



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

for the fiscal year ended June 30, 2009

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with *excellence* as the standard.



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The School Board of Brevard County, Florida

Comprehensive Annual Financial Report

For the
Fiscal Year Ended June 30, 2009

Prepared by:
Office of Accounting Services



**The School Board of Brevard County, Florida
Comprehensive Annual Financial Report
for the fiscal year ended June 30, 2009**

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INTRODUCTORY SECTION



TRANSMITTAL
LETTER



School Board of Brevard County

2700 Judge Fran Jamieson Way • Viera, FL 32940-6601

Brian T. Binggeli, Ed.D., Superintendent



October 21, 2009

Dear Chairman, Members of the Board, and the Citizens of Brevard County:

State law requires that all local governments publish, after the close of each fiscal year, a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America. Pursuant to this requirement, we hereby submit the Comprehensive Annual Financial Report (CAFR) of the School Board of Brevard County, Florida (the "School Board" or the "District") for the fiscal year ended June 30, 2009.

The report consists of management's representation about the finances of the District. Management assumes full responsibility for the completeness and reliability of information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect District assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh the benefits, the District's framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements are free from material misstatements. As management, we assert that, to the best of our knowledge and belief, the financial report presented herewith is complete and reliable in all material respects.

The accounting firm of Ernst & Young, LLP conducted the audit of the District's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2009 are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded that there was a reasonable basis for rendering an unqualified opinion on the District's financial statements for the fiscal year ended June 30, 2009. The report of the independent certified public accountants is presented as the first component of the financial section of this report.

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The District is also required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the United States Office of Management and Budget (“OMB”) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Information related to this single audit, including the schedule of expenditures of federal awards, findings and questioned costs, and the independent auditor’s report on internal controls and compliance with applicable requirements, are included in the single audit section.

Generally accepted accounting principles used in the United States of America also require management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

The accompanying report includes all funds of the District, the Brevard County School Board Leasing Corporation, the Brevard Schools Foundation, and the District’s Charter Schools, which comprise the reporting entity. The Brevard County School Board Leasing Corporation was formed by the School Board to be the lessor in connection with financing the acquisition and/or construction of certain educational facilities. The Brevard County School Board Leasing Corporation was identified as a component unit, requiring blended presentation of the financial statements. The purpose of the Brevard Schools Foundation is exclusively educational and charitable for the constituents of Brevard County. Charter schools are public schools operating under the sponsorship of the School Board. The Brevard Schools Foundation and the District’s Charter Schools (with the exception of one Charter School) are included as discretely presented component units.

GENERAL INFORMATION

The District and its governing board were created pursuant to Section 4, Article IX of the Constitution of the State of Florida. The District is an independent taxing and reporting entity managed, controlled, operated, administered, and supervised by the District school officials in accordance with Chapter 1001, Florida Statutes. The Board consists of five elected officials responsible for the adoption of policies, which govern the operation of the District’s public schools. The Superintendent is also specifically delegated the responsibility of maintaining a uniform system of records and accounts in the District by Section 1010.01, Florida Statutes, as prescribed by the Florida Legislature.

The geographic boundaries of the District are consistent with the geographic boundaries of Brevard County. During the 2008-09 fiscal year, the District operated ninety-four schools, including fifty-eight elementary schools, twelve middle schools, four junior/senior high schools, eleven high schools, seven charter schools that are component units and one charter school that is not a component unit, with a total of 72,200 unweighted full-time equivalent students. Additionally, the District operated thirteen special centers for students and four separate adult education centers. The

District opened Heritage High School in August, 2009, making it the twelfth high school within the District.

GENERAL DESCRIPTION AND LOCATION

Brevard County encompasses approximately 1,300 square miles along the Atlantic Ocean and is located near the center of Florida's East Coast. The County is 72 miles long north to south and is bordered on the north by Volusia County and on the south by Indian River County. The county extends about 20 miles inland from the Atlantic Ocean, with the St. Johns River forming its western boundary. The County is the home of the Kennedy Space Center and the Space Shuttle program. The Titusville-Melbourne-Palm Bay Metropolitan Statistical Area contains sixteen municipalities, but the county has a large amount of unincorporated area representing approximately 39% of the population.

ECONOMIC CONDITIONS AND OUTLOOK

Brevard County has experienced good population growth, increasing almost 13% since the 2000 census. While the population growth rate has decreased since its peak in 2004 and has somewhat stabilized, we are continuing to see some modest growth in certain sectors of the population. The median age is approximately 43.5 years.

Brevard County's economy is driven by a variety of sectors keeping the area healthy and balanced. Health care, agriculture, tourism, manufacturing, education, and financial services strengthen and sustain our overall quality. The county also has a high tech industrial base that is anchored not only by Kennedy Space Center, but also by internationally known companies such as Harris Corporation, Northrop Grumman, Boeing and many others. The county continues to seek opportunities to attract small and large businesses that can provide diversification and a general movement from the dependency on the space program. A major concern remaining for the county is expected employment losses at Kennedy Space Center, due to the projected final space flight in 2010 for the current space program.

The unemployment rate in June 2009 was estimated to be 10.8% for the county, 10.6% for the state of Florida and 9.5% for the United States. Based on the Florida Economic Estimating Conference held July 17, 2009, Florida's job market is expected to start improving in the second quarter of 2010 as the job growth rate turns positive. The United States is currently in the midst of a significant global economic downturn that is no doubt affecting the growth in the state of Florida as well as Brevard County.

MAJOR INITIATIVES

Malcolm Baldrige National Quality Program – In 2007, Brevard Public Schools was honored to be recognized as a recipient of the Governor's Sterling Award for organizational performance excellence. As part of Brevard Public Schools' journey

toward quality and continuous improvement, the District has adopted the Malcolm Baldrige Education Criteria for Performance Excellence. In May 2009, the District submitted an application for the Malcolm Baldrige National Quality Award. The award was named for Malcolm Baldrige, who served as the United States Secretary of Commerce during the Reagan administration. The award criteria are designed to help improve organizational performance and is the only quality award that is awarded by the President of the United States. The rigorous self-assessment process requires intensive reflection, collaboration, and analysis of current practices, and improves communication and strategic alignment across the entire organization. Additionally, the District expects to receive detailed feedback reports based on a thorough evaluation conducted by a panel of specially trained experts. The feedback report will serve as a useful tool in providing strategic direction to the District in the future as we seek to improve organizational performance at Brevard Schools.

Class Size Reduction Amendment – In November 2002, the voters of Florida amended the State Constitution to limit class size. With implementation required by the 2010-11 school year, the amendment established the maximum number of students in core-curricular courses assigned to an individual teacher in each of the following three grade groupings: (1) eighteen students for pre-kindergarten through grade three; (2) twenty-two students for grades four through eight; and (3) twenty-five students for grades nine through twelve. Beginning with the 2003-04 fiscal year, the District met the requirement of class size, which was calculated at school average and has met the requirements each year through the 2008-09 fiscal year. Budget constraints continue to impact the ability of the state to implement at the level of the individual classroom and accountability will remain at the level of the school average in 2009-10.

Student Performance - Every School an “A” – This initiative continues to empower every school in the District to achieve an "A" grade based on results of the Florida Comprehensive Assessment Test (FCAT). In fiscal year 2008-09, Brevard had seventy-two “A” schools, eleven “B” schools, and two “D” schools (98% received an A or B). Our focus areas for fiscal year 2009-10 include the percent of students meeting high standards in science, the percent of students making learning gains in reading and math for all students as well as the lowest 25% of students, writing, and reading and math performance in the primary grades. In 2008-09, our students excelled with the highest average FCAT scores in the state in sixth grade reading, and fifth and eleventh grade science.

Desktop Student Data System, Data Dashboard, and BPS Scorecard – Brevard has developed several online systems to make the reporting, analysis, and utilization of data more transparent and accessible to its stakeholders. The ***Desktop Student Data System*** is a tool for teachers and administrators that brings student test score data, demographic information, and discipline data for an individual student or a class of students directly to the teacher's or administrator's desk. The teachers can request FCAT data for current and previous classes, which will aid them in developing appropriate instructional strategies for effective teacher planning. ***Brevard's Data Dashboard*** is another online tool that provides quick and easy access to state, district,

and school reports for multiple years in areas such as FCAT, school grades, the Scholastic Aptitude Test, Advanced Placement, and Dual Enrollment. The **BPS Scorecard** is both a reporting and accountability tool that links Brevard Strategic Plan objectives to district and school results. Results over a three year period provide growth data and benchmark comparisons for key performance indicators for the District and for each school.

SOAR – The 2008-09 SOAR (Summer Opportunities for Advancement and Remediation) program served more than 3,200 elementary, middle, and high school students. Brevard offered Third Grade Summer Reading Camps to students who scored Level 1 on FCAT Reading. The camps were held at nineteen elementary schools across the district. Title I supported summer programs in Correct I and II schools for third through sixth grade students who were working below grade level in reading and mathematics. Middle school students had an opportunity to participate in Career Camps and summer finance, culinary, and automotive internships were available to high school students qualified to attend. Breakfast and lunch were offered at many of our summer sites. In addition, child care services were accessible at elementary sites for their students in attendance.

Secondary Schools of National Prominence (SSNP) - The 2007-08 school year marked the first full year of implementation of the Secondary Schools of National Prominence (SSNP) initiative with a district-wide focus on increased rigor, relevance and relationships for all secondary students. Each secondary school, with support from their individual School Advisory Council, developed objectives in their School Improvement Plan to become an individual Secondary School of National Prominence.

Small Learning Communities continued to develop and expand in our secondary schools during the 2008-09 school year. School leadership teams completed the final three sessions, in a series of four, presented by the Southern Regional Education Board (SREB) on Small Learning Communities. Schools used many SREB strategies as they planned and recruited for two Collegiate High School programs, five district-generated career academies, two school-generated career academies, two Pre-Advanced International Certificate of Education (Pre-AICE) Lower Secondary Programs and one International Baccalaureate (IB) Middle Years Program (MYP). Eight career academies and two Collegiate High School programs were implemented during this same time period.

Middle school counselors developed an individualized program of study (IPS) for each seventh grader in Brevard. Face-to-face meetings between students, parents and counselors were held to discuss future plans and aspirations for every seventh grade student. Going forward, students will meet each year with their school counselor and parents to review and revise the IPS.

An important component of SSNP is the development of the senior year plan, a course of study tailored to the unique needs and talents of each twelfth grade student. Toward that end, every eleventh grade student in Brevard Public Schools took the full

ACT Plus Writing college entrance exam in the spring of 2009. The results have provided a measure of student achievement in English, Math, Reading, Science Reasoning, and Writing and are being used by counselors, students, and parents to plan high school courses, to gain perspective on college eligibility, and to identify strengths and weaknesses for remediation or acceleration.

Career and Technical Education (CTE) – Career and Technical Education (CTE) programs are a vital component of the District’s initiative for Secondary Schools of National Prominence (SSNP). The graduation requirements for the Class of 2011 include a requirement that all graduates either complete three credits in accelerated programs or three credits in a sequential CTE program leading to a credential endorsed by industry.

Considerable investments have been made over the past several years to significantly upgrade CTE programs throughout the District and to implement career academies. Highlights of this initiative include national certification by the American Culinary Federation (ACF), the National Automotive Technicians Education Foundation (NATEF), and the American Drafting and Design Association (ADDA).

Florida’s Ready to Work (RTW) program provides a unique opportunity to assist in meeting Brevard’s Goal: *Every student will graduate from high school prepared to enter and be successful in the workplace, in further career education, and/or in postsecondary degree opportunities.* To earn the RTW certificate, students must pass three proctored assessments: Reading for Information, Applied Mathematics, and Locating Information, at a minimum of score of 3 on each of the assessments. Students who earn the RTW certificate receive a personalized certificate issued by the State of Florida, signed by Governor Crist. Florida legislation has identified RTW as one of four diploma designations available to eligible seniors beginning in the 2008-09 school year. Over 2,500 seniors received the RTW certification in the 2008-09 school year and earned a standard diploma designation.

K-12 Comprehensive Reading Program – Brevard Public Schools' Comprehensive Reading Plan was updated during the 2008-09 school year to include new District Strategic Plan objectives, School Improvement Plan objectives, and State Board rules and statutes. The K-12 Comprehensive Reading Plan outlines instructional models for K-6 classrooms, as well as Tier One, Two and Three Intensive Reading courses for students at the secondary level. In elementary schools, the core reading program was delivered within an uninterrupted ninety-minute block. Additional daily intervention instruction was required for students with documented deficiencies in reading. At the secondary level, students who scored Level I or II on the FCAT Reading were required to receive intervention within a tiered system ranging from 45 to 90 minutes of reading instruction above the required English course. The progress monitoring assessment schedule included Dynamic Indicators of Basic Early Literacy Skills (DIBELS) and Florida Oral Reading Fluency (FORF) testing, as well as Scholastic Reading Inventory (SRI) testing three times a year.

K-12 Science – During the 2008-09 school year, instructional emphasis was placed on “inquiry learning” and other “best practices” to address the *Next Generation Sunshine State Standards for Science*. “Writing to explain” was a specific focus in response to students’ needs as indicated by the FCAT Performance Task scores. “Experimental design” was an additional focus area for secondary students. Professional development, teacher-developed documents, and onsite assistance was available for all science teachers to support these areas. An objective of Brevard Schools is to create a science “lab” for every elementary school and the Ten-year Facility Improvement Plan includes a financial commitment to renovate existing secondary science labs. Computer projection systems have been provided in every secondary science classroom. Many additional opportunities for our students to be involved in hands-on science learning beyond the classroom are available, including science research classes, science fairs, science clubs, and robotics teams.

To support the strategic plan goal of “a quality science program in every school,” we continue to provide teachers and administrators with resources that will support high-quality hands-on, minds-on inquiry experiences for all students. To support low performing students, the Science Academic Support Program provides additional instructional materials. Our Harris Super Science Saturday Program provides prioritized student instruction and modeling for teachers of quality lessons to our five lowest performing schools. All secondary students complete a rigorous core science sequence in order to graduate. In addition, a fourth science credit has been added to the district’s graduation requirements. Secondary science teachers were provided transition guides and training to assist in implementing the *Next Generation Sunshine State Standards for Science*.

Promoting science and supporting science teachers through recognition continues to be a priority of the District. Each year up to eight teachers are awarded Exemplary Science Teacher status through our partnership with the Space Coast Science Education Alliance. Now in its twelfth year, nine teachers have also been inducted into our Science Hall of Fame. A number of our science teachers have also been honored through recognition programs sponsored by groups such as Promoting Regional Improvements in Science and Math (PRISM), Florida Association of Science Teachers (FAST), and the Presidential Award for Excellence in Mathematics and Science Teaching (PAEMST).

All secondary science teachers and many elementary teachers are now connected via our Brevard Science Educators Network, a discussion board dedicated to local science needs and issues. Teachers can find all current science documents, share lessons plans, ask questions, trade supplies, and access content-specific electronic resources. In less than a year since its initial launch, this electronic community of local science educators has generated more than 700 posts under twenty seven different topics.

Our science results continue to be outstanding. Student involvement in high-quality science experiences is a priority. Brevard students excel in science as demonstrated on FCAT. At each level tested, Brevard students exceeded the state mean on FCAT Science by more than twenty points. In addition, eight hundred and fourteen high school students were enrolled in Advanced Placement, Cambridge Advanced International Certificate of Education (AICE) or International Baccalaureate (IB) science courses, and three hundred and sixty four students earned scores high enough to qualify for college credit. Our stellar results at state, national and international science competitions offer additional evidence of the exemplary science performance of Brevard students.

K-12 Comprehensive Writing Program – During the 2008-09 fiscal year, Brevard continued to review writing results and to refine approaches for improving student writing as measured by the FCAT Writing. Writing workshops were ongoing for Brevard County teachers and included Six Traits, Persuasive Writing, Language Mechanics, Nuts and Bolts for Primary Writing, Holistic Scoring, Writing Process, and Exceptional Student Education writing strategies.

Four times a year, students in grades K-6 participated in district-wide assessments that emulated the actual FCAT Writing state assessment. Prompts were carefully crafted so that they were developmentally appropriate, and grade level specific directions and rubrics were provided. After the test was given, an analysis was completed in order to drive future instruction. In secondary, students in grades 7-10 completed two essays and multiple choice grammar assessments. Scores were analyzed to determine instructional direction. ACT Essay and multiple choice assessments were provided for optional use for eleventh and twelfth grade students.

Brevard County fourth grade elementary scores for 2008-09 were above the state averages: in the combined essay score, the state average score was 4.0, Brevard's average score was 4.1; in the percentage of essays scoring 3.5 or above, the state average score was 85%, Brevard's average score was 86%. Compared to the 2007-08 writing scores of 3.9, Brevard increased the average writing score to 4.1. In eighth grade, Brevard County secondary scores for 2008-09 were 4.3, tying with the State.

K-12 Mathematics - A primary focus for mathematics K-12 during the 2008-09 school year centered on continuing to develop awareness and understanding of the Next Generation Sunshine State Standards (NGSSS) for mathematics, approved by the State Board of Education in September 2007. Documents and resources continue to be revised to reflect the content as outlined in the NGSSS.

Brevard students continue to perform at the highest levels in the state in mathematics, as evidenced by the fact that all grade levels tested in FCAT Mathematics in 2008-09 scored at least nine mean scale points above the state average. All of these grade levels ranked in the top eight in the state, with the exception of third grade. Evidence of the higher level of performance attained by Brevard students in mathematics is also reflected in the increase of students performing at Level 3 and above, and the decrease of students performing at Level 1.

“Being There Experiences” – Special experiences that support the curriculum and the Sunshine State Standards are now provided systematically by grade level for students. The experiences capitalize on the vast resources available in our community. Every fourth grade student participates in a field experience in **Lagoon Quest** to study Brevard’s unique lagoon estuary system. Every fifth grade student participates in the **Brevard Symphony Orchestra Program** and attends a performance at the King Center. Every sixth grade student participates in our **Space Week** program at the Kennedy Space Center for a day. Every seventh grade student participates in **Project BLAST** at the Astronaut Hall of Fame in simulated space activities. Select middle schools piloted **Project SEINE** in which eighth grade students participated in a study of the history and flora and fauna of the Indian River Lagoon during 2007-08 and 2008-09. This project has been a cooperative venture with the Brevard County Zoo and the Brevard County Parks & Recreation Department. Every eleventh grade student attends a live performance in the form of a play, with the 2007-08 play being **1776**. The event was such a successful partnership between the Cocoa Village Theater, the King Center for the Performing Arts and Brevard Public Schools that it was performed again in 2008-09. The ultimate goal is to provide a different “Being There Experience” for every grade level.

Music Demonstration Schools – Brevard is home to some of the finest music programs available as proven by the selection of twenty-three schools (out of a total of twenty-eight in the state) as Music Demonstration Schools. Our elementary, middle/junior, and high schools balance diversity, high performance standards, and instructional quality in music education. Our students have been invited to compete in major national and international music festivals. Our ongoing efforts for improvement include the integration of the standards of excellence required to be a Music Demonstration School in every school.

Excellence in Physical Education Award – Brevard is the first district in Florida to recognize excellence in physical education programs. The criteria for the portfolio combines the best from the national award for excellence in physical education (STARS). The submitted portfolios are first reviewed and scored by a community-based team. The Portfolio Review Team is tasked with: evaluating and recommending physical education programs that demonstrate balanced diversity, exemplify high-performance standards and instructional quality, and identifying schools for a site visit. A Site Visit Team composed of out-of-county experts in the field of physical education conducts: a review of each school’s portfolio, a visual evaluation of the program in action, a walk through of the site including available equipment, and interviews with the administration and physical education teachers. The Site Visit Team then recommends the schools selected for this prestigious award. Brevard currently has seven Excellence in Physical Education Award (EPEA) winning schools which represent our district from the north end to the south end; the schools are Discovery Elementary, Fairglen Elementary, Indialantic Elementary, Apollo Elementary, Longleaf Elementary, MILA Elementary, and this year’s award winning school, Palm Bay Elementary.

Excellence in Visual Arts Award – The Brevard Cultural Alliance in Visual Arts Award was initiated in Brevard County in 2005. The purpose of this award, which lasts for three years, is to identify and foster visual arts programs which are comprehensive in scope and are of outstanding in quality. Since its inception, Brevard has awarded fifteen programs of excellence, and this year renewed six programs with this distinction. The application process includes a stringent portfolio review independent of site visits by arts educators from outside Brevard County. The award process has brought attention to the visual arts, increased teacher awareness of community interaction and different assessment venues available to them such as College Board, State Fair, and the Florida Art Education Association as well as international opportunities. The Department of Education is presently working with the Brevard Arts Program (EVA) to create a Visual Arts Demonstration Schools (VADS) model.

Achievement Through Technology and Innovation Award – In 2009, Brevard Public Schools launched a formal excellence recognition program that focuses on school-based technology efforts that are wide-ranging in scope and exceptional in quality by presenting the *Achievement Through Technology and Innovation Award*. Leading by example, such schools employ technology to support and improve learning, teaching, and administration. The award endorses efforts aimed at ensuring the necessary conditions to effectively leverage technology for teaching and learning.

Graduation Rate and Dropout Rate – For 2007-08 (latest available data) Brevard had a graduation rate of 93.3%, 2nd in the state. At 0.7%, Brevard's dropout rate is sixth lowest in the state. This data supports our commitment to serving every student with excellence as the standard.

Adult and Community Education – The Office of Adult and Community Education provides educational services to adult students in four major centers, numerous outreach centers throughout the county, and before-and after-school-age child care in 58 elementary schools. In addition to budgeted funding sources, Adult and Community Education has managed several federal grants including a local Geographical Allocation, English Literacy and Civics local activities grant, and a 21st Century Community Learning Center project. The Geographical Allocation has made it possible to expand and enhance local adult education programs. The English Literacy and Civics project benefited adult students who have limited English Proficiency, with 1203 enrollments in 2008-09. The 21st Century Community Learning Center project is an ongoing, five-year partnership among Adult and Community Education, district School Age Child Care, the Brevard Zoo, Kennedy Space Center, the YMCA, Brevard Museum, Endeavour Elementary School, Cambridge Elementary School, Coquina Elementary School, Riverview Elementary School, and South Lake Elementary School, which served 280 children and about 180 parents in adult education and family involvement events. Students are also being served through online classes: 368 ABE (adult basic education) students and 179 GED students chose the online option. In the 2008-09 school year, 667 GED's were awarded in Brevard, with 356 students having enrolled in Brevard's GED preparation programs. Additionally, 216 students received Adult High School diplomas.

