
Sales Tax Payable	2260	0.00	0.00	0.00	0.00	0.00	0.00
Accrued Interest Payable	2210	0.00	0.00	0.00	0.00	0.00	0.00
Deposits Payable	2220	213,169.41	0.00	0.00	0.00	134,574.39	347,743.80
Due to Other Agencies	2230	0.00	0.00	0.00	0.00	169.50	169.50
Section 1011.13 Notes Payable	2250	0.00	0.00	0.00	0.00	0.00	0.00
<i>Due to Other Funds:</i>							
Budgetary Funds	2161	0.00	2,463.77	0.00	0.00	200,026.97	202,490.74
Internal Funds	2162	0.00	0.00	0.00	0.00	0.00	0.00
<i>Deferred Revenue:</i>							
Unearned Revenue	2410	0.00	0.00	0.00	0.00	0.00	0.00
Unavailable Revenue	2410	0.00	0.00	0.00	0.00	0.00	0.00
Total Liabilities		4,577,436.00	6,152.42	177,365.39	495,178.41	734,661.55	5,990,793.77
FUND BALANCES							
<i>Nonspendable:</i>							
Inventory	2711	113,210.46	0.00	0.00	0.00	153,768.07	266,978.53
Prepaid Amounts	2712	0.00	0.00	0.00	0.00	0.00	0.00
Permanent Fund Principal	2713	0.00	0.00	0.00	0.00	0.00	0.00
Other Not in Spendable Form	2719	41,700.31	0.00	0.00	0.00	110,935.98	152,636.29
<i>Total Nonspendable Fund Balance</i>	2710	154,910.77	0.00	0.00	0.00	264,704.05	419,614.82
<i>Restricted for:</i>							
Economic Stabilization	2721	0.00	0.00	0.00	0.00	0.00	0.00
Federal Required Carryover Programs	2722	0.00	0.00	0.00	0.00	0.00	0.00
State Required Carryover Programs	2723	2,147,655.09	0.00	0.00	0.00	0.00	2,147,655.09
Local Sales Tax and Other Tax Levy	2724	0.00	0.00	0.00	0.00	0.00	0.00
Debt Service	2725	0.00	0.00	0.00	0.00	2,209,102.28	2,209,102.28
Capital Projects	2726	0.00	0.00	7,196,173.90	13,277,988.53	707,571.84	21,181,734.27
Restricted for _____	2729	0.00	0.00	0.00	0.00	0.00	0.00
Restricted for _____	2729	0.00	0.00	0.00	0.00	0.00	0.00
<i>Total Restricted Fund Balance</i>	2720	2,147,655.09	0.00	7,196,173.90	13,277,988.53	2,916,674.12	25,538,491.64
<i>Committed to:</i>							
Economic Stabilization	2731	0.00	0.00	0.00	0.00	0.00	0.00
Contractual Agreements	2732	0.00	0.00	0.00	0.00	0.00	0.00
Committed for Board Approved Carryover	2739	2,187,172.27	0.00	0.00	0.00	0.00	2,187,172.27
Committed for School Based Budgets	2739	98,483.54	0.00	0.00	0.00	0.00	98,483.54
<i>Total Committed Fund Balance</i>	2730	2,285,655.81	0.00	0.00	0.00	0.00	2,285,655.81
<i>Assigned to:</i>							
Special Revenue	2741	0.00	0.00	0.00	0.00	1,681,378.89	1,681,378.89
Debt Service	2742	0.00	0.00	0.00	0.00	0.00	0.00
Capital Projects	2743	0.00	0.00	0.00	0.00	0.00	0.00
Permanent Funds	2744	0.00	0.00	0.00	0.00	0.00	0.00
Assigned for Office and Fee Based Budgets	2749	989,758.92	0.00	0.00	0.00	0.00	989,758.92
Assigned for _____	2749	0.00	0.00	0.00	0.00	0.00	0.00
<i>Total Assigned Fund Balance</i>	2740	989,758.92	0.00	0.00	0.00	1,681,378.89	2,671,137.81
<i>Total Unassigned Fund Balance</i>	2750	13,765,620.60	0.00	0.00	0.00	0.00	13,765,620.60
Total Fund Balances	2700	19,343,601.19	0.00	7,196,173.90	13,277,988.53	4,862,757.06	44,680,520.68
Total Liabilities and Fund Balances		23,921,037.19	6,152.42	7,373,539.29	13,773,166.94	5,597,418.61	50,671,314.45

The accompanying notes to financial statements are an integral part of this statement.
ESE 145

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS
For the Fiscal Year Ended June 30, 2012

Total Fund Balances - Governmental Funds	\$ 44,680,520.68
Amounts reported for <i>governmental activities</i> in the statement of net assets are different because:	
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	\$ 265,386,065.56
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	\$ -
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	\$ -
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	\$ (70,277,877.91)
Total Net Assets - Governmental Activities	<u><u>\$ 239,788,708.33</u></u>

The accompanying notes to financial statements are an integral part of this statement.
ESE 145

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2012

	Account Number	General 100	Federal Economic Stimulus Programs 430	Capital Improvement Section 1011.71(2) F.S. 370	Other Capital Projects 390	Other Governmental Funds	Total Governmental Funds
REVENUES							
Federal Direct	3100	781,766.13	0.00	0.00	0.00	2,812,987.51	3,594,753.64
Federal Through State and Local	3200	443,008.17	1,520,270.57	0.00	0.00	17,996,950.65	19,960,229.39
State Sources	3300	99,309,926.79	0.00	0.00	109,115.91	1,422,957.70	100,842,000.40
<i>Local Sources:</i>							
Property Taxes Levied for Operational Purposes	3411	52,425,312.18	0.00	0.00	0.00	0.00	52,425,312.18
Property Taxes Levied for Debt Service	3412	0.00	0.00	0.00	0.00	0.00	0.00
Property Taxes Levied for Capital Projects	3413	0.00	0.00	11,264,162.23	0.00	0.00	11,264,162.23
Local Sales Taxes	3418	0.00	0.00	0.00	6,473,970.72	0.00	6,473,970.72
Charges for Service - Food Service	345X	0.00	0.00	0.00	0.00	4,753,696.90	4,753,696.90
Impact Fees	3496	0.00	0.00	0.00	0.00	0.00	0.00
Other Local Revenue		4,178,177.02	0.00	44,890.75	597,808.75	149,818.94	4,970,695.46
Total Local Sources	3400	56,603,489.20	0.00	11,309,052.98	7,071,779.47	4,903,515.84	79,887,837.49
Total Revenues		157,138,190.29	1,520,270.57	11,309,052.98	7,180,895.38	27,136,411.70	204,284,820.92
EXPENDITURES							
<i>Current:</i>							
Instruction	5000	102,748,067.41	614,536.71	0.00	0.00	7,390,807.39	110,753,411.51
Pupil Personnel Services	6100	7,077,213.52	16,487.12	0.00	0.00	1,944,546.03	9,038,246.67
Instructional Media Services	6200	2,346,908.70	5,337.60	0.00	0.00	4,480.28	2,356,726.58
Instruction and Curriculum Development Services	6300	2,590,210.54	171,482.49	0.00	0.00	3,084,145.06	5,845,838.09
Instructional Staff Training Services	6400	667,246.10	629,445.11	0.00	0.00	1,068,386.75	2,365,077.96
Instructional-Related Technology	6500	3,184,025.07	35,576.89	0.00	0.00	182,917.35	3,402,519.31
Board	7100	461,519.09	0.00	0.00	0.00	0.00	461,519.09
General Administration	7200	635,087.21	30,131.20	0.00	0.00	401,222.42	1,066,440.83
School Administration	7300	12,230,917.31	0.00	0.00	0.00	183,185.06	12,414,102.37
Facilities Acquisition and Construction	7410	19,359.18	0.00	798,049.77	2,096,976.07	167,878.85	3,082,263.87
Fiscal Services	7500	1,127,853.25	0.00	0.00	0.00	0.00	1,127,853.25
Food Services	7600	0.00	0.00	0.00	0.00	10,976,847.52	10,976,847.52
Central Services	7700	2,128,358.30	17,273.45	0.00	0.00	49,941.01	2,195,572.76
Pupil Transportation Services	7800	12,230,321.52	0.00	0.00	0.00	157,848.04	12,388,169.56
Operation of Plant	7900	12,189,281.30	0.00	0.00	0.00	40,599.45	12,229,880.75
Maintenance of Plant	8100	4,346,135.98	0.00	103,892.73	614,816.53	20,108.40	5,084,953.64
Administrative Technology Services	8200	1,530,795.40	0.00	0.00	0.00	0.00	1,530,795.40
Community Services	9100	1,554,274.32	0.00	0.00	0.00	508,133.45	2,062,407.77
<i>Debt Service: (Function 9200)</i>							
Retirement of Principal	710	0.00	0.00	0.00	0.00	2,370,000.00	2,370,000.00
Interest	720	0.00	0.00	0.00	0.00	2,323,850.88	2,323,850.88
Dues, Fees and Issuance Costs	730	0.00	0.00	0.00	0.00	16,654.60	16,654.60
Miscellaneous Expenditures	790	0.00	0.00	0.00	0.00	0.00	0.00
<i>Capital Outlay:</i>							
Facilities Acquisition and Construction	7420	1,538,528.71	0.00	5,818,227.42	8,328,680.30	793,058.49	16,478,494.92
Other Capital Outlay	9300	2,400.00	0.00	4,152.00	94,570.06	47,765.98	148,888.04
Total Expenditures		168,608,502.91	1,520,270.57	6,724,321.92	11,135,042.96	31,732,377.01	219,720,515.37
Excess (Deficiency) of Revenues Over (Under) Expenditures		(11,470,312.62)	0.00	4,584,731.06	(3,954,147.58)	(4,595,965.31)	(15,435,694.45)
OTHER FINANCING SOURCES (USES)							
Long-Term Bonds Issued	3710	0.00	0.00	0.00	0.00	0.00	0.00
Premium on Sale of Bonds	3791	0.00	0.00	0.00	0.00	0.00	0.00
Discount on Sale of Bonds (Function 9299)	891	0.00	0.00	0.00	0.00	0.00	0.00
Refunding Bonds Issued	3715	0.00	0.00	0.00	0.00	510,000.00	510,000.00
Premium on Refunding Bonds	3792	0.00	0.00	0.00	0.00	64,725.70	64,725.70
Discount on Refunding Bonds (Function 9299)	892	0.00	0.00	0.00	0.00	0.00	0.00
Certificates of Participation Issued	3750	0.00	0.00	0.00	0.00	0.00	0.00
Premium on Certificates of Participation	3793	0.00	0.00	0.00	0.00	0.00	0.00
Discount on Certificates of Participation (Function 9299)	893	0.00	0.00	0.00	0.00	0.00	0.00
Loans Incurred	3720	0.00	0.00	0.00	0.00	0.00	0.00
Proceeds from the Sale of Capital Assets	3730	0.00	0.00	0.00	0.00	0.00	0.00
Loss Recoveries	3740	20,856.34	0.00	0.00	1,032,930.31	0.00	1,053,786.65
Proceeds of Forward Supply Contract	3760	0.00	0.00	0.00	0.00	0.00	0.00
Special Facilities Construction Advances	3770	0.00	0.00	0.00	0.00	0.00	0.00
Payments to Refunded Bond Escrow Agent (Function 9299)	760	0.00	0.00	0.00	0.00	(573,235.05)	(573,235.05)
Transfers In	3600	5,955,692.17	0.00	0.00	0.00	3,895,440.01	9,851,132.18
Transfers Out	9700	(312,942.21)	0.00	(7,579,052.48)	(1,959,137.49)	0.00	(9,851,132.18)
Total Other Financing Sources (Uses)		5,663,606.30	0.00	(7,579,052.48)	(926,207.18)	3,896,930.66	1,055,277.30
SPECIAL ITEMS							
		0.00	0.00	0.00	0.00	0.00	0.00
EXTRAORDINARY ITEMS							
		(1,746,188.25)	0.00	0.00	0.00	0.00	(1,746,188.25)
Net Change in Fund Balances		(7,552,894.57)	0.00	(2,994,321.42)	(4,880,354.76)	(699,034.65)	(16,126,605.40)
Fund Balances, July 1, 2011	2800	26,896,495.76	0.00	10,190,495.32	18,158,343.29	5,561,791.71	60,807,126.08
Adjustment to Fund Balances	2891	0.00	0.00	0.00	0.00	0.00	0.00
Fund Balances, June 30, 2012	2700	19,343,601.19	0.00	7,196,173.90	13,277,988.53	4,862,757.06	44,680,520.68

