

**Santa Rosa County School Board**  
07/01/12 - 06/30/13

# Annual Financial Report and GASB 34



Prepared by the Finance Office

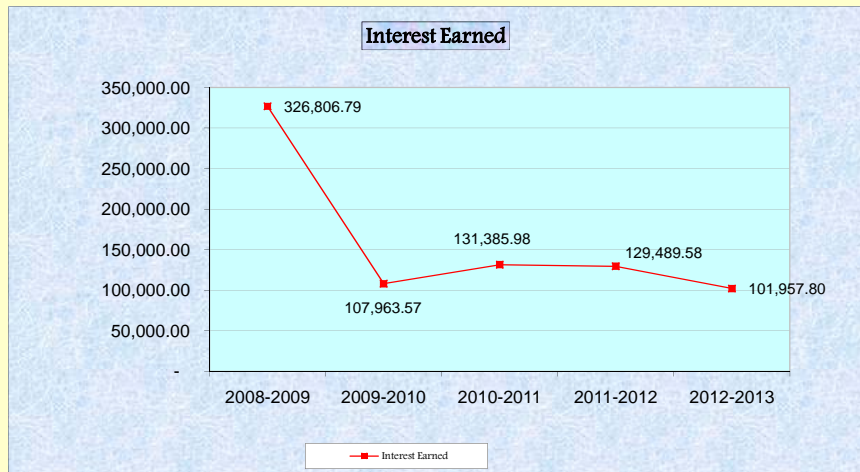
## SIGNIFICANT FINANCIAL EVENTS DURING 2012-2013

### A COMPARISON OF FUNDING DATA ELEMENTS:

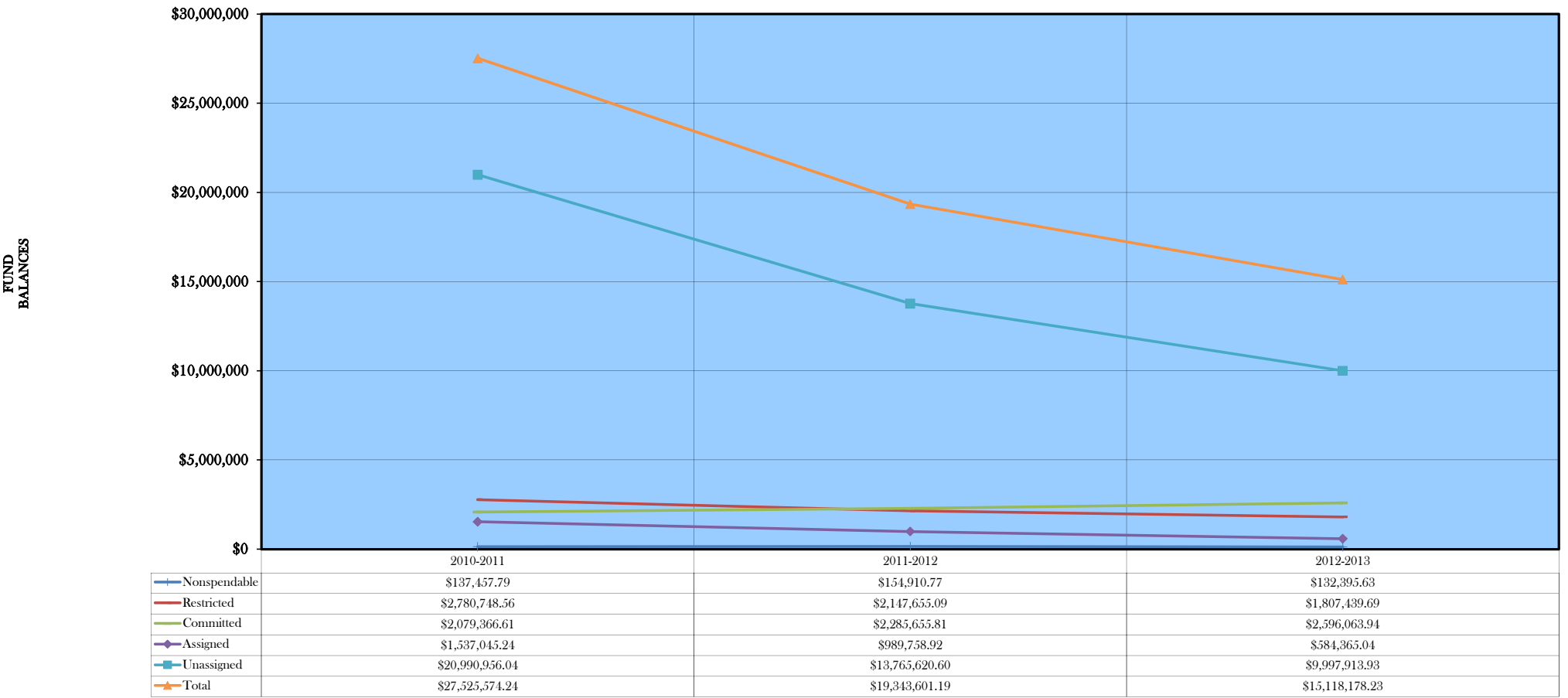
	1	2	3		
	<u>UNWEIGHTED</u>	<u>WEIGHTED</u>	<u>BASE STUDENT</u>		
	<u>FTE</u>	<u>FTE</u>	<u>ALLOCATION</u>		
<u>2012-13</u>	<u>25,325.60</u>	<u>27,239.87</u>	<u>\$3,582.98</u>		
<u>2011-12-Final</u>	<u>25,240.81</u>	<u>26,844.90</u>	<u>\$3,479.22</u>		
<u>INCREASE (DECREASE)</u>	<u>84.79</u>	<u>394.97</u>	<u>\$103.76</u>		
<u>% VARIANCE</u>	<u>0.34%</u>	<u>1.47%</u>	<u>2.98%</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>2012-13</u>	<u>94.78%</u>	<u>\$8,156,620,527.00</u>	<u>\$34,001,205.00</u>	<u>\$77,612,089.00</u>	
<u>2011-12-Final</u>	<u>94.19%</u>	<u>\$8,325,061,099.00</u>	<u>\$33,855,796.00</u>	<u>\$69,990,355.00</u>	
<u>INCREASE (DECREASE)</u>	<u>0.59%</u>	<u>(\$168,440,572.00)</u>	<u>\$145,409.00</u>	<u>\$7,621,734.00</u>	
<u>% VARIANCE</u>	<u>0.63%</u>	<u>-2.02%</u>	<u>0.43%</u>	<u>10.89%</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>2012-13</u>	<u>\$10,957,738.32</u>	<u>\$49,592,704.77</u>	<u>\$162,514,866.07</u>		
<u>2011-12-Final</u>	<u>\$11,124,729.10</u>	<u>\$52,362,666.45</u>	<u>\$157,138,190.29</u>		
<u>INCREASE (DECREASE)</u>	<u>(\$166,990.78)</u>	<u>(\$2,769,962)</u>	<u>\$5,376,675.78</u>		
<u>% VARIANCE</u>	<u>-1.50%</u>	<u>-5.29%</u>	<u>3.42%</u>		

See attached General School Fund Balance graph on page 2.

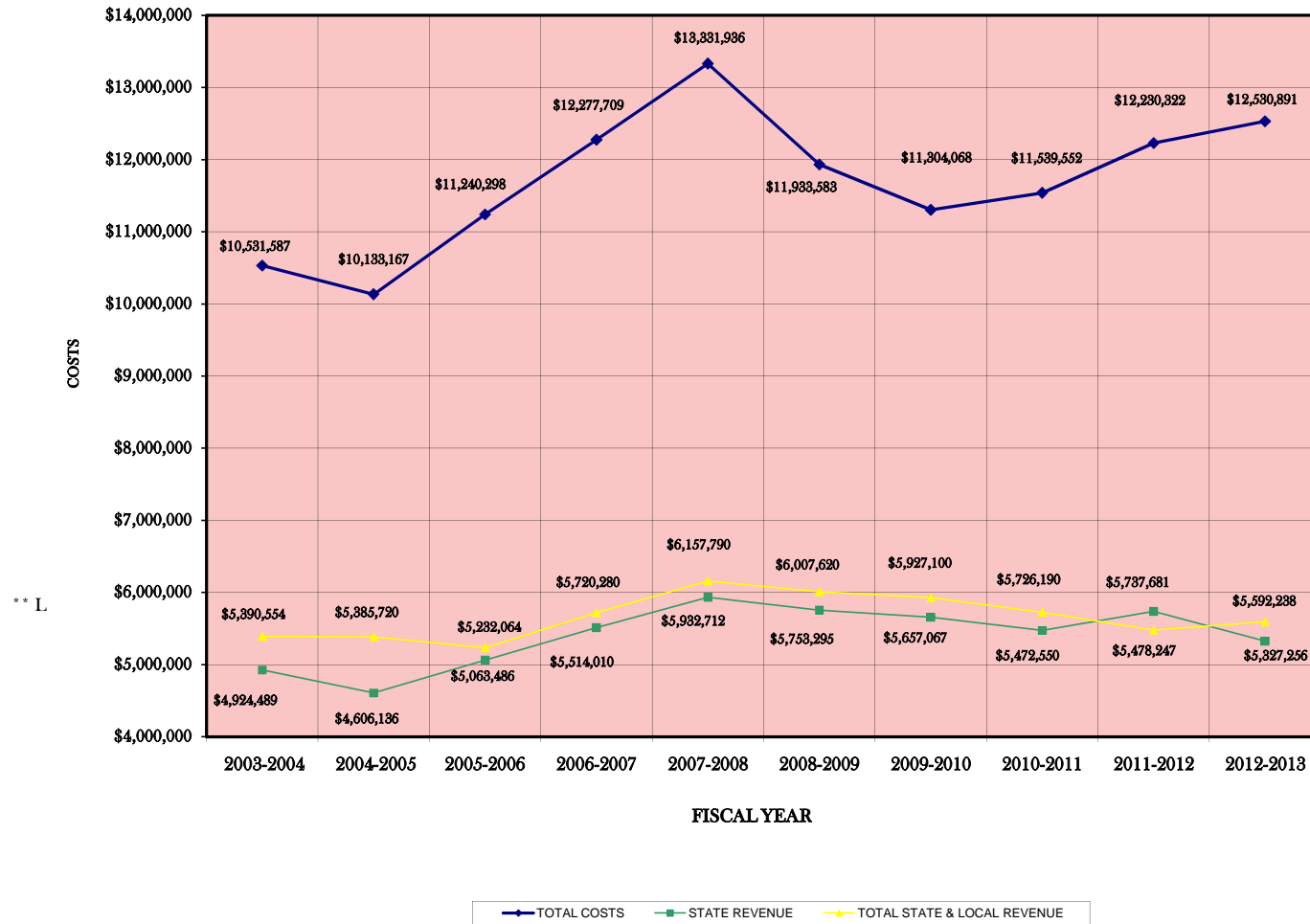
- B** The Board is contracted with Durham, Inc. to provide Transportation Services for the Santa Rosa County School Board. Durham operates the program with Board oversight for a fee certain modified by growth and inflation. See page 3.
- C** Over the past sixteen years, the School Board has contracted with Sodexo to provide food services for the School District. Sodexo 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 2,047 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 2,607 contract employees utilizing this service.
- E** General School Fund Interest earned during the 2012-13 fiscal year totaled \$101,957.80, which was a decrease of \$27,531.78, or 21% from the prior fiscal year. The following graph shows interest earned over a five-year period:



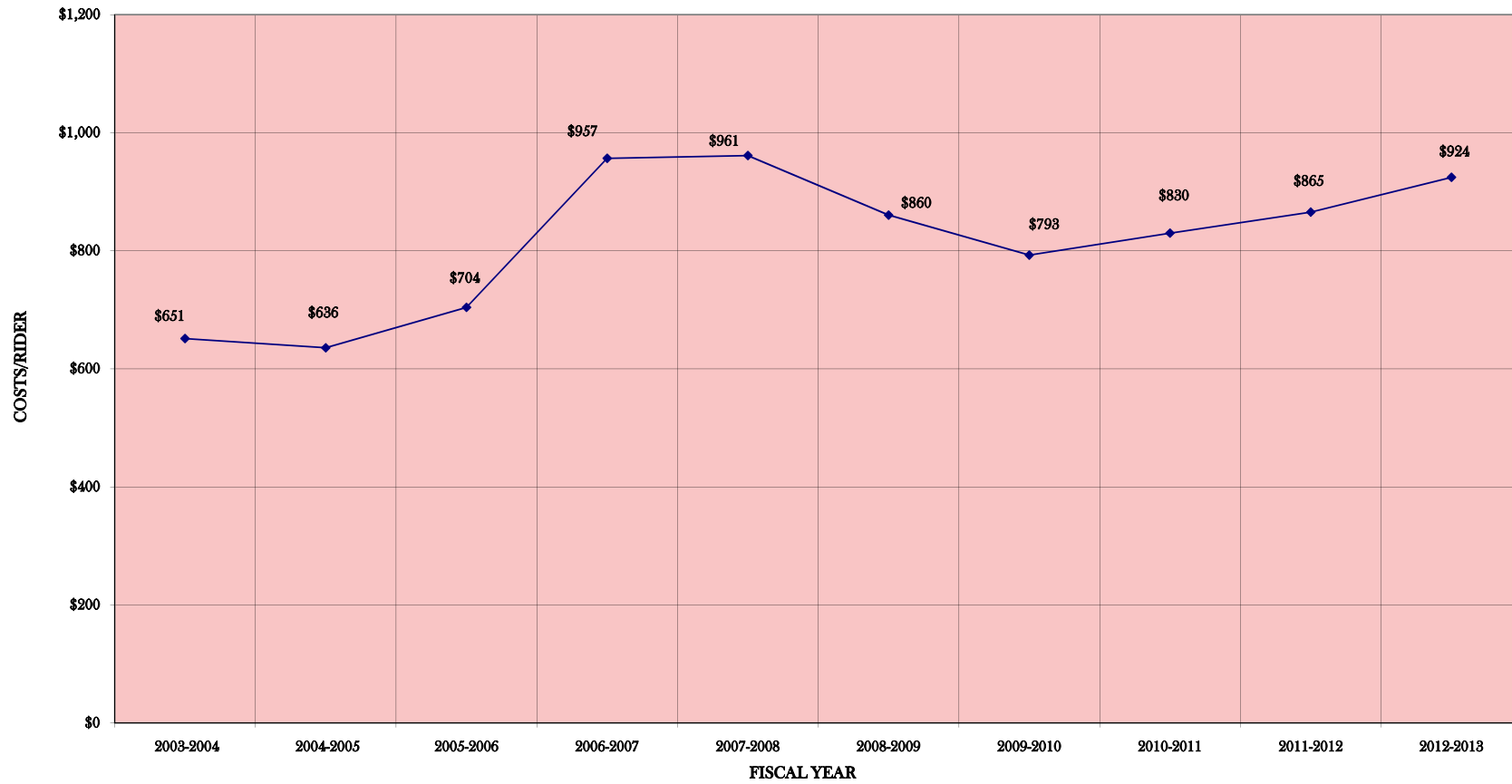
## GENERAL SCHOOL FUND BALANCE



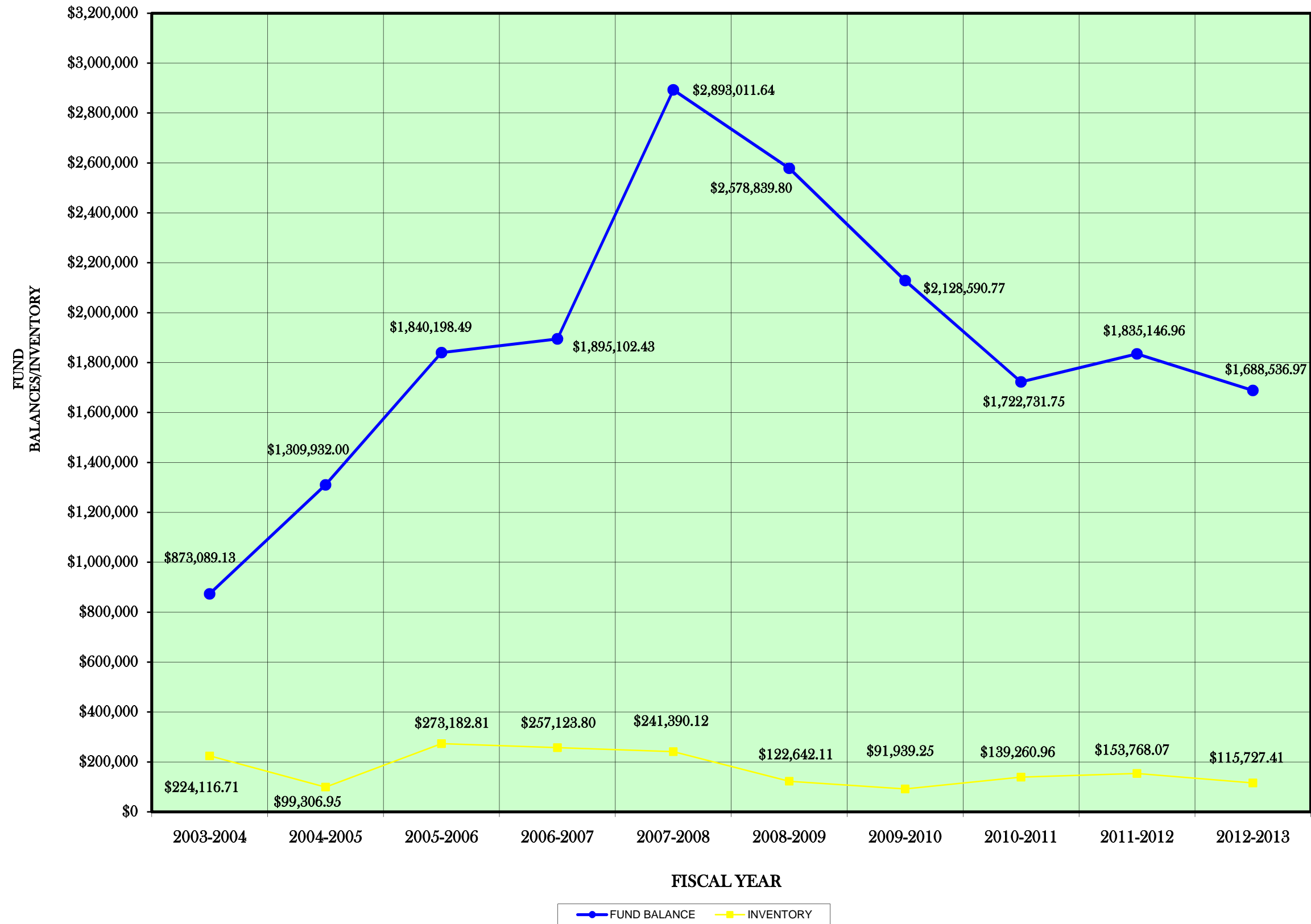
## TRANSPORTATION COSTS BY YEAR



### TRANSPORTATION COSTS PER RIDER



### SCHOOL FOOD SERVICE-FUND BALANCES BY YEAR

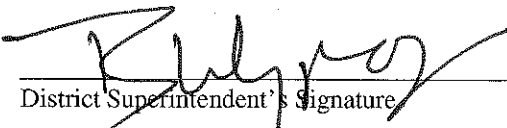


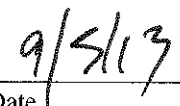
**FLORIDA DEPARTMENT OF EDUCATION  
REPORT OF FINANCIAL DATA TO THE  
COMMISSIONER OF EDUCATION (ESE 348)  
DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY  
For the Fiscal Year Ended June 30, 2013**