Ten-Year Facilities Improvement Plan - During the 2004-05 school year, the School Board approved a \$715 million, ten-year Facilities Improvement Plan. The plan included the construction of seven new schools, twenty-eight additions, competitive sports facility upgrades, the completion of the District's re-roofing program, capital renewal/upgrades at eighty schools, and acquisition of future school sites. Funding for the plan included the issuance of Certificates of Participation (COP) in each of the first four years, with the debt service limited to a Board imposed policy of one mill of the capital millage. State law allows up to one-and-a half mills to be used for debt service on capital projects. The District has \$551.1 million outstanding Certificates of Participation (COPs) and has issued \$84 million in Revenue Anticipation Notes (RANs), of which more than \$60 million has been designated for construction and renovation since fiscal year 2006. During the current fiscal year, the District continues to complete projects contained in the ten-year plan as revenues are available through state and local funding to finance these projects.

FINANCIAL INFORMATION

Internal Control - Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data for the preparation of financial statements is in conformity with generally accepted accounting principles. The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of controls should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management. Management believes that the internal controls of the District adequately meet these objectives.

Single Audit - As a recipient of Federal and State financial assistance, the District is also responsible for maintaining adequate internal controls to ensure compliance with applicable laws and regulations related to those programs. These internal controls are subject to periodic evaluation by management and the independent auditors.

Budgetary Controls - The District maintains budgetary controls over all District funds. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the School Board. Activities of the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds, Internal Service Funds, and the Enterprise Funds are included in the annual appropriated budget. Project-length financial plans are adopted for the Capital Projects Funds. Budgetary control is established at the level of individual accounts or groups of accounts within each school or department.

Budgetary information is integrated into the District's accounting system and, to facilitate budget control, budget balances are encumbered when purchase orders are issued. Appropriations lapse at year-end and encumbrances are re-appropriated as part of the subsequent year's budget.

In order to provide budgetary control for personnel costs, the District utilizes a centralized position control system. The Board adopts an annual staffing plan for teaching positions based on student population. Support and administrative positions are also allocated based on criteria established by the Board.

As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound fiscal practices.

Cash Management and Investments - To maximize interest earnings on short-term investments, the cash balances of all funds are pooled, except where separate cash and investment accounts are maintained in accordance with legal requirements. Investment portfolios are designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Our primary concern is safety of investments, followed by liquidity, and then return on investment, in that order. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

Other temporary cash balances are invested in authorized investments, which include United States Government Securities, United States Government Agencies, Federal Instrumentalities, Interest Bearing Time Deposits, Commercial Paper, and Bankers' Acceptances.

Risk and Benefits Management - Due to the exposure for financial losses associated with the District's operations, the School Board of Brevard County continues to maintain a comprehensive Risk Management program. The District self-insures its program for Workers' Compensation, General Liability and Auto Liability, and employs a third-party administrator to perform the claims administration for the self-insured exposures. The other risks such as property losses, boiler and machinery losses, school leaders' errors and omission claims, catastrophic student athletic injuries, and excess workers' compensation exposure are protected using various commercial insurance policies with large self-insured deductible retention.

The District also uses multiple third-party administrators to administer its various employee health plans. All medical benefit plans are self-insured to maximize effective cost controls and to ensure adequate services are available to employees.

Retirement Plans - District employees participate in the Florida Retirement System, a multiple-employer, non-contributory, cost-sharing public employee retirement system. Generally, a member's retirement pension benefit vests after six years of service and members are eligible for normal retirement benefits at age 62 with six years of service or at any age with thirty years of service.

OTHER INFORMATION

Audit Committee – The School Board has created an eight member Audit Committee including five voluntary community members, each appointed by a respective Board member. In addition to the five committee members, the Board Chairman, the Superintendent, and a Senior Staff member also participate as ex-officio members of the Audit Committee. The Audit Committee assists the District’s management team with maintaining a high level of accountability and fiscal responsibility to the School Board and its citizenry. School Board policy 6700 provides the Audit Committee with oversight responsibility for the internal audit function and also the authority to act in an advisory capacity to assist district management and the Board in implementing change through the audit process.

The Audit Committee meets at least one time per quarter to review internal audit reports and to provide input related to operational improvement. The Committee Chairman presents a public report to the Board regarding progress and findings, at least once per year. The Committee is also responsible for the review of the annual external audit.

INDEPENDENT AUDIT

Section 11.45, Florida Statutes, requires an annual audit by independent certified public accountants. The office of Ernst & Young conducted the audit for the fiscal year ended June 30, 2009. In addition to meeting the requirements set forth in State Statutes, the audit also was designed to meet the requirements of the Federal Single Audit Act of 1996 and related OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. The auditor’s report on the basic financial statements is included in the Financial Section of this report.

REPORTING ACHIEVEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the School Board of Brevard County for its comprehensive annual financial report for the fiscal year ended June 30, 2008. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.

The School Board of Brevard County also received the Association of School Business Officials (ASBO) International Certificate of Excellence in Financial Reporting for the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2008. This award, also valid for one year, certifies that the report substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials International.

We believe that our current comprehensive annual financial report continues to meet the requirements of the Certificate of Achievement Program and the Certificate of Excellence Program, and it will be submitted to both the GFOA and ASBO, to determine its eligibility to receive these prestigious awards for fiscal year 2008-09.

ACKNOWLEDGEMENT

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of Financial Services and Accounting Services which provided assistance and support throughout the preparation of this report.

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

Respectfully submitted,



Brian T. Binggeli, Ed.D.
Superintendent of Schools



Judy R. Preston
Associate Superintendent of Financial Services



Jo Ann Clark
Director of Accounting Services

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA

LIST OF PRINCIPAL OFFICIALS - ELECTED



Mr. Robert Jordan, Chairman

Member from District 1
Member since November 2002
Current term expires November 2010

Dr. Barbara Murray, Vice-Chairman

Member from District 2
Member since November 2006
Current term expires November 2010



Mr. Andy Ziegler

Member from District 5
Member since November 2008
Current term expires November 2010

Ms. Amy Knessy

Member from District 3
Member since November 2004
Current term expires November 2012



Ms. Karen Henderson

Member from District 4
Member since November 2008
Current term expires November 2012

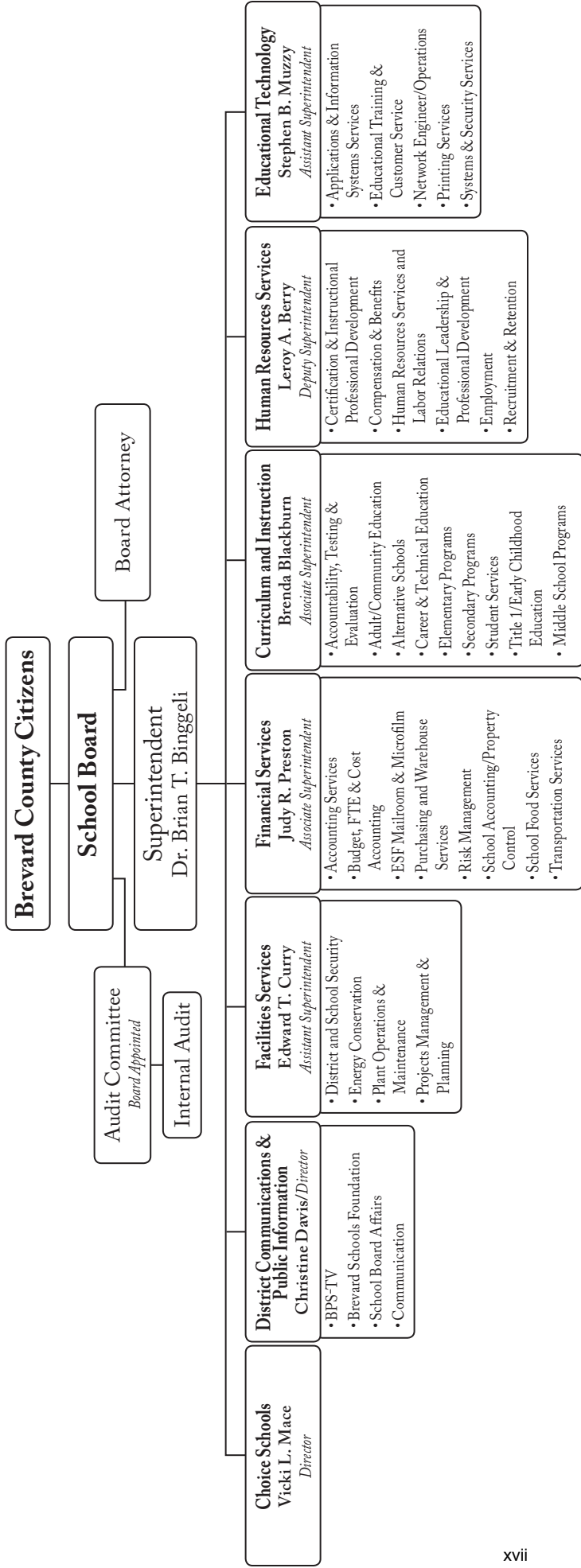
THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA

LIST OF PRINCIPAL OFFICIALS - APPOINTED

| | |
|-----------------------|--|
| Dr. Brian T. Binggeli | Superintendent |
| Leroy A. Berry | Deputy Superintendent Human Resources Services |
| Brenda B. Blackburn | Associate Superintendent Instructional Services |
| Judy R. Preston | Associate Superintendent Financial Services |
| Edward T. Curry | Assistant Superintendent Facilities Services |
| Betty A. Dunn | Assistant Superintendent Student Services |
| Stephen B. Muzzy | Assistant Superintendent Educational Technology Services |
| Dr. Ronald R. Bobay | Area Superintendent |
| Sandra S. Demmon | Area Superintendent |
| Cynthia M. Van Meter | Area Superintendent |

BREVARD PUBLIC SCHOOLS, BREVARD COUNTY, FLORIDA

Organizational Chart



| | | | |
|--|--|--|--|
| <p>Area I (K-12)</p> <p>Cyndi Van Meter, Area I Superintendent Linda Gibson, Administrative Assistant I 1948 Pineapple Avenue, Melbourne, FL 32935-7655 Phone: (321) 254-0340 • FAX (321) 259-7786</p> <p>Elementary Columbia Discovery Gemini Indiantonic Jupiter Lockmar McAuliffe Meadowlane Primary Meadowlane Intermediate Palm Bay Port Malabar Riviera Sunrise Turner</p> <p>University Park Westside West Melbourne School for Science</p> <p>Middle Central Southwest Stone</p> <p>High Bayside Heritage Melbourne Palm Bay</p> <p>New Millennium Elementary Schools West Melbourne</p> <p>Other Sites Palm Bay High Adult Ed. South Area Adult/Comm. Ed. Center</p> <p>Charter Imagine Odyssey Palm Bay Community Palm Bay Academy Royal Palm</p> | <p>Area II (K-12)</p> <p>Vacant, Area II Superintendent Sharon Clark, Administrative Assistant I 2700 Judge Fran Jamieson Way, Viera, FL 32940-6601 Phone: (321) 633-1000, ext. 236 • FAX (321) 633-3649</p> <p>Elementary Allen Cape View Creel Croton Freedom 7 Harbor City Holland Longleaf Ocean Breeze Quest Roosevelt Sabal Sea Park Sherwood Suntree</p> <p>Surfside</p> <p>Middle DeLaura Hoover Johnson</p> <p>High Cocoa Beach Eau Gallie Satellite West Shore Viera</p> <p>South Alternative Center</p> <p>Charter Educational Horizons</p> | <p>Area III (K-12)</p> <p>Sandra Demmon, Area III Superintendent Sharon McNichols, Administrative Assistant I 2700 Judge Fran Jamieson Way, Viera, FL 32940-6601 Phone: (321) 633-1000, ext. 411 • FAX (321) 632-6139</p> <p>Elementary Andersen Audubon Cambridge Carroll Enderavour Farglen Gardendale* Golffview Manatee Mila Saturn Tropical Williams</p> <p>Middle Clearlake Jefferson Kennedy McNair</p> <p>High Cocoa Edgewood Merritt Island Rockledge</p> <p>New Millennium Elementary Schools Stevenson</p> <p>Central Alternative Center Central Area Adult/Comm. Ed. Center</p> | <p>Area IV (K-12)</p> <p>Dr. Ronald R. Bobay, Area IV Superintendent Tracie Turner, Administrative Assistant I 850 Knox McRae Drive, Titusville, FL 32780-6407 Phone: (321) 269-3826 • FAX (321) 267-4533</p> <p>Elementary Apollo Atlantis Challenger 7* Coquina Enterprise Imperial Estates Mims Oak Park Pinewood Riverview South Lake</p> <p>High Astronaut Space Coast Titusville</p> <p>Other Sites North Alternative Center</p> <p>Charter Campus Sculptor</p> <p>Middle Jackson Madison</p> |
|--|--|--|--|

*INDICATES YEAR ROUND SCHOOL

Updated: 10/09

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

The School Board of
Brevard County, Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

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



A handwritten signature in black ink, appearing to read "M. L. R. M.", positioned above the printed name of the President.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer", positioned above the printed name of the Executive Director.

Executive Director

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL



This Certificate of Excellence in Financial Reporting is presented to

THE SCHOOL BOARD OF BREVARD COUNTY

For its **Comprehensive Annual Financial Report (CAFR)**
For the Fiscal Year Ended June 30, 2008

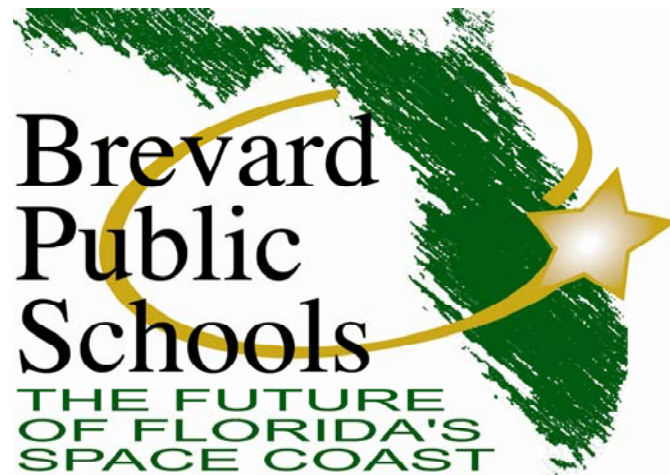
Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

Angela Peteman

President

John D. Moore

Executive Director



FINANCIAL SECTION



**REPORT OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS**



Report of Independent Certified Public Accountants

Members of the School Board of Brevard County, Florida
The School Board of Brevard County, Florida

We have audited the accompanying financial statements of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the School Board of Brevard County, Florida (the District), as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Charter Schools and The Brevard Schools Foundation, Inc., which represent 100% of the assets and revenues of the discretely presented component units. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component units, is based solely on the reports of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the District's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District as of June 30, 2009, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States.

As discussed in Note 23 to the basic financial statements, the District adopted Governmental Accounting Standards Board Statement No. 54 related to fund balance reporting.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2009, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and Schedule of Funding Progress, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements and schedules listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Similarly, the accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133 and is also not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical sections of this report have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Ernst & Young LLP

October 21, 2009

MANAGEMENT'S DISCUSSION
AND ANALYSIS



MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management of the School Board of Brevard County, Florida (the District) has prepared the following discussion and analysis to provide an overview of the District's financial activities for the fiscal year ended June 30, 2009. The information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events, and conditions and should be considered in conjunction with the District's financial statements and the notes to the financial statements, found on pages 17 through 75.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2008-09 fiscal year are as follows:

- The assets of the District exceeded its liabilities for the governmental activities, at June 30, 2009, by \$467.0 million. Of this amount, \$420.2 million represents investments in capital assets (net of related debt) and \$46.8 million represents restricted and unrestricted net assets of \$14.5 million and \$32.3 million, respectively.
- The District's total net assets for governmental activities decreased by \$19.1 million, or 3.9 percent.
- Program revenues for governmental activities accounted for \$49.7 million, or 7.5 percent of total revenues, and general revenues accounted for \$613.5 million, or 92.5 percent.
- The governmental funds reported combined fund balances of \$130.2 million, a decrease of \$120.9 million in comparison to the prior fiscal year.
- At the end of the fiscal year, the unassigned fund balance for the General Fund was \$31.0 million, or 6.1 percent of the General Fund revenues. Of this amount, the District has set aside \$19.9 million "contingency reserves". These funds are set aside to stabilize the current year budget for unexpected state revenue shortfalls or for disaster recovery expenditures that might occur after the current year budget adoption. A majority vote of the Board is required before contingency reserves can be spent for either purpose.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements consist of three components:

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

Government-Wide Financial Statements

The government-wide financial statements provide both short-term and long-term information about the District's overall financial condition in a manner similar to those of a private-sector business. The statements include a statement of net assets and a statement of activities that are designed to provide consolidated financial information about the governmental and business-type activities of the primary government presented on the accrual basis of accounting. The statement of net assets provides information about the government's financial position, its assets and liabilities, using an economic resources measurement focus. The difference between the assets

and liabilities, the net assets, is a measure of the financial health of the District. The statement of activities presents information about the change in the District's net assets, the results of operations, during the fiscal year. An increase or decrease in net assets is an indication of whether the District's financial health is improving or deteriorating.

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

- Governmental activities – These activities represent most of the District's services, including educational programs such as: 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.
- Business-type activities – The District charges fees to cover the cost of the services it provides for its Extended Day Care Program.
- Component units – The District has identified eight separate legal entities which meet the criteria to be included as a component unit, including seven charter schools and the Brevard Schools Foundation. Although legally separate organizations, the component units are included in this report because they meet the criteria for inclusion provided by generally accepted accounting principles. Financial information for these component units is reported separately from the financial information presented for the primary government. One additional charter school operates under a charter sponsored by the District; however the school is a part of the City of Palm Bay, Florida and reports as a special revenue fund of the City of Palm Bay. The Brevard County School Board Leasing Corporation, although a legally separate entity, was formed to facilitate financing for the acquisition of facilities and equipment for the District. Due to the substantive economic relationship between the District and the Leasing Corporation, the Leasing Corporation has been included as an integral part of the primary government.

Fund Financial Statements

Fund financial statements are included as a component 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 financial statements. The District has adopted GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions* as part of its fiscal year 2009 reporting. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources.

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using the modified accrual accounting method, which measures cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general governmental operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or less financial resources available to spend in the near future

to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the basic financial statements.

The District has the following governmental funds: the General, Debt Service, Special Revenue (including the School Food Services) and the Capital Projects. Within fund types, the District currently maintains 11 major and non-major funds. Of those funds, the General Fund, one Debt Service Fund and three Capital Projects Funds are considered to be major funds.

Proprietary Funds

Proprietary funds may be established to account for activities in which a fee is charged for services. Two types of proprietary funds are maintained:

- Enterprise funds are used to report the same functions as business-type activities in the government-wide financial statements. The District uses the enterprise funds to account for its Extended Day Care program through enterprise fund reporting. The enterprise fund is considered to be a major fund.
- Internal service funds are used to report activities that provide goods and services to support the District's other programs and functions through user charges. The District uses the internal service funds to account for its self-insurance programs.

Fiduciary Funds

Fiduciary funds are used to report assets held with a trustee, or in a 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.

The District uses agency funds to account for resources held for student activities.

Notes to the Financial Statements

The notes to the financial statements contain additional information, which is intended to supplement and further explain the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. The following is a summary of the District's net assets as of June 30, 2009, compared to net assets as of June 30, 2008.

Condensed Statement of Net Assets
June 30, 2009 and 2008
(amounts expressed in thousands)

| | Governmental | | Business-type | | Total | |
|--|-------------------|-------------------|---------------|-----------------|-------------------|-------------------|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| Current and other assets | \$ 281,074 | \$ 442,255 | \$ 911 | \$ 1,066 | \$ 281,985 | \$ 443,321 |
| Capital assets, net | 952,083 | 841,837 | 477 | 714 | 952,560 | 842,551 |
| Total assets | <u>1,233,157</u> | <u>1,284,092</u> | <u>1,388</u> | <u>1,780</u> | <u>1,234,545</u> | <u>1,285,872</u> |
| Current and other liabilities | 132,778 | 159,798 | 46 | 85 | 132,824 | 159,883 |
| Long-term liabilities | 633,429 | 638,276 | 381 | 521 | 633,810 | 638,797 |
| Total liabilities | <u>766,207</u> | <u>798,074</u> | <u>427</u> | <u>606</u> | <u>766,634</u> | <u>798,680</u> |
| Net assets: | | | | | | |
| Invested in capital assets, net of related debt | 420,217 | 386,592 | 477 | 714 | 420,694 | 387,306 |
| Restricted | 14,626 | 36,539 | - | - | 14,626 | 36,539 |
| Unrestricted | 32,107 | 62,887 | 484 | 460 | 32,591 | 63,347 |
| Total net assets | <u>\$ 466,950</u> | <u>\$ 486,018</u> | <u>\$ 961</u> | <u>\$ 1,174</u> | <u>\$ 467,911</u> | <u>\$ 487,192</u> |

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District's governmental activities, assets exceeded liabilities by \$467.0 million at the end of the fiscal year.

The largest portion of the District's net assets, \$420.2 million (90.0 percent), reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding. The District uses capital assets to provide services; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Net assets of \$14.5 million (3.1 percent) are externally restricted for specific uses. The remaining net assets of \$32.3 million (6.9 percent) are unrestricted net assets and may be used to meet the government's ongoing obligations to its citizens and creditors. \$19.9 million of the unrestricted net assets (4.3 percent of total net assets) are school board contingency funds which are set aside by the District to buffer any future revenue shortfalls occurring after the current year budget adoption. At the end of the current fiscal year, the District is able to report positive balances in all categories of net assets, for both the government as a whole, and for its separate governmental and business-type activities.