The accompanying notes to financial statements are an integral part of this statement.
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DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2012

Net Change in Fund Balances - Governmental Funds \$ (16,126,605.40)

Amounts reported for *governmental activities* in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of depreciation expense in excess of capital outlays in the current period. \$ 8,506,438.81

The statement of activities reflects only the gain/loss on the sale of assets, whereas the governmental funds include all proceeds from these sales. Thus, the change in net assets differs from the change in fund balances by the cost of assets sold. \$ (12,886.97)

Revenues reported in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. \$ (10,677.48)

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which repayments exceeded proceeds in the current period. \$ 2,370,000.00

Premiums on debt are reported in the governmental funds in the year the debt is issued, but are capitalized and amortized over the life of the debt in the statement of activities. \$ 49,364.60

Expenses in the statement of activities that do not require the use of current financial resources are not reported in the governmental funds. \$ (432,985.72)

Other postemployment benefits costs are recorded in the statement of activities under the full accrual basis of accounting, but are not recorded in the governmental funds until paid. This is the net increase in the other postemployment benefits liability. \$ (14,629.00)

Change in Net Assets of Governmental Activities \$ (5,671,981.16)

The accompanying notes to financial statements are an integral part of this statement.
ESE 145

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
June 30, 2012

	Account Number	Total Agency Funds 89X
ASSETS		
Cash and Cash Equivalents	1110	3,012,817.83
Investments	1160	0.00
Accounts Receivable, Net	1130	0.00
Interest Receivable	1170	0.00
Due from Other Funds-Budgetary	1141	0.00
Inventory	1150	0.00
Due from Other Agencies	1220	0.00
Total Assets		3,012,817.83
LIABILITIES		
Salaries, Benefits and Payroll Taxes Payable	2110	0.00
Payroll Deductions and Withholdings	2170	130,241.50
Accounts Payable	2120	269,613.00
Due to Other Agencies	2230	
Due to Other Funds-Budgetary	2161	5,616.74
Internal Accounts Payable	2290	2,607,346.59
Total Liabilities		3,012,817.83
NET ASSETS		
Assets Held in Trust for Pension Benefits		
Assets Held in Trust for Scholarships and Other Purposes		
Total Net Assets		

The accompanying notes to financial statements are an integral part of this statement.
ESE 145

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
COMBINING STATEMENT OF NET ASSETS
MAJOR AND NONMAJOR COMPONENT UNITS
June 30, 2012

	Account Number	Total Nonmajor Component Units	Total Component Units
ASSETS			
Cash and Cash Equivalents	1110	124,695.98	124,695.98
Investments	1160	0.00	0.00
Taxes Receivable, Net	1120	0.00	0.00
Accounts Receivable, Net	1130	0.00	0.00
Interest Receivable	1170	0.00	0.00
Due from Reinsurer	1180	0.00	0.00
Deposits Receivable	1210	0.00	0.00
Due from Other Agencies	1220	15,332.00	15,332.00
Internal Balances		0.00	0.00
Inventory	1150	0.00	0.00
Prepaid Items	1230	6,107.00	6,107.00
<i>Restricted Assets:</i>			
Cash with Fiscal Agent	1114	0.00	0.00
<i>Deferred Charges:</i>			
Issuance Costs		0.00	0.00
<i>Noncurrent assets:</i>			
Other Post-employment Benefits Obligation (asset)	1410	0.00	0.00
<i>Capital Assets:</i>			
Land	1310	185,000.00	185,000.00
Land Improvements - Nondepreciable	1315	0.00	0.00
Construction in Progress	1360	0.00	0.00
Improvements Other Than Buildings	1320	267,386.00	267,386.00
Less Accumulated Depreciation	1329	(182,402.00)	(182,402.00)
Buildings and Fixed Equipment	1330	1,100.00	1,100.00
Less Accumulated Depreciation	1339	(1,100.00)	(1,100.00)
Furniture, Fixtures and Equipment	1340	48,270.00	48,270.00
Less Accumulated Depreciation	1349	(42,621.00)	(42,621.00)
Motor Vehicles	1350	8,735.00	8,735.00
Less Accumulated Depreciation	1359	(7,977.00)	(7,977.00)
Property Under Capital Leases	1370	0.00	0.00
Less Accumulated Depreciation	1379	0.00	0.00
Audio Visual Materials	1381	0.00	0.00
Less Accumulated Depreciation	1388	0.00	0.00
Computer Software	1382	0.00	0.00
Less Accumulated Amortization	1389	0.00	0.00
Total Capital Assets net of Accum. Dep'n		276,391.00	276,391.00
Total Assets		422,525.98	422,525.98
LIABILITIES AND NET ASSETS			
LIABILITIES			
Salaries and Wages Payable	2110	11,786.28	11,786.28
Payroll Deductions and Withholdings	2170	0.00	0.00
Accounts Payable	2120	16,886.00	16,886.00
Judgments Payable	2130	0.00	0.00
Construction Contracts Payable	2140	0.00	0.00
Construction Contracts Retainage Payable	2150	0.00	0.00
Due to Fiscal Agent	2240	0.00	0.00
Accrued Interest Payable	2210	0.00	0.00
Deposits Payable	2220	0.00	0.00
Due to Other Agencies	2230	0.00	0.00
Sales Tax Payable	2260	0.00	0.00
Deferred Revenue	2410	0.00	0.00
Estimated Unpaid Claims	2271	0.00	0.00
Estimated Liability for Claims Adjustment	2272	0.00	0.00
Estimated Liability for Arbitrage Rebate	2280	0.00	0.00
<i>Noncurrent Liabilities:</i>			
<i>Portion Due Within One Year:</i>			
Section 1011.13, F.S., Notes Payable	2250	0.00	0.00
Notes Payable	2310	0.00	0.00
Obligations Under Capital Leases	2315	19,687.00	19,687.00
Bonds Payable	2320	0.00	0.00
Liability for Compensated Absences	2330	0.00	0.00
Certificates of Participation Payable	2340	0.00	0.00
Estimated Liability for Long-Term Claims	2350	0.00	0.00
Other Post-employment Benefits Obligation	2360	0.00	0.00
Estimated PECO Advance Payable	2370	0.00	0.00
Estimated Liability for Arbitrage Rebate	2280	0.00	0.00
<i>Portion Due After One Year:</i>			
Notes Payable	2310	0.00	0.00
Obligations Under Capital Leases	2315	32,903.00	32,903.00
Bonds Payable	2320	0.00	0.00
Liability for Compensated Absences	2330	0.00	0.00
Certificates of Participation Payable	2340	0.00	0.00
Estimated Liability for Long-Term Claims	2350	0.00	0.00
Other Post-employment Benefits Obligation	2360	0.00	0.00
Estimated PECO Advance Payable	2370	0.00	0.00
Estimated Liability for Arbitrage Rebate	2280	0.00	0.00
Total Liabilities		81,262.28	81,262.28
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	2770	223,801.00	223,801.00
<i>Restricted For:</i>			
Categorical Carryover Programs	2780	0.00	0.00
Food Service	2780	0.00	0.00
Debt Service	2780	0.00	0.00
Capital Projects	2780	0.00	0.00
Other Purposes	2780	72,410.90	72,410.90
Unrestricted	2790	45,051.80	45,051.80
Total Net Assets		341,263.70	341,263.70
Total Liabilities and Net Assets		422,525.98	422,525.98