Return completed form to: Department of Education Office of Funding and Financial Reporting 325 W. Gaines St., Room 824 Tallahassee, Florida 32399-0400
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		<b>PAGE NUMBER</b>
		<b><u>DOE</u></b>
<b>CONTENTS:</b>		
Exhibit K-1	Statement of Revenues, Expenditures, and Changes in Fund Balance – General Fund -----	1-3
Exhibit K-2	Statement of Revenues, Expenditures, and Changes in Fund Balance – Special Revenue Funds – Food Services -----	4-5
Exhibit K-3	Statement of Revenues, Expenditures, and Changes in Fund Balance – Special Revenue Funds – Other Federal Programs -----	6-7
Exhibit K-4	Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Special Revenue Funds - Federal Economic Stimulus Programs -----	8, 12
Exhibit K-5	Statement of Revenues, Expenditures, and Changes in Fund Balance – Special Rev Funds – Misc-----	14 Not Used
Exhibit K-6	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Debt Service Funds----	15
Exhibit K-7	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Capital Projects Funds -----	16-17
Exhibit K-8	Statement of Revenues, Expenditures, and Changes in Fund Balance – Permanent Fund -----	18 Not Used
Exhibit K-9	Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Enterprise Funds -----	19 Not Used
Exhibit K-10	Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Internal Serv Funds ----	20 Not Used
Exhibit K-11	Combining Statement of Changes in Assets and Liabilities – School Internal Funds -----	21
Exhibit K-12	Schedule of Long-Term Liabilities-----	22
Exhibit K-13	Schedule of Categorical Programs – Report of Expenditures and Available Funds -----	23
Exhibit K-14	Schedules of Selected Subobject Expenditures and Other Data Collection -----	24-26
Exhibit K-15	Supplemental Schedule – Voluntary Prekindergarten (VPK) Program, General Fund Expenditures-----	27
Exhibit K-16	Schedule 3, School Program Cost Report, General Fund/Special Revenue Funds-----	28 Incl. in Cost Rep.
Exhibit K-17	Schedule 4, District Aggregate Program Cost Report, General Fund/Special Revenue Funds -----	29 Incl. in Cost Rep.
Exhibit K-18	Schedule 5, Supplementary Schedule of Federal Financial Assistance Program Expenditures-----	30

The Report of Financial Data to the Commissioner of Education (ESE 348) for the fiscal year ended June 30, 2013, 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 13, 2013.

  
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, 2013

Exhibit K-1  
DOE Page 1  
**Fund 100**

REVENUES	Account Number	
<i>Federal Direct:</i>		
Federal Impact, Current Operations	3121	871,441.55
Reserve Officers Training Corps (ROTC)	3191	
Miscellaneous Federal Direct	3199	
Total Federal Direct	3100	871,441.55
<i>Federal Through State and Local:</i>		
Medicaid	3202	483,926.85
National Forest Funds	3255	
Federal Through Local	3280	
Miscellaneous Federal Through State	3299	733.18
Total Federal Through State and Local	3200	484,660.03
<i>State:</i>		
Florida Education Finance Program (FEFP)	3310	77,612,089.00
Workforce Development	3315	1,506,958.00
Workforce Development Capitalization Incentive Grant	3316	
Workforce Education Performance Incentive	3317	22,479.00
Adults with Disabilities	3318	18,796.80
CO&DS Withheld for Administrative Expenditure	3323	14,020.50
<i>Categoricals:</i>		
District Discretionary Lottery Funds	3344	
Class Size Reduction Operating Funds	3355	26,342,734.00
School Recognition Funds	3361	1,422,252.00
Excellent Teaching Program	3363	
Voluntary Prekindergarten Program	3371	269,765.35
Preschool Projects	3372	
Reading Programs	3373	
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	31,166.98
Other Miscellaneous State Revenues	3399	63,882.46
Total State	3300	107,304,144.09
<i>Local:</i>		
District School Taxes	3411	49,673,717.43
Tax Redemptions	3421	
Payment in Lieu of Taxes	3422	8,386.38
Excess Fees	3423	
Tuition	3424	
Rent	3425	31,425.00
Interest on Investments	3431	101,957.80
Gain on Sale of Investments	3432	
Net Increase (Decrease) in Fair Value of Investments	3433	11,066.45
Gifts, Grants, and Bequests	3440	5,000.00
Adult General Education Course Fees	3461	20,730.00
Postsecondary Vocational Course Fees	3462	396,354.42
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	38,407.45
Preschool Program Fees	3471	26,677.00
Prekindergarten Early Intervention Fees	3472	
School-Age Child Care Fees	3473	1,455,090.51
Other Schools, Courses, and Classes Fees	3479	56,549.00
<i>Miscellaneous Local:</i>		
Bus Fees	3491	
Transportation Services Rendered for School Activities	3492	264,981.58
Sale of Junk	3493	19,522.00
Receipt of Federal Indirect Cost Rate	3494	505,911.74
Other Miscellaneous Local Sources	3495	1,015,133.11
Impact Fees	3496	
Refunds of Prior Year's Expenditures	3497	86,236.63
Collections for Lost, Damaged, and Sold Textbooks	3498	17,473.90
Receipt of Food Service Indirect Costs	3499	120,000.00
Total Local	3400	53,854,620.40
<b>Total Revenues</b>	<b>3000</b>	<b>162,514,866.07</b>



**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, 2013

Exhibit K-1  
DOE Page 2  
**Fund 100**

EXPENDITURES	Account Number	100	200	300	400	500	600	700	Totals
		Salaries	Employee Benefits	Purchased Services	Energy Services	Materials and Supplies	Capital Outlay	Other	
<i>Current:</i>									
Instruction	5000	78,550,151.48	18,050,107.43	2,482,452.08	35.63	3,017,740.84	259,262.81	1,221,543.23	103,581,293.50
Student Personnel Services	6100	3,655,212.14	788,807.82	2,581,722.90		11,801.63	13,535.92	24,207.23	7,075,287.64
Instructional Media Services	6200	1,622,820.91	357,583.87	113,998.74		44,348.78	213,728.17	14,267.53	2,366,748.00
Instruction and Curriculum Development Services	6300	2,187,226.84	462,015.28	70,385.70		41,253.29	17,712.56	7,356.99	2,785,950.66
Instructional Staff Training Services	6400	369,824.11	69,607.45	250,242.67	970.26	31,901.10	9,563.33	83,654.29	815,763.21
Instructional-Related Technology	6500	1,863,913.42	481,203.45	56,679.71	5,756.33	8,490.49	1,154,860.88	9,267.83	3,580,172.11
Board	7100	162,248.50	38,473.31	286,463.18				2,000.00	489,184.99
General Administration	7200	416,556.92	110,875.49	45,136.85	25.20	3,672.56	7,428.31	39,732.81	623,428.14
School Administration	7300	9,683,591.98	2,233,280.67	114,289.53	58.60	74,744.99	19,473.78	42,265.76	12,167,705.31
Facilities Acquisition and Construction	7410						34,097.28		34,097.28
Fiscal Services	7500	796,468.06	169,457.84	126,658.26	417.77	14,944.11	3,995.06	961.00	1,112,902.10
Food Services	7600								0.00
Central Services	7700	1,089,049.23	601,039.56	750,303.75	1,682.52	14,595.67	2,675.04	1,913.75	2,461,259.52
Student Transportation Services	7800	1,826,884.41	593,774.15	8,213,391.45	1,895,607.53	613.02		620.49	12,530,891.05
Operation of Plant	7900	318,436.59	205,102.57	7,500,014.15	4,499,677.01	14,936.70	21,404.48	1,652.66	12,561,224.16
Maintenance of Plant	8100	1,872,261.52	592,181.69	899,178.43	53,940.33	411,507.41	253,843.99	16,436.90	4,099,350.27
Administrative Technology Services	8200	967,450.57	200,778.85	367,500.51		11,954.42	39,184.73	340.00	1,587,209.08
Community Services	9100	1,298,765.57	115,280.05	111,483.37	86,957.87		16,322.45	42,165.24	1,670,974.55
<i>Capital Outlay:</i>									
Facilities Acquisition and Construction	7420						1,396,874.10		1,396,874.10
Other Capital Outlay	9300								0.00
<i>Debt Service: (Function 9200)</i>									
Redemption of Principal	710								0.00
Interest	720								0.00
<b>Total Expenditures</b>		106,680,862.25	25,069,569.48	23,969,901.28	6,545,129.05	3,702,505.01	3,463,962.89	1,508,385.71	170,940,315.67
<b>Excess (Deficiency) of Revenues Over Expenditures</b>									(8,425,449.60)

**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, 2013

Exhibit K-1  
DOE Page 3  
**Fund 100**

<b>OTHER FINANCING SOURCES (USES) and CHANGES IN FUND BALANCES</b>	<b>Account Number</b>	
Loans	3720	
Sales of Capital Assets	3730	
Loss Recoveries	3740	83,647.27
<i>Transfers In:</i>		
From Debt Service Funds	3620	
From Capital Projects Funds	3630	4,428,237.56
From Special Revenue Funds	3640	
From Permanent Funds	3660	
From Internal Service Funds	3670	
From Enterprise Funds	3690	
Total Transfers In	3600	4,428,237.56
<i>Transfers Out: (Function 9700)</i>		
To Debt Service Funds	920	
To Capital Projects Funds	930	(5,640.00)
To Special Revenue Funds	940	(306,218.19)
To Permanent Funds	960	
To Internal Service Funds	970	
To Enterprise Funds	990	
Total Transfers Out	9700	(311,858.19)
<b>Total Other Financing Sources (Uses)</b>		4,200,026.64
<b>Net Change In Fund Balance</b>		(4,225,422.96)
Fund Balance, July 1, 2012	2800	19,343,601.19
Adjustments to Fund Balance	2891	
<i>Ending Fund Balance:</i>		
Nonspendable Fund Balance	2710	132,395.63
Restricted Fund Balance	2720	1,807,439.69
Committed Fund Balance	2730	2,596,063.94
Assigned Fund Balance	2740	584,365.04
Unassigned Fund Balance	2750	9,997,913.93
Total Fund Balance, June 30, 2013	2700	15,118,178.23

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

Exhibit K-2  
DOE Page 4  
**Fund 410**

For the Fiscal Year Ended June 30, 2013

<b>REVENUES</b>	<b>Account Number</b>	
<i>Federal Through State and Local:</i>		
School Lunch Reimbursement	3261	4,368,971.19
School Breakfast Reimbursement	3262	1,239,189.42
Afterschool Snack Reimbursement	3263	25,740.78
Child Care Food Program	3264	
USDA Donated Commodities	3265	328,482.87
Cash in Lieu of Donated Foods	3266	
Summer Food Service Program	3267	151,203.91
Fresh Fruit and Vegetable Program	3268	
Other Food Services	3269	56,050.00
Federal Through Local	3280	
Miscellaneous Federal Through State	3299	
Total Federal Through State and Local	3200	6,169,638.17
<i>State:</i>		
School Breakfast Supplement	3337	49,976.00
School Lunch Supplement	3338	60,841.00
Other Miscellaneous State Revenues	3399	4,134.00
Total State	3300	114,951.00
<i>Local:</i>		
Interest on Investments	3431	4,955.06
Gain on Sale of Investments	3432	
Net Increase (Decrease) in Fair Value of Investments	3433	
Gifts, Grants, and Bequests	3440	
Student Lunches	3451	1,490,689.88
Student Breakfasts	3452	496,896.63
Adult Breakfasts/Lunches	3453	157,717.75
Student and Adult a la Carte Fees	3454	2,463,691.74
Student Snacks	3455	
Other Food Sales	3456	105.00
Other Miscellaneous Local Sources	3495	124,107.88
Refunds of Prior Year's Expenditures	3497	
Total Local	3400	4,738,163.94
<b>Total Revenues</b>	<b>3000</b>	<b>11,022,753.11</b>

**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, 2013

Exhibit K-2  
DOE Page 5  
**Fund 410**

<b>EXPENDITURES (Function 7600/9300)</b>	<b>Account Number</b>	
Salaries	100	1,638.41
Employee Benefits	200	168.59
Purchased Services	300	10,655,739.89
Energy Services	400	356,602.87
Materials and Supplies	500	19,597.98
Capital Outlay	600	6,015.85
Other	700	120,000.00
Other Capital Outlay (Function 9300)	600	17,618.00
<b>Total Expenditures</b>		11,177,381.59
<b>Excess (Deficiency) of Revenues Over Expenditures</b>		(154,628.48)
<b>OTHER FINANCING SOURCES (USES) and CHANGES IN FUND BALANCES</b>		
Loans	3720	
Sale of Capital Assets	3730	
Loss Recoveries	3740	
<i>Transfers In:</i>		
From General Fund	3610	8,018.49
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	8,018.49
<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
<b>Total Other Financing Sources (Uses)</b>		8,018.49
<b>Net Change in Fund Balance</b>		(146,609.99)
Fund Balance, July 1, 2012	2800	1,835,146.96
Adjustments to Fund Balance	2891	
<i>Ending Fund Balance:</i>		
Nonspendable Fund Balance	2710	115,727.41
Restricted Fund Balance	2720	
Committed Fund Balance	2730	
Assigned Fund Balance	2740	1,572,809.56
Unassigned Fund Balance	2750	
Total Fund Balance, June 30, 2013	2700	1,688,536.97

**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, 2013

Exhibit K-3  
DOE Page 6  
**Fund 420**

<b>REVENUES</b>	<b>Account Number</b>	
<i>Federal Direct:</i>		
Workforce Investment Act	3170	
Community Action Programs	3180	
Reserve Officers Training Corps (ROTC)	3191	220,987.33
Miscellaneous Federal Direct	3199	2,710,709.53
Total Federal Direct	3100	2,931,696.86
<i>Federal Through State and Local:</i>		
Vocational Education Acts	3201	186,913.58
Medicaid	3202	
Workforce Investment Act	3220	
Teacher and Principal Training and Recruiting, Title II, Part A	3225	
Math and Science Partnerships, Title II Part B	3226	801,293.63
Drug-Free Schools	3227	
Individuals with Disabilities Education Act (IDEA)	3230	6,728,301.29
Elementary and Secondary Education Act, Title I	3240	4,041,402.94
Adult General Education	3251	233,320.31
Vocational Rehabilitation	3253	
Federal Through Local	3280	494,252.64
Emergency Immigrant Education Program	3293	
Miscellaneous Federal Through State	3299	115,761.07
Total Federal Through State and Local	3200	12,601,245.46
<i>State:</i>		
Other Miscellaneous State Revenues	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	
Refunds of Prior Year's Expenditures	3497	
Total Local	3400	0.00
<b>Total Revenues</b>	<b>3000</b>	<b>15,532,942.32</b>

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - SPECIAL REVENUE FUNDS - OTHER FEDERAL PROGRAMS (Continued)  
 For the Fiscal Year Ended June 30, 2013