The key elements of the changes in the District's net assets for the fiscal years ended June 30, 2009, and June 30, 2008, are as follows:

The School Board of Brevard County, Florida - Changes in Net Assets
June 30, 2009 and 2008
(amounts expressed in thousands)

| | Governmental Activities | | Business-type Activities | | Total | |
|--|----------------------------|-------------------|-----------------------------|-----------------|-------------------|-------------------|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 14,727 | \$ 14,753 | \$ 7,120 | \$ 7,830 | \$ 21,847 | \$ 22,583 |
| Operating grants and contributions | 26,401 | 26,173 | - | - | 26,401 | 26,173 |
| Capital grants and contributions | 8,562 | 20,702 | - | - | 8,562 | 20,702 |
| General revenues: | | | | | | |
| Property taxes, levied - general purposes | 234,639 | 219,788 | - | - | 234,639 | 219,788 |
| Property taxes, levied- capital projects | 69,531 | 79,458 | - | - | 69,531 | 79,458 |
| Grants and contributions, non-restricted | 293,892 | 341,241 | - | - | 293,892 | 341,241 |
| Miscellaneous | 9,108 | 9,924 | - | - | 9,108 | 9,924 |
| Unrestricted investment earnings | 6,304 | 14,095 | - | - | 6,304 | 14,095 |
| Total revenues | <u>663,164</u> | <u>726,134</u> | <u>7,120</u> | <u>7,830</u> | <u>670,284</u> | <u>733,964</u> |
| Expenses: | | | | | | |
| Instruction | 370,649 | 373,608 | - | - | 370,649 | 373,608 |
| Pupil personnel services | 22,776 | 23,235 | - | - | 22,776 | 23,235 |
| Instructional media services | 9,444 | 9,500 | - | - | 9,444 | 9,500 |
| Instruction and curriculum | 21,415 | 22,524 | - | - | 21,415 | 22,524 |
| Instructional staff training services | 3,972 | 4,806 | - | - | 3,972 | 4,806 |
| Instruction related technology | 7,575 | 6,828 | - | - | 7,575 | 6,828 |
| Board of education | 1,260 | 924 | - | - | 1,260 | 924 |
| General administration | 3,200 | 3,355 | - | - | 3,200 | 3,355 |
| School administration | 39,907 | 40,060 | - | - | 39,907 | 40,060 |
| Facilities Acquisitions and Construction | 11,109 | 23,839 | - | - | 11,109 | 23,839 |
| Fiscal services | 2,333 | 2,220 | - | - | 2,333 | 2,220 |
| Food services | 27,896 | 27,751 | - | - | 27,896 | 27,751 |
| Central services | 6,424 | 8,435 | - | - | 6,424 | 8,435 |
| Pupil transportation | 25,027 | 25,244 | - | - | 25,027 | 25,244 |
| Operation of plant | 50,688 | 52,871 | - | - | 50,688 | 52,871 |
| Maintenance of plant | 4,085 | 6,316 | - | - | 4,085 | 6,316 |
| Administrative Technology Services | 4,279 | 3,091 | - | - | 4,279 | 3,091 |
| Community services | 667 | 384 | - | - | 667 | 384 |
| Interest on long-term debt | 29,558 | 28,666 | - | - | 29,558 | 28,666 |
| Unallocated depreciation | 39,968 | 34,590 | - | - | 39,968 | 34,590 |
| Extended day program | - | - | 7,333 | 8,315 | 7,333 | 8,315 |
| Total Functions/Program Expenses | <u>682,232</u> | <u>698,247</u> | <u>7,333</u> | <u>8,315</u> | <u>689,565</u> | <u>706,562</u> |
| Excess (deficiency) of revenues over (under) expenses | <u>(19,068)</u> | <u>27,887</u> | <u>(213)</u> | <u>(485)</u> | <u>(19,281)</u> | <u>27,402</u> |
| Other financial sources (uses) | | | | | | |
| Transfers | - | 805 | - | (805) | - | - |
| Total other financial sources (uses) | <u>-</u> | <u>805</u> | <u>-</u> | <u>(805)</u> | <u>-</u> | <u>-</u> |
| Change in net assets | <u>(19,068)</u> | <u>28,692</u> | <u>(213)</u> | <u>(1,290)</u> | <u>(19,281)</u> | <u>27,402</u> |
| Net assets, beginning | 486,018 | 451,332 | 1,174 | 2,380 | 487,192 | 453,712 |
| Prior period adjustment | - | 5,994 | - | 84 | - | 6,078 |
| Net assets, ending | <u>\$ 466,950</u> | <u>\$ 486,018</u> | <u>\$ 961</u> | <u>\$ 1,174</u> | <u>\$ 467,911</u> | <u>\$ 487,192</u> |

Governmental Activities

Governmental activities decreased the District’s net assets by \$19.1 million. Key components of this decrease are as follows:

- ◆ Property taxes in the district have increased by \$4.9 million. This is due mainly to the .13 millage increase for both the general and capital funds. To help with the losses in general fund revenue the state approved, through legislative action, a transfer of .25 mills or \$9.9 million from the capital fund to the operating fund.
- ◆ Non-restricted grants and contributions have decreased by \$47.3 million. The state dollars have been reduced due to both a reduction of students and a reduction of state revenues available. The Florida Education Finance Program (FEFP) is the largest revenue affected and is down by \$38.9 million. Capital grants and contributions decreased by \$12.1 million.
- ◆ Miscellaneous revenues and investment earnings are down \$8.6 million due to a decrease of \$7.8 million in interest earnings and a decrease in miscellaneous local revenue of over \$.8 million. The reduction is due to interest rate decline over the past year and to a reduction of investment proceeds available for construction.
- ◆ The District also reduced expenditures due to the expected shortfall in revenue by \$16.0 million.

Business-Type Activities

The business-type activity decreased the District’s net assets by \$.2 million, representing 0.2 percent of the District’s total net assets. The decrease is related to a decrease in participation in the Extended Day Program and the resulting revenue decrease of \$700 thousand or 9.07 percent over the 2007-08 fiscal year. To offset the loss of revenue the Program reduced their expenditures by \$982 thousand or 11.8 percent of last year’s expenditures.

FINANCIAL ANALYSIS OF THE DISTRICT’S FUNDS

The District’s governmental funds reported a combined fund balance of \$130.2 million, which is a decrease over last year’s total fund balance of \$120.9 million. The following schedule indicates the fund balance and the total change in fund balance by major fund and other governmental funds (Non-major) as reported in the basic financial statements for the fiscal years ended June 30, 2009 and 2008.

| <i>Fund Balance (in thousands)</i> | | | Increase | Percentage |
|--|------------|------------|--------------|------------|
| | 2009 | 2008 | (Decrease) | Change |
| General Fund | \$ 42,379 | \$ 49,414 | \$ (7,035) | (14.24)% |
| Debt Service Fund - Other | 4,188 | 3,678 | 510 | 13.87% |
| Capital Projects Funds: | | | | |
| Section 1011.14/1011.15 Loans | (23,025) | (20,556) | (2,469) | 12.01% |
| Local Capital Improvement | 35,865 | 55,313 | (19,448) | (35.16)% |
| Other | 57,441 | 145,401 | (87,960) | (60.49)% |
| Other Governmental Funds (Non-major) | 13,391 | 17,898 | (4,507) | (25.18)% |
| Total | \$ 130,239 | \$ 251,148 | \$ (120,909) | (48.14)% |

General Fund

The District's general fund balance decreased by \$7 million due to a decrease in revenues of \$32.5 million, a decrease of expenditures of \$22.4 million and transfers in from capital funds and internal service funds of \$4.3 million and \$1.3 million respectively. The revenue decrease was due mainly to decreases in state revenue from a decrease in the number of students, a reduction in the base student allocation for each student and other reductions in State revenue. The tables and data that follow illustrate the financial activities and balance of the general fund.

| Revenues (in thousands) | 2009 | 2008 | Increase (Decrease) | Percentage Change |
|------------------------------------|-------------------|-------------------|--------------------------------|------------------------------|
| Taxes | \$ 234,639 | \$ 219,788 | \$ 14,851 | 6.76% |
| Interest earnings | 1,765 | 2,857 | (1,092) | (38.22)% |
| State revenues | 264,976 | 309,177 | (44,201) | (14.30)% |
| Other revenues | 7,670 | 9,723 | (2,053) | (21.11)% |
| Total | \$ 509,050 | \$ 541,545 | \$ (32,495) | (6.00)% |

The property tax revenue is up in the general fund by \$14.9 million due to both a .25 millage transfer from the capital funding and increased millage for 2009.

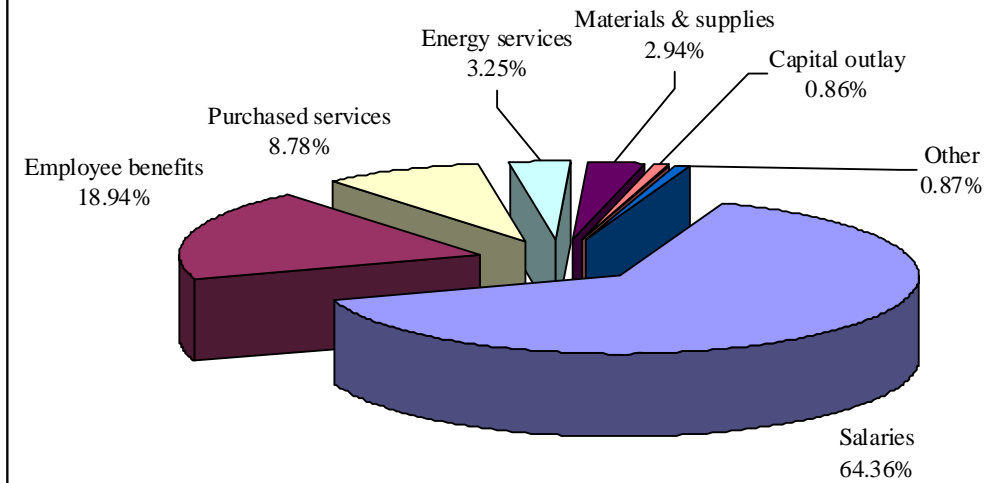
Interest earnings decreased 38.22% percent over the prior year as the interest rate environment continued to decline. Expectations are that the interest rate environment will remain low for a considerable period into 2010 and 2011.

State revenues are down \$44.2 million for the fiscal year ended June 30, 2009. This decrease is due mainly to a declining enrollment of 1,235 students and a decline in the per student FEFP revenues from \$8,083 per student to \$7,821 per student or a total decrease of \$ 38.9 million. In addition, other state revenues are also down, the discretionary lottery by \$ 1.7 million, transportation of \$ 1.1 million, and the Merit Award Programs (MAP) of \$2.1 million.

As the table below illustrates, the largest portions of general fund expenditures are for salaries and fringe benefits. The District is a service entity and as such is labor intensive.

| Expenditures by Object (in thousands) | 2009 | 2008 | Increase (Decrease) | Percentage Change |
|--|-------------------|-------------------|--------------------------------|------------------------------|
| Salaries | \$ 336,006 | \$ 349,431 | \$ (13,425) | (3.84)% |
| Employee benefits | 98,872 | 103,127 | (4,255) | (4.13)% |
| Purchased services | 45,818 | 49,809 | (3,991) | (8.01)% |
| Energy services | 16,967 | 18,732 | (1,765) | (9.42)% |
| Materials & supplies | 15,331 | 13,893 | 1,438 | 10.35% |
| Capital outlay | 4,490 | 6,714 | (2,224) | (33.12)% |
| Other | 4,544 | 2,727 | 1,817 | 66.63% |
| Total | \$ 522,028 | \$ 544,433 | \$ (22,405) | (4.12)% |

Expenditures by Object



Expenditures are down \$22.4 million, or 4.1 percent lower than fiscal year 2008. The decrease in labor and fringe is due to the reduction in staff through attrition and to the alignment of spending with reduced revenues.

Debt Service Fund - Other

The fund balance of the Debt Service - Other Fund increased during the fiscal year by \$.5 million, or 13.9 percent. Expenditures were paid by excess reserves held in fund balance during FY 2009.

Section 1011.14/1011.15 Notes Capital Projects Fund

The fund balance of the Capital Projects - Section 1011.14/1011.15 Notes Fund decreased by \$2.5 million or 12.0 percent. The FY09 RAN included no funding for new projects, reflecting a fund balance decrease due to a use of prior year funding as projects were completed.

Capital Projects - Local Capital Improvement Fund

The fund balance of the Capital Projects - Local Capital Improvement Fund decreased by \$19.4 million, or 35.2 percent. This reduction is due in part to a legislative reduction in capital millages during fiscal year 2008-09, from 2.0 mills to 1.75 mills. The .25 millage reduction equals \$9.9 million. In addition, property insurance of \$ 4.3 million was funded through a transfer to the General Fund.

Capital Projects - Other Fund

The fund balance of the Other Capital Projects Fund decreased by \$88.0 million, or 60.5 percent. This decrease is due to payment of current projects funded by the prior years FY07 and FY08

financing through Certificates of Participants (COP). The largest contributor was the drawdown of \$37 million in funds to pay for Heritage High School.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's budget is prepared in accordance with Florida Statutes and is based on the modified accrual basis of accounting, which is the same accounting basis used to account for actual transactions. The most significant budgeted fund is the General Fund.

The District amended its revenue estimates to reflect less than originally anticipated revenues from both interest and the state FEFP revenue. Local revenue was originally budgeted at \$239.0 million and the actual local revenue was \$242.4 million, or an increase of 1.4 percent.

The District amended its final budget for expenditures to reflect increases in salaries, health insurance costs, as well as other employee related costs. Expenditures were originally budgeted at \$520.9 million and the actual expenditures increased by \$1.1 million over the original budget. Other appropriations required changes in functional categories due to spending patterns.

As the State of Florida estimates continued economic slow down in FY 2010 and FY 2011, the District continues to look for opportunities to further decrease spending and cut costs.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The District has \$952.6 million invested in capital assets net of depreciation, with virtually all of it attributed to governmental activities. This investment in capital assets includes: land; construction in process; improvements other than buildings; buildings and fixed equipment; furniture, fixtures and equipment; motor vehicles; audio-visual materials; computer software; and property under capital lease.

Acquisitions for governmental activities totaled \$153.8 million and depreciation expense was \$43.0 million (with \$2.9 million directly charged to the Transportation function). The majority of the acquisitions were for remodeling and renovations at various sites and buses, furniture and computer equipment replacement throughout the District. Detailed information regarding capital asset activity is included in the notes to the financial statements (note 4, page 52).

Long-Term Debt

At June 30, 2009, the District had \$633.8 million in long term liabilities. Of this amount, \$15.3 million represents State Board of Education bonds issued on behalf of the District and \$551.2 million in certificates of participation. Detailed information regarding long-term debt and notes payable activity can be found in the notes to the financial statements (note 12, page 60).

OTHER MATTERS OF SIGNIFICANCE

The required local effort (RLE) millage levy for the fiscal year 2009-10 is 5.189 mills, (decrease of .038 mills). The discretionary millage levy increased by .25 to .748; the supplemental millage levy has been eliminated (from .186 to 0), and the capital outlay levy has decreased by .25 to 1.5 mills. The Board has approved an additional .25 mill increase allowed by State law for 1 year.

General Fund revenues are projected to be \$483.6 million and expenditures are expected to be \$485.4 million in the 2009-10 fiscal year.

REQUESTS FOR INFORMATION

This Comprehensive Annual Financial Report is designed to provide a general financial overview of the School Board of Brevard County, Florida. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the School Board of Brevard County, Florida, Attn: Financial Services, 2700 Judge Fran Jamieson Way, Viera, FL 32940.

BASIC FINANCIAL STATEMENTS



The School Board of Brevard County, Florida
Statement of Net Assets
June 30, 2009
(amounts expressed in thousands)

| | <u>Primary Government</u> | | | <u>Component Units</u> | |
|---|------------------------------------|-------------------------------------|-------------------|----------------------------|---|
| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> | <u>Charter Schools</u> | <u>The Brevard Schools Foundation, Inc.</u> |
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 29,086 | \$ 658 | \$ 29,744 | \$ 2,343 | \$ 1,011 |
| Investments | 224,752 | - | 224,752 | 1,582 | 488 |
| Receivables | 1,069 | - | 1,069 | 128 | 46 |
| Prepaid items | 854 | - | 854 | 80 | 1,225 |
| Due from other agencies | 13,790 | 253 | 14,043 | 168 | 32 |
| Inventories | 3,540 | - | 3,540 | - | - |
| Deferred charges | 7,983 | - | 7,983 | 785 | - |
| Restricted assets: | | | | | |
| Cash and cash equivalents | - | - | - | 1,925 | - |
| Capital assets: | | | | | |
| Non-depreciable | 216,713 | - | 216,713 | 3,626 | - |
| Depreciable (net) | 735,370 | 477 | 735,847 | 18,055 | - |
| | <u>1,233,157</u> | <u>1,388</u> | <u>1,234,545</u> | <u>28,692</u> | <u>2,802</u> |
| Total assets | | | | | |
| LIABILITIES | | | | | |
| Accounts payable and other current liabilities | 46,078 | 46 | 46,124 | 1,085 | 44 |
| Due to other agencies | 155 | - | 155 | - | - |
| Matured debt payable | 11,360 | - | 11,360 | - | - |
| Matured interest payable | 13,350 | - | 13,350 | - | - |
| Notes payable | 39,000 | - | 39,000 | - | - |
| Unearned revenue | 22,835 | - | 22,835 | 9 | - |
| Noncurrent liabilities: | | | | | |
| Due within one year | 25,690 | 54 | 25,744 | 177 | - |
| Due in more than one year | 607,739 | 327 | 608,066 | 21,083 | - |
| | <u>766,207</u> | <u>427</u> | <u>766,634</u> | <u>22,354</u> | <u>44</u> |
| Total liabilities | | | | | |
| NET ASSETS | | | | | |
| Invested in capital assets, net of related debt | 420,217 | 477 | 420,694 | 3,951 | - |
| Restricted for: | | | | | |
| State categorical programs | 6,204 | - | 6,204 | - | - |
| Debt service | 4,570 | - | 4,570 | 530 | - |
| Capital projects | 3,700 | - | 3,700 | 239 | - |
| Other Purposes | - | - | - | 10 | 2,500 |
| Unrestricted | 32,259 | 484 | 32,743 | 1,608 | 258 |
| | <u>\$ 466,950</u> | <u>\$ 961</u> | <u>\$ 467,911</u> | <u>\$ 6,338</u> | <u>\$ 2,758</u> |
| Total net assets | | | | | |

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



The School Board of Brevard County, Florida
Statement of Activities
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

| Functions/Programs | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Assets | | | | |
|--|-------------------|-------------------------|--|--|--|-----------------------------|-------------------|--------------------------|-----------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total | Component Units | |
| | | | | | | | | Charter Schools Units | Foundation |
| Primary government: | | | | | | | | | |
| Governmental activities: | | | | | | | | | |
| Instruction | \$ 370,649 | \$ 713 | \$ - | \$ - | \$ (369,936) | \$ - | \$ (369,936) | \$ 9,000 | \$ - |
| Pupil personnel services | 22,776 | - | - | - | (22,776) | - | (22,776) | 54 | 1,785 |
| Instructional media services | 9,444 | - | - | - | (9,444) | - | (9,444) | 167 | - |
| Instruction and curriculum development | 21,415 | - | - | - | (21,415) | - | (21,415) | 76 | - |
| Instructional staff training services | 3,972 | - | - | - | (3,972) | - | (3,972) | 31 | - |
| Instruction related technology | 7,575 | - | - | - | (7,575) | - | (7,575) | 20 | - |
| Board of education | 1,260 | - | - | - | (1,260) | - | (1,260) | 44 | - |
| General administration | 3,200 | - | - | - | (3,200) | - | (3,200) | 4 | 335 |
| School administration | 39,907 | - | - | - | (39,907) | - | (39,907) | 2,761 | - |
| Facilities acquisition & construction | 11,109 | - | - | 2,053 | (9,056) | - | (9,056) | 453 | - |
| Fiscal services | 2,333 | - | - | - | (2,333) | - | (2,333) | 195 | - |
| Food services | 27,896 | 13,505 | 14,697 | - | 306 | - | 306 | 607 | - |
| Central services | 6,424 | - | - | - | (6,424) | - | (6,424) | 52 | - |
| Pupil transportation services | 25,027 | 509 | 11,704 | - | (12,814) | - | (12,814) | 646 | - |
| Operation of plant | 50,688 | - | - | - | (50,688) | - | (50,688) | 1,641 | - |
| Maintenance of plant | 4,085 | - | - | 4,137 | 52 | - | 52 | 380 | - |
| Administrative technology services | 4,279 | - | - | - | (4,279) | - | (4,279) | - | - |
| Community services | 667 | - | - | - | (667) | - | (667) | 97 | 251 |
| Interest on long-term debt | 29,558 | - | - | 2,372 | (27,186) | - | (27,186) | 1,393 | - |
| Depreciation - unallocated (Note 4) | 39,968 | - | - | - | (39,968) | - | (39,968) | - | - |
| Total governmental activities | <u>682,232</u> | <u>14,727</u> | <u>26,401</u> | <u>8,562</u> | <u>(632,542)</u> | <u>-</u> | <u>(632,542)</u> | <u>17,621</u> | <u>2,371</u> |
| Business-type activities: | | | | | | | | | |
| Extended day programs | <u>7,333</u> | <u>7,120</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(213)</u> | <u>(213)</u> | <u>-</u> | <u>-</u> |
| Total business-type activities | <u>7,333</u> | <u>7,120</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(213)</u> | <u>(213)</u> | <u>-</u> | <u>-</u> |
| Total primary government | <u>\$ 689,565</u> | <u>\$ 21,847</u> | <u>\$ 26,401</u> | <u>\$ 8,562</u> | <u>(632,542)</u> | <u>(213)</u> | <u>(632,755)</u> | <u>17,621</u> | <u>2,371</u> |
| Component units: | | | | | | | | | |
| Charter schools | \$ 17,621 | \$ 558 | \$ 974 | \$ 320 | - | - | - | (15,769) | - |
| The Brevard Schools Foundation, Inc. | <u>2,371</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(2,371)</u> |
| Total component units | <u>\$ 19,992</u> | <u>\$ 558</u> | <u>\$ 974</u> | <u>\$ 320</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(15,769)</u> | <u>(2,371)</u> |
| General revenues: | | | | | | | | | |
| Taxes: | | | | | | | | | |
| Property taxes, levied for general purposes | | | | | 234,639 | - | 234,639 | - | - |
| Property taxes, levied for capital projects | | | | | 69,531 | - | 69,531 | - | - |
| Grants and contributions not restricted to specific programs | | | | | 293,892 | - | 293,892 | 14,999 | 2,415 |
| Miscellaneous | | | | | 9,108 | - | 9,108 | 221 | - |
| Unrestricted investment earnings | | | | | <u>6,304</u> | <u>-</u> | <u>6,304</u> | <u>30</u> | <u>(122)</u> |
| Total general revenues | | | | | <u>613,474</u> | <u>-</u> | <u>613,474</u> | <u>15,250</u> | <u>2,293</u> |
| Changes in net assets | | | | | <u>(19,068)</u> | <u>(213)</u> | <u>(19,281)</u> | <u>(519)</u> | <u>(78)</u> |
| Net assets - beginning | | | | | 486,018 | 1,174 | 487,192 | 6,813 | 2,836 |
| Prior period adjustment | | | | | - | - | - | 44 | - |
| Net assets - beginning as restated | | | | | <u>486,018</u> | <u>1,174</u> | <u>487,192</u> | <u>6,857</u> | <u>2,836</u> |
| Net assets - ending | | | | | <u>\$ 466,950</u> | <u>\$ 961</u> | <u>\$ 467,911</u> | <u>\$ 6,338</u> | <u>\$ 2,758</u> |