The accompanying notes to financial statements are an integral part of this statement.
ESE 145

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
COMBINING STATEMENT OF ACTIVITIES (CONTINUED)
MAJOR AND NONMAJOR COMPONENT UNITS
TOTAL NONMAJOR COMPONENT UNITS
For the Fiscal Year Ended June 30, 2012

			Program Revenues			Net (Expense) Revenue and Changes in Net Assets
FUNCTIONS	Account Number	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Component Units Activities
<i>Component Unit Activities:</i>						
Instruction	5000	252,027.00	0.00	0.00	0.00	(252,027.00)
Pupil Personnel Services	6100	0.00	0.00	0.00	0.00	0.00
Instructional Media Services	6200	0.00	0.00	0.00	0.00	0.00
Instruction and Curriculum Development Services	6300	15,000.00	0.00	0.00	0.00	(15,000.00)
Instructional Staff Training Services	6400	0.00	0.00	0.00	0.00	0.00
Instructional-Related Technology	6500	0.00	0.00	0.00	0.00	0.00
Board	7100	5,631.00	0.00	0.00	0.00	(5,631.00)
General Administration	7200	3,405.00	0.00	0.00	0.00	(3,405.00)
School Administration	7300	172,393.00	0.00	0.00	0.00	(172,393.00)
Facilities Acquisition and Construction	7400	0.00	0.00	0.00	0.00	0.00
Fiscal Services	7500	53,892.00	0.00	0.00	0.00	(53,892.00)
Food Services	7600	16,398.00	0.00	0.00	0.00	(16,398.00)
Central Services	7700	43,056.00	0.00	0.00	0.00	(43,056.00)
Pupil Transportation Services	7800	87,566.00	0.00	0.00	0.00	(87,566.00)
Operation of Plant	7900	99,878.00	0.00	0.00	44,756.00	(55,122.00)
Maintenance of Plant	8100	2,672.00	0.00	0.00	0.00	(2,672.00)
Administrative Technology Services	8200	0.00	0.00	0.00	0.00	0.00
Community Services	9100	304,616.55	0.00	295,868.29	0.00	(8,748.26)
Interest on Long-term Debt	9200	6,239.00	0.00	0.00	0.00	(6,239.00)
Unallocated Depreciation/Amortization Expense*		0.00				0.00
Total Component Unit Activities		1,062,773.55	0.00	295,868.29	44,756.00	(722,149.26)

General Revenues:

Taxes:

Property Taxes, Levied for Operational Purposes
Property Taxes, Levied for Debt Service
Property Taxes, Levied for Capital Projects
Local Sales Taxes

Grants and Contributions Not Restricted to Specific Programs

Investment Earnings

Miscellaneous

Special Items

Extraordinary Items

Transfers

Total General Revenues, Special Items, Extraordinary Items, and Transfers

Change in Net Assets

Net Assets - July 1, 2011

Net Assets - June 30, 2012

0.00
0.00
0.00
0.00
679,104.00
326.22
10,278.00
0.00
0.00
0.00
689,708.22
(32,441.04)
373,704.74
341,263.70

*This amount excludes the depreciation/amortization that is included in the direct expenses of the various functions.

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

EXHIBIT – D-1
SANTA ROSA COUNTY
DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

➤ **Reporting Entity**

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

Criteria for determining if other entities are potential component units which should be reported within the District's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. The application of these criteria provides for identification of any entities for which the Board is financially accountable and other organizations for which 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 these criteria, the following component units are included within the District's reporting entity:

- **Blended Component Unit** - The Santa Rosa School Board Leasing Corporation (Corporation) was formed to facilitate financing for the acquisition of facilities and equipment as further discussed in Note 5. 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 component unit columns in the government-wide financial statements include the financial data of the District's other component units.

The Santa Rosa Education Foundation, Inc. (Foundation) is a separate not-for-profit corporation organized and operated as a direct-support organization to receive, hold, invest, and administer property and to make expenditures to and for the benefit of the District. Because of the nature and significance of its relationship with the District, the Foundation is considered a component unit.

The Learning Academy, Inc. (Charter School) is a separate not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not for Profit Corporation Act, and Section 1002.33, Florida Statutes. The Charter School operates under a charter approved by its sponsor, the Santa Rosa County District School Board. The Charter School is considered to be a component unit of the District since it is fiscally dependent on the District to levy taxes for its support.

The financial data reported on the accompanying statements was derived from the Foundation's and Charter School's audited financial statements for the fiscal year ended June 30, 2012. The audit reports are filed in the District's administrative offices.

➤ **Basis of Presentation**

Government-wide Financial Statements - Government-wide financial statements, i.e. the Statement of Net Assets and the Statement of Activities, present information about the District as a whole. These statements include the nonfiduciary financial activity of the primary government and its component units.

Government-wide financial statements are prepared using the economic resources measurement focus. The Statement of Activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function. Depreciation expense that is clearly identifiable to a function is allocated to the function, and the remaining depreciation expense is reported as unallocated on the accompanying Statement of Activities.

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

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

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

The District reports the following major governmental funds:

- General Fund – to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.
- Special Revenue – ARRA Economic Stimulus Fund – to account for certain Federal grant program resources related to the American Recovery and Reinvestment Act (ARRA).
- Capital Projects – Local Capital Improvement Tax Fund – to account for financial resources generated by the local capital improvement tax levy to be used for educational capital outlay needs including new construction, renovation and remodeling projects, and debt service payments.
- Capital Projects – Other Fund – to account for various financial resources (e.g., certificates of participation, capital outlay sales tax, hurricane-related loss recoveries) to be used for educational

capital outlay needs, including new construction, renovation and remodeling projects, and payments on operating leases for relocatable school buildings.

Additionally, the District reports the following fiduciary fund type:

- Agency Funds – to account for resources of the District’s flexible benefits plan and the school internal funds, which are used to administer moneys collected at the schools in connection with school, student athletic, class, and club activities.

➤ **Basis of Accounting**

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

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

Governmental fund financial statements are prepared using the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers revenues to be available if they are collected within 30 days of the end of the current fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, other postemployment benefits, and compensated absences, which are recognized when due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

Agency Funds are purely custodial (assets equal liabilities) and thus do not involve measurement of operations.

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

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

The District’s charter school, The Learning Academy, Inc., reported as a discretely presented component unit, is accounted for as a governmental organization and follows the same accounting model as the District’s governmental activities.

➤ **Deposits and Investments**

The District’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term, highly liquid investments with original maturities of three months or less. Investments classified as cash and cash equivalents include certificates of deposit and amounts placed with the

State Board of Administration (SBA) in Florida PRIME, formerly known as the Local Government Surplus Funds Trust Fund Investment Pool.