Exhibit K-3  
 DOE Page 7

Fund 420

EXPENDITURES	Account Number	100 Salaries	200 Employee Benefits	300 Purchased Services	400 Energy Services	500 Materials and Supplies	600 Capital Outlay	700 Other	Totals
<i>Current:</i>									
Instruction	5000	4,920,215.83	1,349,047.75	905,647.67	377.80	333,961.67	291,437.23	121,040.57	7,921,728.52
Student Personnel Services	6100	410,791.03	113,999.18	1,477,949.01	305.35	42,672.83	16,122.54	12,670.00	2,074,509.94
Instructional Media Services	6200			19,059.10		1,812.00	15,678.41		36,549.51
Instruction and Curriculum Development Services	6300	2,339,081.10	504,767.10	49,807.62		11,833.28	6,171.27	2,172.64	2,913,833.01
Instructional Staff Training Services	6400	375,932.31	58,598.26	415,269.80		43,412.90	15,522.83	192,842.79	1,101,578.89
Instructional-Related Technology	6500	7,683.39	2,892.73	21,429.03		3,314.30	203,653.67	187.01	239,160.13
Board	7100								0.00
General Administration	7200			4,482.77				448,407.91	452,890.68
School Administration	7300	139,495.18	27,521.14	1,878.87		5,515.04	2,215.91	9,446.27	186,072.41
Facilities Acquisition and Construction	7410								0.00
Fiscal Services	7500								0.00
Food Services	7600								0.00
Central Services	7700	19,650.66	1,691.17	21,652.64				2,883.32	45,877.79
Student Transportation Services	7800			31,934.76				1,356.00	33,290.76
Operation of Plant	7900	28,708.80	9,872.53	1,084.44		369.01	4,029.44		44,064.22
Maintenance of Plant	8100						2,142.95		2,142.95
Administrative Technology Services	8200								0.00
Community Services	9100		3,185.12	2,386.50				660,421.22	665,992.84
<i>Capital Outlay:</i>									
Facilities Acquisition and Construction	7420						113,450.37		113,450.37
Other Capital Outlay	9300								0.00
<b>Total Expenditures</b>		8,241,558.30	2,071,574.98	2,952,582.21	683.15	442,891.03	670,424.62	1,451,427.73	15,831,142.02
<b>Excess (Deficiency) of Revenues over Expenditures</b>									(298,199.70)
<b>OTHER FINANCING SOURCES (USES) and CHANGES IN FUND BALANCES</b>									
Loans	3720								
Sales of Capital Assets	3730								
Loss Recoveries	3740								
<i>Transfers In:</i>									
From General Fund	3610	298,199.70							
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	298,199.70							
<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							
<b>Total Other Financing Sources (Uses)</b>		298,199.70							
<b>Net Change in Fund Balance</b>		0.00							
Fund Balance, July 1, 2012	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, 2013	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, 2013

Exhibit K-4  
DOE Page 8

REVENUES	Account Number	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
<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 Program	3212						0.00
Race to the Top	3214				511,242.04		511,242.04
Education Jobs Act	3215						0.00
Individuals with Disabilities Education Act (IDEA)	3230						0.00
Elementary and Secondary Education Act, Title I	3240						0.00
Adult General Education	3251						0.00
Other Food Services	3269						0.00
Miscellaneous Federal Through State	3299						0.00
Total Federal Through State	3200	0.00	0.00	0.00	511,242.04	0.00	511,242.04
<i>State:</i>							
Other Miscellaneous State Revenues	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
Refunds of Prior Year's Expenditures	3497						0.00
Total Local	3400	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Revenues</b>	<b>3000</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>511,242.04</b>	<b>0.00</b>	<b>511,242.04</b>

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - SPECIAL REVENUE FUNDS - ARRA RACE TO THE TOP (Continued)  
 For the Fiscal Year Ended June 30, 2013

Exhibit K-4

DOE Page 12

**Fund 434**

EXPENDITURES	Account Number	100 Salaries	200 Employee Benefits	300 Purchased Services	400 Energy Services	500 Materials and Supplies	600 Capital Outlay	700 Other	Totals
<i>Current:</i>									
Instruction	5000								0.00
Student Personnel Services	6100								0.00
Instructional Media Services	6200								0.00
Instruction and Curriculum Development Services	6300			49,066.63					49,066.63
Instructional Staff Training Services	6400	52,675.58	12,697.60	276,182.16		53,371.81		52,278.86	447,206.01
Instructional-Related Technology	6500								0.00
Board	7100								0.00
General Administration	7200							14,969.40	14,969.40
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
Student 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
<b>Total Expenditures</b>		52,675.58	12,697.60	325,248.79	0.00	53,371.81	0.00	67,248.26	511,242.04
<b>Excess (Deficiency) of Revenues over Expenditures</b>									0.00
<b>OTHER FINANCING SOURCES (USES) and CHANGES IN FUND BALANCES</b>									
Loans	3720								
Sales 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							
<b>Total Other Financing Sources (Uses)</b>		0.00							
<b>Net Change in Fund Balance</b>		0.00							
Fund Balance, July 1, 2012	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, 2013	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, 2013

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
<b>REVENUES</b>									
<i>Federal:</i>									
Miscellaneous Federal Direct	3199								0.00
Miscellaneous Federal Through State	3299								0.00
<i>State:</i>									
CO & DS Withheld for SBE/COBI Bonds	3322	831,990.97							831,990.97
SBE/COBI Bond Interest	3326	3,635.02							3,635.02
Racing Commission Funds	3341		223,250.00						223,250.00
Other Miscellaneous State Revenues	3399								0.00
Total State Sources	3300	835,625.99	223,250.00	0.00	0.00	0.00	0.00	0.00	1,058,875.99
<i>Local:</i>									
District Debt Service Taxes	3412								0.00
County Local Sales Tax	3418								0.00
School District Local Sales Tax	3419								0.00
Tax Redemptions	3421								0.00
Payment in Lieu of Taxes	3422								0.00
Excess Fees	3423								0.00
Interest on Investments	3431		2,124.56				1,996.87		4,121.43
Gain on Sale of Investments	3432								0.00
Net Increase (Decrease) in Fair Value of Investments	3433						29,440.21		29,440.21
Gifts, Grants, and Bequests	3440								0.00
Other Miscellaneous Local Sources	3495								0.00
Impact Fees	3496								0.00
Refunds of Prior Year's Expenditures	3497								0.00
Total Local Sources	3400	0.00	2,124.56	0.00	0.00	0.00	31,437.08	0.00	33,561.64
<b>Total Revenues</b>	3000	835,625.99	225,374.56	0.00	0.00	0.00	31,437.08	0.00	1,092,437.63
<b>EXPENDITURES</b>									
<i>Debt Service (Function 9200)</i>									
Redemption of Principal	710	610,000.00	150,000.00				1,720,000.00		2,480,000.00
Interest	720	237,735.79	44,950.00				1,929,314.86		2,212,000.65
Dues and Fees	730	8,042.67	500.00				10,850.00		19,392.67
Miscellaneous	790								0.00
<b>Total Expenditures</b>		855,778.46	195,450.00	0.00	0.00	0.00	3,660,164.86	0.00	4,711,393.32
<b>Excess (Deficiency) of Revenues Over Expenditures</b>		(20,152.47)	29,924.56	0.00	0.00	0.00	(3,628,727.78)	0.00	(3,618,955.69)
<b>OTHER FINANCING SOURCES (USES) and CHANGES IN FUND BALANCE</b>									
Issuance of Bonds	3710								0.00
Premium on Sale of Bonds	3791								0.00
Discount on Sale of Bonds (Function 9299)	891								0.00
Proceeds of Lease-Purchase Agreements	3750								0.00
Premium on Lease-Purchase Agreements	3793								0.00
Discount on Lease-Purchase Agreements (Function 9299)	893								0.00
Loans	3720								0.00
Proceeds of Forward Supply Contract	3760								0.00
Face Value of Refunding Bonds	3715								0.00
Premium on Refunding Bonds	3792								0.00
Discount on Refunding Bonds (Function 9299)	892								0.00
Payments to Refunded Bonds Escrow Agent (Function 9299)	761								0.00
Refunding Lease-Purchase Agreements	3755								0.00
Premium on Refunding Lease-Purchase Agreements	3794								0.00
Discount on Refunding Lease-Purchase Agmtns (Function 9299)	894								0.00
Payments to Refunded Lease-Purchase Escrow Agent (Function 9299)	762								0.00
<i>Transfers In:</i>									
From General Fund	3610								0.00
From Capital Projects Funds	3630						3,559,874.77		3,559,874.77
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	3,559,874.77	0.00	3,559,874.77
<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
<b>Total Other Financing Sources (Uses)</b>		0.00	0.00	0.00	0.00	0.00	3,559,874.77	0.00	3,559,874.77
<b>Net Change in Fund Balances</b>		(20,152.47)	29,924.56	0.00	0.00	0.00	(68,853.01)	0.00	(59,080.92)
Fund Balances, July 1, 2012	2800	135,889.72	773,919.41				1,410,229.13		2,320,038.26
Adjustments to Fund Balances	2891								0.00
<i>Ending Fund Balance:</i>									
Nonspendable Fund Balance	2710								0.00
Restricted Fund Balance	2720	115,737.25	803,843.97				1,341,376.12		2,260,957.34
Committed Fund Balance	2730								0.00
Assigned Fund Balance	2740								0.00
Unassigned Fund Balance	2750								0.00
<b>Total Fund Balances, June 30, 2013</b>	2700	115,737.25	803,843.97	0.00	0.00	0.00	1,341,376.12	0.00	2,260,957.34

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, 2013

Exhibit K-7  
 DOE Page 16

REVENUES	Account Number	Capital Outlay Bond Issues (COBI) 310	Special Act Bonds 320	Section 1011.14 & 1011.15, F.S. Loans 330	Public Education Capital Outlay (PECO) 340	District Bonds 350	Capital Outlay and Debt Service Program 360	Nonvoted Cap. Improvement Section 1011.71(2) F.S. 370	Voted Capital Improvement 380	Other Capital Projects 390	ARRA Economic Stimulus Capital Projects 399	Totals
<i>Federal:</i>												
Miscellaneous Federal Direct	3199											0.00
Miscellaneous Federal Through State	3299											0.00
<i>State:</i>												
CO&DS Distributed	3321						88,688.53					88,688.53
Interest on Undistributed CO&DS	3325						8,316.04					8,316.04
Racing Commission Funds	3341											0.00
Public Education Capital Outlay (PECO)	3391											0.00
Classrooms First Program	3392											0.00
School Infrastructure Thrift Program Act	3393											0.00
Effort Index Grants	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									48,507.00		48,507.00
Other Miscellaneous State Revenues	3399									86,613.95		86,613.95
Total State Sources	3300	0.00	0.00	0.00	0.00	0.00	97,004.57	0.00	0.00	135,120.95	0.00	232,125.52
<i>Local:</i>												
District Local Capital Improvement Tax	3413							11,084,435.10				11,084,435.10
County Local Sales Tax	3418									6,870,007.44		6,870,007.44
School District Local Sales Tax	3419											0.00
Tax Redemptions	3421											0.00
Payment in Lieu of Taxes	3422											0.00
Excess Fees	3423											0.00
Interest on Investments	3431	1.11			248.77		277.55	26,195.17		53,231.60		79,954.20
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									512,318.78		512,318.78
Impact Fees	3496											0.00
Total Local Sources	3400	1.11	0.00	0.00	248.77	0.00	277.55	11,110,630.27	0.00	7,435,557.82	0.00	18,546,715.52
<b>Total Revenues</b>	3000	1.11	0.00	0.00	248.77	0.00	97,282.12	11,110,630.27	0.00	7,570,678.77	0.00	18,778,841.04
<b>EXPENDITURES</b>												
<i>Capital Outlay (Function 7400)</i>												
Library Books	610											0.00
Audiovisual Materials	620											0.00
Buildings and Fixed Equipment	630							2,849,380.95		2,522,013.44		5,371,394.39
Furniture, Fixtures, and Equipment	640	512.90						779,779.57		193,943.65		974,236.12
Motor Vehicles (Including Buses)	650											0.00
Land	660							458,643.50				458,643.50
Improvements Other Than Buildings	670				316,910.32		18,977.85	295,778.51		359,678.51		991,345.19
Remodeling and Renovations	680						185,184.50	2,078,572.32		1,319,022.47		3,582,779.29
Computer Software	690											0.00
<i>Debt Service (Function 9200)</i>												
Redemption of Principal	710											0.00
Interest	720											0.00
Dues and Fees	730											0.00
Miscellaneous	790											0.00
<b>Total Expenditures</b>		512.90	0.00	0.00	316,910.32	0.00	204,162.35	6,462,154.85	0.00	4,394,658.07	0.00	11,378,398.49
<b>Excess (Deficiency) of Revenues Over Expenditures</b>		(511.79)	0.00	0.00	(316,661.55)	0.00	(106,880.23)	4,648,475.42	0.00	3,176,020.70	0.00	7,400,442.55

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, 2013

Exhibit K-7  
 DOE Page 17

OTHER FINANCING SOURCES (USES) and CHANGES IN FUND BALANCE	Account Number	Capital Outlay Bond Issues (COBI) 310	Special Act Bonds 320	Section 1011.14 & 1011.15 F.S. Loans 330	Public Education Capital Outlay (PECO) 340	District Bonds 350	Capital Outlay and Debt Service Program 360	Nonvoted Cap. Improvement Section 1011.71(2) F.S. 370	Voted Capital Improvement 380	Other Capital Projects 390	ARRA Economic Stimulus Capital Projects 399	Totals
Issuance of Bonds	3710											0.00
Premium on Sale of Bonds	3791											0.00
Discount on Sale of Bonds (Function 9299)	891											0.00
Proceeds of Lease-Purchase Agreements	3750											0.00
Premium on Lease-Purchase Agreements	3793											0.00
Discount on Lease-Purchase Agreements (Function 9299)	893											0.00
Loans	3720											0.00
Sale of Capital Assets	3730											0.00
Loss Recoveries	3740									1,216.11		1,216.11
Proceeds of Forward Supply Contract	3760											0.00
Proceeds from Special Facility Construction Account	3770											0.00
Transfers In:												
From General Fund	3610									5,640.00		5,640.00
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	5,640.00	0.00	5,640.00
Transfers Out: (Function 9700)												
To General Fund	910							(3,555,094.50)		(873,143.06)		(4,428,237.56)
To Debt Service Funds	920							(3,559,874.77)				(3,559,874.77)
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	(7,114,969.27)	0.00	(873,143.06)	0.00	(7,988,112.33)
Total Other Financing Sources (Uses)		0.00	0.00	0.00	0.00	0.00	0.00	(7,114,969.27)	0.00	(866,286.95)	0.00	(7,981,256.22)
Net Change in Fund Balances		(511.79)	0.00	0.00	(316,661.55)	0.00	(106,880.23)	(2,466,493.85)	0.00	2,309,733.75	0.00	(580,813.67)
Fund Balances, July 1, 2012	2800	511.79			366,876.64		206,386.80	7,136,137.09		13,099,083.77		20,808,996.09
Adjustments to Fund Balances	2891											0.00
Ending Fund Balance:												
Nonspendable Fund Balance	2710											0.00
Restricted Fund Balance	2720				50,215.09		99,506.57	4,669,643.24		15,408,817.52		20,228,182.42
Committed Fund Balance	2730											0.00
Assigned Fund Balance	2740											0.00
Unassigned Fund Balance	2750											0.00
Total Fund Balances, June 30, 2013	2700	0.00	0.00	0.00	50,215.09	0.00	99,506.57	4,669,643.24	0.00	15,408,817.52	0.00	20,228,182.42

**DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY**  
**SCHOOL INTERNAL FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
June 30, 2013

Exhibit K-11  
DOE Page 21  
**Fund 891**

<b>ASSETS</b>	Account Number	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
Cash	1110	3,012,817.83	7,846,572.36	7,842,676.35	3,016,713.84
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
<b>Total Assets</b>		3,012,817.83	7,846,572.36	7,842,676.35	3,016,713.84
<b>LIABILITIES</b>					
Accrued Salaries and Benefits	2110				0.00
Payroll Deductions and Withholdings	2170	130,241.50	402,947.73	409,012.06	124,177.17
Accounts Payable	2120	269,613.00			269,613.00
Due to Budgetary Funds	2161	5,616.74	13,709.25		19,325.99
Internal Accounts Payable	2290	2,607,346.59	7,429,915.38	7,433,664.29	2,603,597.68
<b>Total Liabilities</b>		3,012,817.83	7,846,572.36	7,842,676.35	3,016,713.84

**DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY**  
**SCHEDULE OF LONG-TERM LIABILITIES**  
June 30, 2013

Exhibit K-12  
DOE Page 22  
**Fund 601**

	Account Number	Governmental Activities Total Balance June 30, 2013 [1]	Business-Type Activities Total Balance June 30, 2013 [1]	Total	Governmental Activities - Debt Principal Payments 2012-13	Governmental Activities - Amounts Due Within One Year 2013-14	Business-Type Activities - Debt Principal Payments 2012-13	Business-Type Activities - Amounts Due Within One Year 2013-14
Notes Payable	2310			0.00				
Obligations Under Capital Leases	2315			0.00				
Bonds Payable								
SBE/COBI Bonds Payable	2321	4,455,000.00		4,455,000.00	610,000.00	635,000.00		
District Bonds Payable	2322	700,000.00		700,000.00	150,000.00	170,000.00		
Special Act Bonds Payable	2323			0.00				
Motor Vehicle License Revenue Bonds Payable	2324			0.00				
Sales Surtax Bonds Payable	2326			0.00				
Total Bonds Payable	2320	5,155,000.00	0.00	5,155,000.00	760,000.00	805,000.00	0.00	0.00
Liability for Compensated Absences	2330	18,717,462.04		18,717,462.04				
Lease-Purchase Agreements Payable								
Certificates of Participation (COPS) Payable	2341	40,326,748.60		40,326,748.60	1,720,000.00	1,795,000.00		
Qualified Zone Academy Bonds (QZAB) Payable	2342			0.00				
Qualified School Construction Bonds (QSCB) Payable	2343			0.00				
Build America Bonds (BAB) Payable	2344			0.00				
Other Lease-Purchase Agreements Payable	2349			0.00				
Total Lease-Purchase Agreements Payable	2340	40,326,748.60	0.00	40,326,748.60	1,720,000.00	1,795,000.00	0.00	0.00
Estimated Liability for Long-Term Claims	2350			0.00				
Other Post-Employment Benefits Liability	2360	3,346,673.00		3,346,673.00				
Estimated PECO Advance Payable	2370			0.00				
Other Long-Term Liabilities	2380			0.00				
<b>Total Long-Term Liabilities</b>		67,545,883.64	0.00	67,545,883.64	2,480,000.00	2,600,000.00	0.00	0.00

[1] Report carrying amount of total liability due within one year and due after one year on June 30, 2013, including discounts and premiums.

**DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY**  
**SCHEDULE OF CATEGORICAL PROGRAMS**  
**REPORT OF EXPENDITURES AND AVAILABLE FUNDS**  
For the Fiscal Year Ended June 30, 2013

Exhibit K-13  
DOE Page 23

CATEGORICAL PROGRAMS (Revenue Number) [Footnote]	Grant Number	Unexpended June 30, 2012	Returned To DOE	Revenues [3] 2012-13	Expenditures 2012-13	Flexibility [4] 2012-13	Unexpended June 30, 2013
Class Size Reduction Operating Funds (3355)	94740	0.00		26,342,734.00	26,342,734.00		0.00
Class Size Reduction Capital Outlay (3396)	91050						
Comprehensive K-12 Reading Plan (FEFP Earmark) [5]	90800	497,944.95		1,183,915.00	1,414,314.03		267,545.92
Excellent Teaching (3363)	90570	0.00					
Florida Teachers Lead Program (FEFP Earmark)	97580	0.00		306,123.00	306,123.00		0.00
Instructional Materials (FEFP Earmark) [1]	90880	782,398.14		1,910,458.00	1,710,187.40		982,668.74
Library Media (FEFP Earmark) [1]	90881	27,088.24		114,634.00	111,479.40		30,242.84
Preschool Projects (3372)	97950						
Public School Technology	90320	0.00					
Safe Schools (FEFP Earmark) [2]	90803	109,835.84		369,883.00	341,454.29		138,264.55
Salary Bonus Outstanding Teachers in D and F Schools	94030						
School Recognition Funds (3361)	92040	48,719.80		1,422,252.00	1,405,763.28		65,208.52
Supplemental Academic Instruction (FEFP Earmark) [5]	91280	210,240.03		7,680,238.00	7,714,178.44		176,299.59
Teacher Recruitment and Retention	93460	0.00					
Teacher Training	91290	10,876.52			7,016.39		3,860.13
Student Transportation (FEFP Earmark)	90830	0.00		5,327,256.00	5,327,256.00		0.00
Voluntary Prekindergarten - School Year Program (3371)	96440	88,947.17		192,715.84	173,594.71		108,068.30
Voluntary Prekindergarten - Summer Program (3371)	96441	57,425.93		77,049.51	99,230.65		35,244.79

[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 Fourth Calculation allocation.

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

[5] Expenditures for 100 lowest performing elementary schools should be included in expenditures.

**DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY**  
**SCHEDULE OF SELECTED SUBOBJECT EXPENDITURES**  
For the Fiscal Year Ended June 30, 2013

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
<b>ENERGY EXPENDITURES:</b>						
Natural Gas	411	139,172.68	6,199.40			145,372.08
Bottled Gas	421	12,254.90	1,467.95			13,722.85
Electricity	430	4,336,920.59	347,928.07			4,684,848.66
Heating Oil	440					0.00
<b>Total</b>		4,488,348.17	355,595.42	0.00	0.00	4,843,943.59
<b>ENERGY EXPENDITURES FOR STUDENT TRANSPORTATION:</b>						
Compressed Natural Gas	412					0.00
Liquefied Petroleum Gas	422					0.00
Gasoline	450	114,577.55				114,577.55
Diesel Fuel	460	1,781,029.98				1,781,029.98
Oil and Grease	540					0.00
<b>Total</b>		1,895,607.53		0.00	0.00	1,895,607.53

	Sub-Object	General Fund 100	Special Revenue Other Federal Programs 420	Special Revenue Federal Economic Stimulus Programs 430	Capital Projects Funds 3XX	Total
<b>EXPENDITURES FOR SCHOOL BUSES AND SCHOOL BUS REPLACEMENTS:</b>						
Buses	651					0.00
<b>EXPENDITURES FOR AUDIOVISUAL MATERIALS:</b>						
Audiovisual 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
<b>SUBAWARDS FOR INDIRECT COST RATE:</b>						
Subrecipient awards up to \$25,000	311	25,000.00	0.00	193,833.84	0.00	218,833.84
Subrecipient awards greater than \$25,000	312	39,000.00	0.00	519,789.16	0.00	558,789.16
Subrecipient awards up to \$25,000	391	0.00	0.00	0.00	0.00	0.00
Subrecipient awards greater than \$25,000	392	0.00	0.00	0.00	0.00	0.00

	Sub-Object	Special Revenue Food Services 410
<b>FOOD SERVICE SUPPLIES SUBOBJECT</b>		
Supplies	510	20,631.39
Food	570	348.88
Commodities	580	

**DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY**  
**SCHEDULE OF SELECTED SUBOBJECT EXPENDITURES**  
For the Fiscal Year Ended June 30, 2013

Exhibit K-14  
DOE Page 25

	Sub-Object	General Func 100	Special Revenue Other Federal Programs 420	Special Revenue Federal Economic Stimulus Programs 430	Total
<b>Teacher Salaries</b>					
Basic Programs 101, 102, and 103 (Function 5100)	120	49,637,016.00	354,958.00		49,991,974.00
Basic Programs 101, 102, and 103 (Function 5100)	140				0.00
Basic Programs 101, 102, and 103 (Function 5100)	750	991,828.00	13,161.00		1,004,989.00
<b>Total Basic Program Salaries</b>		50,628,844.00	368,119.00	0.00	50,996,963.00
Other Programs 130 (ESOL) (Function 5100)	120	626,236.00			626,236.00
Other Programs 130 (ESOL) (Function 5100)	140				0.00
Other Programs 130 (ESOL) (Function 5100)	750	12,673.00			12,673.00
<b>Total Other Program Salaries</b>		638,909.00	0.00	0.00	638,909.00
ESE Programs 111, 112, 113, 254, and 255 (Function 5200)	120	16,359,326.00	108,967.00		16,468,293.00
ESE Programs 111, 112, 113, 254, and 255 (Function 5200)	140				0.00
ESE Programs 111, 112, 113, 254, and 255 (Function 5200)	750	80,079.00			80,079.00
<b>Total ESE Program Salaries</b>		16,439,405.00	108,967.00	0.00	16,548,372.00
Career Program 300 (Function 5300)	120	1,188,442.00			1,188,442.00
Career Program 300 (Function 5300)	140				0.00
Career Program 300 (Function 5300)	750	31,791.00	9,440.00		41,231.00
<b>Total Career Program Salaries</b>		1,220,233.00	9,440.00	0.00	1,229,673.00
<b>TOTAL</b>		68,927,391.00	486,526.00	0.00	69,413,917.00

	Sub-Object	General Func 100	Special Revenue Other Federal Programs 420	Special Revenue Federal Economic Stimulus Programs 430	Total
<b>Textbooks (used for classroom instruction)</b>					
Textbooks (Function 5000)	520	1,845,059.05	64,051.16	0.00	1,909,110.21



**DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY**  
**SPECIFIC ACADEMIC CLASSROOM INSTRUCTION AND OTHER DATA COLLECTION**

For the Fiscal Year Ended June 30, 2013

Exhibit K-14

DOE Page 26

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

<b>Charter School Distributions - Object 390</b> (Distributions to charter schools are used in federal reporting)	<b>Object Number</b>	<b>Amount</b>
<i>Expenditures:</i>		
General Fund	390	1,049,472.89
Food Service Special Revenue Fund	390	0.00
Other Federal Programs Special Revenue Fund	390	0.00
Federal Economic Stimulus Special Revenue Funds	390	0.00
<b>Total Charter School Distributions</b>		1,049,472.89

<b>LIFELONG LEARNING:</b> (Lifelong Learning Expenditures are used in federal reporting)	<b>Account Number</b>	<b>Amount</b>
<i>Expenditures:</i>		
General Fund	5900	2,503,767.49
Other Federal Programs Special Revenue Fund	5900	508,616.39
Federal Economic Stimulus Special Revenue Funds	5900	0.00
<b>Total:</b>	5900	3,012,383.88

<b>MEDICAID EXPENDITURE REPORT</b> (Medicaid Expenditures are used in federal reporting)	<b>Unexpended July 1, 2012</b>	<b>Earnings 2012-2013</b>	<b>Expenditures 2012-2013</b>	<b>Unexpended June 30, 2013</b>
Earnings, Expenditures, and Carryforward Amounts:	100.00	452,855.08	448,057.00	4,898.08
<i>Expenditure Program or Activity:</i>				
Exceptional Student Education			60,661.88	
School Nurses and Health Care Services				
Occupational Therapy, Physical Therapy, and Other Therapy Services				
ESE Professional and Technical Services			352,995.12	
Gifted Student Education				
Staff Training and Curriculum Development			3,398.89	
Medicaid Administration and Billing Services			31,001.11	
Student Services				
Consultants				
Other				
Total Expenditures			448,057.00	

DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY  
VOLUNTARY PREKINDERGARTEN (VPK) PROGRAM  
For the Fiscal Year Ended June 30, 2013

Exhibit K-15

DOE Page 27

Supplemental Schedule - Fund 100

VOLUNTARY PREKINDERGARTEN PROGRAM [1] GENERAL FUND EXPENDITURES	Account Number	100	200	300	400	500	600	700	Totals
		Salaries	Employee Benefits	Purchased Services	Energy Services	Materials and Supplies	Capital Outlay	Other	
<i>Current:</i>									
Prekindergarten Instruction	5500	167,832.26	34,421.83	661.20		28,705.87	217.55	3,005.67	234,844.38
Student Personnel Services	6100			31.00					31.00
Instructional Media Services	6200								0.00
Instruction and Curriculum Development Services	6300								0.00
Instructional Staff Training Services	6400	1,092.25	109.89					160.66	1,362.80
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
Student Transportation Services	7800			75.00					75.00
Operation of Plant	7900								0.00
Maintenance of Plant	8100								0.00
Administrative Technology Services	8200								0.00
Community Services	9100	32,538.18	471.80	2,297.87		1,204.33			36,512.18
<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
<b>Total Expenditures</b>		201,462.69	35,003.52	3,065.07	0.00	29,910.20	217.55	3,166.33	272,825.36

[1] Include expenditures for the summer program (Section 1002.61, F.S.) and the school-year program (Section 1002.63, F.S.).

**SCHEDULE 5**  
**SUPPLEMENTARY SCHEDULE OF FEDERAL FINANCIAL**  
**ASSISTANCE PROGRAM EXPENDITURES**  
**For the Fiscal Year Ended June 30, 2013**

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
<b>United States Department of Agriculture:</b>				
Indirect:				
Child Nutrition Cluster:				
Florida Department of Education:				
School Breakfast Program	10.553	300	1,239,189.42	-
National School Lunch Program	10.555	321	4,394,711.97	-
Summer Food Service Program for Children	10.559	323	151,203.91	-
Florida Department of Agriculture and Consumer Services:				
National School Lunch Program	10.555 (2) (A)	300	573,365.93	-
<b>Total Child Nutrition Cluster</b>			6,358,471.23	-
Florida Department of Education:				
Team Nutrition Training Grants	10.574	301	12,374.41	
Fresh Fruit and Vegetable Program	10.582	330, 331	46,050.00	-
Florida Department of Financial Services:				
Schools and Roads - Grants to States	10.665	none	733.18	-
<b>Total United States Department of Agriculture</b>			6,417,628.82	-
<b>United States Department of Defense:</b>				
Direct:				
Air Force Junior Reserve Officers Training Corps	12	N/A	52,013.81	-
Navy Junior Reserve Officers Training Corps	12	N/A	222,566.22	-
<b>Total United States Department of Defense</b>			274,580.03	-
<b>United States Department of Labor:</b>				
Indirect:				
Workforce Escarosa, Inc.:				
WIA Youth Activities	17.259	none	471,893.58	-
<b>Total United States Department of Labor</b>			471,893.58	-
<b>United States Department of Energy:</b>				
Indirect:				
University of Central Florida				
ARRA - State Energy Program	81.041 (2) (B)	none	50,532.09	-
<b>Total United States Department of Energy</b>			50,532.09	-
<b>United States Department of Education:</b>				
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	5,611.06	-
Federal Pell Grant Program	84.063	N/A	433,507.91	-
<b>Total Student Financial Assistance Cluster</b>			444,821.97	-
Impact Aid	84.041	N/A	871,441.55	-
<b>Total Direct</b>			1,316,263.52	-

Indirect:

Special Education Cluster:

Florida Department of Education:				
Special Education - Grants to States	84.027	262,263	6,611,363.38	-
Special Education - Preschool Grants	84.173	267	116,855.27	-
Washington County District School Board:				
Special Education - Grants to States	84.027	none	10,332.82	
University of South Florida				
Special Education - Grants to States	84.027	none	12,133.19	-
<b>Total Special Education Cluster</b>			<b>6,750,684.66</b>	<b>-</b>

Florida Department of Education:

Adult Education - Basic Grants to States	84.002	191, 193	229,427.79	-
Title I Grants to Local Educational Agencies	84.010	212, 223, 226, 228	4,040,197.74	
Career and Technical Education - Basic Grants to States	84.048	161	186,488.58	-
Education for Homeless Children and Youth	84.196	127	87,258.20	
Even Start - State Educational Agencies	84.213	219	11,573.85	-
English Language Acquisition Grants	84.365	102	16,369.68	-
Improving Teacher Quality State Grants	84.367	224	801,293.63	-
			<b>5,372,609.47</b>	<b>-</b>

State Fiscal Stabilization Fund:

Florida Department of Education:

ARRA - State Fiscal Stabilization Fund - Race to the Top Incentive Grants, Recovery Act	84.395	111, 211, 311	511,242.04	-
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**Total Indirect**

12,634,536.17 -

**Total United States Department of Education**

13,950,799.69 -

**United States Department of Health and Human Services:**

Direct:

Head Start Cluster:

Head Start	93.600 (3)	none	2,265,825.06	-
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**Total United States Department of Health and Human Services**

2,265,825.06 -

**United States Department of Homeland Security:**

Indirect:

Florida Department of Community Affairs:

Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036 (4)	none	1,042.38	-
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**Total United States Department of Homeland Security**

1,042.38 -

**Total Expenditures of Federal Awards**

\$ 23,432,301.65 -

Notes: (1) Basis of Presentation. The Schedule of Expenditures of Federal Awards represents amounts expended from Federal Programs during the 2012-2013 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 \$1,262,284.70 for grant number/program year 04CH0384/22 and \$1,003,540.36 for grant number/program year 04CH0384/23.

(4) Disaster Grants - Public Assistance (Presidentially Declared Disasters). The amount disclosed as expenditures represents hurricane-loss recoveries for the 2012-13 fiscal year as follows: \$0.00 for large projects for which the District is required to make an accounting of eligible costs for each approved project; \$1,042.38 for small projects; and \$0.00 for allowable administrative costs.

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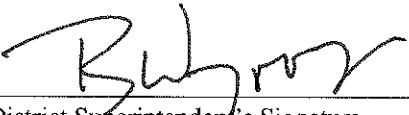
**FLORIDA DEPARTMENT OF EDUCATION  
SUPERINTENDENT'S ANNUAL FINANCIAL REPORT (ESE 145)  
DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY  
For the Fiscal Year Ended June 30, 2013**

Return completed form to:  
Department of Education  
Office of Funding and Financial Reporting  
325 W. Gaines St., Room 824  
Tallahassee, Florida 32399-0400

**CONTENTS:**

		<b>PAGE NUMBER</b>
		<u>Minimum Reporting</u>
Exhibit A-1	Management's Discussion and Analysis-----	1.1-1.7
Exhibit B-1	Statement of Net Position-----	2
Exhibit B-2	Statement of Activities-----	3
Exhibit C-1	Balance Sheet – Governmental Funds-----	4
Exhibit C-2	Reconciliation of the Governmental Funds Balance Sheet to the Government- wide Statement of Net Position-----	5
Exhibit C-3	Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds-----	6
Exhibit C-4	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-wide Statement of Activities-----	7
Exhibit C-5	Statement of Net Position – Proprietary Funds-----	8
Exhibit C-6	Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds-----	9 Not Used
Exhibit C-7	Statement of Cash Flows – Proprietary Funds-----	10 Not Used
Exhibit C-8	Statement of Fiduciary Net Position-----	11
Exhibit C-9	Statement of Changes in Fiduciary Net Position-----	12 Not Used
Exhibit C-10	Combining Statement of Net Position – Major and Nonmajor Component Units --	13
Exhibit C-11c	Combining Statement of Activities – Major and Nonmajor Component Units ----	16
Exhibit D-1	Notes to Financial Statements-----	18.1-18.21
Exhibit D-2	Schedule of Funding Progress-----	19-20
Exhibit E-1	Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund-----	21
Exhibit E-2c	Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Major Special Revenue Funds-----	24

The Superintendent's Annual Financial Report (ESE 145) for the fiscal year ended June 30, 2013, 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 13, 2013.