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

The School Board of Brevard County, Florida
 Balance Sheet - Governmental Funds
 June 30, 2009

(amounts expressed in thousands)

| | General | Debt Service Fund - Other |
|--|------------------|--------------------------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ - | \$ 1,035 |
| Investments | 67,686 | 27,754 |
| Accounts and interest receivable | 284 | - |
| Due from other funds | 1,749 | - |
| Due from other agencies | 2,921 | - |
| Inventory | 1,659 | - |
| Prepaid expense | 855 | - |
| | <u>75,154</u> | <u>28,789</u> |
| Total assets | <u>\$ 75,154</u> | <u>\$ 28,789</u> |
| LIABILITIES AND FUND BALANCES | | |
| Liabilities: | | |
| Accounts and contracts payable | \$ 4,152 | \$ - |
| Notes payable | - | - |
| Accrued salaries and benefits | 28,469 | - |
| Due to other funds | - | - |
| Due to other agencies | 154 | - |
| Deferred revenue | - | - |
| Matured bonds and certificates payable | - | 11,360 |
| Matured interest payable | - | 13,241 |
| Retainage payable on contracts | - | - |
| | <u>32,775</u> | <u>24,601</u> |
| Total liabilities | <u>32,775</u> | <u>24,601</u> |
| Fund balances (deficit): | | |
| Nonspendable | 2,513 | - |
| Restricted | 6,204 | 4,188 |
| Assigned | 2,636 | - |
| Unassigned | 31,026 | - |
| | <u>42,379</u> | <u>4,188</u> |
| Total fund balances | <u>42,379</u> | <u>4,188</u> |
| Total liabilities and fund balances | <u>\$ 75,154</u> | <u>\$ 28,789</u> |

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

| Section 1011.14/1011.15 Notes | Local Capital Improvement | Other Capital Projects | Nonmajor Governmental Funds | Total Governmental Funds |
|--|--------------------------------------|---------------------------------------|--|---|
| \$ - | \$ - | \$ 19,947 | \$ 5,355 | \$ 26,337 |
| 18,235 | 34,271 | 44,303 | 1,824 | 194,073 |
| - | 475 | 171 | 5 | 935 |
| - | 1,330 | - | - | 3,079 |
| - | 940 | - | 9,925 | 13,786 |
| - | - | - | 1,881 | 3,540 |
| - | - | - | - | 855 |
| <u>\$ 18,235</u> | <u>\$ 37,016</u> | <u>\$ 64,421</u> | <u>\$ 18,990</u> | <u>\$ 242,605</u> |
| | | | | |
| \$ 1,707 | \$ 1,064 | \$ 4,111 | \$ 1,583 | \$ 12,617 |
| 39,000 | - | - | - | 39,000 |
| - | - | - | 488 | 28,957 |
| - | - | - | 3,079 | 3,079 |
| - | - | - | 1 | 155 |
| - | - | - | 335 | 335 |
| - | - | - | - | 11,360 |
| 109 | - | - | - | 13,350 |
| 444 | 87 | 2,869 | 113 | 3,513 |
| <u>41,260</u> | <u>1,151</u> | <u>6,980</u> | <u>5,599</u> | <u>112,366</u> |
| | | | | |
| - | - | - | 1,881 | 4,394 |
| - | 35,865 | 57,239 | 11,510 | 115,006 |
| - | - | 202 | - | 2,838 |
| (23,025) | - | - | - | 8,001 |
| <u>(23,025)</u> | <u>35,865</u> | <u>57,441</u> | <u>13,391</u> | <u>130,239</u> |
| | | | | |
| <u>\$ 18,235</u> | <u>\$ 37,016</u> | <u>\$ 64,421</u> | <u>\$ 18,990</u> | <u>\$ 242,605</u> |



The School Board of Brevard County, Florida
 Reconciliation of the Governmental Funds
 Balance Sheet to the Statement of Net Assets
 June 30, 2009
 (amounts expressed in thousands)

Total Fund Balances - Governmental Funds \$ 130,239

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

Capital assets, net of accumulated depreciation used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.

| | | |
|--|------------------|---------|
| Total capital assets not being depreciated | 216,713 | |
| Total capital assets being depreciated | 1,386,834 | |
| Total accumulated depreciation | <u>(651,464)</u> | |
| Total capital assets, net | | 952,083 |

Debt issuance costs are not expensed in the government-wide financial statements, but are reported as deferred charged and amortized over the life of the debt. 7,983

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. 15,106

Unamortized premiums on certificates of participation are included as other financing sources in governmental funds in the year of issuance but are amortized over the life of the issued on the Statement of Activities. The unamortized portion is included in governmental activities on the Statement of Net Assets. (22,500)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:

| | | |
|-----------------------------------|----------------|------------------|
| Bonds Payable | (15,330) | |
| Certificates of Participation | (551,158) | |
| Compensated Absences ¹ | (37,203) | |
| Other Post Employment Benefits | (10,940) | |
| Pollution Remediation Liability | (180) | |
| Arbitrage Rebate | <u>(1,150)</u> | |
| Total long-term liabilities | | <u>(615,961)</u> |

Total Net Assets - Governmental Activities \$ 466,950

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

¹ Compensated absences excludes the current liability of \$804 thousand recorded on the modified accrual basis.

The School Board of Brevard County, Florida
Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
For the Fiscal Year ended June 30, 2009
(amounts expressed in thousands)

| | General | Debt Service Fund - Other |
|-----------------------------------|----------------|--------------------------------------|
| Revenues: | | |
| Local sources: | | |
| Ad valorem taxes | \$ 234,639 | \$ - |
| Food service sales | - | - |
| Investment income | 1,765 | 9 |
| Other | 5,969 | - |
| Total local sources | 242,373 | 9 |
| State sources: | | |
| Florida education finance program | 152,985 | - |
| Categorical programs | 104,775 | - |
| Lottery enhancement | 1,780 | - |
| Public education capital outlay | - | - |
| Food services | - | - |
| Other | 5,436 | - |
| Total state sources | 264,976 | - |
| Federal sources: | | |
| Federal direct | 1,351 | - |
| Other federal grants | 350 | - |
| Food services | - | - |
| Total federal sources | 1,701 | - |
| Total revenues | 509,050 | 9 |

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

| Section 1011.14/1011.15 Notes | Local Capital Improvement | Other Capital Projects | Nonmajor Governmental Funds | Total Governmental Funds |
|--|--------------------------------------|---------------------------------------|--|---|
| \$ - | \$ 69,531 | \$ - | \$ - | \$ 304,170 |
| - | - | - | 13,611 | 13,611 |
| 575 | 692 | 2,651 | 102 | 5,794 |
| 380 | - | 2,961 | 9 | 9,319 |
| <u>955</u> | <u>70,223</u> | <u>5,612</u> | <u>13,722</u> | <u>332,894</u> |
| - | - | - | - | 152,985 |
| - | - | - | - | 104,775 |
| - | - | - | - | 1,780 |
| - | - | - | 5,734 | 5,734 |
| - | - | - | 418 | 418 |
| - | - | 153 | 2,872 | 8,461 |
| - | - | 153 | 9,024 | 274,153 |
| - | - | - | 1,298 | 2,649 |
| - | - | - | 36,115 | 36,465 |
| - | - | - | 14,279 | 14,279 |
| - | - | - | 51,692 | 53,393 |
| <u>955</u> | <u>70,223</u> | <u>5,765</u> | <u>74,438</u> | <u>660,440</u> |

Continued on next page.

The School Board of Brevard County, Florida
Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
For the Fiscal Year ended June 30, 2009
(amounts expressed in thousands)

| | <u>General</u> | <u>Debt Service Fund - Other</u> |
|--|------------------|--------------------------------------|
| Expenditures: | | |
| Current operating: | | |
| Instructional services | \$ 341,372 | \$ - |
| Pupil personnel services | 16,247 | - |
| Instructional media services | 9,140 | - |
| Instructional and curriculum development services | 12,431 | - |
| Instructional staff training | 1,381 | - |
| Instruction related technology | 7,341 | - |
| Board of education | 1,249 | - |
| General administration | 2,352 | - |
| School administration | 38,578 | - |
| Facilities acquisition and construction | 1,049 | - |
| Fiscal services | 2,236 | - |
| Food services | 274 | - |
| Central services | 6,125 | - |
| Pupil transportation services | 21,286 | - |
| Operation of plant | 49,918 | - |
| Maintenance of plant | 3,804 | - |
| Administrative technology services | 4,190 | - |
| Community services | 382 | - |
| Capital outlay: | | |
| Facilities | 350 | - |
| Other capital outlay | 1,237 | - |
| Debt service: | | |
| Principal | - | 11,360 |
| Interest and fiscal charges | 1,086 | 26,530 |
| Total expenditures | <u>522,028</u> | <u>37,890</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(12,978)</u> | <u>(37,881)</u> |
| Other financing sources (uses): | | |
| Transfers in | 5,634 | 38,391 |
| Transfers out | - | - |
| Reissuance premium | - | - |
| Sale of capital assets | - | - |
| Loss recoveries | 309 | - |
| Total other financing sources (uses) | <u>5,943</u> | <u>38,391</u> |
| Net change in fund balances | (7,035) | 510 |
| Fund balances (deficits), beginning of year | 49,414 | 3,678 |
| Fund balances (deficits), end of year | <u>\$ 42,379</u> | <u>\$ 4,188</u> |

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

| Section 1011.14/1011.15 Notes | Local Capital Improvement | Other Capital Projects | Nonmajor Governmental Funds | Total Governmental Funds |
|-------------------------------------|------------------------------|------------------------------|-----------------------------------|--------------------------------|
| \$ - | \$ - | \$ - | \$ 18,640 | \$ 360,012 |
| - | - | - | 5,853 | 22,100 |
| - | - | - | 44 | 9,184 |
| - | - | - | 8,375 | 20,806 |
| - | - | - | 2,490 | 3,871 |
| - | - | - | 4 | 7,345 |
| - | - | - | - | 1,249 |
| - | - | - | 842 | 3,194 |
| - | - | - | 38 | 38,616 |
| 2,700 | 2,073 | 4,728 | 4 | 10,554 |
| - | - | - | - | 2,236 |
| - | - | - | 27,217 | 27,491 |
| - | - | - | 116 | 6,241 |
| - | - | - | 200 | 21,486 |
| - | - | - | 8 | 49,926 |
| - | - | - | - | 3,804 |
| - | - | - | - | 4,190 |
| - | - | - | 260 | 642 |
| 10,545 | 24,919 | 92,587 | 11,368 | 139,769 |
| 938 | 7,247 | 3,477 | 1,067 | 13,966 |
| - | 631 | - | 1,610 | 13,601 |
| 1,305 | 12 | 50 | 809 | 29,792 |
| <u>15,488</u> | <u>34,882</u> | <u>100,842</u> | <u>78,945</u> | <u>790,075</u> |
| | | | | |
| <u>(14,533)</u> | <u>35,341</u> | <u>(95,077)</u> | <u>(4,507)</u> | <u>(129,635)</u> |
| | | | | |
| 12,064 | - | - | - | 56,089 |
| - | (54,789) | - | - | (54,789) |
| - | - | 7,020 | - | 7,020 |
| - | - | 97 | - | 97 |
| - | - | - | - | 309 |
| <u>12,064</u> | <u>(54,789)</u> | <u>7,117</u> | <u>-</u> | <u>8,726</u> |
| | | | | |
| (2,469) | (19,448) | (87,960) | (4,507) | (120,909) |
| | | | | |
| (20,556) | 55,313 | 145,401 | 17,898 | 251,148 |
| <u>\$ (23,025)</u> | <u>\$ 35,865</u> | <u>\$ 57,441</u> | <u>\$ 13,391</u> | <u>\$ 130,239</u> |



The School Board of Brevard County, Florida
 Reconciliation of the Statement of Revenues, Expenditures and
 Changes in Fund Balances of Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended June 30, 2009

Net Change in Fund Balances - Total Governmental Funds \$ (120,909)

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 by which capital outlay expenditures exceeded depreciation expenses in the current period.

| | | |
|---|-----------------|---------|
| Capital outlay - facilities, acquisition and construction | 139,769 | |
| Capital outlay - other | 13,444 | |
| Less, depreciation expense | <u>(42,966)</u> | |
| | | 110,247 |

Issuance costs and premiums for new debt issues are reported when issued as expenditures and other financing sources in the governmental funds, but are deferred and amortized over the life of the debt in the statement of activities.

| | | |
|--|----------------|-------|
| Deferred charges: | | |
| Current year | 7,983 | |
| Prior year | <u>(6,970)</u> | |
| Net increase in expenses from deferred charges | | 1,013 |

| | | |
|---|---------------|---------|
| Unamortized Premiums | | |
| Current year | (22,500) | |
| Prior year | <u>16,509</u> | |
| Net reduction in expenses from unamortized premiums | | (5,991) |

Proceeds of certificates of participation are reported as other financing sources in the governmental funds, while payments to escrow agent for the advance refunding of outstanding certificates of participation are shown as other financing uses. Government-wide statements are affected only to the extent these amounts differ. In addition, other long-term debt proceeds provide current financial resources to the governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of long-term debt is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net assets. This is the net affect of these transactions.

| | | |
|----------------------|------------|--------|
| Payment of principal | 13,601 | |
| Arbitrage rebate | <u>509</u> | |
| | | 14,110 |

In the statement of activities, the cost of compensated absences is measured by the amounts earned during the year, while in the governmental funds expenditures are recognized based on the amounts actually paid for compensated absences. This is the net amount of compensated absences earned in excess of the amount paid in the current year. (4,370)

In the statement of activities, the cost of other post employment benefits is a measurement of the amortized unfunded actuarial accrued liability, while in the governmental funds expenditures are recognized based on the amounts actually paid for other post employment benefits. This is the net amount of other post employment benefits expensed in excess of the amount paid in the current year. (5,589)

Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The net expense of internal service funds is reported with governmental activities. (7,399)

The cost of pollution remediation is recognized as an expenditure in the governmental funds when due but is recognized as the liability when estimable in the statement of activities. (180)

Change in Net Assets of Governmental Activities \$ (19,068)

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

The School Board of Brevard County, Florida
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual | Variance with Final Budget - Positive (Negative) |
|--|------------------|----------------|----------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Local sources: | | | | |
| Ad valorem taxes | \$ 233,076 | \$ 234,639 | \$ 234,639 | \$ - |
| Investment income | 2,950 | 1,765 | 1,765 | - |
| Other | 3,009 | 5,969 | 5,969 | - |
| Total local sources | <u>239,035</u> | <u>242,373</u> | <u>242,373</u> | <u>-</u> |
| State sources: | | | | |
| Florida education finance program | 169,004 | 152,985 | 152,985 | - |
| Categorical programs | 105,001 | 104,775 | 104,775 | - |
| Lottery enhancement | 2,947 | 1,780 | 1,780 | - |
| Other | 5,431 | 5,436 | 5,436 | - |
| Total state sources | <u>282,383</u> | <u>264,976</u> | <u>264,976</u> | <u>-</u> |
| Federal sources: | | | | |
| Federal direct | 1,473 | 1,351 | 1,351 | - |
| Other | 800 | 350 | 350 | - |
| Total federal sources | <u>2,273</u> | <u>1,701</u> | <u>1,701</u> | <u>-</u> |
| Total revenues | <u>523,691</u> | <u>509,050</u> | <u>509,050</u> | <u>-</u> |
| Expenditures | | | | |
| Current operating: | | | | |
| Instructional services: | | | | |
| Salaries | 234,632 | 233,294 | 231,998 | 1,296 |
| Employee benefits | 63,407 | 64,562 | 64,744 | (182) |
| Purchased services | 30,497 | 32,296 | 29,558 | 2,738 |
| Energy services | - | 33 | 26 | 7 |
| Materials and supplies | 11,853 | 20,070 | 11,040 | 9,030 |
| Capital outlay | 2,035 | 2,176 | 1,568 | 608 |
| Other expenditures | 1,679 | 2,574 | 2,438 | 136 |
| Total instructional services | <u>344,103</u> | <u>355,005</u> | <u>341,372</u> | <u>13,633</u> |
| Pupil personnel services: | | | | |
| Salaries | 12,233 | 11,706 | 11,683 | 23 |
| Employee benefits | 3,157 | 3,159 | 3,168 | (9) |
| Purchased services | 2,410 | 1,862 | 1,209 | 653 |
| Materials and supplies | 143 | 232 | 167 | 65 |
| Capital outlay | 3 | 24 | 17 | 7 |
| Other expenditures | 2 | 4 | 3 | 1 |
| Total pupil personnel services | <u>17,948</u> | <u>16,987</u> | <u>16,247</u> | <u>740</u> |
| Instructional media services: | | | | |
| Salaries | 6,471 | 6,448 | 6,403 | 45 |
| Employee benefits | 1,853 | 1,864 | 1,851 | 13 |
| Purchased services | 9 | 112 | 78 | 34 |
| Materials and supplies | 115 | 144 | 99 | 45 |
| Capital outlay | 80 | 784 | 709 | 75 |
| Other expenditures | 1 | 1 | - | 1 |
| Total instructional media services | <u>8,529</u> | <u>9,353</u> | <u>9,140</u> | <u>213</u> |
| Instruction and curriculum development services: | | | | |
| Salaries | 8,321 | 9,427 | 9,388 | 39 |
| Employee benefits | 2,220 | 2,466 | 2,478 | (12) |
| Purchased services | 92 | 110 | 87 | 23 |
| Materials and supplies | 54 | 79 | 67 | 12 |
| Capital outlay | 9 | 16 | 12 | 4 |
| Other expenditures | 5 | 399 | 399 | - |
| Total instruction and curriculum development | <u>10,701</u> | <u>12,497</u> | <u>12,431</u> | <u>66</u> |

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

| | Budgeted Amounts | | Actual | Variance with Final Budget - Positive (Negative) |
|---|------------------|--------|--------|---|
| | Original | Final | | |
| Instructional staff training services: | | | | |
| Salaries | 950 | 1,145 | 890 | 255 |
| Employee benefits | 223 | 251 | 182 | 69 |
| Purchased services | 185 | 357 | 187 | 170 |
| Materials and supplies | 61 | 183 | 48 | 135 |
| Capital outlay | - | 70 | 46 | 24 |
| Other expenditures | 89 | 73 | 28 | 45 |
| Total instructional staff training services | 1,508 | 2,079 | 1,381 | 698 |
| Instruction related technology: | | | | |
| Salaries | 5,140 | 5,350 | 5,337 | 13 |
| Employee benefits | 1,383 | 1,431 | 1,475 | (44) |
| Purchased services | 19 | 809 | 497 | 312 |
| Materials and supplies | 8 | 146 | 32 | 114 |
| Capital outlay | 2 | 2 | - | 2 |
| Total instruction related technology | 6,552 | 7,738 | 7,341 | 397 |
| Board of education: | | | | |
| Salaries | 233 | 231 | 231 | - |
| Employee benefits | 339 | 427 | 428 | (1) |
| Purchased services | 422 | 605 | 589 | 16 |
| Other expenditures | 1 | 1 | 1 | - |
| Total board of education | 995 | 1,264 | 1,249 | 15 |
| General administration: | | | | |
| Salaries | 1,159 | 1,376 | 1,428 | (52) |
| Employee benefits | 275 | 343 | 342 | 1 |
| Purchased services | 436 | 461 | 408 | 53 |
| Materials and supplies | 23 | 44 | 32 | 12 |
| Capital outlay | 6 | 6 | 4 | 2 |
| Other expenditures | 44 | 146 | 138 | 8 |
| Total general administration | 1,943 | 2,376 | 2,352 | 24 |
| School administration: | | | | |
| Salaries | 28,431 | 29,515 | 29,619 | (104) |
| Employee benefits | 7,932 | 8,464 | 8,476 | (12) |
| Purchased services | 338 | 336 | 244 | 92 |
| Materials and supplies | 223 | 252 | 131 | 121 |
| Capital outlay | 11 | 89 | 49 | 40 |
| Other expenditures | 4 | 61 | 59 | 2 |
| Total school administration | 36,939 | 38,717 | 38,578 | 139 |
| Facilities acquisition and construction: | | | | |
| Salaries | 739 | 702 | 731 | (29) |
| Employee benefits | 264 | 267 | 253 | 14 |
| Purchased services | 27 | 14 | 18 | (4) |
| Materials and supplies | 9 | 21 | 15 | 6 |
| Capital outlay | 2 | 32 | 29 | 3 |
| Other expenditures | 3 | 3 | 3 | - |
| Total facilities acquisition and construction | 1,044 | 1,039 | 1,049 | (10) |
| Fiscal services: | | | | |
| Salaries | 1,716 | 1,636 | 1,576 | 60 |
| Employee benefits | 463 | 457 | 446 | 11 |
| Purchased services | 193 | 155 | 138 | 17 |
| Materials and supplies | 87 | 493 | 7 | 486 |
| Capital outlay | 46 | 7 | 2 | 5 |
| Other expenditures | 86 | 130 | 67 | 63 |
| Total fiscal services | 2,591 | 2,878 | 2,236 | 642 |

Continued on next page.