Cash deposits are held by banks qualified as public depositories under Florida law. All deposits are insured by Federal depository insurance, up to specified limits, or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

Investments consist of amounts placed in SBA Debt Service accounts for investment of debt service moneys and amounts placed with the SBA for participation in the Florida PRIME and Fund B Surplus Funds Trust Fund (Fund B) investment pools created by Sections 218.405 and 218.417, Florida Statutes. The investment pools operate under investment guidelines established by Section 215.47, Florida Statutes.

The District's investments in Florida PRIME, which SBA indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, as of June 30, 2012, are similar to money market funds in which shares are owned in the fund rather than the underlying investments. These investments are reported at fair value, which is amortized cost.

The District's investments in Fund B are accounted for as a fluctuating net asset value pool, with a fair value factor of 0.83481105 at June 30, 2012. Fund B is not subject to participant withdrawal requests. Distributions from Fund B, as determined by SBA, are effected by transferring eligible cash or securities to Florida PRIME, consistent with the pro rata allocation of pool shareholders of record at the creation of Fund B. One hundred percent of such distributions from Fund B are available as liquid balance within Florida PRIME.

➤ **Inventories**

Inventories consist of expendable supplies held for consumption in the course of District operations. Inventories are stated at cost on a moving-average basis, except that transportation fuel is stated at the last invoice, which approximates the first-in, first-out basis. The United States Department of Agriculture donated foods are stated at their fair value as determined at the time of donation to the District's food service program by the Florida Department of Agriculture and Consumer Services, Bureau of Food Distribution. The costs of inventories are recorded as expenditures when used rather than purchased.

➤ **Capital Assets**

Expenditures for capital assets acquired or constructed for general District purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide Statement of Net Assets but are not reported in the governmental fund financial statements. Capital assets are defined by the District as those costing more than \$1,000, except for buildings and improvements other than buildings which are defined as those costing more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at fair value at the date of donation. Interest costs incurred during construction of capital assets are not considered material and are not capitalized as part of the cost of construction.

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

<u>Description</u>	<u>Estimated Lives</u>
Improvements Other than Buildings	10 - 40 years
Buildings and Fixed Equipment	10 - 50 years
Furniture, Fixtures, and Equipment	3 - 20 years
Motor Vehicles	15 years
Audio Visual Materials and Computer Software	5 - 7 years

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

➤ **Long-Term Liabilities**

Long-term obligations that will be financed from resources to be received in the future by governmental funds are reported as liabilities in the government-wide Statement of Net Assets. Certificates of participation (Certificates) premiums and discounts are deferred and amortized over the life of the Certificates, and the Certificates of participation payable are reported net of the applicable premiums or discounts.

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

In the government-wide financial statements, compensated absences (i.e., paid absences for employee vacation leave and sick leave) are accrued as liabilities to the extent that it is probable that the benefits will result in termination payments. A liability for these amounts is reported in the governmental fund financial statements only if it has matured, such as occurrences of employee resignations and retirements.

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

➤ **State Revenue Sources**

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

The State also provides financial assistance to administer certain educational programs. State Board of Education rules require that revenue earmarked for certain programs be expended only for the program for which the money is provided and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same educational programs. The Department generally requires that educational program revenues be accounted for in the General Fund. A portion of the fund balance of the General Fund is reserved in the governmental fund financial statements for the balance of earmarked educational program resources.

The State allocates gross receipts taxes, generally known as Public Education Capital Outlay money, to the District on an annual basis. The District is authorized to expend these funds only upon applying for and receiving an encumbrance authorization from the Department.

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

➤ **District Property Taxes**

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

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

The School Board adopted the 2011 tax levy on September 08, 2011. Tax bills are mailed in October, and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to 4 percent for early payment.

Taxes become a lien on the property as of January 1; and are delinquent on April 1, of the year following the year of assessment. State law provides for enforcement of collection of personal property taxes by seizure of the property to satisfy unpaid taxes and for enforcement of collection of real property taxes by the sale of interest-bearing tax certificates to satisfy unpaid taxes. The procedures result in the collection of essentially all taxes prior to June 30 of the year following the year of assessment.

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

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

➤ **Capital Outlay Surtax**

In March 2007, the voters of Santa Rosa County approved a one-half cent school capital outlay surtax on sales in the County for 10 years, effective October 1, 2008, to pay construction costs of certain school facilities and related costs in accordance with Section 212.055(6), Florida Statutes.

➤ **Federal Revenue Sources**

The District receives Federal awards for the enhancement of various educational programs. Federal awards are generally received based on applications submitted to, and approved by, various granting agencies. For Federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred.

➤ **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles 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 amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

2. BUDGETARY COMPLIANCE AND ACCOUNTABILITY

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

- Budgets are prepared, public hearings are held, and original budgets are adopted annually for all governmental fund types in accordance with procedures and time intervals prescribed by law and State Board of Education rules.
- Appropriations are controlled at the object level (e.g., salaries, purchased services, and capital outlay) within each activity (e.g., instruction, pupil personnel services, and school administration) and may be amended by resolution at any Board meeting prior to the due date for the annual financial report.
- Budgetary information is integrated into the accounting system and, to facilitate budget control, budget balances are encumbered when purchase orders are issued. Appropriations lapse at fiscal year-end and encumbrances outstanding are honored from the subsequent year's appropriations.

3. INVESTMENTS

Investments at June 30, 2012, are shown below:

Florida PRIME (1) (2)	38 Day Average	\$11,854,793.57
Fund B Surplus Funds Trust Fund (Fund B) (2)	5.73 Year Average	152,636.29
Debt Service Accounts	6 Months	135,889.72
Certificates of Deposit (1)	August 23, 2012	<u>20,000.00</u>
Total Investments, Primary Government		<u><u>\$12,163,319.58</u></u>

Notes: (1) Included as cash and cash equivalents in the accompanying financial statements.

(2) Pursuant to the trust agreements, the trustee for the District's Certificates of Participation, Series 1997, 2006, and 2009 holds all or part of these investments in trust accounts as follows: Florida PRIME, \$967,867.55 and Fund B \$110,935.98.

Interest Rate Risk

- Section 218.415(17), Florida Statutes, limits investment maturities to provide sufficient liquidity to pay obligations as they come due. The District's investment policy states that the highest priority shall be given to the safety and liquidity of funds. The policy limits the types of authorized investments as a means of managing the exposure to fair value losses from increasing interest rates.

Florida PRIME had a weighted average days to maturity (WAM) of 38 days at June 30, 2012. A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the portfolio to interest rate changes. Fund B had a weighted average life (WAL) of 5.73 years. A portfolio's WAL is the dollar weighted average length of time until securities held reach maturity. WAL, which also measures the sensitivity of the portfolio to interest rate changes, is based on legal final maturity dates for Fund B as

of June 30, 2012. However, because Fund B consists of restructured or defaulted securities, there is considerable uncertainty regarding the WAL.

Credit Risk

- Section 218.415(17), Florida Statutes, limits investments to the SBA Florida PRIME, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in Section 163.01, Florida Statutes; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; investments in interest-bearing time deposits in qualified public depositories, as defined in Section 280.02, Florida Statutes; and direct obligations of the United States Treasury. The District's investment policy limits investments to funds placed in qualified public depositories, financial deposit instruments insured by the Federal Deposit Insurance Corporation, time deposits, Securities of the United States Government (including obligations of the United States Treasury), and investment pools managed and directed by an approved agency of the State.
- The District's investments in SBA debt service accounts are to provide for debt service payments on bond debt issued by the State Board of Education for the benefit of the District. The District relies on policies developed by SBA for managing credit risk for this account.
- As of June 30, 2012, the District's investment in Florida PRIME is rated AAAm by Standard & Poor's. Fund B is unrated.
- The District's investment in certificates of deposit is in a qualified public depository.

Custodial Credit Risk

- Section 218.415(18), Florida Statutes, requires the District to earmark all investments and 1) if registered with the issuer or its agents, the investment must be immediately placed for safekeeping in a location that protects the governing body's interest in the security; 2) if in book entry form, the investment must be held for the credit of the governing body by a depository chartered by the Federal Government, the State, or any other state or territory of the United States which has a branch or principal place of business in the State, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trust and which is doing business in the State, and must be kept by the depository in an account separate and apart from the assets of the financial institution; or 3) if physically issued to the holder but not registered with the issuer or its agents, must be immediately placed for safekeeping in a secured vault. The District's investment policy does not address custodial credit risk.