  
\_\_\_\_\_  
District Superintendent's Signature

9/13/13  
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, 2013. 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 2012-13 fiscal year are as follows:

- In total, net position decreased by \$2,347,300, or .98 percent.
- General revenues of the total governmental funds total \$195,544,402, or 93.28 percent of all revenues in the 2012-13 fiscal year, compared to \$188,919,988 or 93.00 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 \$14,094,997, or 6.72 percent of all revenue in the 2012-13 fiscal year, compared to \$14,214,560, or 7.00 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 \$9,997,914 at June 30, 2013, or 5.85 percent of total General Fund expenditures. In the 2011-12 fiscal year, the unassigned fund balance in the General Fund was \$13,807,320.

- During the 2012-13 fiscal year, General Fund expenditures exceeded revenues by \$8,425,450. This may be compared to the prior fiscal year's results in which General Fund expenditures exceeded revenues by \$11,470,313.

### 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 position 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 position 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 position, is a measure of the financial health of the District. The statement of activities presents information about the change in the District's net position, 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 four 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 Santa Rosa Education Foundation, Inc., the Learning Academy, Inc., and Capstone Academy 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 Capital Projects 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 position may serve over time as a useful indicator of a government's financial position. The following is a summary of the District's net position as of June 30, 2013, compared to net position as of June 30, 2012:

	Net Position, End of Year Governmental Activities		
	6/30/2013	6/30/2012	Increase (Decrease)
Current and Other Assets	\$44,020,552	\$50,375,734	(\$6,355,182)
Capital Assets	265,283,217	265,426,591	(143,374)
Total Assets	309,303,769	315,802,325	(6,498,556)
Long-Term Liabilities	67,545,884	70,353,886	(2,808,002)
Other Liabilities	4,724,697	6,067,951	(1,343,254)
Total Liabilities	72,270,581	76,421,837	(4,151,256)
Invested in Capital Assets - Net of Debt	223,295,500	221,033,402	2,262,098
Restricted	29,297,941	23,357,906	5,940,035
Unrestricted	(15,560,253)	(5,010,820)	(10,549,433)
Total Net Position	\$237,033,188	\$239,380,488	(\$2,347,300)

The largest portion of the District's net position 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 position 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 position for the fiscal years ended June 30, 2013, and June 30, 2012, are as follows:

<b>Operating Results for the Year</b>			
	Governmental Activities		
	6-30-13	6-30-12	Increase (Decrease)
<b>Program Revenues:</b>			
Charges for Services	6,867,891	6,934,797	(66,906)
Operating Grants and Contributions	6,280,455	6,182,848	97,607
Capital Grants and Contributions	946,651	1,096,915	(150,264)
<b>General Revenues:</b>			
Property Taxes, Levied for Operational Purposes	49,656,586	52,404,893	(2,748,307)
Property Taxes, Levied for Capital Projects	11,084,435	11,264,162	(179,727)
Local Sales Tax	6,870,007	6,473,971	396,036
Grants and Contributions Not Restricted to Specific Programs	125,078,432	116,792,770	8,285,662
Unrestricted Investment Earnings	231,495	269,324	(37,829)
Miscellaneous	2,623,446	3,461,055	(837,609)
Special Item - Grant Reimbursement	0	(1,746,187)	1,746,187
<b>Total Revenues</b>	<b>209,639,399</b>	<b>203,134,548</b>	<b>6,504,851</b>
<b>Functions/Program Expenses:</b>			
Instruction	111,710,705	111,318,614	392,091
Pupil Personnel Services	9,192,655	8,987,144	205,511
Instructional Media Services	2,456,306	2,443,363	12,943
Instruction and Curriculum Development Services	5,851,983	5,904,570	(52,587)
Instructional Staff Training Services	2,311,538	2,453,027	(141,489)
Instruction Related Technology	4,382,608	3,619,251	763,357
Board of Education	486,844	395,905	90,939
General Administration	1,094,374	1,069,727	24,647
School Administration	12,326,692	12,421,968	(95,276)
Facilities Acquisition and Construction	1,246,931	1,482,830	(235,899)
Fiscal Services	1,112,208	1,121,542	(9,334)
Food Services	11,255,482	11,087,778	167,704
Central Services	2,536,704	2,250,844	285,860
Pupil Transportation Services	12,533,415	12,464,142	69,273
Operation of Plant	12,601,241	12,248,048	353,193
Maintenance of Plant	7,594,319	7,421,846	172,473
Administrative Technology Services	1,665,019	1,637,395	27,624
Community Services	2,382,598	2,080,844	301,754
Interest on Long-Term Debt	2,171,393	2,290,471	(119,078)
Unallocated Depreciation Expense*	7,073,684	6,773,521	300,163
<b>Total Expenses</b>	<b>211,986,699</b>	<b>209,472,830</b>	<b>2,513,869</b>
<b>Increase (Decrease) in Net Position</b>	<b>(2,347,300)</b>	<b>(6,338,282)</b>	<b>3,990,982</b>
<b>Beginning Net Position</b>	<b>239,380,488</b>	<b>245,718,770</b>	<b>(6,338,282)</b>
<b>Ending Net Position</b>	<b>\$237,033,188</b>	<b>\$239,380,488</b>	<b>(\$2,347,300)</b>

\* 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 59.66 percent of total governmental revenues in 2012-13 fiscal year. Grants and contributions not restricted to specific programs increased \$8,285,662 or 7.09 percent, primarily due to increases in Florida Education Finance Program (FEFP) funding, class size reduction funds, and school recognition funds.

Instructional expenditures represent 52.70 percent of total governmental expenditures in the 2012-13 fiscal year.

## 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 2012-13 fiscal year, unassigned fund balance of the General Fund is \$9,997,914, while the total fund balance is \$15,118,178. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total expenditures. Unassigned fund balance represents 5.85 percent of total General Fund expenditures, while total fund balance represents 8.84 percent of total General Fund expenditures.

The District's General Fund's total fund balance for the 2012-13 fiscal year decreased by \$4,225,423, or 21.84 percent, as compared to the prior fiscal year. Key factors of this change are as follows:

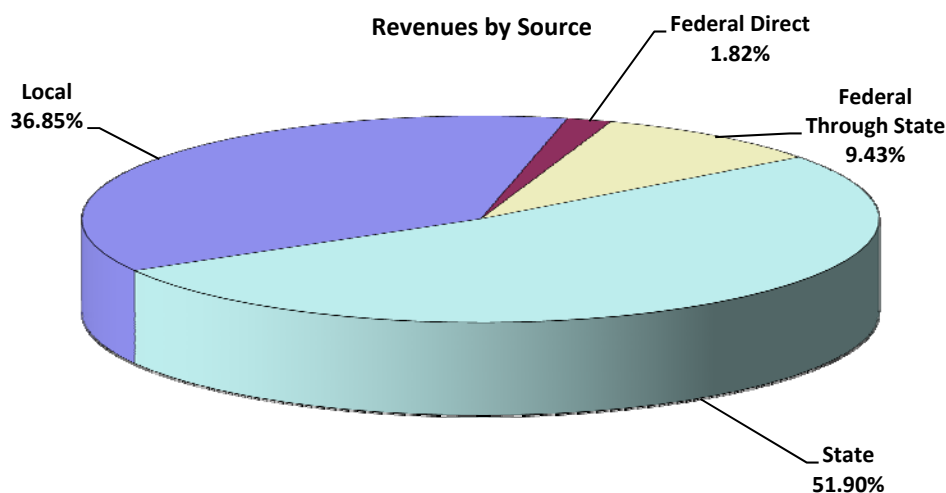
- Total expenditures increased by \$2,331,813, or 1.38 percent, mainly due to salary increases.
- Total revenues increased by \$5,376,676, or 3.42 percent, mainly due to an increase in FEFP funds.

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 \$511,242 during the 2012-13 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 \$4,669,643.24, which is restricted for the acquisition, construction and maintenance of capital assets. The fund balance decreased by \$2,466,494.76, or 34.56 percent, during the 2012-13 fiscal year, primarily due to the decrease in tax roll.

The Capital Projects – Other Capital Projects Fund has a total fund balance of \$15,408,817.52, which is restricted for financial resources generated by various capital funding sources. The fund balance increased by \$2,309,733.52, or 17.63 percent, during the 2012-13 fiscal year, primarily due to an increase in sales tax revenue.

In the governmental funds, revenues by source for the 2012-13 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 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 increased by \$8,001,893, or 7.95 percent, primarily due to increases in FEFP funding, class size reduction funds, and school recognition funds.

## **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 2012-13 fiscal year, the District amended its General Fund budget several times, which resulted in budgeted expenditures increasing \$2,796,084, or 1.59 percent. At the same time, final budgeted revenues decreased by \$425,603, or 0.26 percent. These budget amendments resulted in a final budgeted ending fund balance of \$6,934,252, which was 31.63 percent less than the ending fund balance included in the original budget.

Actual revenues were \$186,969 more than the final budgeted amounts, whereas actual expenditures were \$8,002,598 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 \$8,183,926. Circumstances contributing to the higher fund balance include: unspent categorical and school based budget monies and the District's implemented hiring freeze.

## **CAPITAL ASSETS AND LONG-TERM DEBT**

### **Capital Assets**

The District's investment in capital assets for its governmental activities as of June 30, 2013, amounts to \$265,283,217 (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 2012-13 fiscal year included classroom additions and cafeteria expansions. New construction projects include classroom additions, cafeteria expansions/renovations, ball field houses, and press box renovations.

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, 2013, the District has total long-term debt outstanding of \$45,481,749. This amount is comprised of \$5,155,000 of bonds payable and \$40,326,749 of certificates of participation payable. During the 2012-13 fiscal year, retirement of debt totaled \$2,529,365.

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

## **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 POSITION**  
**June 30, 2013**

	Account Number	Primary Government		Component Units
		Governmental Activities	Total	Total Nonmajor Component Units
<b>ASSETS</b>				
<i>Current Assets</i>				
Cash and Cash Equivalents	1110	41,067,584.19	41,067,584.19	182,216.18
Investments	1160	213,021.06	213,021.06	0.00
Taxes Receivable, Net	1120	26,069.41	26,069.41	0.00
Accounts Receivable, Net	1130	37,559.20	37,559.20	53,041.12
Interest Receivable on Investments	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	2,428,195.37	2,428,195.37	0.00
Internal Balances			0.00	0.00
Inventory	1150	248,123.04	248,123.04	0.00
Prepaid Items	1230		0.00	5,154.00
Total Current Assets		44,020,552.27	44,020,552.27	240,411.30
<i>Noncurrent Assets:</i>				
Cash with Fiscal/Service Agents	1114		0.00	0.00
Other Post-Employment Benefits Asset	1410		0.00	0.00
Section 1011.13, F.S. Loan Proceeds	1420		0.00	0.00
Investments	1460		0.00	0.00
Total Noncurrent Assets		0.00	0.00	0.00
<i>Capital Assets:</i>				
Land	1310	7,317,359.70	7,317,359.70	185,000.00
Land Improvements - Nondepreciable	1315	4,361,890.67	4,361,890.67	0.00
Construction in Progress	1360	3,103,685.17	3,103,685.17	0.00
Improvements Other Than Buildings	1320	24,406,578.21	24,406,578.21	267,386.00
Less Accumulated Depreciation	1329	(13,888,070.35)	(13,888,070.35)	(201,175.00)
Buildings and Fixed Equipment	1330	337,707,138.85	337,707,138.85	1,100.00
Less Accumulated Depreciation	1339	(105,681,591.05)	(105,681,591.05)	(1,100.00)
Furniture, Fixtures and Equipment	1340	16,596,143.00	16,596,143.00	276,801.00
Less Accumulated Depreciation	1349	(9,769,404.33)	(9,769,404.33)	(119,987.00)
Motor Vehicles	1350	3,774,157.00	3,774,157.00	8,735.00
Less Accumulated Depreciation	1359	(3,326,430.34)	(3,326,430.34)	(8,735.00)
Property Under Capital Lease	1370		0.00	0.00
Less Accumulated Depreciation	1379		0.00	0.00
Audiovisual 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	5,406,629.00	5,406,629.00	0.00
Less Accumulated Amortization	1389	(4,720,233.11)	(4,720,233.11)	0.00
Other Capital Assets, Net of Depreciation		250,500,281.51	250,500,281.51	223,025.00
Total Capital Assets		265,283,217.05	265,283,217.05	408,025.00
Total Assets		309,303,769.32	309,303,769.32	648,436.30
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Accumulated Decrease in Fair Value of Hedging Derivatives	1910		0.00	0.00
Total Deferred Outflows of Resources		0.00	0.00	0.00
<b>LIABILITIES</b>				
<i>Current Liabilities:</i>				
Accrued Salaries and Benefits	2110	2,422,103.26	2,422,103.26	9,375.89
Payroll Deductions and Withholdings	2170	1,127,589.96	1,127,589.96	0.00
Accounts Payable	2120	571,757.51	571,757.51	23,546.00
Judgments Payable	2130		0.00	0.00
Construction Contracts Payable	2140		0.00	0.00
Construction Contracts Payable - Retained Percentage	2150	160,031.39	160,031.39	0.00
Sales Tax Payable	2260		0.00	0.00
Due to Fiscal Agent	2240		0.00	0.00
Accrued Interest Payable	2210		0.00	0.00
Deposits Payable	2220	137,468.49	137,468.49	0.00
Due to Other Agencies	2230	859.50	859.50	69,554.00
Current Notes Payable	2250		0.00	0.00
Deferred Revenues	2410		0.00	149.00
Estimated Unpaid Claims - Self-Insurance Program	2271	304,887.20	304,887.20	0.00
Estimated Liability for Claims Adjustment	2272		0.00	0.00
Estimated Liability for Arbitrage Rebate	2280		0.00	0.00
Total Current Liabilities		4,724,697.31	4,724,697.31	102,624.89
<i>Long-Term Liabilities</i>				
<i>Portion Due Within One Year:</i>				
Notes Payable	2310		0.00	0.00
Obligations Under Capital Leases	2315		0.00	21,748.00
Bonds Payable	2320	805,000.00	805,000.00	0.00
Liability for Compensated Absences	2330	5,503,511.30	5,503,511.30	0.00
Lease-Purchase Agreements Payable	2340	1,795,000.00	1,795,000.00	0.00
Estimated Liability for Long-Term Claims	2350		0.00	0.00
Other Post-Employment Benefits Liability	2360		0.00	0.00
Estimated PECO Advance Payable	2370		0.00	0.00
Estimated Liability for Arbitrage Rebate	2280		0.00	0.00
Due Within One Year		8,103,511.30	8,103,511.30	21,748.00
<i>Portion Due After One Year:</i>				
Notes Payable	2310		0.00	0.00
Obligations Under Capital Leases	2315		0.00	11,155.00
Bonds Payable	2320	4,350,000.00	4,350,000.00	0.00
Liability for Compensated Absences	2330	13,213,950.74	13,213,950.74	0.00
Lease-Purchase Agreements Payable	2340	38,531,748.60	38,531,748.60	0.00
Estimated Liability for Long-Term Claims	2350		0.00	0.00
Other Post-Employment Benefits Liability	2360	3,346,673.00	3,346,673.00	0.00
Estimated PECO Advance Payable	2370		0.00	0.00
Estimated Liability for Arbitrage Rebate	2280		0.00	0.00
Due in More than One Year		59,442,372.34	59,442,372.34	11,155.00
Total Long-Term Liabilities		67,545,883.64	67,545,883.64	32,903.00
Total Liabilities		72,270,580.95	72,270,580.95	135,527.89
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Accumulated Increase in Fair Value of Hedging Derivatives	2610		0.00	0.00
Total Deferred Inflows of Resources		0.00	0.00	0.00
<b>NET POSITION</b>				
Net Investment in Capital Assets	2770	223,295,500.49	223,295,500.49	222,951.00
<i>Restricted For:</i>				
Categorical Carryover Programs	2780	1,807,439.69	1,807,439.69	0.00
Food Service	2780	1,572,809.56	1,572,809.56	0.00
Debt Service	2780	2,260,957.34	2,260,957.34	0.00
Capital Projects	2780	20,228,182.42	20,228,182.42	0.00
Other Purposes	2780	3,428,552.02	3,428,552.02	114,035.28
Unrestricted	2790	(15,560,253.15)	(15,560,253.15)	175,922.13
Total Net Position		237,033,188.37	237,033,188.37	512,908.41

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

**DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY**  
**STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2013**