The School Board of Brevard County, Florida
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual | Variance with Final Budget - Positive (Negative) |
|-------------------------------------|------------------|---------------|---------------|---|
| | Original | Final | | |
| Food services: | | | | |
| Salaries | - | 242 | 254 | (12) |
| Employee benefits | - | 20 | 20 | - |
| Total food services | <u>-</u> | <u>262</u> | <u>274</u> | <u>(12)</u> |
| Central services: | | | | |
| Salaries | 3,952 | 3,931 | 3,921 | 10 |
| Employee benefits | 1,189 | 1,250 | 1,267 | (17) |
| Purchased services | 1,893 | 752 | 228 | 524 |
| Materials and supplies | 214 | 506 | 376 | 130 |
| Capital outlay | 31 | 70 | 39 | 31 |
| Other expenditures | <u>341</u> | <u>330</u> | <u>294</u> | <u>36</u> |
| Total central services | <u>7,620</u> | <u>6,839</u> | <u>6,125</u> | <u>714</u> |
| Pupil transportation services: | | | | |
| Salaries | 12,101 | 11,458 | 11,820 | (362) |
| Employee benefits | 4,990 | 4,948 | 5,249 | (301) |
| Purchased services | 967 | 1,056 | 1,026 | 30 |
| Energy services | 2,823 | 2,785 | 2,114 | 671 |
| Materials and supplies | 314 | 959 | 996 | (37) |
| Capital outlay | 10 | 78 | 76 | 2 |
| Other expenditures | <u>7</u> | <u>5</u> | <u>5</u> | <u>-</u> |
| Total pupil transportation services | <u>21,212</u> | <u>21,289</u> | <u>21,286</u> | <u>3</u> |
| Operation of plant: | | | | |
| Salaries | 16,622 | 17,170 | 17,082 | 88 |
| Employee benefits | 6,915 | 7,494 | 7,418 | 76 |
| Purchased services | 10,417 | 10,345 | 9,814 | 531 |
| Energy services | 13,920 | 15,357 | 14,303 | 1,054 |
| Materials and supplies | 1,305 | 1,447 | 1,268 | 179 |
| Capital outlay | 14 | 36 | 31 | 5 |
| Other expenditures | <u>3</u> | <u>2</u> | <u>2</u> | <u>-</u> |
| Total operation of plant | <u>49,196</u> | <u>51,851</u> | <u>49,918</u> | <u>1,933</u> |
| Maintenance of plant: | | | | |
| Salaries | 1,836 | 2,004 | 997 | 1,007 |
| Employee benefits | 645 | 690 | 406 | 284 |
| Purchased services | 354 | 866 | 765 | 101 |
| Energy services | 568 | 542 | 524 | 18 |
| Materials and supplies | 897 | 968 | 1,007 | (39) |
| Capital outlay | 125 | 116 | 97 | 19 |
| Other expenditures | <u>1</u> | <u>7</u> | <u>8</u> | <u>(1)</u> |
| Total maintenance of plant | <u>4,426</u> | <u>5,193</u> | <u>3,804</u> | <u>1,389</u> |

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

| | Budgeted Amounts | | Actual | Variance with Final Budget - Positive (Negative) |
|---|------------------|------------------|------------------|---|
| | Original | Final | | |
| Administrative technology services: | | | | |
| Salaries | 2,328 | 2,325 | 2,333 | (8) |
| Employee benefits | 604 | 605 | 616 | (11) |
| Purchased services | 1 | 1,163 | 972 | 191 |
| Materials and supplies | - | 46 | 41 | 5 |
| Capital outlay | - | 895 | 224 | 671 |
| Other expenditures | - | 4 | 4 | - |
| Total administrative technology services | <u>2,933</u> | <u>5,038</u> | <u>4,190</u> | <u>848</u> |
| Community services: | | | | |
| Salaries | - | 257 | 315 | (58) |
| Employee benefits | - | 27 | 50 | (23) |
| Purchased services | - | - | 1 | (1) |
| Energy services | - | 78 | - | 78 |
| Materials and supplies | - | 9 | 7 | 2 |
| Other expenditures | 25 | 36 | 9 | 27 |
| Total community services | <u>25</u> | <u>407</u> | <u>382</u> | <u>25</u> |
| Total current operating | <u>518,265</u> | <u>540,812</u> | <u>519,355</u> | <u>21,457</u> |
| Capital outlay: | | | | |
| Facilities | 66 | 443 | 350 | 93 |
| Other capital outlay | 2,010 | 2,420 | 1,237 | 1,183 |
| Total capital outlay | <u>2,076</u> | <u>2,863</u> | <u>1,587</u> | <u>1,276</u> |
| Debt service: | | | | |
| Interest and fiscal charges | 550 | 1,086 | 1,086 | - |
| Total debt service | <u>550</u> | <u>1,086</u> | <u>1,086</u> | <u>-</u> |
| Total expenditures | <u>520,891</u> | <u>544,761</u> | <u>522,028</u> | <u>22,733</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>2,800</u> | <u>(35,711)</u> | <u>(12,978)</u> | <u>22,733</u> |
| Other financing sources (uses): | | | | |
| Transfers in(out) | - | 5,634 | 5,634 | - |
| Loss recoveries | - | 309 | 309 | - |
| Total other financing sources (uses) | <u>-</u> | <u>5,943</u> | <u>5,943</u> | <u>-</u> |
| Net change in fund balance | 2,800 | (29,768) | (7,035) | 22,733 |
| Fund balance, beginning of year | 49,699 | 49,414 | 49,414 | - |
| Fund balance, end of year | <u>\$ 52,499</u> | <u>\$ 19,646</u> | <u>\$ 42,379</u> | <u>\$ 22,733</u> |

The School Board of Brevard County, Florida
Statement of Net Assets
Proprietary Funds
June 30, 2009
(amounts expressed in thousands)

| | Business-type Activities | Governmental Activities |
|--|-----------------------------|----------------------------|
| | Enterprise Funds | Internal Service Funds |
| | Extended Day Program | Self Insurance |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 658 | \$ 2,753 |
| Investments | - | 30,674 |
| Due from other agencies | 253 | 4 |
| Other receivables | - | 134 |
| Total current assets | 911 | 33,565 |
| Noncurrent assets: | | |
| Furniture, fixtures and equipment, net | 355 | - |
| Non-building improvements, net | 73 | - |
| Motor vehicles, net | 10 | - |
| Building & fixed equipment, net | 13 | - |
| Computer software, net | 26 | - |
| Total noncurrent assets | 477 | - |
| Total assets | 1,388 | 33,565 |
| LIABILITIES | | |
| Current liabilities: | | |
| Salaries and wages payable | 45 | 13 |
| Accounts payable | 1 | 1,783 |
| Compensated absences payable | 54 | - |
| Estimated insurance claims payable | - | 6,999 |
| Total current liabilities | 100 | 8,795 |
| Long-term liabilities: | | |
| Compensated absences payable | 184 | - |
| OPEB payable | 143 | - |
| Estimated insurance claims payable | - | 9,664 |
| Total long-term liabilities | 327 | 9,664 |
| Total liabilities | 427 | 18,459 |
| NET ASSETS | | |
| Net assets, invested in capital assets | 477 | - |
| Unrestricted | 484 | 15,106 |
| Total net assets | \$ 961 | \$ 15,106 |

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

The School Board of Brevard County, Florida
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

| | <u>Business-type Activities</u> | <u>Governmental Activities</u> |
|------------------------------------|-------------------------------------|------------------------------------|
| | <u>Enterprise Funds</u> | <u>Internal Service Funds</u> |
| | <u>Extended Day Program</u> | <u>Self Insurance</u> |
| OPERATING REVENUES | | |
| Charges for services | \$ 7,120 | \$ - |
| Premium revenues | - | 61,806 |
| Other operating revenues | - | 9 |
| | <hr/> | <hr/> |
| Total operating revenues | 7,120 | 61,815 |
| | <hr/> | <hr/> |
| OPERATING EXPENSES | | |
| Salaries | 4,543 | 804 |
| Employee benefits | 1,597 | 252 |
| Purchased services | 288 | 300 |
| Material and supplies | 444 | 6 |
| Capital outlay (non-capitalizable) | 150 | 2 |
| Claims expense | - | 68,032 |
| Depreciation | 268 | - |
| Other expenses | 43 | - |
| | <hr/> | <hr/> |
| Total operating expenses | 7,333 | 69,396 |
| | <hr/> | <hr/> |
| Operating loss | (213) | (7,581) |
| | <hr/> | <hr/> |
| NON-OPERATING REVENUES | | |
| Investment earnings | - | 1,482 |
| | <hr/> | <hr/> |
| Total non-operating revenues | - | 1,482 |
| | <hr/> | <hr/> |
| Loss before operating transfers | (213) | (6,099) |
| | <hr/> | <hr/> |
| Transfers in | - | 273 |
| Transfers out | - | (1,573) |
| | <hr/> | <hr/> |
| Change in net assets | (213) | (7,399) |
| | <hr/> | <hr/> |
| Total net assets, beginning | 1,174 | 22,505 |
| Total net assets, ending | <u>\$ 961</u> | <u>\$ 15,106</u> |

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

The School Board of Brevard County, Florida
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

| | Business-type Activities | Governmental Activities |
|---|--------------------------|---------------------------|
| | Enterprise Funds | Internal Service Funds |
| | Extended Day Program | Self Insurance |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash received from services | \$ 7,238 | \$ - |
| Cash received from premiums | - | 61,917 |
| Cash payments for insurance claims | - | (69,711) |
| Cash payments to suppliers for goods and services | (780) | - |
| Cash payments to employees | (6,315) | (1,055) |
| Other payments | (150) | (175) |
| | (7) | (9,024) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Transfer from other funds | - | 273 |
| Transfers to other funds | - | (1,573) |
| | - | (1,300) |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Acquisition of capital assets | (31) | - |
| | (31) | - |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest on investments | - | 1,482 |
| Proceeds from sales and maturities of investments | - | 946 |
| Purchase of investments | - | (693) |
| | - | 1,735 |
| Net change in cash and cash equivalents | (38) | (8,589) |
| Cash and cash equivalents, beginning | 696 | 11,342 |
| Cash and cash equivalents, ending | \$ 658 | \$ 2,753 |
| Reconciliation of operating loss to net cash provided by (used in) operating activities: | | |
| Operating loss | \$ (213) | \$ (7,581) |
| Adjustments to reconcile operating loss to net cash provided by (used in) operating activities: | | |
| Depreciation | 268 | - |
| Changes in assets and liabilities: | | |
| Decrease in accounts receivable | - | 106 |
| (Increase) decrease in due from other agencies | 118 | (4) |
| Increase (decrease) in salaries and benefits payable | (34) | 2 |
| Increase (decrease) in accounts payable | (5) | 133 |
| Increase in OPEB payable | 69 | - |
| (Decrease) in compensated absences | (210) | - |
| (Decrease) in estimated liabilities for self-insurance programs | - | (1,680) |
| Total adjustments | 206 | (1,443) |
| Net cash used in operating activities | \$ (7) | \$ (9,024) |

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

The School Board of Brevard County, Florida
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2009
(amounts expressed in thousands)

| | School Internal Funds |
|--|----------------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 6,218 |
| Total assets | \$ 6,218 |
| LIABILITIES | |
| Accounts payable and other liabilities | \$ 6,218 |
| Total liabilities | \$ 6,218 |

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



THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2009

1. Summary of Significant Accounting Policies

➤ Reporting Entity

The District School Board has direct responsibility for operation, control, and supervision of District schools and is considered a primary government for financial reporting. The Brevard County School District is considered part of the Florida system of public education under the general direction of the State Board of Education. The governing body of the school district is the Brevard County District School Board, which is composed of five elected members. The appointed Superintendent of Schools is the executive officer of the School Board. The general operating authority of the Board and the Superintendent is contained in Chapters 1000 through 1013 and 238, Florida Statutes. Geographic boundaries of the District correspond with those of Brevard 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 District School Board is financially accountable and other organizations for which the nature and significance of their relationship with the School Board are such that exclusion would cause the District's basic financial statements to be misleading or incomplete.

Based on the application of these criteria, the following component units are included within the District School Board's reporting entity:

Blended Component Unit - The Brevard County School Board Leasing Corporation ("the Leasing Corporation") was formed to facilitate the partial refunding of the Series 1992A Certificates of Participation and the financing of the acquisition of facilities and equipment as further discussed in Note 9. Due to the substantive economic relationship between the Brevard County District School Board and the Leasing Corporation, the financial activities of the Leasing Corporation are included in the accompanying basic financial statements. Separate financial statements for the Leasing Corporation are not published.

Discretely Presented Component Units - The component unit columns in the basic financial statements include the financial data of the Brevard Schools Foundation, Inc. ("the Foundation") and the District's charter schools for the fiscal year ending June 30, 2009. Under Florida Statute, both the Foundation and the charter schools are reported in separate columns to emphasize that each is a separate legal entity from the District School Board. The Brevard Schools Foundation is a separate not-for-profit corporation organized and operated as a direct-support organization under Section 1001.453, Florida Statutes, to receive, hold, invest, and administer property and to make expenditures to or for the benefit of the District. An annual audit of the Foundation's financial statements is conducted by an independent certified public accountant and is filed in the District's administrative office.

The charter schools are separate not-for-profit corporations organized and operated as charter schools under Section 1002.33, Florida Statutes, to enhance the education of those Brevard County students attending these schools. Charter schools are considered to be separate component units operating

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2009

under a charter approved by the Brevard School Board as sponsor. Annual audits of these charter schools' financial statements are conducted by independent certified public accountants and are provided to the District upon completion of each audit.

During the fiscal year ending June 30, 2009, there were eight charter schools under the sponsorship of the School Board of Brevard County. The schools are listed below:

1. Brevard Innovative Charter Schools, Inc. d/b/a/ Sculptor Charter School
2. Educational Horizons, Inc. d/b/a Educational Horizons Charter School
3. Odyssey Charter School, Inc.
4. Palm Bay Academy, Inc.
5. City of Palm Bay d/b/a Palm Bay Community Charter School – Patriot Campus
6. Primary Charter Schools, Inc. d/b/a Campus Charter School
7. Milestones Community School, Inc. d/b/a/ Imagine Schools at West Melbourne
8. Royal Palm Charter School, Inc.

Seven of the eight charter schools listed above are reported as component units of the District and one charter school is not reported as a district component unit. Palm Bay Community Charter School – Patriot Campus, operates under a charter granted by the School Board of Brevard County, as sponsor; however, the school is part of the City of Palm Bay, Florida, and is reported as a special revenue fund of the City of Palm Bay.

➤ **Measurement Focus, Basis of Presentation, and Financial Statement Presentation**

Government-wide Financial Statements - Government-wide financial statements include the statement of net assets and the statement of activities, and present information about the School District as a whole. These statements include the financial activity of the primary government, except for the fiduciary funds. The statements distinguish between governmental activities of the District and those that are considered business-type activities.

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities and for the business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function. Depreciation expenses associated with the District's Transportation Department are allocated to the transportation function, while remaining depreciation expenses are not readily associated with a particular function and are reported as unallocated.

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2009

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 and the business-type activity is self-financing or draws from the general revenues of the District.

The District eliminates, from the statement of net assets and the statement of activities, most interfund receivables and payables and transfers between funds, as well as the transactions associated with its Internal Service Funds, to minimize the effect of duplication.

Fund Financial Statements - Fund financial statements report detailed information about the District in the governmental, proprietary, and fiduciary funds. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Non-major funds are aggregated and reported in a single column. Internal Service Funds are combined, and the totals are presented in a single column on the face of the proprietary funds statements.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations of these funds are included on the balance sheet. Proprietary funds' operating statements present increases (revenues) and decreases (expenses) in net total assets.

Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, reconciliations are presented with each of the governmental fund financial statements.

The District reports the following major governmental funds:

- General Fund – to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes. The General Fund is the primary operating fund of the District.
- Debt Service Fund – Other – to account for the accumulation of resources for, and the payment of, debt principal, interest, and related costs for the District's Certificates of Participation.
- Capital Projects – Section 1011.14/1011.15 Notes Fund – to account for the financial resources generated by the District's Revenue Anticipation Notes, the proceeds of which are used for roofing repairs and heating and air conditioning improvements at District schools.

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2009

- Capital Projects – Local Capital Improvement Fund – to account for the financial resources generated by the local capital improvement tax levy to be used for educational capital outlay needs, including new construction, debt service payments for certificates of participation, equipment purchases, costs of leasing portable educational facilities, maintenance of existing District schools, and renovation and remodeling projects.
- Capital Projects – Other Fund – to account for the financial resources generated by miscellaneous capital outlay funding sources, such as certificates of participation, impact fees, fuel tax receipts, classrooms for kids, and other miscellaneous local sources.

The District reports the following non-major governmental funds:

- Special Revenue – Food Services Fund – to account for the financial resources of the school food service program.
- Special Revenue – Contracted Programs Fund – to account for programs funded by federal and state sources that are segregated due to legal or regulatory restrictions.
- Debt Service – SBE/COBI Bonds Fund – to account for payment of debt service for state school bonds issued by the State Board of Education on behalf of the District.
- Capital Projects – SBE/COBI Bonds Fund – to account for capital project activity financed by COBI bond issues.
- Capital Projects – Capital Outlay and Debt Service Fund – to account capital projects financed through the district's allocation of the state Capital Outlay and Debt Service program.
- Capital Projects – Public Education Capital Outlay – to account capital projects activity funded through the state's funding of the Public Education Capital Outlay Program.

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

- Internal Service Funds – to account for the District's individual self-insurance programs.
- Enterprise Fund – Extended Day Program – The Enterprise Fund is used to account for the business-type activities in which the District sells services to the general public. The services provided are that of extended day-care which are available at most of the District's elementary schools. This fund is self-supporting through customer charges.
- Agency Funds – to account for resources of the school internal funds which are used to administer moneys collected at the several schools in connection with school, student athletic, class, and club activities. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2009

➤ **Basis of Accounting**

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

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

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. Significant revenues susceptible to accrual include property taxes and interest earnings. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized when due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

The proprietary funds are accounted for as proprietary activities under standards issued by the Financial Accounting Standards Board through November 1989 and applicable standards issued by the Governmental Accounting Standards Board. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds' principal ongoing operations. The principal operating revenues of the District's internal service funds are charges for employee health insurance premiums. Operating expenses include insurance claims and excess coverage premiums. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The principal operating revenues of the District's enterprise fund are charges for extended daycare. Operating expenses include costs associated with providing daycare services, including salaries, employee benefits, and supplies. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, district policy is to restrict certain fund balances that are constrained by constitutional provision or enabling legislation and to use those funds only for the purpose for which they are intended. When expenditures are incurred for which unrestricted resources can be used, it is the District's intention to use committed amounts first, followed by assigned amounts and then unassigned amounts.

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2009

The charter schools are accounted for as governmental organizations and follow the same accounting model as the District's governmental activities.

The Foundation, shown as a discretely presented component unit, is accounted for as a not-for-profit and follows the standards issued by the Financial Accounting Standards Board. The Foundation follows the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred.

➤ **New Pronouncements**

The GASB issued Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations* (GASB 49) in November, 2006. The statement has a financial impact to the District in fiscal year 2009. The District has disclosed information about pollution remediation obligations of the District in Note 14.

The GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54) effective for reporting periods after June 15, 2010. The statement establishes fund balance classifications, provides for a hierarchy of spending constraints for spendable resources and requires disclosure of nonspendable and spendable resources. The District has elected early adoption of GASB 54 in the fiscal year 2009 financial statements and has disclosed information about fund balance reporting in Note 23.

➤ **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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/expenses during the reporting period. Actual results could differ from those estimates.

➤ **Deposits and Investments**

Cash deposits are held by banks qualified as public depositories under Florida law. All deposits are insured by Federal depository insurance and collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes. The statement of cash flows considers cash and cash equivalents as amounts included in demand deposits, all highly liquid investments with an original maturity of three months or less, cash held by fiscal agents and amounts held on deposit in money market accounts.

Investments made locally include U.S. Government securities, collateralized repurchase agreements, money market mutual funds, and certificates of deposit, which are carried at fair value based on quoted market prices. Investments held at year-end are disclosed in Note 3.

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2009

➤ **Inventories**

Inventories consist of expendable supplies and commodities held for consumption in the course of District operations. The purchased food inventories, central warehouse and transportation inventories are stated at cost based on the weighted-average basis. The United States Department of Agriculture non-processed surplus commodities in the District's warehouse are stated at fair value 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, while processed commodities are valued at fair market value plus processing costs. The costs of inventories are recorded as expenditures when used rather than when purchased.

➤ **Capital Assets and Depreciation**

Expenditures for capital assets, whether acquired or constructed, are reported in the fund that financed the cost of the asset. These capital assets are reported in the government-wide statement of net assets, but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or historical cost) and updated for additions and retirements during the year. Donated assets are recorded at fair value at the date of donation. The District follows a procedure of capitalizing assets with a cost of more than \$1,000 and a useful life in excess of one year in conformity with state statute. The District does not possess any infrastructure.

All reported capital assets, with the exception of land and construction in process, are depreciated. The property under capital lease is depreciated based on the shorter of the useful life of the property or the term of the lease. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

| <u>Description</u> | <u>Estimated Useful Life</u> |
|------------------------------------|------------------------------|
| Land | Not depreciated |
| Construction in progress | Not depreciated |
| Improvements other than buildings | 15 Years |
| Buildings and fixed equipment | 50 Years |
| Furniture, fixtures and equipment | 3-5 Years |
| Motor vehicles | 5-10 Years |
| AV materials and computer software | 3 Years |
| Property under capital lease | 5 Years |

➤ **Long-Term Liabilities**

Long-term obligations that will be financed from resources to be received in the future by governmental funds are reported as liabilities in the government-wide statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method over the life of the related debt.

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2009

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

Vacation benefits are accrued as a liability as the benefits are earned if the employee's right to receive compensation is attributable to services already rendered and it is probable that the district will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability is based on a calculation of the amount of accumulated sick leave by the current employee population at June 30, 2009, that is expected to become eligible for payment at termination. The criteria for determining the vacation and sick leave liability is derived from Board policy, negotiated agreements, and state laws; the liability for compensated absences is reported on the government-wide financial statements. For governmental fund financial statements, the amount of accumulated vacation and sick leave of employees has been recorded as a current liability to the extent that the amounts are due and payable. The liability at year-end includes salary-related payments such as Social Security and Medicare. Changes in long-term liabilities for the current year are reported in a subsequent note.

In fiscal year 2007-08, the District implemented Governmental Accounting Standard Board Statement No. 45, *Accounting and Reporting by Employers for Postemployment Benefits Other than Pensions*, for certain postemployment health care and life insurance benefits provided by the District. The requirement of this Statement was implemented prospectively, with the actuarially determined liability at the January 1, 2007, date of transition being amortized over 20 years.

➤ **State Revenue Sources**

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

The State provides financial assistance to administer certain categorical 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 categorical educational programs. The Department generally requires that categorical educational program revenues be accounted for in the General Fund. A portion of the fund balance of the General Fund is

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2009

restricted in the governmental fund financial statements for the unencumbered balance of categorical educational program resources. The School Board contingency funds are included in unassigned fund balance. See page 73 for further discussion of the contingency funds.