4. CHANGES IN CAPITAL ASSETS

Changes in capital assets for the year ended June 30, 2012 are shown below:

	Balance 07/01/2011	Additions	Deletions	Balance 06/30/2012
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	\$ 6,847,359.70	\$ -	\$ -	\$ 6,847,359.70
Land Improvements - Nondepreciable	3,661,046.13	244,761.56	-	3,905,807.69
Construction in Progress	11,729,334.49	13,394,625.30	9,132,850.36	15,991,109.43
Total Capital Assets Not Being Depreciated	22,237,740.32	13,639,386.86	9,132,850.36	26,744,276.82
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	22,656,713.88	643,808.21	47,841.00	23,252,681.09
Buildings and Fixed Equipment	307,415,595.22	11,376,063.69	105,495.00	318,686,163.91
Furniture, Fixtures, and Equipment	15,268,475.00	2,081,236.00	1,092,251.00	16,257,460.00
Motor Vehicles	3,672,594.00	188,978.00	98,464.00	3,763,108.00
Audio Visual Materials and Computer Software	5,631,927.00	67,530.00	305,813.00	5,393,644.00
Total Capital Assets Being Depreciated	354,645,305.10	14,357,615.90	1,649,864.00	367,353,057.00
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	12,125,277.18	911,426.05	32,362.27	13,004,340.96
Buildings and Fixed Equipment	90,601,562.13	7,627,836.08	99,139.48	98,130,258.73
Furniture, Fixtures, and Equipment	9,031,938.24	1,394,248.90	1,050,890.78	9,375,296.36
Motor Vehicles	3,069,949.01	172,227.28	23,201.73	3,218,974.56
Audio Visual Materials and Computer Software	5,026,344.68	244,883.38	288,830.41	4,982,397.65
Total Accumulated Depreciation	119,855,071.24	10,350,621.69	1,494,424.67	128,711,268.26
Total Capital Assets Being Depreciated, Net	234,790,233.86	4,006,994.21	155,439.33	238,641,788.74
Governmental Activities Capital Assets, Net	<u>\$ 257,027,974.18</u>	<u>\$ 17,646,381.07</u>	<u>\$ 9,288,289.69</u>	<u>\$ 265,386,065.56</u>

Depreciation expense was charged to functions as follows:

GOVERNMENTAL ACTIVITIES	
Instruction	\$ 312,045.59
Pupil Personnel Services	15,717.36
Instructional Media Services	52,158.57
Instruction and Curriculum Development	15,946.34
Instructional Staff Training	93,148.77
Instruction Related Technology	263,896.99
General Administration	1,788.30
School Administration	8,029.13
Fiscal Services	3,657.05
Food Services	109,662.97
Central Services	34,266.62
Pupil Transportation Services	62,395.51
Operation of Plant	15,571.23
Maintenance of Plant	2,269,286.52
Administrative Technology Services	59,061.20
Community Services	16,479.92
Unallocated	7,022,601.72
Total Depreciation Expense - Governmental Activities	<u>\$10,355,713.79</u>

5. CERTIFICATES OF PARTICIPATION

The District has entered into financing arrangements with the Santa Rosa School Board Leasing Corporation (Leasing Corporation), pursuant to which the District has authorized several certificates of participation debt issues, characterized as lease-purchase agreements. The following schedule describes the status of these issues at June 30, 2012:

Series	Original Amount	Principal Paid to Date	Balance
1997-1	\$5,660,000.00	\$5,660,000.00	\$0.00
2006-1	\$12,370,000.00	\$1,190,000.00	11,180,000.00
2006-2	\$18,870,000.00	\$0.00	18,870,000.00
2009	\$12,585,000.00	\$1,275,000.00	<u>11,310,000.00</u>
			<u><u>\$41,360,000.00</u></u>

As a condition of the financing arrangements, the District has given a ground lease on District property to the Leasing Corporation. The ground lease on the properties associated with the 1997-1 Certificates ended in January 2012.

The ground lease on the properties associated with the Series 2006 Certificates ends on the earlier of (a) the date on which the 2006 Certificates and any series of certificates refunding the Series 2006 Certificates have been paid in full or provision for their payment has been made, or (b) ten years from the final maturity of the Series 2006 Certificates and any series of certificates refunding the Series 2006 Certificates. It is not expected that the ground lease term with respect to the properties associated with the Series 2006 Certificates will exceed April 13, 2046. The lease payments are payable by the District semiannually, on February 1 and August 1 at interest rates of 4.34 percent for the Series 2006-1 and 4.25 percent to 5.25 percent for the Series 2006-2 Certificates.

The ground lease on the properties associated with the Series 2009 Certificates ends on the earlier of (a) the date on which the Series 2009 Certificates have been paid in full or provision for their payment has been made, or (b) ten years from the final maturity date of the Series 2009 Certificates and any series of certificates refunding the Series 2009 Certificates. The lease payments are payable by the District semiannually, on February 1 and August 1 at interest rates of 4.11 percent for the Series 2009 Certificates.

The properties covered by the ground leases are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the lease and to provide for the rent payments through to term, the master lease-purchase agreement provides for several remedies that are available to the Leasing Corporation.

The District properties included in the ground lease under these arrangements include:

➤ Series 1997-1:

- Berryhill Elementary School
- Holley-Navarre Middle School
- Rhodes Elementary School – Additions
- Holley-Navarre Primary School
- S.S. Dixon Intermediate School

➤ Series 2006 (as amended):

- Navarre High School – Gymnasium, Classrooms, and Maintenance Building
- Navarre High School – Cafeteria Expansion, Field House, and North Wing Addition
- Thomas L. Sims Middle School – Classroom Spaces and Accoutrements
- Bennett C. Russell Elementary School
- Woodlawn Beach Middle School – Classroom Additions

➤ Series 2009:

- Jay High School – Improvements
- Central School – Improvements

The following is a schedule by years of future minimum lease payments under the lease agreement together with the present value of minimum lease payments as of June 30:

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 3,649,314.87	\$ 1,720,000.00	\$ 1,929,314.87
2014	3,649,241.65	1,795,000.00	1,854,241.65
2015	3,642,303.13	1,865,000.00	1,777,303.13
2016	3,647,356.98	1,950,000.00	1,697,356.98
2017	3,649,582.92	2,035,000.00	1,614,582.92
2018-2022	18,158,664.41	11,470,000.00	6,688,664.41
2023-2027	15,761,247.00	11,820,000.00	3,941,247.00
2028-2031	<u>9,876,800.00</u>	<u>8,705,000.00</u>	<u>1,171,800.00</u>
Total Minimum Lease Payments	62,034,510.96	41,360,000.00	20,674,510.96
Plus: Unamortized Premium	<u>736,113.20</u>	<u>736,113.20</u>	
Total Certificates of Participation	<u>\$ 62,770,624.16</u>	<u>\$ 42,096,113.20</u>	<u>\$ 20,674,510.96</u>

6. BONDS PAYABLE

Bonds payable at June 30, 2012, are as follows:

Bond Type	Amount Outstanding	Interest Rates (Percent)	Annual Maturity To
State School Bonds:			
Series 2002B, Refunding	\$165,000	4.0 - 5.375	2014
Series 2003A	430,000	3.0 - 4.25	2023
Series 2004A	160,000	3.35 - 4.625	2024
Series 2005A	2,165,000	4.0 - 5.0	2025
Series 2005B, Refunding	640,000	5.0	2018
Series 2006A	240,000	4.0 - 4.625	2026
Series 2009A, Refunding	310,000	3.0 - 5.0	2019
Series 2010 A	1,015,000	3.0 – 5.0	2030
District Revenue Bonds:			
Racetrack, Series 1996	<u>850,000</u>	5.8	2016
Total Bonds Payable	<u><u>\$5,975,000</u></u>		

The various bonds were issued to finance capital outlay projects of the District. The following is a description of the bonded debt issues:

➤ State School Bonds

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

➤ District Revenue Bonds

The Series 1996 Racetrack Revenue Bonds are authorized by Chapter 73-616, Laws of Florida, which provides that the revenue bonds be secured from the pari-mutuel tax proceeds distributed annually to the District from the State's Pari-mutuel Tax Collection Trust Fund pursuant to Chapter 550, Florida Statutes (effective July 1, 2000, tax proceeds are distributed pursuant to Section 212.20(6)(d)6.a., Florida Statutes). The annual distribution is remitted by the Florida Department of Financial Services to the District. As required by the revenue bond resolution, the District established and maintains a sinking fund.

The District has pledged a total of \$979,050 of pari-mutuel tax revenues in connection with the revenue bonds. During the 2011-2012 fiscal year, the District recognized pari-mutuel tax revenues

totaling \$223,250 and expended \$193,860 (87 percent) of these revenues for debt service directly collateralized by these revenues. The pledged pari-mutuel tax revenues are committed until final maturity of the debt on August 1, 2016. Assuming no growth rate in the collection of pari-mutuel funds, 100 percent of this revenue stream has been pledged in connection with debt service on the revenue bonds.