FUNCTIONS	Account Number	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
			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	111,710,705.31	1,993,808.38			(109,716,896.93)		(109,716,896.93)	
Student Personnel Services	6100	9,192,654.80				(9,192,654.80)		(9,192,654.80)	
Instructional Media Services	6200	2,456,305.94				(2,456,305.94)		(2,456,305.94)	
Instruction and Curriculum Development Services	6300	5,851,982.64				(5,851,982.64)		(5,851,982.64)	
Instructional Staff Training Services	6400	2,311,538.45				(2,311,538.45)		(2,311,538.45)	
Instructional-Related Technology	6500	4,382,607.94				(4,382,607.94)		(4,382,607.94)	
Board	7100	486,843.67				(486,843.67)		(486,843.67)	
General Administration	7200	1,094,374.03				(1,094,374.03)		(1,094,374.03)	
School Administration	7300	12,326,692.32				(12,326,692.32)		(12,326,692.32)	
Facilities Acquisition and Construction	7400	1,246,931.49			946,651.06	(300,280.43)		(300,280.43)	
Fiscal Services	7500	1,112,208.39				(1,112,208.39)		(1,112,208.39)	
Food Services	7600	11,255,482.38	4,609,101.00	6,280,455.17		(365,926.21)		(365,926.21)	
Central Services	7700	2,536,703.61				(2,536,703.61)		(2,536,703.61)	
Student Transportation Services	7800	12,533,414.54	264,981.58			(12,268,432.96)		(12,268,432.96)	
Operation of Plant	7900	12,601,240.63				(12,601,240.63)		(12,601,240.63)	
Maintenance of Plant	8100	7,594,318.70				(7,594,318.70)		(7,594,318.70)	
Administrative Technology Services	8200	1,665,018.88				(1,665,018.88)		(1,665,018.88)	
Community Services	9100	2,382,598.04				(2,382,598.04)		(2,382,598.04)	
Interest on Long-Term Debt	9200	2,171,393.32				(2,171,393.32)		(2,171,393.32)	
Unallocated Depreciation/Amortization Expense*		7,073,683.99				(7,073,683.99)		(7,073,683.99)	
<b>Total Governmental Activities</b>		211,986,699.07	6,867,890.96	6,280,455.17	946,651.06	(197,891,701.88)		(197,891,701.88)	
<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	
<b>Total Business-Type Activities</b>		0.00	0.00	0.00	0.00		0.00	0.00	
<b>Total Primary Government</b>		211,986,699.07	6,867,890.96	6,280,455.17	946,651.06	(197,891,701.88)	0.00	(197,891,701.88)	
<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		1,629,804.47	0.00	321,180.92	44,573.00				(1,264,050.55)
<b>Total Component Units</b>		1,629,804.47	0.00	321,180.92	44,573.00				(1,264,050.55)

**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 Position**

Net Position - July 1, 2012

Net Position - June 30, 2013

49,656,586.16		49,656,586.16	0.00
		0.00	0.00
11,084,435.10		11,084,435.10	0.00
6,870,007.44		6,870,007.44	0.00
125,078,432.13		125,078,432.13	1,290,081.00
231,495.15		231,495.15	92.50
2,623,446.27		2,623,446.27	2,299.46
		0.00	0.00
		0.00	0.00
		0.00	0.00
195,544,402.25	0.00	195,544,402.25	1,292,472.96
(2,347,299.63)	0.00	(2,347,299.63)	28,422.41
239,380,488.00		239,380,488.00	484,486.00
237,033,188.37	0.00	237,033,188.37	512,908.41

\*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, 2013

	Account Number	General 100	Federal Economic Stimulus Programs 430	Nonvoted Capital Improvement Section 1011.71(2), F.S. 370	Other Capital Projects 390	Other Governmental Funds	Total Governmental Funds
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>							
<b>ASSETS</b>							
Cash and Cash Equivalents	1110	18,501,105.34	(8,935.62)	4,806,734.44	15,105,172.63	2,663,507.40	41,067,584.19
Investments	1160	26,578.00	0.00	0.00	0.00	186,443.06	213,021.06
Taxes Receivable, Net	1120	21,309.73	0.00	4,759.68	0.00	0.00	26,069.41
Accounts Receivable, Net	1130	20,956.19	0.00	11,356.50	5,246.51	0.00	37,559.20
Interest Receivable on Investments	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	0.00	0.00	0.00	0.00	0.00	0.00
Internal Funds	1142	0.00	0.00	0.00	0.00	0.00	0.00
Due From Other Agencies	1220	65,788.77	10,598.20	7,344.90	607,991.34	1,736,472.16	2,428,195.37
Inventory	1150	132,395.63	0.00	0.00	0.00	115,727.41	248,123.04
Prepaid Items	1230	0.00	0.00	0.00	0.00	0.00	0.00
<i>Restricted Assets</i>							
Cash with Fiscal/Service Agents	1114	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Assets</b>		18,768,133.66	1,662.58	4,830,195.52	15,718,410.48	4,702,150.03	44,020,552.27
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Accumulated Decrease in Fair Value of Hedging Derivatives	1910	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Deferred Outflows of Resources</b>		0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Assets and Deferred Outflows of Resources</b>		18,768,133.66	1,662.58	4,830,195.52	15,718,410.48	4,702,150.03	44,020,552.27
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accrued Salaries and Benefits	2110	2,183,451.24	1,295.25	0.00	0.00	237,356.77	2,422,103.26
Payroll Deductions and Withholdings	2170	1,026,755.91	367.33	0.00	0.00	100,466.72	1,127,589.96
Accounts Payable	2120	134,171.08	0.00	93,213.45	216,900.40	127,472.58	571,757.51
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	67,338.83	92,692.56	0.00	160,031.39
Sales Tax Payable	2260	0.00	0.00	0.00	0.00	0.00	0.00
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
Accrued Interest Payable	2210	0.00	0.00	0.00	0.00	0.00	0.00
Deposits Payable	2220	304,887.20	0.00	0.00	0.00	137,468.49	442,355.69
Due to Other Agencies	2230	690.00	0.00	0.00	0.00	169.50	859.50
Current 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	0.00	0.00	0.00	0.00	0.00
Internal Funds	2162	0.00	0.00	0.00	0.00	0.00	0.00
<i>Deferred Revenues:</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
<b>Total Liabilities</b>		3,649,955.43	1,662.58	160,552.28	309,592.96	602,934.06	4,724,697.31
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Accumulated Increase in Fair Value of Hedging Derivatives	2610	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Deferred Inflows of Resources</b>		0.00	0.00	0.00	0.00	0.00	0.00
<b>FUND BALANCES</b>							
<i>Nonspendable:</i>							
Inventory	2711	132,395.63	0.00	0.00	0.00	115,727.41	248,123.04
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	0.00	0.00	0.00	0.00	0.00	0.00
<i>Total Nonspendable Fund Balance</i>	2710	132,395.63	0.00	0.00	0.00	115,727.41	248,123.04
<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	1,807,439.69	0.00	0.00	0.00	0.00	1,807,439.69
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	2,260,957.34	2,260,957.34
Capital Projects	2726	0.00	0.00	4,669,643.24	15,408,817.52	149,721.66	20,228,182.42
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	1,807,439.69	0.00	4,669,643.24	15,408,817.52	2,410,679.00	24,296,579.45
<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 School Based Budgets	2739	143,490.26	0.00	0.00	0.00	0.00	143,490.26
Committed for Board Approved Carryover	2739	2,452,573.68	0.00	0.00	0.00	0.00	2,452,573.68
<i>Total Committed Fund Balance</i>	2730	2,596,063.94	0.00	0.00	0.00	0.00	2,596,063.94
<i>Assigned to:</i>							
Special Revenue	2741	0.00	0.00	0.00	0.00	1,572,809.56	1,572,809.56
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 Fund	2744	0.00	0.00	0.00	0.00	0.00	0.00
Assigned for Office and Fee Based Budgets	2749	584,365.04	0.00	0.00	0.00	0.00	584,365.04
Assigned for _____	2749	0.00	0.00	0.00	0.00	0.00	0.00
<i>Total Assigned Fund Balance</i>	2740	584,365.04	0.00	0.00	0.00	1,572,809.56	2,157,174.60
<i>Total Unassigned Fund Balance</i>	2750	9,997,913.93	0.00	0.00	0.00	0.00	9,997,913.93
<b>Total Fund Balances</b>	2700	15,118,178.23	0.00	4,669,643.24	15,408,817.52	4,099,215.97	39,295,854.96
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>		18,768,133.66	1,662.58	4,830,195.52	15,718,410.48	4,702,150.03	44,020,552.27

**DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION**  
**For the Fiscal Year Ended June 30, 2013**

<b>Total Fund Balances - Governmental Funds</b>	\$ 39,295,854.96
Amounts reported for <i>governmental activities</i> in the statement of net position 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.	\$ 265,283,217.05
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.	<u>\$ (67,545,883.64)</u>
<b>Total Net Position - Governmental Activities</b>	<u><u>\$ 237,033,188.37</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, 2013**

	Account Number	General 100	Federal Economic Stimulus Programs 430	Nonvoted Capital Improvement Section 1011.71(2), F.S. 370	Other Capital Projects 390	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
Federal Direct	3100	871,441.55	0.00	0.00	0.00	2,931,696.86	3,803,138.41
Federal Through State and Local	3200	484,660.03	511,242.04	0.00	0.00	18,770,883.63	19,766,785.70
State Sources	3300	107,304,144.09	0.00	0.00	135,120.95	1,270,831.56	108,710,096.60
<i>Local Sources:</i>							
Property Taxes Levied, Tax Redemptions, and Excess Fees for Operational Purposes	3411, 3421, 3423	49,673,717.43	0.00	0.00	0.00	0.00	49,673,717.43
Property Taxes Levied, Tax Redemptions, and Excess Fees for Debt Service	3412, 3421, 3423	0.00	0.00	0.00	0.00	0.00	0.00
Property Taxes Levied, Tax Redemptions, and Excess Fees for Capital Projects	3413, 3421, 3423	0.00	0.00	11,084,435.10	0.00	0.00	11,084,435.10
Local Sales Taxes	3418, 3419	0.00	0.00	0.00	6,870,007.44	0.00	6,870,007.44
Charges for Service - Food Service	345X	0.00	0.00	0.00	0.00	4,609,101.00	4,609,101.00
Impact Fees	3496	0.00	0.00	0.00	0.00	0.00	0.00
Other Local Revenue		4,180,902.97	0.00	26,195.17	565,550.38	163,152.01	4,935,800.53
Total Local Sources	3400	53,854,620.40	0.00	11,110,630.27	7,435,557.82	4,772,253.01	77,173,061.50
<b>Total Revenues</b>		162,514,866.07	511,242.04	11,110,630.27	7,570,678.77	27,745,665.06	209,453,082.21
<b>EXPENDITURES</b>							
<i>Current:</i>							
Instruction	5000	103,581,293.50	0.00	0.00	0.00	7,921,728.52	111,503,022.02
Student Personnel Services	6100	7,075,287.64	0.00	0.00	0.00	2,074,509.94	9,149,797.58
Instructional Media Services	6200	2,366,748.00	0.00	0.00	0.00	36,549.51	2,403,297.51
Instruction and Curriculum Development Services	6300	2,785,950.66	49,066.63	0.00	0.00	2,913,833.01	5,748,850.30
Instructional Staff Training Services	6400	815,763.21	447,206.01	0.00	0.00	1,101,578.89	2,364,548.11
Instructional-Related Technology	6500	3,580,172.11	0.00	0.00	0.00	239,160.13	3,819,332.24
Board	7100	489,184.99	0.00	0.00	0.00	0.00	489,184.99
General Administration	7200	623,428.14	14,969.40	0.00	0.00	452,890.68	1,091,288.22
School Administration	7300	12,167,705.31	0.00	0.00	0.00	186,072.41	12,353,777.72
Facilities Acquisition and Construction	7410	34,097.28	0.00	1,268,197.44	462,646.93	182,116.97	1,947,058.62
Fiscal Services	7500	1,112,902.10	0.00	0.00	0.00	0.00	1,112,902.10
Food Services	7600	0.00	0.00	0.00	0.00	11,159,763.59	11,159,763.59
Central Services	7700	2,461,259.52	0.00	0.00	0.00	45,877.79	2,507,137.31
Student Transportation Services	7800	12,530,891.05	0.00	0.00	0.00	33,290.76	12,564,181.81
Operation of Plant	7900	12,561,224.16	0.00	0.00	0.00	44,064.22	12,605,288.38
Maintenance of Plant	8100	4,099,350.27	0.00	576,779.72	632,148.34	8,997.95	5,317,276.28
Administrative Technology Services	8200	1,587,209.08	0.00	0.00	0.00	0.00	1,587,209.08
Community Services	9100	1,670,974.55	0.00	0.00	0.00	665,992.84	2,336,967.39
<i>Debt Service: (Function 9200)</i>							
Retirement of Principal	710	0.00	0.00	0.00	0.00	2,480,000.00	2,480,000.00
Interest	720	0.00	0.00	0.00	0.00	2,212,000.65	2,212,000.65
Dues and Fees	730	0.00	0.00	0.00	0.00	19,392.67	19,392.67
Miscellaneous	790	0.00	0.00	0.00	0.00	0.00	0.00
<i>Capital Outlay:</i>							
Facilities Acquisition and Construction	7420	1,396,874.10	0.00	4,617,177.69	3,186,122.58	428,943.97	9,629,118.34
Other Capital Outlay	9300	0.00	0.00	0.00	113,740.22	34,738.00	148,478.22
<b>Total Expenditures</b>		170,940,315.67	511,242.04	6,462,154.85	4,394,658.07	32,241,502.50	214,549,873.13
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>		(8,425,449.60)	0.00	4,648,475.42	3,176,020.70	(4,495,837.44)	(5,096,790.92)
<b>OTHER FINANCING SOURCES (USES)</b>							
Issuance of Bonds	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	891	0.00	0.00	0.00	0.00	0.00	0.00
Proceeds of Lease-Purchase Agreements	3750	0.00	0.00	0.00	0.00	0.00	0.00
Premium on Lease-Purchase Agreements	3793	0.00	0.00	0.00	0.00	0.00	0.00
Discount on Lease-Purchase Agreements	893	0.00	0.00	0.00	0.00	0.00	0.00
Loans	3720	0.00	0.00	0.00	0.00	0.00	0.00
Sale of Capital Assets	3730	0.00	0.00	0.00	0.00	0.00	0.00
Loss Recoveries	3740	83,647.27	0.00	0.00	1,216.11	0.00	84,863.38
Proceeds of Forward Supply Contract	3760	0.00	0.00	0.00	0.00	0.00	0.00
Proceeds from Special Facility Construction Account	3770	0.00	0.00	0.00	0.00	0.00	0.00
Face Value of Refunding Bonds	3715	0.00	0.00	0.00	0.00	0.00	0.00
Premium on Refunding Bonds	3792	0.00	0.00	0.00	0.00	0.00	0.00
Discount on Refunding Bonds	892	0.00	0.00	0.00	0.00	0.00	0.00
Refunding Lease-Purchase Agreements	3755	0.00	0.00	0.00	0.00	0.00	0.00
Premium on Refunding Lease-Purchase Agreements	3794	0.00	0.00	0.00	0.00	0.00	0.00
Discount on Refunding Lease-Purchase Agreements	894	0.00	0.00	0.00	0.00	0.00	0.00
Payments to Refunding Escrow Agent (Function 9299)	760	0.00	0.00	0.00	0.00	0.00	0.00
Transfers In	3600	4,428,237.56	0.00	0.00	5,640.00	3,866,092.96	8,299,970.52
Transfers Out	9700	(311,858.19)	0.00	(7,114,969.27)	(873,143.06)	0.00	(8,299,970.52)
<b>Total Other Financing Sources (Uses)</b>		4,200,026.64	0.00	(7,114,969.27)	(866,286.95)	3,866,092.96	84,863.38
<b>SPECIAL ITEMS</b>							
		0.00	0.00	0.00	0.00	0.00	0.00
<b>EXTRAORDINARY ITEMS</b>							
		0.00	0.00	0.00	0.00	0.00	0.00
<b>Net Change in Fund Balances</b>		(4,225,422.96)	0.00	(2,466,493.85)	2,309,733.75	(629,744.48)	(5,011,927.54)
Fund Balances, July 1, 2012	2800	19,343,601.19	0.00	7,136,137.09	13,099,083.77	4,728,960.45	44,307,782.50
Adjustment to Fund Balances	2891	0.00	0.00	0.00	0.00	0.00	0.00
Fund Balances, June 30, 2013	2700	15,118,178.23	0.00	4,669,643.24	15,408,817.52	4,099,215.97	39,295,854.96

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 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, 2013**

<b>Net Change in Fund Balances - Governmental Funds</b>	\$ (5,011,927.54)
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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.	\$ 413,529.39
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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.	\$ (467,189.18)
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Revenues reported in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	\$ (13,706.57)
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Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. 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.	\$ 2,480,000.00
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Correct bonds payable amount on books	\$ 60,000.00
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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
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Expenses in the statement of activities that do not require the use of current financial resources are not reported in the governmental funds.	\$ 186,845.67
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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.	\$ (44,216.00)
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<b>Change in Net Position of Governmental Activities</b>	<u><u>\$ (2,347,299.63)</u></u>
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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, 2013**