The State allocates gross receipts taxes annually, generally known as Public Education Capital Outlay. The District is authorized to expend these funds only upon applying for and receiving an encumbrance authorization from the Department. A schedule of revenue from State sources for the current year is presented in a subsequent note.

➤ **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.

➤ **District Property Taxes**

The School Board is authorized by State law to levy property taxes for district school operations, capital improvements, and debt service. Property taxes consist of ad valorem taxes on real and personal property within the District. Property values are determined by the Brevard County Property Appraiser, and property taxes are collected by the Brevard County Tax Collector.

The School Board adopted the 2008 tax levy on September 4, 2008. 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 delinquent on April 1 of the year following the year of assessment. State law provides for enforcement of collection of personal property taxes by seizure of the property to satisfy unpaid taxes, and for enforcement of collection of real property taxes by the sale of interest-bearing tax certificates to satisfy unpaid taxes. The procedures result in the collection of essentially all taxes prior to June 30 of the year following the year of assessment.

Property tax revenues are recognized in the government-wide financial statements when the Board adopts the tax levy. Property tax revenues are recognized in the governmental fund financial statements when taxes are deemed available, which is generally within 60 days of the fiscal year end. Millages and taxes levied for the current year are presented in note 17.

2. Budgetary Compliance and Accountability

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

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2009

Budgets are prepared, public hearings are held, and original budgets are adopted annually for all governmental fund types in accordance with procedures 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 functional activity (e.g., instruction, pupil personnel services, and school administration) and may be amended by resolution at any School Board meeting prior to the due date for the annual financial report.

Budgets are prepared using the same modified accrual basis as is used to account for governmental funds. Budgetary information is integrated into the accounting system and, to facilitate budget control, budget balances are encumbered when purchase orders are issued. Appropriations lapse at fiscal year-end and encumbrances outstanding are honored from the subsequent year's appropriations.

During the fiscal year ended June 30, 2009, all governmental fund types were amended to reflect adjustments to appropriations due to changes in student counts, the addition of new education programs, etc. These amendments were made as part of the routine budget process of the District, none of which were deemed to be significant by management.

The reported budgetary data represents the final appropriated budget after amendments adopted by the School Board.

3. Cash and Investments

As of June 30, 2009, the District had the following investments and maturities:

| Investment | Fair Value | Investment Maturities Less Than | | | | |
|--|-----------------------|---------------------------------|----------------------|---------------------|---------------------|-------------------|
| | | 6 Months | 1 Year | 2 Years | 3 Years | 4 Years |
| Obligations of United States government | \$ 11,798,980 | \$ 1,113,878 | \$ 1,056,446 | \$ 3,462,119 | \$ 6,166,537 | \$ - |
| Agencies and instrumentalities | 101,043,647 | 52,555,152 | 41,119,845 | 3,816,824 | 3,101,123 | 450,703 |
| Money market funds-First American Treasury | 59,844,768 | 59,844,768 | - | - | - | - |
| Money market funds-Ridgeworth | 34,255,659 | 34,255,659 | - | - | - | - |
| Bond mutual fund-Core Fund | 7,525,139 | 7,525,139 | - | - | - | - |
| Commercial paper | 24,994,910 | 24,994,910 | - | - | - | - |
| Collateralized investment repurchase agreement | 4,809,833 | 4,809,833 | - | - | - | - |
| Total investments | \$ 244,272,936 | \$ 185,099,339 | \$ 42,176,291 | \$ 7,278,943 | \$ 9,267,660 | \$ 450,703 |

| Total Investments, Reporting Entity | Statement of Net Assets |
|---|-------------------------|
| Fair Value of investments | \$ 244,272,936 |
| Deposits | 10,222,371 |
| Total | \$ 254,495,307 |
| Cash and cash equivalents - statement of net assets | \$ 29,743,510 |
| Investments - statement of net assets | 224,751,797 |
| Total | \$ 254,495,307 |

Florida Statutes authorize the deposit of School Board funds in demand deposits with financial institutions that are approved as qualified public depositories, pursuant to chapter 280, the *Florida*

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2009

Security for Public Deposits Act. Under this act, all qualified public depositories are required to pledge eligible collateral and deposit such collateral with the State Treasurer to ensure against losses of public deposits. The District's bank balances of \$10,222,371 were deposited with qualified public depositories as of June 30, 2009. School internal funds represent an additional \$6,217,911 of cash deposits held in qualified public depositories as of June 30, 2009.

Interest Rate Risk

The District has established an investment policy, pursuant to Florida Statute 218.415. District policies limit the maturity of investments to five years or less as a means of limiting its exposure to fair value losses arising from rising interest rates. The average overall maturity should be less than two years and the portfolio should be managed to provide sufficient operating liquidity needs.

- The District has \$11,798,980 invested in obligations of the United States Government and \$101,043,647 invested in Government Sponsored Agencies/Federal Instrumentalities that are held by a safekeeping agent in the name of the District. These securities contain embedded options to call the entire security or a portion thereof, at the option of the issuer; or, depending on market conditions, the issuer may decide to leave the security intact, at stated interest rates, until final maturity. These securities have various call dates with final maturity between August, 2009 and January, 2013. Securities in this category are the Federal Home Loan Bank, the Federal Home Loan Mortgage Corporation, and the Federal National Mortgage Corporation, and are rated AAA by S&P.
- The District has \$59,844,768 in First American Money Market Funds. These securities have an average weighted maturity of 45 days.
- The District has \$34,255,659 in Ridgeworth Money Market Funds. These securities have an average maturity of 51 days.
- The District has \$7,525,139 in CORE Mutual Funds. These securities have an average weighted maturity of 1.08 years.
- The District had \$24,994,910 invested in commercial paper, rated A-1+, P-1, with a final maturity date of August 13, 2009.
- The District has \$4,809,833 held under a trust indenture in connection with Certificates of Participation, Series 2008A. These funds are invested in collateralized investment repurchase agreements until such time the funds will be needed to pay for construction costs. The repurchase agreements provide the District with liquidity as needed and are collateralized by government agency and treasury securities held by a third party collateral agent at 102% of the agreed value. The final maturity date for this investment is December 1, 2009.

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2009

➤ **Credit Risk**

Section 218.415, Florida Statutes, limits the types of investments that can be invested by the District, unless specifically authorized by District policy. Investments authorized by District policy are:

- a. Florida Local Government Surplus Trust Funds (SBA);
- b. Direct Obligations of US Treasury;
- c. US Federal Government Agency Securities;
- d. US Government Sponsored Agencies/Federal Instrumentalities;
- e. Interest Bearing Time Deposits/Savings Accounts, including certificates of deposit;
- f. Repurchase Agreements fully collateralized at 102% of market value, by US Treasuries, US Government Agencies, and US Government Sponsored Agencies/Federal Instrumentalities;
- g. Commercial paper rated A-1, P-1, by Standard and Poor's, Moody's;
- h. Bankers' Acceptances rated A-1, P-1, by Standard and Poor's Moody's;
- i. State and/or Local Government taxable and/or tax exempt securities, rated at least Aa by Moody's and AA by Standard and Poor's; short term obligations should be rated MIG2 by Moody's and/or SP2 by Standard and Poor's;
- j. Registered Investment companies (Mutual Funds) if registered under the Federal Investment Company Act of 1940 and operated in accordance with 17 C.F.R. 270.2a-7;
- k. Intergovernmental Investment Pool authorized pursuant to Florida Interlocal Cooperation Act as provided in FS 163.01, provided it contains no derivatives;

The District's investments in Federal Instrumentalities include: Federal National Mortgage Association (FNMA), rated Aaa by Moody's Investors Services; Federal Home Loan Mortgage Corporation (FHLMC), rated Aaa by Moody's Investors Services; Federal Home Loan Bank (FHLB), rated Aaa by Moody's Investors Services; and Federal Farm Credit Bank (FFCB), rated Aaa by Moody's Investors Services.

The District has \$59,844,768 in First American Money Market Funds. These maturities have a Standard & Poor's (S&P) rating of AAAM and a Moody's Investors Services rating of Aaa.

The District has \$34,255,659 in Ridgeworth Money Market Funds. These maturities have a Standard & Poor's (S&P) rating of AAAM and a Moody's Investors Services rating of Aaa.

➤ **Custodial Credit Risk**

Florida Statute 218.415 (18) requires every security purchased on behalf of Brevard School Board to be earmarked and:

- If registered with the issuer or its agents, the security must be immediately placed for safekeeping in a location that protects the District's interest in the security;
- If in book entry form, the security 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 Florida, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in Florida, and must be

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
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kept by the depository in an account separate and apart from the assets of the financial institution; or

- If physically issued to the holder, but not registered with the issuer or its agents, the security must be immediately placed in safekeeping in a secured vault.

The District has \$11,798,980 invested in obligations of the United States Government and \$101,043,647 invested in Government Sponsored Agencies/Federal Instrumentalities and \$34,255,659 in Ridgeworth Money Market Funds that are held by a safekeeping agent in the name of the District. The District also has \$59,844,768 in First American Money Market Funds of which \$24,601,126 is held with the fiscal agent for payment of principal and interest due to certificate holders on July 1, 2009 and the remaining \$35,243,642 is held for project costs.

➤ **Concentration of Credit Risk**

The District's investment policy specifies the maximum percentage of the portfolio composition per individual issuer and type of investment. Those maximum percentages are listed below:

| Type of Investment | Maximum |
|---|----------------|
| a. Florida Local Government Surplus Trust Funds (SBA) | 100% |
| b. Direct Obligations of US Treasury | 100% |
| c. U.S. Government Agency Securities (25% limited to one issuer) | 50% |
| d. Federal Instrumentalities, Government Sponsored Agencies (40% limited to one issuer) | 80% |
| e. Interest Bearing Time Deposits/Savings Accounts, including certificates of deposit (15% limited to one insurer) | 25% |
| f. Repurchase Agreements fully collateralized at 102% of market value | 50% |
| g. Commercial Paper rated A-1, P-1, (10% limited to one issuer) | 35% |
| h. Bankers' Acceptances rates A-1, P-1, (10% limited to one issuer) | 35% |
| i. State and/or Local Government taxable and/or tax exempt securities | 20% |
| j. Registered Investment Companies (25% limited to one issuer) | 50% |
| k. Intergovernmental Investment Pool | 25% |

The District is in compliance with its investment policy, regarding interest rate risk, credit risk, and its concentration of credit risk.

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
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4. Changes in Capital Assets

Changes in capital assets are presented in the table below:

| | July 1, 2008 | Additions | Deductions | June 30, 2009 |
|---|-----------------------|-----------------------|-------------------------|-----------------------|
| Governmental activities | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 25,124,962 | \$ - | \$ - | \$ 25,124,962 |
| Construction in process | 289,869,451 | 135,908,541 | (234,189,649) | 191,588,343 |
| Total capital assets, not being depreciated | <u>314,994,413</u> | <u>135,908,541</u> | <u>(234,189,649)</u> | <u>216,713,305</u> |
| Capital assets, being depreciated: | | | | |
| Improvements other than buildings | 56,446,249 | 3,860,552 | - | 60,306,801 |
| Buildings and fixed equipment | 942,728,583 | 234,189,649 | - | 1,176,918,232 |
| Furniture, fixtures and equipment | 85,028,049 | 7,765,830 | (8,316,976) | 84,476,903 |
| Motor vehicles | 40,737,279 | 5,704,626 | (1,597,909) | 44,843,996 |
| AV materials and computer software | 17,265,580 | 556,618 | (477,422) | 17,344,776 |
| Property under capital lease | 2,942,836 | - | - | 2,942,836 |
| Total capital assets, being depreciated | <u>1,145,148,576</u> | <u>252,077,275</u> | <u>(10,392,307)</u> | <u>1,386,833,544</u> |
| Less accumulated depreciation: | | | | |
| Improvements other than buildings | (27,221,321) | (3,261,692) | - | (30,483,013) |
| Buildings and fixed equipment | (490,364,516) | (23,538,365) | - | (513,902,881) |
| Furniture, fixtures and equipment | (62,748,866) | (9,715,829) | 7,981,176 | (64,483,519) |
| Motor vehicles | (24,116,615) | (3,665,876) | 1,419,652 | (26,362,839) |
| AV materials and computer software | (12,089,259) | (2,196,080) | 408,476 | (13,876,863) |
| Property under capital lease | (1,765,702) | (588,567) | - | (2,354,269) |
| Total accumulated depreciation | <u>(618,306,279)</u> | <u>(42,966,409)</u> | <u>9,809,304</u> | <u>(651,463,384)</u> |
| Total capital assets, net | <u>\$ 841,836,710</u> | <u>\$ 345,019,407</u> | <u>\$ (234,772,652)</u> | <u>\$ 952,083,465</u> |
| Depreciation expense was charged to functions as follows: | | | | |
| <u>Amount</u> | | | | |
| Governmental activities: | | | | |
| Pupil transportation services | | \$ 2,997,922 | | |
| Unallocated (direct depreciation excluded) | | 39,968,487 | | |
| Total depreciation expense-governmental activities | | <u>\$ 42,966,409</u> | | |

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2009

| | Balance July 1, 2008 | Additions | Deletions | Balance June 30, 2009 |
|---|-------------------------|---------------------|----------------|--------------------------|
| Business-type activities: | | | | |
| Capital assets, being depreciated: | | | | |
| Improvements other than buildings | \$ 90,028 | \$ - | \$ - | \$ 90,028 |
| Buildings and fixed equipment | 33,471 | - | - | 33,471 |
| Furniture, fixtures and equipment | 1,168,084 | 31,292 | (2,453) | 1,196,923 |
| Motor vehicles | 13,881 | - | - | 13,881 |
| Computer software | 54,582 | - | - | 54,582 |
| Total capital assets, being depreciated | <u>1,360,046</u> | <u>31,292</u> | <u>(2,453)</u> | <u>1,388,885</u> |
| Less accumulated depreciation: | | | | |
| Improvements other than buildings | (10,854) | (6,002) | - | (16,856) |
| Buildings and fixed equipment | (13,063) | (6,694) | - | (19,757) |
| Furniture, fixtures and equipment | (600,948) | (243,214) | 2,453 | (841,709) |
| Motor vehicles | (2,776) | (1,388) | - | (4,164) |
| Computer software | (18,184) | (10,917) | - | (29,101) |
| Total accumulated depreciation | <u>(645,825)</u> | <u>(268,215)</u> | <u>2,453</u> | <u>(911,587)</u> |
| Total capital assets, net | <u>\$ 714,221</u> | <u>\$ (236,923)</u> | <u>\$ -</u> | <u>\$ 477,298</u> |

5. Changes in Short-Term Debt

The following is a schedule of changes in notes payable:

| | Balance July 1, 2008 | Additions | Deletions | Balance June 30, 2009 |
|-------------------------------|-------------------------|----------------------|----------------------|--------------------------|
| Governmental activities: | | | | |
| Tax anticipation notes | \$ - | \$ 35,000,000 | \$ 35,000,000 | \$ - |
| Revenue anticipation notes | 50,000,000 | 39,000,000 | 50,000,000 | 39,000,000 |
| Total governmental activities | <u>\$ 50,000,000</u> | <u>\$ 74,000,000</u> | <u>\$ 85,000,000</u> | <u>\$ 39,000,000</u> |

The District issued tax anticipation notes in the amount of \$35,000,000 on September 24, 2008. The note proceeds were utilized by the District to provide interim funds for the payment of operating expenditures for the 2008-09 fiscal year in anticipation of the receipt of ad valorem taxes levied and collected for the same year. The notes were issued at a 4.0% coupon rate with a net interest cost of 2.526%.

On April 15, 2009, the District issued Revenue Anticipation Notes (RAN), Series 2009 in the amount of \$39,000,000. The notes were issued to finance and/or refinance part of the cost of outstanding RAN Series 2008 notes that were issued to fund acquisition and renovation costs for certain facilities and equipment within the District. The notes were issued at a 1.5% coupon rate with a net interest cost of 0.526%, and mature on April 23, 2010. These notes are payable from and secured by a prior lien upon and pledge of the proceeds of the discretionary capital outlay ad valorem tax levy.

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6. Deferred Compensation Plan

The District offers its employees a deferred compensation plan, adopted on January 28, 1986, created in accordance with Internal Revenue Code, Section 457, and Section 112.215, Florida Statutes. The plan, available to all District employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, death, or unforeseeable emergency.

In August 1996, Internal Revenue Code, Section 457, was amended to: (1) provide that assets in such plans are held for the exclusive benefit of the plan participants and (2) eliminate provisions that the plan assets were the property of the District (employer). Under the amended provisions of the Internal Revenue Code, Section 457, the assets of the District's deferred compensation plan are not held in a fiduciary capacity by the District and, accordingly, are not reported in the District's financial statements.

7. Capital Leases

In July, 2004, the District entered into a lease obligation with SunTrust Leasing Corporation, to finance the purchase of portable classroom buildings. The total lease obligation was \$2,942,836 with a five year term and a stated rate of interest of 3.06 percent. The lease was paid in full on June 12, 2009. Annual principal and interest payments during fiscal year 2009 were \$631,416 and \$12,060 respectively.

8. Operating Leases

Lessee Currently, the District has five leasing agreements for office/training space. Each of these leases has a five year term with the earliest beginning August 2005 and the last ending June 2013. All leases are cancelable, but if not canceled, the total five year commitment for the District is \$1,907,159, with \$.479 million due in the current fiscal year, \$.488 million due in fiscal year 2009-2010, \$.434 million due in fiscal year 2010-2011, and \$.252 million due in fiscal years 2011-2012 and 2012-2013. Four have a contingency that must include current year appropriations in the District budget or the lease will be terminated at the end of the current year. Of those four leases two require a 120 day notice, one requires 60 days, and the fourth has no notice requirement. Two leases have renewal clauses to renew for 2 consecutive five year periods.

The fifth lease allows the District to occupy the space from October 2006 to September 2011 at no monetary charge. In lieu of the rent, the District agreed to use the lessor's name when referencing the facility; use them as an approved 403(b) vendor representative, and allow the lessor to be a site sponsor for authorized activities held at the facility.

Lessor The District has lease agreements, as lessor, with two charter schools. Revenue provided to the District as a result of these leases was \$27,000 from Sculptor Elementary Charter School and \$162,000 from River's Edge Charter Academy, for a total of \$189,000 revenue in FY09.

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2009

9. Certificates of Participation

Certificates of Participation at June 30, 2009, are as follows:

| Series | Amount Outstanding | Interest Rates (Percent) | Lease Term Maturity | Original Amount |
|--|------------------------------|--------------------------------|------------------------|------------------------------|
| Series 1996A | \$ 19,560,000 | 4.80-5.50 | 2012 | \$ 56,590,000 |
| Series 2002 | 7,670,000 | 3.125-4.00 | 2015 | 50,945,000 |
| Series 2004A | 46,805,000 | 2.50-5.00 | 2030 | 46,805,000 |
| Series 2004B | 66,570,000 | 2.00-5.00 | 2021 | 67,640,000 |
| Series 2004-QZAB | 4,408,000 | (1) | 2020 | 4,408,000 |
| Series 2006A | 123,240,000 | 3.25-5.00 | 2030 | 128,440,000 |
| Series 2007A | 37,680,000 | 4.00-5.00 | 2026 | 37,740,000 |
| Series 2007B | 71,350,000 | 4.125-5.00 | 2032 | 71,350,000 |
| Series 2007C | 117,875,000 | 3.50-5.00 | 2032 | 122,995,000 |
| Series 2008A | 56,000,000 | 5.05 | 2036 | 56,000,000 |
| Total Certificates of Participation | <u>\$ 551,158,000</u> | | | <u>\$ 642,913,000</u> |

Note: (1) Interest on this debt is "paid" by the United States Government through the issuance of Federal income tax credits to the holder of the QZABs. The rate of return to the holders was established by the United States Government at the time of sale.

The District has entered into financing arrangements, which are characterized as lease-purchase agreements, with the Brevard County School Board Leasing Corporation (Corporation) whereby the District secured financing of various educational facilities and equipment. The financing was accomplished through the issuance of certificates of participation by the Corporation to third-party investors, to be repaid from the proceeds of rents paid by the District.

As a condition of the financing arrangements, the District has given ground leases on District property to the Corporation, with rental fees of \$1 per year, except for the 2004-Qualified Zone Academy Bonds (QZAB), which are secured by fire alarm systems, intercom systems, structure cabling, and telephone equipment at fifteen schools. The initial terms of the leases end on the earlier of the maturity date or the date on which the certificates are paid in full; however, if lease obligations remain outstanding, the ground leases may be renewed for additional terms as specified in the arrangements. The properties covered by the ground leases are, together with 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 District may be required to surrender the properties included under the ground lease agreements for the benefit of the securers of the certificates as specified by the arrangement.

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
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The District properties included in the ground leases under these arrangements include:

Series 1996A Certificates of Participation

Educational Services Facility
Jupiter Elementary School
Hans Christian Anderson Elementary School Additions
Dr. W.J. Creel Elementary School Additions
Enterprise Elementary School
Space Coast Middle School
Imperial Estates Elementary School Additions
Melbourne High School Additions
Titusville High School Additions
Meadowlane Elementary School (Replacement School)
Eau Gallie High School Auditorium
Merritt Island High School Auditorium
Satellite High School Auditorium

Series 2002 Certificates of Participation

Elementary School "Q"
Manatee Elementary
Jupiter Elementary Addition
Mila Elementary Addition
Columbia Elementary Addition
Endeavour Elementary Addition
McAuliffe Elementary Addition
Tropical Elementary Addition
Discovery Elementary Addition
University Park Elementary Addition
Lewis Carroll Elementary Addition
Gemini Elementary Addition
Port Malabar Elementary Addition
Palm Bay Elementary Addition
Mims Elementary Addition
Cambridge Elementary Addition
Indialantic Elementary Addition
Riverview Elementary Addition
Turner Elementary Addition
Gardendale Elementary Addition
Edgewood Jr. High School
Westshore Jr. /Sr. High Addition
Cocoa Beach Jr. /Sr. High Addition
Palm Bay High School Addition

Series 2004A Certificates of Participation

Viera High School
Rockledge High School Addition

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
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Series 2004B Certificates of Participation

Bayside High School
Westside Elementary School
Longleaf Elementary School
Pinewood Elementary School Additions
Titusville High School Additions
Melbourne High School Additions

Series 2006A Certificates of Participation

Titusville High School
Palm Bay High School
Cocoa Beach Jr. /Sr. High School
Astronaut High School
New Elementary School "S"
McNair Middle School Addition
Mims Elementary School Addition
Coquina Elementary School Addition
Johnson Middle School Addition
Imperial States Elementary School Addition
Stevenson Elementary School Addition
Viera High School Addition

Series 2007B Certificates of Participation

Astronaut High School
Cocoa Beach Jr. /Sr. High School
Coquina Elementary School Addition
Imperial Estates Elementary School Addition
Johnson Middle School Addition
McNair Middle School Addition
Mims Elementary School Addition
Palm Bay High School
Stevenson Elementary School Addition
Titusville High School

Series 2007C Certificates of Participation

Bayside High School
Melbourne High School
Merritt Island High School
Satellite High School
Westshore Jr. /Sr. High School
Cocoa Stadium
Central Area Adult/Alternative Education Center

Series 2008A Certificates of Participation

Heritage High School

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With the exception of the Series 2004-QZAB issue, lease payments are payable semiannually, on July 1 and January 1 annually. The Series 2004-QZAB Certificates of Participation were issued under a special program whereby the certificates, bearing an original issue date of March 26, 2004, will mature on March 26, 2020, for the original \$4,408,000 issue amount. There is no interest cost for borrowing funds under this program. Mandatory lease payment deposits of \$557,309 are required for five consecutive years beginning on June 15, 2005 through June 15, 2009. It is anticipated that these deposits, along with investment earnings, will be sufficient to redeem the certificates at maturity.