Annual requirements to amortize all bonded debt outstanding as of June 30, 2012, are as follows:

Fiscal Year Ending June 30	Total	Principal	Interest
State School Bonds:			
2013	\$ 855,795.00	\$ 615,000.00	\$ 240,795.00
2014	855,545.00	645,000.00	210,545.00
2015	803,732.50	625,000.00	178,732.50
2016	812,997.50	665,000.00	147,997.50
2017	800,222.50	685,000.00	115,222.50
2018-2022	1,267,028.75	960,000.00	307,028.75
2023-2027	770,475.00	645,000.00	125,475.00
2028-2030	308,200.00	285,000.00	23,200.00
Total State School Bonds	6,473,996.25	5,125,000.00	1,348,996.25
District Revenue Bonds:			
2013	194,950.00	150,000.00	44,950.00
2014	195,960.00	160,000.00	35,960.00
2015	196,390.00	170,000.00	26,390.00
2016	196,240.00	180,000.00	16,240.00
2017	195,510.00	190,000.00	5,510.00
Total District Revenue Bonds	979,050.00	850,000.00	129,050.00
Total	\$ 7,453,046.25	\$ 5,975,000.00	\$ 1,478,046.25

7. CHANGES IN LONG-TERM LIABILITIES

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

Description	Balance 07/01/2011	Additions	Deductions	Balance 06/30/2012	Due in One Year
Certificates of Participation	\$43,005,000.00	\$0.00	\$1,645,000.00	\$41,360,000.00	\$1,720,000.00
Unamortized Premium on Certificates	785,477.80	0.00	49,364.60	736,113.20	49,364.60
Total Certificates of Participation Payable	43,790,477.80	0.00	1,694,364.60	42,096,113.20	1,769,364.60
Bonds Payable	6,700,000.00	0.00	725,000.00	5,975,000.00	765,000.00
Compensated Absences Payable	18,471,221.99	6,327,678.15	5,894,592.43	18,904,307.71	5,389,435.77
Other Postemployment Benefits Payable	3,287,828.00	850,381.00	835,752.00	3,302,457.00	0.00
Total	<u>\$72,249,527.79</u>	<u>\$7,178,059.15</u>	<u>\$9,149,709.03</u>	<u>\$70,277,877.91</u>	<u>\$7,923,800.37</u>

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

8. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

Funds	Interfund	
	Receivables	Payables
Major:		
General	\$ 202,490.74	\$ -
Special Revenue:		
Federal Economic Stimulus Programs		2,463.77
Nonmajor Governmental		<u>200,026.97</u>
Total	<u>\$ 202,490.74</u>	<u>\$ 202,490.74</u>

The amounts due to the General Fund represent temporary loans to other funds and are expected to be repaid within one year.

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

Funds	Interfund	
	Transfers In	Transfers Out
Major:		
General	\$5,955,692.17	\$312,942.21
Capital Projects:		
Local Capital Improvement		7,579,052.48
Other		1,959,137.49
Nonmajor Governmental	<u>3,895,440.01</u>	
Total	<u>\$9,851,132.18</u>	<u>\$9,851,132.18</u>

The District made transfers to the General Fund to cover payments on the District's student transportation contract, to pay for certain property and casualty insurance premiums, to cover payments for software renewals, to facilitate the transfer of State funds to its charter school, to pay for network infrastructure, and to record FEMA refund. The District made transfers to the nonmajor governmental funds to facilitate debt service payments on certificates of participation and payments of school recognition bonuses to food service personnel.

9. RESERVE FOR ENCUMBRANCES

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

The Florida Department of Education requires that fund balances be committed or assigned at fiscal year-end to report an amount likely to be expended from the 2012-13 fiscal year budget as a result of purchase orders outstanding at June 30, 2012.

Because revenues of grants accounted for in the Special Revenues – ARRA Economic Stimulus Fund are not recognized until expenditures are incurred, these grant funds generally do not accumulate fund balances. Accordingly, no encumbered amounts are reported for grant funds.

10. SCHEDULE OF STATE REVENUE SOURCES

The following is a schedule of the District's State revenue for the 2011-2012 fiscal year:

<u>Source</u>	<u>Amount</u>
Florida Education Finance Program	\$ 70,337,231.56
Class Size Reduction Categorical	26,037,456.00
Workforce Development	1,558,026.00
School Recognition	1,127,400.00
Motor Vehicle License Tax (Capital Outlay and Debt Service)	963,117.59
Gross Receipts Tax (Public Education Capital Outlay)	133,796.61
Food Service Supplement	117,096.00
Discretionary Lottery Funds	76,947.00
Adults with Disabilities	49,108.50
Charter School Capital Outlay	44,756.07
State License Tax	30,555.15
Workforce Education Performance Incentive	23,563.00
Miscellaneous	342,946.92
Total	<u><u>\$ 100,842,000.40</u></u>

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

11. PROPERTY TAXES

The following is a summary of millages and taxes levied on the 2011 tax roll for the 2011-2012 fiscal year:

<u>GENERAL FUND</u>	<u>Millages</u>	<u>Taxes Levied</u>
Nonvoted School Tax:		
Required Local Effort	5.768	\$47,886,647.45
Basic Discretionary Local Effort	0.748	6,209,988.26
<u>CAPITAL PROJECTS FUNDS</u>		
Nonvoted Tax:		
Local Capital Improvements	1.400	11,622,972.68
Total	<u>7.916</u>	<u>\$65,719,608.39</u>

12. FLORIDA RETIREMENT PROGRAM

All regular employees of the District are covered by the State-administered Florida Retirement System (FRS). Provisions relating to FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System Rules, Chapter 60S, Florida Administrative Code, wherein eligibility, contributions, and benefits are defined and described in detail. Essentially all regular employees of participating employers are eligible and must enroll as members of FRS. FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined benefit pension plan (Plan), a Deferred Retirement Option Program (DROP), and a defined contribution plan, referred to as the Public Employee Optional Retirement Program (PEORP).

Employees enrolled in FRS prior to July 01, 2011 are eligible for normal retirement benefits at age 62 with 6 years of service, or any age after 30 years of service, which may include up to 4 years of credit for military service. Employees enrolled in FRS on or after July 01, 2011 are eligible for normal retirement benefits at age 65 with 8 years of service, or any age with 33 years of service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, and death benefits and annual cost-of-living adjustments.

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in PEORP in lieu of the Plan. District employees participating in DROP are not eligible to participate in PEORP. Employer contributions are defined by law; however, the ultimate benefit depends in part on the performance of investment funds. PEORP is funded by employer contributions that are based on salary and membership class (Regular, Elected County Officers, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Employees in PEORP vest after one year of service.

FRS Retirement Contribution Rates

The Florida Legislature establishes, and may amend, contribution rates for each membership class of FRS. During the 2011-2012 fiscal year, contribution rates were as follows:

Class or Plan	Percent of Gross Salary	
	Employee	Employer (A)
Florida Retirement System, Regular	3.00	4.91
Florida Retirement System, Elected County Officers	3.00	11.14
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes	0.00	4.42
Florida Retirement System, Reemployed Retiree	(B)	(B)

Notes: (A) Employer rates include 1.11 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.03 percent for administrative costs of PEORP.

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

The District's liability for participation is limited to the payment of the required contribution at the rates and frequencies established by law on future payrolls of the District. The District's contributions to the Plan for the fiscal years ended June 30, 2012, June 30, 2011, and June 30, 2010, totaled \$5,322,460.01, \$11,750,736.93, and \$9,538,881.85, respectively, which were equal to the required contributions for each fiscal year. There were 409 PEORP participants during the 2011-2012 fiscal year. Required contributions made to PEORP totaled \$536,910.60.

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

13. OTHER POSTEMPLOYMENT BENEFITS PAYABLE

Plan Description. The Other Postemployment Benefits Plan (Plan) is a single-employer defined benefit plan administered by the District. Pursuant to the provisions of Section 112.0801, Florida Statutes, employees who retire from the District are eligible to participate in the District's health and hospitalization plan for medical, dental, and life insurance coverage. The District subsidizes the premium rates paid by retirees by allowing them to participate in the plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. The District does not offer any explicit subsidies for retiree coverage. Retirees are assumed to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. The Plan does not issue a stand-alone report, and it is not included in the report of a Public Employee Retirement System or another entity.

Funding Policy. The District has established contribution requirements for Plan members and the contributions may be amended through Board action. The District has not advance-funded or established a funding methodology for the annual other postemployment benefit (OPEB) costs or the net OPEB

obligation, and the Plan is financed on a pay-as-you-go basis. For the 2011-2012 fiscal year, 276 retirees received other postemployment benefits. The District provided required contributions of \$835,752 toward the annual OPEB cost, comprised of benefit payments made on behalf of retirees, and net of retiree contributions totaling \$3,780,047, which represents 6.0 percent of covered payroll.