	Account Number	Total Agency Funds 89X
<b>ASSETS</b>		
Cash and Cash Equivalents	1110	3,016,713.84
Investments	1160	0.00
Accounts Receivable, Net	1130	0.00
Interest Receivable on Investments	1170	0.00
Due From Budgetary Funds	1141	0.00
Inventory	1150	0.00
Due From Other Agencies	1220	0.00
<b>Total Assets</b>		3,016,713.84
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Accumulated Decrease in Fair Value of Hedging Derivatives	1910	
<b>Total Deferred Outflows of Resources</b>		
<b>LIABILITIES</b>		
Accrued Salaries and Benefits	2110	0.00
Payroll Deductions and Withholdings	2170	124,177.17
Accounts Payable	2120	269,613.00
Due to Other Agencies	2230	
Due to Budgetary Funds	2161	19,325.99
Internal Accounts Payable	2290	2,603,597.68
<b>Total Liabilities</b>		3,016,713.84
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Accumulated Increase in Fair Value of Hedging Derivatives	2610	
<b>Total Deferred Inflows of Resources</b>		
<b>NET POSITION</b>		
Held in Trust for Pension Benefits		
Held in Trust for Scholarships and Other Purposes		
<b>Total Net Position</b>		

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 POSITION**  
**MAJOR AND NONMAJOR COMPONENT UNITS**  
**June 30, 2013**

	Account Number	Total Nonmajor Component Units	Total Component Units
<b>ASSETS</b>			
<i>Current Assets:</i>			
Cash and Cash Equivalents	1110	182,216.18	182,216.18
Investments	1160	0.00	0.00
Taxes Receivable, Net	1120	0.00	0.00
Accounts Receivable, Net	1130	53,041.12	53,041.12
Interest Receivable on Investments	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	0.00	0.00
Internal Balances		0.00	0.00
Inventory	1150	0.00	0.00
Prepaid Items	1230	5,154.00	5,154.00
Total Current Assets		240,411.30	240,411.30
<i>Noncurrent Assets:</i>			
Cash with Fiscal/Service Agents	1114	0.00	0.00
Other Post-Employment Benefits Asset	1410	0.00	0.00
Section 1011.13, F.S. Loan Proceeds	1420	0.00	0.00
Investments	1460	0.00	0.00
Total Noncurrent Assets		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	(201,175.00)	(201,175.00)
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	276,801.00	276,801.00
Less Accumulated Depreciation	1349	(119,987.00)	(119,987.00)
Motor Vehicles	1350	8,735.00	8,735.00
Less Accumulated Depreciation	1359	(8,735.00)	(8,735.00)
Property Under Capital Lease	1370	0.00	0.00
Less Accumulated Depreciation	1379	0.00	0.00
Audiovisual 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
Other Capital Assets, Net of Depreciation		223,025.00	223,025.00
Total Capital Assets		408,025.00	408,025.00
<b>Total Assets</b>		<b>648,436.30</b>	<b>648,436.30</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Accumulated Decrease in Fair Value of Hedging Derivatives	1910	0.00	0.00
<b>Total Deferred Outflows of Resources</b>		<b>0.00</b>	<b>0.00</b>
<b>LIABILITIES</b>			
<i>Current Liabilities:</i>			
Accrued Salaries and Benefits	2110	9,375.89	9,375.89
Payroll Deductions and Withholdings	2170	0.00	0.00
Accounts Payable	2120	23,546.00	23,546.00
Judgments Payable	2130	0.00	0.00
Construction Contracts Payable	2140	0.00	0.00
Construction Contracts Payable - Retained Percentage	2150	0.00	0.00
Sales Tax Payable	2260	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	69,554.00	69,554.00
Current Notes Payable	2250	0.00	0.00
Deferred Revenues	2410	149.00	149.00
Estimated Unpaid Claims - Self-Insurance Program	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
Total Current Liabilities		102,624.89	102,624.89
<i>Long-Term Liabilities</i>			
<i>Portion Due Within One Year:</i>			
Notes Payable	2310	0.00	0.00
Obligations Under Capital Leases	2315	21,748.00	21,748.00
Bonds Payable	2320	0.00	0.00
Liability for Compensated Absences	2330	0.00	0.00
Lease-Purchase Agreements Payable	2340	0.00	0.00
Estimated Liability for Long-Term Claims	2350	0.00	0.00
Other Post-Employment Benefits Liability	2360	0.00	0.00
Estimated PECO Advance Payable	2370	0.00	0.00
Estimated Liability for Arbitrage Rebate	2280	0.00	0.00
Due within One Year		21,748.00	21,748.00
<i>Portion Due After One Year:</i>			
Notes Payable	2310	0.00	0.00
Obligations Under Capital Leases	2315	11,155.00	11,155.00
Bonds Payable	2320	0.00	0.00
Liability for Compensated Absences	2330	0.00	0.00
Lease-Purchase Agreements Payable	2340	0.00	0.00
Estimated Liability for Long-Term Claims	2350	0.00	0.00
Other Post-Employment Benefits Liability	2360	0.00	0.00
Estimated PECO Advance Payable	2370	0.00	0.00
Estimated Liability for Arbitrage Rebate	2280	0.00	0.00
Due in More than One Year		11,155.00	11,155.00
Total Long-Term Liabilities		32,903.00	32,903.00
<b>Total Liabilities</b>		<b>135,527.89</b>	<b>135,527.89</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Accumulated Increase in Fair Value of Hedging Derivatives	2610	0.00	0.00
<b>Total Deferred Inflows of Resources</b>		<b>0.00</b>	<b>0.00</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	2770	222,951.00	222,951.00
<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	114,035.28	114,035.28
Unrestricted	2790	175,922.13	175,922.13
<b>Total Net Position</b>		<b>512,908.41</b>	<b>512,908.41</b>

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, 2013**

FUNCTIONS	Account Number	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Component Units Activities
<i>Component Unit Activities:</i>						
Instruction	5000	723,426.00	0.00	0.00	0.00	(723,426.00)
Student 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	1,100.00	0.00	0.00	0.00	(1,100.00)
Instructional-Related Technology	6500	0.00	0.00	0.00	0.00	0.00
Board	7100	6,850.00	0.00	0.00	0.00	(6,850.00)
General Administration	7200	9,358.00	0.00	0.00	0.00	(9,358.00)
School Administration	7300	231,407.00	0.00	0.00	0.00	(231,407.00)
Facilities Acquisition and Construction	7400	0.00	0.00	0.00	0.00	0.00
Fiscal Services	7500	63,254.00	0.00	0.00	0.00	(63,254.00)
Food Services	7600	20,397.00	0.00	0.00	0.00	(20,397.00)
Central Services	7700	47,976.00	0.00	0.00	0.00	(47,976.00)
Student Transportation Services	7800	69,718.00	0.00	0.00	0.00	(69,718.00)
Operation of Plant	7900	108,964.00	0.00	0.00	44,573.00	(64,391.00)
Maintenance of Plant	8100	1,667.00	0.00	0.00	0.00	(1,667.00)
Administrative Technology Services	8200	0.00	0.00	0.00	0.00	0.00
Community Services	9100	295,452.47	0.00	321,180.92	0.00	25,728.45
Interest on Long-Term Debt	9200	4,373.00	0.00	0.00	0.00	(4,373.00)
Unallocated Depreciation/Amortization Expense*		30,862.00				(30,862.00)
<b>Total Component Unit Activities</b>		1,629,804.47	0.00	321,180.92	44,573.00	(1,264,050.55)

**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 Position**

Net Position - July 1, 2012  
Net Position - June 30, 2013

0.00
0.00
0.00
0.00
1,290,081.00
92.50
2,299.46
0.00
0.00
0.00
1,292,472.96
28,422.41
484,486.00
512,908.41

\*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, 2013**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

➤ **Reporting Entity**

The District School Board of Santa Rosa County, Florida 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. and the Capstone Academy (Charter Schools) are not-for-profit corporations organized pursuant to Chapter 617, Florida Statutes, the Florida Not for Profit Corporation Act, and Section 1002.33, Florida Statutes. The Charter Schools operate under a charter approved by their sponsor, the Santa Rosa County District School Board. The Charter Schools are considered to be a component unit of the District since they are fiscally dependent on the District to levy taxes for their support.



The financial data reported on the accompanying statements was derived from the Foundation's and Charter Schools' audited financial statements for the fiscal year ended June 30, 2013. 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 Position 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 Capital Projects – 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 financial resources of the District’s flexible benefits plan and the school internal funds, which are used to administer moneys collected at 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.

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned, or unassigned resources are available for use in governmental fund financial statements, it is the District’s policy to use committed resources first, followed by assigned resources, and then unassigned resources as they are needed.

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

The Foundation 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 Charter Schools are accounted for as governmental organizations and follow 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.

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, 2013, 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 1.11845939 at June 30, 2013. 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 Position but are not reported in the governmental fund financial statements. Capital assets are defined by the District as assets costing more than \$1,000, except for buildings and improvements other than buildings which are defined as assets 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. Capital assets shall be depreciated over their estimated useful lives. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets lives are not capitalized. Interest costs incurred during construction of capital assets are not considered material and are not capitalized as part of the 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 Position. Debt premiums and discounts are deferred and amortized over the life of the debt using the effective interest method. Debt is 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 debt premiums and discounts, as well as debt issuance costs, during the current fiscal year. The face amount of debt issued is reported as other financing sources while premiums and discounts on debt issuances are reported as other financing sources and uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

In the government-wide financial statements, compensated absences (i.e., paid absences for employee vacation leave and sick leave) are recorded 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 District's 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 these educational program revenues be accounted for in the General Fund. A portion of the fund balance of the General Fund is restricted 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 2012 tax levy on September 06, 2012. 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 funds 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.
- Budgets are prepared using the same modified accrual basis as is used to account for governmental funds.
- Budgetary information is integrated into the accounting system, and, to facilitate budget control, budget balances are encumbered when purchase orders are issued. Appropriations lapse at fiscal year-end, and encumbrances outstanding are honored from the subsequent year's appropriations.

## 3. INVESTMENTS

Investments at June 30, 2013, are shown below:

Investments	Maturities	Fair Value
State Board of Administration:		
Florida PRIME (1) (2)	40 Day Average	\$2,481,661.92
Fund B Surplus Funds Trust Fund (Fund B) (2)	3.98 Year Average	97,283.81
Debt Service Accounts	6 Months	115,737.25
Certificates of Deposit (1)	August 23, 2012	20,000.00
Total Investments, Primary Government		<u>\$2,714,682.98</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 2006 and 2009 holds all or part of these investments in trust accounts as follows: Florida PRIME, \$949,164.74 and Fund B \$70,705.81.

### Interest Rate Risk

- Interest risk rate is the risk that changes in interest rates will adversely affect the fair value of an investment. 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 40 days at June 30, 2013. 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 3.98 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, 2013. However, because Fund B consists of restructured or defaulted securities, there is considerable uncertainty regarding the WAL.

#### Credit Risk

- Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. 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, 2013, 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 as required by Chapter 280, Florida Statutes.

#### Custodial Credit Risk

- Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. 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.

## Concentration of Credit Risk

- Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District does not have a formal policy that limits the amount the District may invest in any one issuer.

The District had investments that represent 5 percent or more of total investments in certain instrumentalities at June 30, 2013 as follows:

Issuer	Fair Value	Percent of Total Cash Cash and Investments, <u>Primary Government</u>
State Board of Administration:		
Florida PRIME	\$2,481,661.92	6%



#### 4. CHANGES IN CAPITAL ASSETS

Changes in capital assets for the year ended June 30, 2013 are shown below:

	Balance 07/01/2012	Additions	Deletions	Balance 06/30/2013
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 6,847,359.70	\$ 470,000.00	\$ -	\$ 7,317,359.70
Land Improvements - Nondepreciable	3,905,807.69	456,082.98	-	4,361,890.67
Construction in Progress	15,991,109.43	5,357,141.98	18,244,566.24	3,103,685.17
Total Capital Assets Not Being Depreciated	26,744,276.82	6,283,224.96	18,244,566.24	14,782,935.54
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	23,252,681.09	1,153,897.12		24,406,578.21
Buildings and Fixed Equipment	318,686,163.91	19,424,662.94	403,688.00	337,707,138.85
Furniture, Fixtures, and Equipment	16,257,460.00	1,550,154.00	1,211,471.00	16,596,143.00
Motor Vehicles	3,763,108.00	68,997.00	57,948.00	3,774,157.00
Audio Visual Materials and Computer Software	5,393,644.00	514,417.00	494,061.00	5,414,000.00
Total Capital Assets Being Depreciated	367,353,057.00	22,712,128.06	2,167,168.00	387,898,017.06
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	13,004,340.96	883,479.19	(250.20)	13,888,070.35
Buildings and Fixed Equipment	98,130,258.73	7,898,287.37	346,955.05	105,681,591.05
Furniture, Fixtures, and Equipment	9,375,296.36	1,568,493.71	1,174,385.74	9,769,404.33
Motor Vehicles	3,218,974.56	121,198.34	13,742.56	3,326,430.34
Audio Visual Materials and Computer Software	4,982,397.65	213,513.63	463,671.80	4,732,239.48
Total Accumulated Depreciation	128,711,268.26	10,684,972.24	1,998,504.95	137,397,735.55
Total Capital Assets Being Depreciated, Net	238,641,788.74	12,027,155.82	168,663.05	250,500,281.51
Governmental Activities Capital Assets, Net	\$ 265,386,065.56	\$ 18,310,380.78	\$ 18,413,229.29	\$ 265,283,217.05

Depreciation expense was charged to functions as follows:

Function	Amount
<b>GOVERNMENTAL ACTIVITIES</b>	
Instruction	\$ 317,789.12
Pupil Personnel Services	20,940.74
Instructional Media Services	25,047.18
Instruction and Curriculum Development	20,554.82
Instructional Staff Training	85,248.90
Instruction Related Technology	509,501.42
General Administration	2,000.76
School Administration	5,939.68
Fiscal Services	4,341.87
Food Services	99,157.65
Central Services	28,095.38
Pupil Transportation Services	7,825.58
Operation of Plant	13,132.58
Maintenance of Plant	2,030,151.17
Administrative Technology Services	77,323.84
Community Services	17,532.71
Unallocated	7,073,683.99
Total Depreciation Expense - Governmental Activities	\$10,338,267.39

## 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, 2013:

Series	Original Amount	Principal Paid to Date	Balance
2006-1	\$12,370,000.00	\$2,235,000.00	\$10,135,000.00
2006-2	18,870,000.00	0.00	18,870,000.00
2009	12,585,000.00	1,950,000.00	10,635,000.00
			<u>\$39,640,000.00</u>

As a condition of the financing arrangements, the District has given ground leases on District property to the Leasing Corporation.

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 leases 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 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>
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	3,636,534.24	2,110,000.00	1,526,534.24
2019-2023	18,132,975.67	11,945,000.00	6,187,975.67
2024-2028	14,617,414.00	11,245,000.00	3,372,414.00
2029-2031	<u>7,409,787.50</u>	<u>6,695,000.00</u>	<u>714,787.50</u>
Total Minimum Lease Payments	58,385,196.09	39,640,000.00	18,745,196.09
Plus: Unamortized Premium	<u>686,748.60</u>	<u>686,748.60</u>	
Total Certificates of Participation	<u>\$ 59,071,944.69</u>	<u>\$ 40,326,748.60</u>	<u>\$ 18,745,196.09</u>

## 6. BONDS PAYABLE

Bonds payable at June 30, 2013, are as follows:

<u>Bond Type</u>	<u>Amount Outstanding</u>	<u>Interest Rates (Percent)</u>	<u>Annual Maturity To</u>
State School Bonds:			
Series 2004A	150,000	3.35 - 4.625	2024
Series 2005A	1,810,000	4.0 - 5.0	2025
Series 2005B, Refunding	545,000	5.0	2018
Series 2006A	230,000	4.0 - 4.625	2026
Series 2009A, Refunding	275,000	3.0 - 5.0	2019
Series 2010A	1,010,000	3.0 – 5.0	2030
Series 2011A, Refunding	435,000	3.0 – 5.0	2023
District Revenue Bonds:			
Racetrack, Series 1996	<u>700,000</u>	5.8	2016
Total Bonds Payable	<u>\$5,155,000</u>		

Annual requirements to amortize all bonded debt outstanding as of June 30, 2013, are as follows:

Fiscal Year Ending June 30	Total	Principal	Interest
<b>State School Bonds:</b>			
2014	\$ 844,257.50	\$ 635,000.00	209,257.50
2015	797,707.50	620,000.00	177,707.50
2016	806,897.50	660,000.00	146,897.50
2017	794,085.00	680,000.00	114,085.00
2018	370,297.50	290,000.00	80,297.50
2019-2023	1,081,843.75	825,000.00	256,843.75
2024-2028	649,012.50	550,000.00	99,012.50
2029-2030	206,800.00	195,000.00	11,800.00
<b>Total State School Bonds</b>	<b>5,550,901.25</b>	<b>4,455,000.00</b>	<b>1,095,901.25</b>
<b>District Revenue Bonds:</b>			
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
<b>Total District Revenue Bonds</b>	<b>784,100.00</b>	<b>700,000.00</b>	<b>84,100.00</b>
<b>Total</b>	<b>\$ 6,335,001.25</b>	<b>\$ 5,155,000.00</b>	<b>\$ 1,180,001.25</b>

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 \$784,100 of pari-mutuel tax revenues in connection with the revenue bonds. During the 2012-2013 fiscal year, the District recognized pari-mutuel tax revenues totaling \$223,250 and expended \$195,450 (88 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.