The following table provides a schedule of the District's future minimum lease payments under the lease agreements as of June 30, for all outstanding certificates of participation, including the Series 2004 Q-ZAB:

| Fiscal Year Ending June 30 | Total | Principal | Interest |
|-------------------------------------|-----------------------|-----------------------|-----------------------|
| 2010 | \$ 38,401,414 | 12,445,000 | 25,956,414 |
| 2011 | 38,399,694 | 12,995,000 | 25,404,694 |
| 2012 | 38,403,011 | 13,580,000 | 24,823,011 |
| 2013 | 38,402,444 | 14,195,000 | 24,207,444 |
| 2014 | 38,401,466 | 14,825,000 | 23,576,466 |
| 2015-2019 | 192,324,301 | 84,830,000 | 107,494,301 |
| 2020-2024 | 196,425,441 | 110,388,000 | 86,037,441 |
| 2025-2029 | 192,009,750 | 134,500,000 | 57,509,750 |
| 2030-2034 | 146,837,402 | 124,035,000 | 22,802,402 |
| 2035-2036 | 31,607,453 | 29,365,000 | 2,242,453 |
| Total Minimum Lease Payments | \$ 951,212,376 | \$ 551,158,000 | \$ 400,054,376 |

On March 30, 2009, The School Board executed a contract with Dexia Credit Local (Dexia), the private placement holder of the Series 2008-A Certificates of Participation, to amend the original Supplemental Trust agreement for the Certificates of Participation, Series 2008A. The amendment provided that effective March 30, 2009, the District had renounced the right to prepay its Certificates of Participation, Series 2008A, on or after July 1, 2018, which is the call option date for the 2008A certificates. In exchange, the District received a premium amount of \$7,020,000 which was recorded as an other financing source.

10. State School Bonds

State School 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 pledged as security for these bonds. The State Board of Education and the State Board of Administration are responsible for administering the debt service requirements and all compliance regarding issuance and reporting.

The District receives annual financial data from the Florida Department of Education for recording the District's portion of the motor vehicle license revenues and related debt service and other expenditures. Total revenues received in the current fiscal year are \$2.8 million of which \$2.4 million relates to debt service.

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Bonds payable at June 30, 2009, are as follows:

| Bond Type | Amount Outstanding | Interest Rates (Percent) | Annual Maturity To | Original Amount |
|---------------------|-----------------------|--------------------------------|--------------------------|----------------------|
| State School Bonds: | | | | |
| Series 1999-A | \$ 840,000 | 4.00-4.75 | 2019 | \$ 1,400,000 |
| Series 2000-A | 20,000 | 5.00-5.125 | 2010 | 100,000 |
| Series 2002-A | 310,000 | 3.00-5.00 | 2022 | 400,000 |
| Series 2002-B | 8,770,000 | 3.375-5.375 | 2015 | 13,495,000 |
| Series 2003-A | 1,365,000 | 3.00-5.00 | 2023 | 1,845,000 |
| Series 2004-A | 425,000 | 3.00-5.00 | 2024 | 550,000 |
| Series 2005-A | 845,000 | 4.00-5.00 | 2025 | 985,000 |
| Series 2005-B | 2,160,000 | 5.00 | 2020 | 2,305,000 |
| Series 2006-A | 595,000 | 4.00-5.00 | 2026 | 650,000 |
| Total Bonds Payable | <u>\$ 15,330,000</u> | | | <u>\$ 21,730,000</u> |

Annual requirements to amortize all bonded debt outstanding as of June 30, 2009, are as follows:

| Fiscal Year Ending June 30 | Total | Principal | Interest |
|----------------------------|----------------------|----------------------|---------------------|
| State School Bonds: | | | |
| 2010 | \$ 2,411,458 | \$ 1,665,000 | \$ 746,458 |
| 2011 | 2,416,264 | 1,755,000 | 661,264 |
| 2012 | 2,416,288 | 1,845,000 | 571,288 |
| 2013 | 2,416,043 | 1,920,000 | 496,043 |
| 2014 | 2,416,231 | 2,020,000 | 396,231 |
| 2015-2019 | 5,382,194 | 4,550,000 | 832,194 |
| 2020-2024 | 1,595,441 | 1,385,000 | 210,441 |
| 2025-2026 | 201,300 | 190,000 | 11,300 |
| Total Bonds Payable | <u>\$ 19,255,220</u> | <u>\$ 15,330,000</u> | <u>\$ 3,925,220</u> |

11. Defeased Debt

On March 16, 2007, portions of the outstanding principal of the Certificates of Participation, Series 2002, were partially defeased in-substance by placing the proceeds of the new certificates from the 2007A Series in an irrevocable trust to provide for future debt service payments of certain refunded 2002 certificates. Accordingly, the trust account assets and the liabilities for the in-substance defeased certificates are not included in the District's financial statements. At June 30, 2009, the outstanding principal for the defeased in substance Series 2002 certificates was \$37,785,000.

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On December 22, 2004, the Certificates of Participation (COPs), Series 1996B, were defeased in substance, by placing a portion of the proceeds from the 2004B Series in an irrevocable trust to provide for all future debt service payments on the 1996B certificates. Accordingly, the trust account assets and the liability for the defeased in-substance COPs are not included in the District's financial statements. At June 30, 2009, COPs, Series 1996B, totaling \$64,980,000 outstanding are considered defeased in substance.

In prior years, portions of State Board of Education Capital Outlay Bonds Series 1998-A and 2000-A were refunded by the Florida Department of Education and considered defeased in substance by placing a portion of the proceeds of the State Board of Education bonds in an irrevocable trust to provide for future debt service payments on the old bonds. Accordingly, the trust account assets and the liabilities for the defeased bonds are not included in the District's financial statements. At June 30, 2009, State Board of Education Capital Outlay Bonds, Series 1998A amounting to \$2,005,000 and Series 2000-A amounting to \$305,000 are considered defeased in-substance.

12. Changes in Long-Term Liabilities

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

| Description | Balance July 1, 2008 | Additions | Deductions | Balance June 30, 2009 | Due in One Year |
|---------------------------------------|-------------------------|-----------------------|-----------------------|--------------------------|----------------------|
| Governmental activities | | | | | |
| Obligations under capital lease | \$ 631,416 | \$ - | \$ 631,416 | \$ - | \$ - |
| Bonds payable | 16,940,000 | - | 1,610,000 | 15,330,000 | 1,665,000 |
| Certificates of participation payable | 562,518,000 | - | 11,360,000 | 551,158,000 | 12,445,000 |
| Estimated claims payable | 18,342,548 | 68,073,796 | 69,753,238 | 16,663,106 | 6,999,249 |
| Compensated absences payable | 32,833,815 | 24,341,475 | 19,167,627 | 38,007,663 | 4,581,469 |
| OPEB obligation | 5,350,667 | 9,667,265 | 4,078,278 | 10,939,654 | - |
| Pollution remediation liability | - | 180,000 | - | 180,000 | - |
| Arbitrage payable | 1,659,495 | - | 508,970 | 1,150,525 | - |
| Total governmental activities | \$ 638,275,941 | \$ 102,262,536 | \$ 107,109,529 | \$ 633,428,948 | \$ 25,690,718 |
| Business-type activities | | | | | |
| Compensated absences payable | \$ 448,482 | \$ 160,185 | \$ 370,586 | \$ 238,081 | \$ 53,802 |
| OPEB obligation | 73,223 | 119,893 | 50,579 | 142,537 | - |
| Total business-type activities | \$ 521,705 | \$ 280,078 | \$ 421,165 | \$ 380,618 | \$ 53,802 |

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

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13. Arbitrage Payable

Certain long-term debt obligations are subject to Section 148 of the Internal Revenue Code. The code requires a rebate to the federal government for interest earned on tax exempt proceeds if the earnings exceed the interest cost on the related debt. Pursuant to the IRS regulations, the arbitrage liabilities have been calculated as of June 30, 2009, for Certificates of Participation, Series 2006A, 2007A and 2007B (combined issue) and Series 2007C. Rebates payments will be due within sixty days after the due dates listed in the chart below:

| Certificates of Participation | Original Certificates Issued | Arbitrage Rebate | Rebate Due Date |
|--------------------------------------|---|-----------------------------|----------------------------|
| Series 2006A | \$ 128,440,000 | \$ 99,154 | February 14, 2011 |
| Series 2007A and 2007B | 109,090,000 | 119,656 | March 16, 2012 |
| Series 2007C | <u>122,995,000</u> | <u>931,715</u> | April 13, 2012 |
| As of June 30, 2009 | <u>\$ 360,525,000</u> | <u>\$ 1,150,525</u> | |

14. Pollution Remediation

In accordance with GASB 49 the District has estimated remediation obligations identified as petroleum contaminated sections of six school sites located at five schools. Two school sites will be remediated by the state of Florida under programs known as the *Abandoned Tank Restoration Program in 1992* and the *Abandoned Tank Restoration Program in 1993* and two school sites are being remediated by the District. One additional school has two locations being remediated; one location is being remediated by the state of Florida under the *Petroleum Liability and Restoration Insurance Program of 1999* and the second site at the school is being remediated by the District. Risk of exposure is considered to be low at all six locations at the five schools affected.

The cost for all three sites actively being remediated by the District is estimated to be \$180,000, and all three sites are expected to be cleaned-up (receiving either a “No Further Action” status or a “Monitoring Only Natural Attenuation” status from the Florida Department of Environmental Protection Agency) by January 1, 2011.

The District has no expectations of cost recovery for its liability, either from insurance or other parties. Clean-up costs for the sites to be remediated by the State of Florida are not recorded as a liability for the District because it is a liability of the State.

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15. Interfund Receivables, Payables and Transfers

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

| Funds | Interfund | |
|-------------------------------------|---------------------|---------------------|
| | Receivables | Payables |
| Major funds: | | |
| General | \$ 1,749,536 | \$ - |
| Local capital improvement | 1,329,798 | - |
| Nonmajor governmental funds: | | |
| Capital projects - PECO | - | 1,329,798 |
| Special revenue-contracted programs | - | 1,749,536 |
| Total | <u>\$ 3,079,334</u> | <u>\$ 3,079,334</u> |

The interfund receivables/payables at June 30, 2009, are primarily due to the reclassification of cash balances in the District's Master Account in order to cover cash deficits in other governmental funds and for local property taxes collected by the General Fund on behalf of the Local Capital Improvement Fund. The interfund receivables and payables represent the payments of expenditures paid by one fund for another fund and will be repaid within 12 months after year end.

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

| Funds | Interfund | |
|--|----------------------|----------------------|
| | Tranfers In | Transfers Out |
| Major funds: | | |
| General | \$ 5,633,714 | \$ - |
| Debt service-other | 38,390,545 | - |
| Capital projects- local capital improvement | - | 54,789,399 |
| Capital projects-section 1011.14/1011.15 notes | 12,064,640 | - |
| Other capital projects | 500 | - |
| Internal service funds: | | |
| Workers compensation | - | 1,287,186 |
| General liability | 273,186 | 286,000 |
| Medical | - | - |
| Enterprise | - | - |
| Total | <u>\$ 56,362,585</u> | <u>\$ 56,362,585</u> |

The District transferred \$54,789,399 from the Capital projects - local capital improvement fund. Of this amount, \$38,390,545 was transferred to the debt service fund to cover debt service payments for certificates of participation; \$12,064,640 was transferred to cover the payment for revenue anticipation notes; \$4,333,714 was transferred to cover property insurance expended in the general fund and the remaining \$500 was transferred to cover other capital expenditures. The District also transferred \$1,300,000 from Internal Service Funds to the General Fund. An interfund Internal service fund transfer was completed in

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
Notes to the Basic Financial Statements
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the amount of \$273,186 to the General liability fund from the Workers compensation fund to reflect activity between funds.

16. Schedule of State Revenue Sources

The following is a schedule of the District's State revenue for the 2008-09 fiscal year:

| Source | Amount |
|--|----------------|
| Florida education finance program | \$ 152,985,399 |
| Workforce development program | 3,057,824 |
| Adults with disabilities | 491,571 |
| Categorical educational programs: | |
| Class size reduction | 74,061,724 |
| Transportation | 11,703,976 |
| Instructional materials | 7,016,258 |
| School recognition program | 5,519,738 |
| Excellent teaching program | 3,179,044 |
| Discretionary lottery funds | 1,779,984 |
| Voluntary prekindergarten program | 2,093,028 |
| Florida lead teacher program | 1,026,871 |
| Pre-school projects | 174,119 |
| Other | |
| Gross receipts tax (Public education capital outlay) | 5,734,106 |
| Capital outlay and debt service withheld for SBE bonds | 2,371,419 |
| Charter school capital outlay | 1,282,495 |
| Motor vehicle license tax | 230,073 |
| Food service supplement | 418,153 |
| Miscellaneous | 1,027,109 |
| Total | \$ 274,152,891 |

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

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
Notes to the Basic Financial Statements
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17. Property Taxes

The following table represents a summary of millages and taxes levied for the 2008-09 fiscal year based on the District's Certification of Taxable Value received from the Brevard County Property Appraiser on July 16, 2009.

| | Millages | Taxes Levied |
|---|----------|----------------|
| <u>GENERAL FUND</u> | | |
| Nonvoted school tax: | | |
| Required local effort | 5.227 | \$ 216,110,863 |
| Basic discretionary local effort | 0.498 | 20,589,862 |
| Supplemental discretionary local effort | 0.186 | 7,690,190 |
| <u>CAPITAL PROJECTS FUNDS</u> | | |
| Nonvoted tax: | | |
| Local capital improvements | 1.750 | \$ 72,353,934 |
| | 7.661 | \$ 316,744,849 |

18. State Retirement Program

Defined Benefit Plan All regular employees of the District are covered by the Florida Retirement System (FRS). The FRS is primarily a State-administered, cost-sharing, multiple-employer, defined benefit retirement plan (Plan). Plan provisions are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System Rules, Chapter 60S, Florida Administrative Code, wherein eligibility, contributions, and benefits are defined and described in detail. Essentially all regular employees of participating employers are eligible and must enroll as members of the FRS. Benefits in the defined benefit plan vest at six years of service. The defined benefit plan also includes an early retirement provision, but imposes a penalty for each year a member retires before his or her normal retirement date. The defined benefit plan provides retirement, disability, and death benefits and annual cost-of-living adjustments, as well as supplements for certain employees to cover social security benefits lost by virtue of retirement system membership.

A Deferred Retirement Option Program (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 a FRS employer. An employee may participate in the DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

Funding Policy The contribution rates for members are established, and may be amended, by the State of Florida. During the 2008-09 fiscal year, contribution rates were as follows:

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
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| Class or Plan | Percent of Gross Salary | |
|---|-------------------------|--------------|
| | Employee | Employer (A) |
| Florida Retirement System, Regular | 0.00 | 9.85 |
| Florida Retirement System, Elected County Officers | 0.00 | 16.53 |
| Florida Retirement System, Special Risk | 0.00 | 20.92 |
| Local Agency Senior Manager in Local Annuity Plan | 0.00 | 13.12 |
| Teachers' Retirement System, Plan E | 6.25 | 11.35 |
| State and County Officers and Employees' Retirement System, Plan B | 4.00 | 9.10 |
| Deferred Retirement Option Program - Applicable to members from all of the above classes or plans | 0.00 | 10.91 |
| Florida Retirement System, reemployed retiree | (B) | (B) |

Notes: (A) Employer rates include 1.11 percent for the post-employment health insurance supplement and 0.05 percent for administrative costs of the Public Employee Optional Retirement Program.

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

The District's liability for participation is limited to the payment of the required contribution at the rates and frequencies established by law on future payrolls of the District. The District's defined benefit plan contributions (including employee contributions) for the fiscal years ended June 30, 2007, June 30, 2008, and June 30, 2009, were \$31,205,556, \$32,651,261, and \$31,020,114 respectively, which were equal to the required contributions for each fiscal year.

Defined Contribution Plan Effective July 1, 2002, the Public Employee Optional Retirement Program (PEORP) was implemented as a defined contribution plan alternative available to all FRS members in lieu of the defined benefit plan. Employer contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The PEORP is funded by employer contributions that are based on salary and membership class (Regular Class, Special Risk Class, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Required employer contributions made to the program for the fiscal years ended June 30, 2007, June 30, 2008, and June 30, 2009, were \$3,876,074, \$4,065,843, and \$4,285,784 respectively.

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

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19. Other Post Employment Benefits (OPEB)

Plan Description Pursuant to the provision of the Section 112.0801, Florida Statutes, former employees who retire from the District, and eligible dependents, may continue to participate in the District's respective medical/prescription, vision, dental and life insurance plans as long as they pay the full premium applicable to coverage elected. The District subsidizes the premium rates for the medical/prescription plan paid by the retirees by allowing them to participate in the plan at the blended group 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. Retirees are required to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. The vision, dental and life insurance plans do not result in an implicit subsidy.

Funding Policy The District plans to fund this postemployment benefit on a pay-as-you go basis. For the fiscal year ending June 30, 2009, 858 retirees received medical/prescription benefits. The District provided \$4,128,857 toward the annual OPEB cost.

Annual OPEB Cost and Net OPEB Obligations The following table shows the District's annual OPEB cost for the year, the amount contributed to the plan, and changes in the District's net OPEB obligation:

| Description | Amount |
|--|-----------------------------|
| Normal cost (service cost for one year) | \$ 3,667,139 |
| 20 year amortization of unfunded actuarial accrued liability | 5,611,979 |
| Interest | 562,278 |
| Total annual OPEB cost for FYE 6/30/09 | <u>9,841,396</u> |
| Interest on net OPEB obligation | 216,956 |
| Adjustment to annual required contribution | <u>(271,195)</u> |
| | 9,787,157 |
| Net employer contribution for FYE 6/30/09 | <u>4,128,857</u> |
| | |
| Increase in net OPEB obligation | 5,658,300 |
| Net OPEB obligation, July 1, 2008 | 5,423,891 |
| Net OPEB obligation, June 30, 2009 | <u><u>\$ 11,082,191</u></u> |

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of June 30, 2009 was as follows:

| Fiscal Year Ended | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation |
|-------------------|---------------------|--|------------------------|
| June 30, 2008 | \$ 9,650,283 | 56.2% | \$ 5,423,891 |
| June 30, 2009 | \$ 9,787,157 | 42.2% | \$ 11,082,191 |

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
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Funded Status and Funding Progress as of June 30, 2009:

| | | |
|---|----|-------------|
| Actuarial accrued liability | \$ | 110,059,962 |
| Actuarial value of plan assets | | - |
| Unfunded actuarial accrued liability (UAAL) | | 110,059,962 |
| Funded ratio | | 0.0% |
| Covered payroll (active plan members) | \$ | 250,348,837 |
| UAAL as a percentage of covered payroll | | 44.0% |

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and termination, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information.

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

In the January 1, 2007, OPEB actuarial valuation, entry age normal cost method with an increasing normal cost pattern consistent with the salary increase assumptions was used. Because the OPEB liability is currently unfunded, the actuarial assumptions include a 4 percent discount rate. The assumed rate of payroll growth is 4 percent. The actuarial assumptions also included an annual healthcare cost trend rate of 10.0 percent initially for fiscal year 2007-08, reduced by ½ percent per year, to an ultimate rate of 8.0 percent after 4 years. The actuarial assumption annual healthcare cost trend rate for fiscal year 2008-09 is 9.5 percent. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on a closed basis. The remaining amortization period at June 30, 2009, is 18 years.