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

The following table shows the District's annual OPEB cost for the fiscal year, the amount actually contributed to the Plan, and changes in the District's net OPEB obligation:

Description	Amount
Normal Cost (service cost for one year)	\$ 367,833
Amortization of Unfunded Actuarial Accrued Liability (UAAL)	541,171
Interest on Normal Cost and Amortization	-
Annual Required Contribution	909,004
Interest on Net OPEB Obligation	131,513
Adjustment to Annual Required Contribution	(190,136)
Annual OPEB Cost (Expense)	850,381
Contributions Made	(835,752)
Increase (Decrease) in Net OPEB Obligation	14,629
Net OPEB Obligation, Beginning of Year	3,287,828
Net OPEB Obligation, End of Year	\$ 3,302,457

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation as of June 30, 2012, and the previous two fiscal years were as follows:

Fiscal Year Ending	Annual OPEB Cost	Amount Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2010	\$1,542,794	\$821,839	53.30%	\$2,703,098
6/30/2011	\$1,586,004	\$1,001,274	63.13%	\$3,287,828
6/30/2012	\$850,381	\$835,752	98.28%	\$3,302,457

Funded Status and Funding Progress. As of July 01, 2011, the most recent valuation date, the actuarial accrued liability for benefits was \$9,357,953, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$9,357,953 and a funded ratio of 0 percent. The covered payroll (annual payroll of active participating employees) was \$63,749,441, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 14.7 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and termination, mortality, and healthcare cost trends. 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 required schedule of funding progress immediately following the notes to financial statements presents multiyear trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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

The District's OPEB actuarial valuation as of July 1, 2011, used the unit credit actuarial cost method to estimate the unfunded actuarial liability as of June 30, 2012, and to estimate the District's 2011-2012 fiscal year ARC. Because the OPEB liability is currently unfunded, the actuarial assumptions included a 4 percent rate of return on invested assets, which is the District's long-term expectation of investment returns under its investment policy. The actuarial assumptions also included an annual healthcare cost trend rate of 6.6 percent for the 2011-2012 fiscal year, reduced periodically thereafter to an ultimate rate of 4.7 percent beginning in the 2090 fiscal year. The unfunded actuarial accrued liability is being amortized using a level dollar amount on a closed basis. The remaining amortization period at June 30, 2012, was 25 years.

14. CONSTRUCTION CONTRACT COMMITMENTS

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

Project	Contract Amount	Completed to Date	Balance Committed
Bennett Russell Elementary - 6 Classroom Additions	\$834,943.67	\$819,379.16	\$15,564.51
Berryhill Elementary - 4 Classroom Additions	626,955.57	604,279.56	22,676.01
Chumuckla Elementary - 4 Classroom Additions	659,632.04	594,670.23	64,961.81
Gulf Breeze Elementary - 6 Classroom Additions	1,058,785.01	679,345.62	379,439.39
Holley Navarre Intermediate - 4 Classroom Additions	1,059,891.66	59,932.12	999,959.54
Holley Navarre Intermediate - Kitchen Expansion	1,243,602.21	993,334.98	250,267.23
Milton High - Kitchen/Cafeteria Expansion	1,578,041.57	1,276,058.23	301,983.34
West Navarre Intermediate - 5 Classroom Additions	723,389.44	663,955.29	59,434.15
Total	<u>\$ 7,785,241.17</u>	<u>\$ 5,690,955.19</u>	<u>\$ 2,094,285.98</u>

15. RISK MANAGEMENT PROGRAMS

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District limits its exposure to these risks through its membership in the Florida School Boards Insurance Trust (Trust). The Trust is a self-insurance fund for Florida school boards established under the authority set forth in Section 1001.42, Florida Statutes and was established for the purpose of pooling certain exposures (e.g. property, casualty, and workers' compensation) of participating districts. If a participating district withdraws or terminates participation in the Trust, and its claims exceed loss fund contributions from premiums paid, the Trust may request additional funds or return the open claims to that district. Through its participation in the Trust, the District has acquired various types of insurance coverage including property, general and automotive liability, worker's compensation, errors and omissions, employee benefits liability, boiler and machinery, crime, special events, pollution, legal liability, school crisis risk, transit, additional expenses, and personal accident

insurance. Catastrophic student accident, flood, and storage tank liability insurance are provided through purchased commercial insurance.

Employee health and hospitalization, dental, and life insurance coverage are provided through purchased commercial insurance.

Prior to July 1, 1997, the District was self-insured for workers' compensation exposures up to specified limits. At June 30, 2012, a liability in the amount of \$213,169.41 was recorded to cover future claims payments relating to this former self-insurance program.

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

	Beginning-of-Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2010-2011	\$485,442.64	\$549,161.44	(\$85,451.91)	\$949,152.17
2011-2012	\$949,152.17	(\$572,707.56)	(\$163,275.20)	\$213,169.41

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

16. FUND BALANCE REPORTING

The District reports its governmental fund balances in accordance with the Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Types Definitions*, in the following categories:

- **Nonspendable.** The net current financial resources that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Generally, not in spendable form means that an item is not expected to be converted to cash. Examples of items that are not in spendable form include inventory, prepaid amounts, long-term amounts of loans and notes receivable, and property acquired for resale. The District classifies its amounts reported as inventories and investment in the Fund B Surplus Funds Trust Fund as nonspendable.
- **Restricted.** The portion of fund balance on which constraints have been placed by creditors, grantors, contributors, laws or regulations of other governments, constitutional provisions, or enabling legislation. Restricted fund balance places the most binding level of constraint on the use of fund balance. The District classifies most of its fund balances other than General Fund as restricted, as well as unspent State categorical and earmarked educational funding reported in the General Fund, that are legally or otherwise restricted.
- **Committed.** The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the highest level of decision-making authority (i.e., the district school board). These amounts cannot be used for any other purpose unless the district school board removes or changes the specified use by taking the same action if employed to previously commit the amounts.
- **Assigned.** The portion of fund balance that is intended to be used for specific purposes, but is neither restricted nor committed. Assigned amounts include those that have been set aside for a specific purpose by an authorized government body or official, but the constraint imposed does not satisfy the criteria to be classified as restricted or committed. This category includes any remaining positive amounts, for governmental funds other than the General Fund, not classified as nonspendable, restricted, or committed. The District also classifies amounts as assigned that are

constrained to be used for specific purposes based on actions of the Superintendent and Chief Financial Officer and not included in other categories.

- **Unassigned.** The portion of fund balance that is the residual classification for the General Fund. This balance represents amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned for specific purposes.

General Fund Minimum Fund Balance Requirement - Section 1011.051, Florida Statutes, requires that the District maintain a General Fund balance that is sufficient to address normal contingencies and that the Superintendent shall provide written notification to the Board and the Commissioner of Education if, at any time, the ending General Fund balance not classified as restricted, committed, or nonspendable in the approved operating budget is projected to fall below 3 percent of projected General Fund revenues. If the unreserved General Fund balance not classified as restricted, committed, or nonspendable is projected to fall below 2 percent of projected General Fund revenues, the Commissioner of Education must determine whether the District has a plan that to avoid a financial emergency as determined pursuant to Section 218.503, Florida Statutes, or to appoint a financial emergency board operating consistent with the requirements, powers, and duties specified in Section 218.503(3)(g), Florida Statutes. The District prepares its operating budget to maintain a three to seven percent unassigned fund balance to comply with the intent of Section 1011.051, Florida Statutes. As of June 30, 2012, the General Fund unassigned fund balance of \$13,765,621 is 8.8 percent of General Fund revenues.

17. LITIGATION

The District is involved in several pending and threatened legal actions. The range of potential loss from all such claims and actions, as estimated by District management and the Board's legal counsel, should not materially affect the financial condition of the District.

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
REQUIRED SUPPLEMENTARY INFORMATION -
SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFITS PLAN
June 30, 2012

Exhibit D-2
Page 19

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percent of Covered Payroll [(b-a)/c]
7/1/2009	0	14903748	14903748	0	N/A	N/A
7/1/2010	0	15377798	15377798	0	N/A	N/A
7/1/2011	0	9357953	9357953	0	N/A	N/A