## 7. CHANGES IN LONG-TERM LIABILITIES

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

Description	Balance 07/01/2012	Additions	Deductions	Balance 06/30/2013	Due in One Year
Certificates of Participation	\$41,360,000.00	\$0.00	\$1,720,000.00	\$39,640,000.00	\$1,795,000.00
Unamortized Premium on Certificates	736,113.20	0.00	49,364.60	686,748.60	49,364.60
Total Certificates of Participation Payable	42,096,113.20	0.00	1,769,364.60	40,326,748.60	1,844,364.60
Bonds Payable	5,915,000.00	0.00	760,000.00	5,155,000.00	805,000.00
Compensated Absences Payable	18,904,307.71	6,430,698.67	6,617,544.34	18,717,462.04	5,503,511.30
Other Postemployment Benefits Payable	3,302,457.00	858,464.00	814,248.00	3,346,673.00	0.00
Total	<u>\$70,217,877.91</u>	<u>\$7,289,162.67</u>	<u>\$9,961,156.94</u>	<u>\$67,545,883.64</u>	<u>\$8,152,875.90</u>

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

## 8. INTERFUND TRANSFERS

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

Funds		Interfund	
		Transfers In	Transfers Out
Major	General	\$4,428,237.56	\$311,858.19
	Capital Projects:		
	Capital Improvement		7,114,969.27
	Other	5,640.00	873,143.06
Nonmajor Governmental		<u>3,866,092.96</u>	
Total		<u>\$8,299,970.52</u>	<u>\$8,299,970.52</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 schools, to pay for network infrastructure, and to pay for upgrades to tennis courts. The District made transfers to the nonmajor governmental funds to facilitate debt service payments on certificates of participation, payments of school recognition bonuses to food service personnel, and to cover District's portion of ROTC.

## 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 2013-14 fiscal year budget as a result of purchase orders outstanding at June 30, 2013.

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 2012-2013 fiscal year:

<u>Source</u>	<u>Amount</u>
Florida Education Finance Program	\$ 77,881,854.35
Class Size Reduction Categorical	26,342,734.00
Workforce Development	1,506,958.00
School Recognition	1,422,252.00
Motor Vehicle License Tax (Capital Outlay and Debt Service)	946,651.06
Food Service Supplement	114,951.00
Charter School Capital Outlay	48,507.00
State License Tax	31,166.98
Workforce Education Performance Incentive	22,479.00
Adults with Disabilities	18,796.80
Miscellaneous	373,746.41
Total	<u><u>\$ 108,710,096.60</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 2012 tax roll for the 2012-2013 fiscal year:

<u>GENERAL FUND</u>	<u>Millages</u>	<u>Taxes Levied</u>
Nonvoted School Tax:		
Required Local Effort	5.520	\$44,960,968.27
Basic Discretionary Local Effort	0.748	6,092,537.01
<u>CAPITAL PROJECTS FUNDS</u>		
Nonvoted Tax:		
Local Capital Improvements	<u>1.400</u>	<u>11,403,144.13</u>
Total	<u><u>7.668</u></u>	<u><u>\$62,456,649.41</u></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 (Investment).

Employees in the Plan, prior to July 01, 2011, vest at 6 years of service. All vested members are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, which may include up to 4 years of credit for military service. Employees enrolled in the Plan on or after July 01, 2011, vest at 8 years of service and 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 the Investment in lieu of the Plan. District employees participating in DROP are not eligible to participate in the Investment. Employer contributions are defined by law; however, the ultimate benefit depends in part on the performance of investment funds. The Investment 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 the Investment 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 2012-2013 fiscal year, contribution rates were as follows:

Class or Plan	Percent of Gross Salary	
	Employee	Employer (A)
Florida Retirement System, Regular	3.00	5.18
Florida Retirement System, Elected County Officers	3.00	10.23
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes	0.00	5.44
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 the Investment.

(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, 2013, June 30, 2012, and June 30, 2011, totaled \$5,805,790.77, \$5,322,460.01, and \$11,750,736.93, respectively, which were equal to the required contributions for each fiscal year. There were 422 Investment participants during the 2012-2013 fiscal year. Required contributions made to the Investment totaled \$613,710.69.

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 supplemental information, actuarial report, and other relevant information, is available from the Florida Department of Management Services, Division of Retirement.

All members of the FRS, except for DROP participants and reemployed retirees, who are not eligible for renewed membership, are required to contribute three percent of compensation to the FRS.

### **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. As of July 01, 2012, 276 retirees received other postemployment benefits. The District provided required contributions of \$814,248 toward the annual OPEB cost, comprised of benefit payments made on behalf of retirees, and net of retiree contributions totaling \$3,113,824, which represents 5.0 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:

<u>Description</u>	<u>Amount</u>
Normal Cost (service cost for one year)	\$ 382,547
Amortization of Unfunded Actuarial Accrued Liability (UAAL)	534,801
Interest on Normal Cost and Amortization	-
Annual Required Contribution	917,348
Interest on Net OPEB Obligation	132,098
Adjustment to Annual Required Contribution	(190,982)
Annual OPEB Cost (Expense)	858,464
Contributions Made	(814,248)
Increase (Decrease) in Net OPEB Obligation	44,216
Net OPEB Obligation, Beginning of Year	3,302,457
Net OPEB Obligation, End of Year	\$ 3,346,673

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, 2013, and the previous two fiscal years were as follows:

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Amount Contributed</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
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
6/30/2013	\$858,464	\$814,248	94.85%	\$3,346,673

**Funded Status and Funding Progress.** As of July 01, 2012, the most recent valuation date, the actuarial accrued liability for benefits was \$9,247,801, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$9,247,801 and a funded ratio of 0 percent. The covered payroll (annual payroll of active participating employees) was \$64,129,466, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 14.4 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.

Benefit liabilities are valued as of July 01, 2011. These liabilities are adjusted forward to July 1, 2012 under a “roll-forward” as allowed under GASB 45. The District’s OPEB actuarial valuation as of July 1, 2012, used the unit credit actuarial cost method to estimate the unfunded actuarial liability as of June 30, 2013, and to estimate the District’s 2012-2013 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 7.0 percent for the 2012-2013 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, 2013, 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
Chumuckla Elementary - Kitchen/Cafeteria/Music/Art Addition	\$2,497,698.46	\$602,073.61	\$1,895,624.85
Dixon Intermediate - Kitchen Expansion	1,118,470.32	63,379.67	\$1,055,090.65
Gulf Breeze High - Softball & Baseball Field Houses	1,351,305.77	251,683.09	\$1,099,622.68
Jay High - Kitchen/Cafeteria/Band/Chorus	3,200,959.08	336,789.12	\$2,864,169.96
Pace High - Press Box	300,402.93	151,271.65	\$149,131.28
Rhodes Elementary - Kitchen Expansion/Renovation	823,882.00	815,249.84	\$8,632.16
Total	<u>\$ 9,292,718.56</u>	<u>\$ 2,220,446.98</u>	<u>\$ 7,072,271.58</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, and cyber liability coverage. 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, 2013, a liability in the amount of \$304,887.20 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
2011-2012	\$949,152.17	(\$572,707.56)	(\$163,275.20)	\$213,169.41
2012-2013	\$213,169.41	\$248,425.01	(\$156,707.22)	\$304,887.20

## 16. FUND BALANCE REPORTING

The District reports its governmental fund balances 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 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 it 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 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, 2013, the General Fund unassigned fund balance of \$9,997,914 is 6.2 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 POST-EMPLOYMENT BENEFITS PLAN**  
**June 30, 2013**

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]
7/1/2010	0	15,377,798	15,377,798	0	N/A	N/A
7/1/2011	0	9,357,953	9,357,953	0	N/A	N/A
7/1/2012	0	9,247,801	9,247,801	0	N/A	N/A

**DISTRICT SCHOOL BOARD OF SANTA ROSA COUNTY**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2013**

**1. BUDGETARY BASIS OF ACCOUNTING**

Budgets are prepared using the same modified accrual basis as is used to account for governmental funds.

**2. SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS**

The July 1, 2012 unfunded actuarial accrued liability of \$9,247,801 was slightly lower than the July 1, 2011 liability of \$9,357,953 as a result of decreases in both total projected benefits and actuarial accrued liability.

**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, 2013**

	Account Number	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
		Original	Final		
<b>REVENUES</b>					
Federal Direct	3100	780,000.00	871,435.55	871,441.55	6.00
Federal Through State and Local	3200	450,000.00	452,855.08	484,660.03	31,804.95
State Sources	3300	108,858,024.15	107,363,759.45	107,304,144.09	(59,615.36)
<i>Local Sources:</i>					
Property Taxes Levied, Tax Redemptions, and Excess Fees for Operational Purposes	3411, 3421, 3423	49,089,056.25	49,626,609.10	49,673,717.43	47,108.33
Property Taxes Levied, Tax Redemptions, and Excess Fees for Debt Service	3412, 3421, 3423			0.00	0.00
Property Taxes Levied, Tax Redemptions, and Excess Fees for Capital Projects	3413, 3421, 3423			0.00	0.00
Local Sales Taxes	3418, 3419			0.00	0.00
Charges for Service - Food Service	345X			0.00	0.00
Impact Fees	3496			0.00	0.00
Other Local Revenue		3,576,420.23	4,013,238.23	4,180,902.97	167,664.74
Total Local Sources	3400	52,665,476.48	53,639,847.33	53,854,620.40	214,773.07
<b>Total Revenues</b>		162,753,500.63	162,327,897.41	162,514,866.07	186,968.66
<b>EXPENDITURES</b>					
<i>Current:</i>					
Instruction	5000	105,963,468.52	107,227,507.13	103,581,293.50	3,646,213.63
Student Personnel Services	6100	6,819,923.50	7,389,110.60	7,075,287.64	313,822.96
Instructional Media Services	6200	2,482,390.15	2,558,141.83	2,366,748.00	191,393.83
Instruction and Curriculum Development Services	6300	2,932,252.29	2,987,436.20	2,785,950.66	201,485.54
Instructional Staff Training Services	6400	906,875.31	947,558.60	815,763.21	131,795.39
Instructional-Related Technology	6500	4,534,910.31	4,669,808.15	3,580,172.11	1,089,636.04
Board	7100	419,641.78	534,633.97	489,184.99	45,448.98
General Administration	7200	656,580.12	625,793.64	623,428.14	2,365.50
School Administration	7300	11,943,210.30	12,353,745.66	12,167,705.31	186,040.35
Facilities Acquisition and Construction	7410	96,659.19	168,927.37	34,097.28	134,830.09
Fiscal Services	7500	1,221,385.24	1,184,404.45	1,112,902.10	71,502.35
Food Services	7600			0.00	0.00
Central Services	7700	2,520,899.14	2,880,802.93	2,461,259.52	419,543.41
Student Transportation Services	7800	12,799,294.76	12,859,795.51	12,530,891.05	328,904.46
Operation of Plant	7900	14,500,642.02	13,171,082.57	12,561,224.16	609,858.41
Maintenance of Plant	8100	4,742,809.99	4,462,379.88	4,099,350.27	363,029.61
Administrative Technology Services	8200	1,869,446.80	1,760,673.24	1,587,209.08	173,464.16
Community Services	9100	1,736,440.11	1,764,237.62	1,670,974.55	93,263.07
<i>Debt Service: (Function 9200)</i>					
Retirement of Principal	710			0.00	0.00
Interest	720			0.00	0.00
Due and Fees	730			0.00	0.00
Miscellaneous	790			0.00	0.00
<i>Capital Outlay:</i>					
Facilities Acquisition and Construction	7420		1,396,874.10	1,396,874.10	0.00
Other Capital Outlay	9300			0.00	0.00
<b>Total Expenditures</b>		176,146,829.53	178,942,913.45	170,940,315.67	8,002,597.78
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>		(13,393,328.90)	(16,615,016.04)	(8,425,449.60)	8,189,566.44
<b>OTHER FINANCING SOURCES (USES)</b>					
Issuance of Bonds	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
Proceeds of Lease-Purchase Agreements	3750			0.00	0.00
Premium on Lease-Purchase Agreements	3793			0.00	0.00
Discount on Lease-Purchase Agreements	893			0.00	0.00
Loans	3720			0.00	0.00
Sale of Capital Assets	3730			0.00	0.00
Loss Recoveries	3740	0.00	83,647.27	83,647.27	0.00
Proceeds of Forward Supply Contract	3760			0.00	0.00
Proceeds from Special Facility Construction Account	3770			0.00	0.00
Face Value of Refunding Bonds	3715			0.00	0.00
Premium on Refunding Bonds	3792			0.00	0.00
Discount on Refunding Bonds	892			0.00	0.00
Refunding Lease-Purchase Agreements	3755			0.00	0.00
Premium on Refunding Lease-Purchase Agreements	3794			0.00	0.00
Discount on Refunding Lease-Purchase Agreements	894			0.00	0.00
Payments to Refunding Escrow Agent (Function 9299)	760			0.00	0.00
Transfers In	3600	4,502,371.68	4,433,877.56	4,428,237.56	(5,640.00)
Transfers Out	9700	(310,773.00)	(311,858.19)	(311,858.19)	0.00
<b>Total Other Financing Sources (Uses)</b>		4,191,598.68	4,205,666.64	4,200,026.64	(5,640.00)
<b>SPECIAL ITEMS</b>				0.00	0.00
<b>EXTRAORDINARY ITEMS</b>				0.00	0.00
<b>Net Change in Fund Balances</b>		(9,201,730.22)	(12,409,349.40)	(4,225,422.96)	8,183,926.44
Fund Balances, July 1, 2012	2800	19,343,601.19	19,343,601.19	19,343,601.19	0.00
Adjustment to Fund Balances	2891			0.00	0.00
Fund Balances, June 30, 2013	2700	10,141,870.97	6,934,251.79	15,118,178.23	8,183,926.44

**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, 2013**

	Account Number	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
		Original	Final		
<b>REVENUES</b>					
Federal Direct	3100			0.00	0.00
Federal Through State	3200	327,784.91	548,488.39	511,242.04	(37,246.35)
State Sources	3300			0.00	0.00
<i>Local Sources:</i>					
Property Taxes Levied, Tax Redemptions, and Excess Fees for Operational Purposes	3411, 3421, 3423			0.00	0.00
Property Taxes Levied, Tax Redemptions, and Excess Fees for Debt Service	3412, 3421, 3423			0.00	0.00
Property Taxes Levied, Tax Redemptions, and Excess Fees for Capital Projects	3413, 3421, 3423			0.00	0.00
Local Sales Taxes	3418, 3419			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
<b>Total Revenues</b>		327,784.91	548,488.39	511,242.04	(37,246.35)
<b>EXPENDITURES</b>					
<i>Current:</i>					
Instruction	5000			0.00	0.00
Student Personnel Services	6100			0.00	0.00
Instructional Media Services	6200			0.00	0.00
Instruction and Curriculum Development Services	6300	49,066.63	49,066.63	49,066.63	0.00
Instructional Staff Training Services	6400	265,720.51	478,664.17	447,206.01	31,458.16
Instructional-Related Technology	6500			0.00	0.00
Board	7100			0.00	0.00
General Administration	7200	12,997.77	17,835.59	14,969.40	2,866.19
School Administration	7300			0.00	0.00
Facilities Acquisition and Construction	7410			0.00	0.00
Fiscal Services	7500			0.00	0.00
Food Services	7600			0.00	0.00
Central Services	7700			0.00	0.00
Student Transportation Services	7800			0.00	0.00
Operation of Plant	7900		2,922.00	0.00	2,922.00
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 and Fees	730			0.00	0.00
Miscellaneous	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
<b>Total Expenditures</b>		327,784.91	548,488.39	511,242.04	37,246.35
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>		0.00	0.00	0.00	(0.00)
<b>OTHER FINANCING SOURCES (USES)</b>					
Issuance of Bonds	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
Proceeds of Lease-Purchase Agreements	3750			0.00	0.00
Premium on Lease-Purchase Agreements	3793			0.00	0.00
Discount on Lease-Purchase Agreements	893			0.00	0.00
Loans	3720			0.00	0.00
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
Proceeds from Special Facility Construction Account	3770			0.00	0.00
Face Value of Refunding Bonds	3715			0.00	0.00
Premium on Refunding Bonds	3792			0.00	0.00
Discount on Refunding Bonds	892			0.00	0.00
Refunding Lease-Purchase Agreements	3755			0.00	0.00
Premium on Refunding Lease-Purchase Agreements	3794			0.00	0.00
Discount on Refunding Lease-Purchase Agreements	894			0.00	0.00
Payments to Refunding Escrow Agent (Function 9299)	760			0.00	0.00
Transfers In	3600			0.00	0.00
Transfers Out	9700			0.00	0.00
<b>Total Other Financing Sources (Uses)</b>		0.00	0.00	0.00	0.00
<b>SPECIAL ITEMS</b>				0.00	0.00
<b>EXTRAORDINARY ITEMS</b>				0.00	0.00
<b>Net Change in Fund Balances</b>		0.00	0.00	0.00	(0.00)
Fund Balances, July 1, 2012	2800			0.00	0.00
Adjustment to Fund Balances	2891			0.00	0.00
Fund Balances, June 30, 2013	2700	0.00	0.00	0.00	0.00