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2012

	Account Number	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
		Original	Final		
REVENUES					
Federal Direct	3100	650,000.00	781,766.13	781,766.13	0.00
Federal Through State	3200	700,000.00	646,872.42	443,008.17	(203,864.25)
State Sources	3300	98,862,966.62	99,301,060.85	99,309,926.79	8,865.94
<i>Local Sources:</i>					
Property Taxes Levied for Operational Purposes	3411	52,076,254.00	52,089,083.94	52,425,312.18	336,228.24
Property Taxes Levied for Debt Service	3412			0.00	0.00
Property Taxes Levied for Capital Projects	3413			0.00	0.00
Local Sales Taxes	3418			0.00	0.00
Charges for Service - Food Service	345X			0.00	0.00
Impact Fees	3496			0.00	0.00
Other Local Revenue		3,275,823.18	4,261,471.57	4,178,177.02	(83,294.55)
Total Local Sources	3400	55,352,077.18	56,350,555.51	56,603,489.20	252,933.69
Total Revenues		155,565,043.80	157,080,254.91	157,138,190.29	57,935.38
EXPENDITURES					
<i>Current:</i>					
Instruction	5000	104,736,858.18	106,131,214.99	102,748,067.41	3,383,147.58
Pupil Personnel Services	6100	6,613,466.55	7,407,738.78	7,077,213.52	330,525.26
Instructional Media Services	6200	2,556,563.65	2,603,013.48	2,346,908.70	256,104.78
Instruction and Curriculum Development Services	6300	2,722,615.04	2,814,253.60	2,590,210.54	224,043.06
Instructional Staff Training Services	6400	788,824.36	1,014,279.35	667,246.10	347,033.25
Instructional-Related Technology	6500	4,075,369.97	4,362,027.63	3,184,025.07	1,178,002.56
Board	7100	466,676.03	477,219.84	461,519.09	15,700.75
General Administration	7200	541,532.62	660,202.06	635,087.21	25,114.85
School Administration	7300	11,386,135.92	12,459,426.33	12,230,917.31	228,509.02
Facilities Acquisition and Construction	7410	57,614.77	136,069.71	19,359.18	116,710.53
Fiscal Services	7500	1,212,321.18	1,218,148.30	1,127,853.25	90,295.05
Food Services	7600	0.00	0.00	0.00	0.00
Central Services	7700	2,252,614.84	2,764,888.50	2,128,358.30	636,530.20
Pupil Transportation	7800	12,472,722.77	13,415,362.29	12,230,321.52	1,185,040.77
Operation of Plant	7900	15,952,773.23	14,289,594.56	12,189,281.30	2,100,313.26
Maintenance of Plant	8100	4,872,484.72	4,880,412.17	4,346,135.98	534,276.19
Administrative Technology Services	8200	1,702,254.08	1,733,702.90	1,530,795.40	202,907.50
Community Services	9100	1,684,073.91	1,711,614.78	1,554,274.32	157,340.46
<i>Debt Service: (Function 9200)</i>					
Retirement of Principal	710			0.00	0.00
Interest	720			0.00	0.00
Dues, Fees and Issuance Costs	730			0.00	0.00
Miscellaneous Expenditures	790			0.00	0.00
<i>Capital Outlay:</i>					
Facilities Acquisition and Construction	7420		1,538,528.71	1,538,528.71	0.00
Other Capital Outlay	9300		2,400.00	2,400.00	0.00
Total Expenditures		174,094,901.82	179,620,097.98	168,608,502.91	11,011,595.07
Excess (Deficiency) of Revenues Over (Under) Expenditures		(18,529,858.02)	(22,539,843.07)	(11,470,312.62)	11,069,530.45
OTHER FINANCING SOURCES (USES)					
Long-Term Bonds Issued	3710			0.00	0.00
Premium on Sale of Bonds	3791			0.00	0.00
Discount on Sale of Bonds	891			0.00	0.00
Refunding Bonds Issued	3715			0.00	0.00
Premium on Refunding Bonds	3792			0.00	0.00
Discount on Refunding Bonds	892			0.00	0.00
Certificates of Participation Issued	3750			0.00	0.00
Premium on Certificates of Participation	3793			0.00	0.00
Discount on Certificates of Participation	893			0.00	0.00
Loans Incurred	3720			0.00	0.00
Proceeds from the Sale of Capital Assets	3730			0.00	0.00
Loss Recoveries	3740	0.00	20,856.34	20,856.34	0.00
Proceeds of Forward Supply Contract	3760			0.00	0.00
Special Facilities Construction Advances	3770			0.00	0.00
Payments to Refunded Bond Escrow Agent (Function 9299)	760			0.00	0.00
Transfers In	3600	3,988,432.00	5,955,692.17	5,955,692.17	0.00
Transfers Out	9700	(318,773.00)	(312,942.21)	(312,942.21)	0.00
Total Other Financing Sources (Uses)		3,669,659.00	5,663,606.30	5,663,606.30	0.00
SPECIAL ITEMS				0.00	0.00
EXTRAORDINARY ITEMS				(1,746,188.25)	(1,746,188.25)
Net Change in Fund Balances		(14,860,199.02)	(16,876,236.77)	(7,552,894.57)	9,323,342.20
Fund Balances, July 1, 2011	2800	26,896,495.76	26,896,495.76	26,896,495.76	0.00
Adjustment to Fund Balances	2891			0.00	0.00
Fund Balances, June 30, 2012	2700	12,036,296.74	10,020,258.99	19,343,601.19	9,323,342.20

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MAJOR SPECIAL REVENUE - FEDERAL ECONOMIC STIMULUS PROGRAMS FUNDS
For the Fiscal Year Ended June 30, 2012

	Account Number	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
		Original	Final		
REVENUES					
Federal Direct	3100			0.00	0.00
Federal Through State	3200	1,280,008.42	1,540,450.17	1,520,270.57	(20,179.60)
State Sources	3300			0.00	0.00
<i>Local Sources:</i>					
Property Taxes Levied for Operational Purposes	3411			0.00	0.00
Property Taxes Levied for Debt Service	3412			0.00	0.00
Property Taxes Levied for Capital Projects	3413			0.00	0.00
Local Sales Taxes	3418			0.00	0.00
Charges for Service - Food Service	345X			0.00	0.00
Impact Fees	3496			0.00	0.00
Other Local Revenue				0.00	0.00
Total Local Sources	3400	0.00	0.00	0.00	0.00
Total Revenues		1,280,008.42	1,540,450.17	1,520,270.57	(20,179.60)
EXPENDITURES					
<i>Current:</i>					
Instruction	5000	534,231.95	615,600.45	614,536.71	1,063.74
Pupil Personnel Services	6100	16,100.26	16,487.42	16,487.12	0.30
Instructional Media Services	6200	5,337.60	5,337.60	5,337.60	0.00
Instruction and Curriculum Development Services	6300	219,384.45	174,373.11	171,482.49	2,890.62
Instructional Staff Training Services	6400	442,098.92	644,257.47	629,445.11	14,812.36
Instructional-Related Technology	6500	35,995.37	35,576.89	35,576.89	0.00
Board	7100	0.00	0.00	0.00	0.00
General Administration	7200	21,299.00	31,343.78	30,131.20	1,212.58
School Administration	7300	0.00	0.00	0.00	0.00
Facilities Acquisition and Construction	7410	6.80	0.00	0.00	0.00
Fiscal Services	7500	0.00	0.00	0.00	0.00
Food Services	7600	0.00	0.00	0.00	0.00
Central Services	7700	5,092.99	17,473.45	17,273.45	200.00
Pupil Transportation	7800	461.08	0.00	0.00	0.00
Operation of Plant	7900			0.00	0.00
Maintenance of Plant	8100			0.00	0.00
Administrative Technology Services	8200			0.00	0.00
Community Services	9100			0.00	0.00
<i>Debt Service: (Function 9200)</i>					
Retirement of Principal	710			0.00	0.00
Interest	720			0.00	0.00
Dues, Fees and Issuance Costs	730			0.00	0.00
Miscellaneous Expenditures	790			0.00	0.00
<i>Capital Outlay:</i>					
Facilities Acquisition and Construction	7420			0.00	0.00
Other Capital Outlay	9300			0.00	0.00
Total Expenditures		1,280,008.42	1,540,450.17	1,520,270.57	20,179.60
Excess (Deficiency) of Revenues Over (Under) Expenditures		0.00	0.00	0.00	(0.00)
OTHER FINANCING SOURCES (USES)					
Long-Term Bonds Issued	3710			0.00	0.00
Premium on Sale of Bonds	3791			0.00	0.00
Discount on Sale of Bonds	891			0.00	0.00
Refunding Bonds Issued	3715			0.00	0.00
Premium on Refunding Bonds	3792			0.00	0.00
Discount on Refunding Bonds	892			0.00	0.00
Certificates of Participation Issued	3750			0.00	0.00
Premium on Certificates of Participation	3793			0.00	0.00
Discount on Certificates of Participation	893			0.00	0.00
Loans Incurred	3720			0.00	0.00
Proceeds from the Sale of Capital Assets	3730			0.00	0.00
Loss Recoveries	3740			0.00	0.00
Proceeds of Forward Supply Contract	3760			0.00	0.00
Special Facilities Construction Advances	3770			0.00	0.00
Payments to Refunded Bond Escrow Agent (Function 9299)	760			0.00	0.00
Transfers In	3600			0.00	0.00
Transfers Out	9700			0.00	0.00
Total Other Financing Sources (Uses)		0.00	0.00	0.00	0.00
SPECIAL ITEMS				0.00	0.00
EXTRAORDINARY ITEMS				0.00	0.00
Net Change in Fund Balances		0.00	0.00	0.00	(0.00)
Fund Balances, July 1, 2011	2800			0.00	0.00
Adjustment to Fund Balances	2891			0.00	0.00
Fund Balances, June 30, 2012	2700	0.00	0.00	0.00	0.00