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20. Commitments

The District uses encumbrance accounting for recording purchase order commitments for goods and services and has recorded \$17,159,038 in encumbrances for major funds and \$1,923,526 in nonmajor funds at June 30, 2009. The District has also recorded the following construction contract commitments as of June 30, 2009, which may include encumbrances:

| <u>Project</u> | <u>Balance Committed</u> |
|---|--------------------------|
| Apollo Elementary - safety to life | \$ 8,946 |
| Bayside High - addition/renovation | 662,531 |
| Cambridge Elementary - renewal | 81,131 |
| CapeView Elementary - safety to life | 7,391 |
| Cocoa Beach Jr/Sr High - additions/renovation | 252,374 |
| Cocoa Beach Jr/Sr High - restroom addition and miscellaneous renovation | 122,042 |
| Cocoa High - addition/renovation | 3,548,213 |
| Cocoa High - re-roofing | 619,073 |
| Columbia Elementary - sunrise standard | 24,526 |
| Creel Elementary - HVAC | 941,174 |
| Eau Gallie High - addition/renovation | 3,657,526 |
| Enterprise Elementary - HVAC overfeed | 442,581 |
| Heritage High - "CCC" | 3,452,044 |
| Johnson Middle - fire alarm upgrades and miscellaneous renovation | 7,346 |
| Lockmar Elementary - renewal/re-roof/infrastructure | 375,504 |
| McNair Middle - HVAC | 38,712 |
| Melbourne High - electrical upgrades | 11,650 |
| Melbourne High - addition/renovation | 357,582 |
| Melbourne High - renovation site electrical, concrete, parking lot, roofing | 62,650 |
| Merritt Island High - addition/renovation | 1,268,647 |
| Merritt Island High - miscellaneous renovations | 950,048 |
| Mila Elementary - renewal | 147,391 |
| Palm Bay High - water main extension renovation | 70,986 |
| Port Malabar Elementary - renew/re-roof | 665,966 |
| Rockledge High - center demo | 306,104 |
| Rockledge High - HVAC | 237,024 |
| Roy Allen Elementary - sunrise standard | 40,567 |
| Satellite High - addition/renovation | 1,102,261 |
| Satellite High - miscellaneous renovations | 589,770 |
| Satellite High - bleacher renovations | 118,314 |
| Space Coast Jr/Sr High - HVAC overfeed | 741,508 |
| Titusville High - site paving, drainage and renewal | 659,301 |
| | <hr/> |
| Total | <u>\$ 21,570,883</u> |

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
Notes to the Basic Financial Statements
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21. Risk Management-Self Insured Programs

The District is exposed to various risks of loss related injury to employees and volunteers, tort claims (auto and general liability), allegations of wrongful or intentional acts that result in liability, and employee healthcare liability. These exposures are insured with a combination of self-insurance programs and high deductible commercial insurance policies. The District utilizes multiple self-insurance plans to provide employee health benefits and prescription drug benefits under a self-insured health program, all of which are administered by third-party administrators. Under these programs, claims are presented to the service agents for processing and payment. Settled claims resulting from the risks described above have not exceeded commercial insurance coverage in any of the past three fiscal years. A list of these exposures and how they are treated are as follows:

Workers' Compensation: Work related injuries to, officers, employees and official school volunteers' liability claims

- All workers' compensation claims with values in excess of \$500,000 are paid via an excess workers' compensation policy purchased through a commercial insurance carrier
- The first \$500,000 of each workers' compensation claim is paid via the district's self-insurance trust funds

General liability and automobile liability claims:

- The first \$100,000 of any single incident, single individual or \$200,000 for multiple claims that arise from a single incident are paid via the district's self-insured trust funds. These claims are capped at the above stated figures by state law specifically Florida Statute 768.28 better known as the state's doctrine of Sovereign Immunity.
- Florida Statute 768.28 provides for payments in excess of the above stated figures if the legislature approves a claims bills allowing for such payment. The District also purchases a commercial insurance policy to pay a maximum of \$1,000,000 if the claims exceed deductibles of \$500,000.

Errors and omissions liability claims:

- The first \$250,000 of each wrongful act and is self-insured via the district's self-insured trust funds.
- For claims in excess of \$250,000 the district purchases a commercial insurance policy that will pay up to an annual aggregate of \$2,000,000. The insurance carrier is National Union Fire Insurance Company of Pittsburg.

Self Insured Health claims:

- The District offers a self-insurance plan covering certain health and prescription drug benefits and utilizes several choices of providers under the plan. Benefits are offered to active employees and their dependents as well as retirees. Under these plans a portion of the benefits offered is paid by

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the District and a portion is paid by employees through payroll deduction. Retirees are required to pay the full premium amount for plan coverage at the blended employee premium rate.

The liability for workers' compensation, general liability, automobile liability, and medical claims in the amount of \$16,663,106 was determined based on claims adjusters' evaluation of individual claims and management's evaluation, along with actuarial calculations with respect to the probable number and nature of claims arising from losses that have been incurred but have not yet been reported.

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

| Fiscal Year | Balance July 1 | Current Year Claims | Claims Payments | Balance June 30 |
|-------------|-------------------|------------------------|--------------------|--------------------|
| 2006-07 | \$ 16,836,605 | \$ 56,080,418 | \$ (55,990,437) | \$ 16,926,586 |
| 2007-08 | \$ 16,926,586 | \$ 66,297,241 | \$ (64,881,279) | \$ 18,342,548 |
| 2008-09 | \$ 18,342,548 | \$ 68,073,796 | \$ (69,753,238) | \$ 16,663,106 |

Commercially Purchased Insurance

The district is also exposed to various risks that could result in severe financial loss or losses that that due to the minimal cost are better treated with commercial insurance. These exposures are related to property loss, boiler and machinery related losses, employee crime/theft, and under and above ground fuel storage tanks.

Property Insurance:

- Losses related to fire, earthquake, non-named storms, theft/vandalism etc. are subject to a deductible of \$100,000 and will pay a maximum loss of \$68,000,000 for any one incident.
- Losses related to named windstorms for wind and flood damage is subject to a 5% per building's replacement value. The damage when all building damage is totaled must exceed \$500,000 in losses and will pay up to \$48,000,000 maximum coverage.

Boiler and Machinery:

- Losses related to boiler or machinery failure are subject to a deductible of \$25,000 and will pay up to \$50,000,000 in equipment breakdown.

Employee Theft/crime:

- Losses related to cash theft or mishandling of assets are subject to a \$25,000 deductible and will reimburse the district up to \$2,500,000 in the event of a loss.

Under and Above Ground Storage Tanks:

- Losses related to diesel and gasoline fuel spills are subject to a \$5,000 deductible and will reimburse the district up to \$1,000,000 towards expenses related to clean up and recovery.

During the fiscal year ended June 30, 2009 the District did not experience any significant reductions in insurance coverage.

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
Notes to the Basic Financial Statements
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22. Internal Service Funds

The following is a summary of financial information as reported in the Internal Service Funds for the 2008-09 fiscal year:

| | <u>Total</u> | <u>Medical Insurance</u> | <u>Worker's Compensation</u> | <u>General/ Auto Liability</u> |
|------------------------------------|-----------------------|------------------------------|----------------------------------|--|
| Total assets | <u>\$ 33,565,251</u> | <u>\$ 16,962,584</u> | <u>\$ 14,121,906</u> | <u>\$ 2,480,761</u> |
| Liabilities and net assets: | | | | |
| Accounts payable | 1,782,506 | 1,772,914 | 9,592 | - |
| Salaries and benefits payable | 13,148 | 11,876 | 1,272 | - |
| Due to other budgetary funds | - | - | - | - |
| Estimated insurance claims payable | 16,663,106 | 4,358,000 | 10,813,639 | 1,491,467 |
| Net assets: | | | | |
| Unrestricted net assets | <u>15,106,491</u> | <u>10,819,794</u> | <u>3,297,403</u> | <u>989,294</u> |
| Total liabilities and net assets | <u>\$ 33,565,251</u> | <u>\$ 16,962,584</u> | <u>\$ 14,121,906</u> | <u>\$ 2,480,761</u> |
| Revenues: | | | | |
| Premium contributions | \$ 61,815,032 | \$ 57,281,200 | \$ 3,644,952 | \$ 888,880 |
| Investment earnings | <u>1,481,475</u> | <u>788,329</u> | <u>540,654</u> | <u>152,492</u> |
| Total revenues | 63,296,507 | 58,069,529 | 4,185,606 | 1,041,372 |
| Total expenses | (69,395,347) | (64,912,537) | (3,529,341) | (953,469) |
| Transfers | <u>(1,300,000)</u> | <u>-</u> | <u>(1,287,186)</u> | <u>(12,814)</u> |
| Change in net assets | <u>\$ (7,398,840)</u> | <u>\$ (6,843,008)</u> | <u>\$ (630,921)</u> | <u>\$ 75,089</u> |

23. Fund Balance Reporting

The District has adopted GASB 54 as part of its fiscal year 2009 reporting. Implementation of GASB 54 is required for fiscal years beginning after June 15, 2010; however the District has elected early adoption during the current fiscal year. The intention of the GASB 54 is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the District's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources. GASB 54 provides for two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
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endowment fund. The District has prepaid assets and inventory items that are considered nonspendable. The District has no nonspendable funds related to endowment.

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

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

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

Nonspendable: The District has prepaid assets of \$.85 million and inventory of \$3.54 million totaling \$4.39 million classified as nonspendable.

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

- Restricted for Capital Projects, Food Services, State Categoricals, and Debt Service:

Florida Statute requires that certain revenues be specifically designated for the purposes of capital and debt service requirements and for certain designated state categorical spending. These funds have been included in the restricted category of fund balance. The restricted fund balances for capital projects, food services, state categoricals and debt service total \$115.01 million, and are \$99.80 million, \$4.44 million, \$6.20 million and \$4.57 million respectively.

- Assigned for School Operations and Capital Projects:

The School Board has set aside certain spendable fund balances for school operations and capital projects. For fiscal year 2009, the assigned fund balance is \$2.8 million of which \$2.64 million is for school operations and \$.2 million is for capital projects not restricted for a particular purpose.

- Unassigned:

The unassigned fund balance for the General Fund is \$31.0 million. The Capital Projects fund contains a deficit fund balance of \$23.02 million for funds related to Section 1011.14/1011.15 notes. The deficit fund balance is expected to be restored in fiscal year 2010 when revenue anticipation notes are issued as part of the District's five-year financing of revenue anticipation notes. The annual proceeds for each note series, along with additional funds from the annual capital outlay millage, are used to repay outstanding revenue anticipation notes. The final payment date to repay all outstanding notes is in fiscal year 2013.

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
Notes to the Basic Financial Statements
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| | Major Funds | | | | | Nonmajor Governmental Funds | Total Governmental Funds |
|--------------------------|----------------------|------------------------------|-------------------------------------|------------------------------|------------------------------|-----------------------------------|--------------------------------|
| | General Fund | Debt Service Fund - Other | Section 1011.14/1011.15 Notes | Local Capital Improvement | Other Capital Projects | | |
| Fund balances | | | | | | | |
| Nonspendable: | | | | | | | |
| Inventory | \$ 1,658,598 | | | | | \$ 1,881,388 | \$ 3,539,986 |
| Prepaid expense | 854,197 | | | | | | 854,197 |
| Restricted: | | | | | | | |
| Capital projects | | | | 35,864,835 | 57,239,362 | 6,691,397 | 99,795,594 |
| Food services operations | | | | | | 4,435,348 | 4,435,348 |
| State categoricals | 6,203,780 | | | | | | 6,203,780 |
| Debt service | | 4,187,777 | | | | 382,540 | 4,570,317 |
| Assigned: | | | | | | | |
| School operations | 2,635,584 | | | | | | 2,635,584 |
| Capital projects | | | | | 202,142 | | 202,142 |
| Unassigned: | 31,026,842 | | (23,024,691) | | | | 8,002,151 |
| Total fund balances | <u>\$ 42,379,001</u> | <u>\$ 4,187,777</u> | <u>\$ (23,024,691)</u> | <u>\$ 35,864,835</u> | <u>\$ 57,441,504</u> | <u>\$ 13,390,673</u> | <u>\$ 130,239,099</u> |

The District has set aside “contingency reserves” per Board Policy 6120, to help sustain the financial stability of the District during times of emergency spending for items such as disaster recovery and revenue shortfalls that could potentially occur after the current year’s budget adoption. Policy 6120 requires at least 3% of the current year’s annual estimated general fund revenues to be reserved for contingency purposes. In the event these reserves are needed, a majority vote of the Board is required before using these funds and the Superintendent is required to provide a financial plan to the Board to restore the funds to the minimum 3% amount, along with a timeline for restoration. The contingency funds of \$19.9 million is included as part of the unassigned general fund balance of \$31.0 million.

24. Accounts Receivable

The Brevard County Tax Collector’s office is the agent responsible to hold and distribute revenues for taxing authorities. During FY08, portions of tax revenues collected by the Tax Collector on behalf of taxing authorities and not yet distributed to those authorities were held with Florida’s Local Government Investment Pool, also know as the Florida SBA. In FY09, the District collected \$27,237,479 for operating and \$9,846,582 for capital for a total of \$37,084,061, leaving a balance to be collected of \$2,413,257 of operating tax revenues and \$871,513 of capital revenues, for a total of \$3,284,770 in tax revenues. The School Board believes that all undistributed funds held in the SBA for fiscal 2008 tax revenues will be recovered.

On August 19, 2008, Tropical Storm Faye crossed Brevard County and the Central Florida region. The storm stalled over Brevard County for four days bringing in excess of 30 inches of rain. This storm caused a considerable amount of flooding to Brevard County and surrounding counties. Brevard County schools received only minimal wind related damage, but flooding ranging from minor to major was experienced at nearly every District site. Total expenses resulting from clean up and repair for this storm were \$597,644. FEMA reimbursements anticipated for these expenses are \$459,326. Total damages did not exceed the

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
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District's property insurance deductibles; therefore, no insurance reimbursement is expected. All storm related expenditures are currently being reviewed by FEMA to determine eligibility for reimbursement.

Other components of the District accounts receivable include \$10.0 million due from state and federal sources.

25. Litigation

The School Board is a defendant in a number of lawsuits as of June 30, 2009. It is the opinion of the District's management, after giving consideration to the District's related insurance coverage, as well as the Florida statutory limitations on governmental liability on uninsured risks, that the amount of losses resulting from litigation, which exceeded the above-mentioned limits, would not be material to the financial position of the District.

26. Subsequent Events

The City of Palm Bay entered into a contract with Brevard School Board, pursuant to FS 1002.33, to operate a charter school located at 120 Malabar Road, S E, Palm Bay, Florida. The contract is effective for fifteen years commencing July 1, 2009. The City will have the option to amend their contract annually upon approval of the District. The school will operate as Palm Bay Municipal Charter High School and will report as a special revenue fund in the financials of the City of Palm Bay, Florida beginning July 1, 2009. While Palm Bay Municipal Charter High School is under the sponsorship of the School Board, the school does not report as a component unit of the District.

Tax Anticipation Notes – During FY 2010, the District issued tax anticipation notes in the amount of \$30,000,000 on October 21, 2009. The net interest cost of the notes is .46 percent, with a coupon rate of 2 percent. The notes will provide interim funds to pay for operating expenditures during the 2009-10 fiscal year.

The School Board of Brevard County, Florida
Single-Employer Postemployment Benefits Plan
Schedule of Funding Progress

(amounts expressed in thousands)

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) Entry Age (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|--------------------------------|--|--|---------------------------------|-----------------------|---------------------------|---|
| Jan. 1, 2007 | \$ - | \$ 110,060 | \$ 110,060 | 0.0% | \$ 250,349 | 44.0% |

The School Board of Brevard County, Florida
Single-Employer Postemployment Benefits Plan
Schedule of Employer Contributions

(amounts expressed in thousands)

| Fiscal Year Ending | Annual OPEB Cost | Amount Contributed | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation |
|-----------------------|---------------------|-----------------------|---|------------------------|
| 6/30/2008 | \$ 9,650 | \$ 4,226 | 43.79% | \$ 5,424 |
| 6/30/2009 | 9,787 | 4,129 | 42.19% | 11,082 |



**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**



Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Food Services Fund—To account for the activities of the District’s food services function. These activities are funded primarily through local charges and federal awards.

Contracted Programs Fund—To account for programs funded by federal and state sources, requiring separate accountability because of legal or regulatory restrictions.

Debt Service Funds

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

SBE/COBI Bonds Fund—To account for the payment of principal, interest and related costs on the state school bonds issued by the State Board of Education on behalf of the District. These bonds are payable from the District’s portion of the state-assessed motor vehicle license tax.

Capital Projects Funds

A capital project funds are used to account for the financial resources to be used for educational capital outlay needs, including new construction, renovation and remodeling projects.

SBE/COBI Bonds Fund—To account for capital project activity funded by proceeds of bonds issued by the State Board of Education on behalf of the District.

Capital Outlay and Debt Service Fund—To account for capital project activity funded by the District’s portion of the state Capital Outlay and Debt Service program.

Public Education Capital Outlay Fund—To account for capital project activity funded through the state Public Education Capital Outlay program.

The School Board of Brevard County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2009
(amounts expressed in thousands)

| | <u>Special Revenue</u> | | |
|---|--------------------------|--------------------------------|---|
| | <u>Food Services</u> | <u>Contracted Programs</u> | <u>Total Nonmajor Special Revenue</u> |
| ASSETS | | | |
| Cash and cash equivalents | \$ 3,415 | \$ - | \$ 3,415 |
| Investments | - | - | - |
| Accounts Receivable | 5 | - | 5 |
| Due from other agencies | 1,445 | 2,418 | 3,863 |
| Inventory | <u>1,881</u> | <u>-</u> | <u>1,881</u> |
| Total assets | <u>\$ 6,746</u> | <u>\$ 2,418</u> | <u>\$ 9,164</u> |
| | | | |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts, contracts and retainage payable | \$ 65 | \$ 209 | \$ 274 |
| Accrued salaries and benefits | 28 | 460 | 488 |
| Due to other funds | - | 1,749 | 1,749 |
| Due to other agencies | 1 | - | 1 |
| Deferred revenue | <u>335</u> | <u>-</u> | <u>335</u> |
| Total liabilities | <u>429</u> | <u>2,418</u> | <u>2,847</u> |
| | | | |
| Fund balances: | | | |
| Non-spendable | 1,881 | - | 1,881 |
| Restricted | <u>4,436</u> | <u>-</u> | <u>4,436</u> |
| Total fund balances | <u>6,317</u> | <u>-</u> | <u>6,317</u> |
| Total liabilities and fund balances | <u>\$ 6,746</u> | <u>\$ 2,418</u> | <u>\$ 9,164</u> |

| <u>Debt Service</u> | <u>Capital Projects</u> | | | <u>Total Nonmajor Governmental Funds</u> | |
|---------------------|-------------------------|-------------------------|--|--|--|
| | <u>SBE / COBI Bonds</u> | <u>SBE / COBI Bonds</u> | <u>Capital Outlay and Debt Service</u> | | <u>Public Education Capital Outlay</u> |
| \$ - | \$ 253 | \$ 1,687 | \$ - | \$ 1,940 | \$ 5,355 |
| 382 | 965 | 477 | - | 1,442 | 1,824 |
| - | - | - | - | - | 5 |
| - | - | - | 6,062 | 6,062 | 9,925 |
| - | - | - | - | - | 1,881 |
| <u>\$ 382</u> | <u>\$ 1,218</u> | <u>\$ 2,164</u> | <u>\$ 6,062</u> | <u>\$ 9,444</u> | <u>\$ 18,990</u> |
| \$ - | \$ - | \$ - | \$ 1,422 | \$ 1,422 | \$ 1,696 |
| - | - | - | - | - | 488 |
| - | - | - | 1,330 | 1,330 | 3,079 |
| - | - | - | - | - | 1 |
| - | - | - | - | - | 335 |
| - | - | - | 2,752 | 2,752 | 5,599 |
| - | - | - | - | - | 1,881 |
| <u>382</u> | <u>1,218</u> | <u>2,164</u> | <u>3,310</u> | <u>6,692</u> | <u>11,510</u> |
| <u>382</u> | <u>1,218</u> | <u>2,164</u> | <u>3,310</u> | <u>6,692</u> | <u>13,391</u> |
| <u>\$ 382</u> | <u>\$ 1,218</u> | <u>\$ 2,164</u> | <u>\$ 6,062</u> | <u>\$ 9,444</u> | <u>\$ 18,990</u> |

The School Board of Brevard County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

| | <u>Special Revenue</u> | | |
|---------------------------------|--------------------------|--------------------------------|---|
| | <u>Food Services</u> | <u>Contracted Programs</u> | <u>Total Nonmajor Special Revenue</u> |
| Revenues: | | | |
| Local sources: | | | |
| Food service sales | \$ 13,611 | \$ - | \$ 13,611 |
| Investment income | 22 | - | 22 |
| Other | 9 | - | 9 |
| Total local sources | <u>13,642</u> | <u>-</u> | <u>13,642</u> |
| State sources: | | | |
| Public education capital outlay | - | - | - |
| Food services | 418 | - | 418 |
| Other | 4 | 81 | 85 |
| Total state sources | <u>422</u> | <u>81</u> | <u>503</u> |
| Federal sources: | | | |
| Federal direct | - | 1,298 | 1,298 |
| Other federal grants | - | 36,115 | 36,115 |
| Food services | 14,279 | - | 14,279 |
| Total federal sources | <u>14,279</u> | <u>37,413</u> | <u>51,692</u> |
| Total revenues | <u>28,343</u> | <u>37,494</u> | <u>65,837</u> |

| <u>Debt Service</u> | <u>Capital Projects</u> | | | <u>Total</u> | <u>Total</u> |
|---------------------|-------------------------|---------------------|-----------------------|-------------------------|---------------------|
| | <u>SBE / COBI</u> | <u>Capital</u> | <u>Public</u> | | |
| <u>Bonds</u> | <u>Bonds</u> | <u>Outlay and</u> | <u>Education</u> | <u>Capital Projects</u> | <u>Governmental</u> |
| | | <u>Debt Service</u> | <u>Capital Outlay</u> | | <u>Funds</u> |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 13,611 |
| - | 31 | 49 | - | 80 | 102 |
| - | - | - | - | - | 9 |
| <u>-</u> | <u>31</u> | <u>49</u> | <u>-</u> | <u>80</u> | <u>13,722</u> |
| - | - | - | 5,734 | 5,734 | 5,734 |
| - | - | - | - | - | 418 |
| <u>2,372</u> | <u>-</u> | <u>415</u> | <u>-</u> | <u>415</u> | <u>2,872</u> |
| <u>2,372</u> | <u>-</u> | <u>415</u> | <u>5,734</u> | <u>6,149</u> | <u>9,024</u> |
| - | - | - | - | - | 1,298 |
| - | - | - | - | - | 36,115 |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>14,279</u> |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>51,692</u> |
| <u>2,372</u> | <u>31</u> | <u>464</u> | <u>5,734</u> | <u>6,229</u> | <u>74,438</u> |

Continued on next page.

The School Board of Brevard County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

| | Special Revenue | | |
|---|--------------------------|--------------------------------|---|
| | Food Services | Contracted Programs | Total Nonmajor Special Revenue |
| Expenditures: | | | |
| Current operating: | | | |
| Instructional services | \$ - | \$ 18,640 | \$ 18,640 |
| Pupil personnel services | - | 5,853 | 5,853 |
| Instructional media services | - | 44 | 44 |
| Instructional and curriculum development services | - | 8,375 | 8,375 |
| Instructional staff training | - | 2,490 | 2,490 |
| Instruction related technology | - | 4 | 4 |
| General administration | - | 842 | 842 |
| School administration | - | 38 | 38 |
| Facilities acquisition and construction | - | - | - |
| Food services | 27,217 | - | 27,217 |
| Central services | - | 116 | 116 |
| Pupil transportation services | - | 200 | 200 |
| Operation of plant | - | 8 | 8 |
| Community services | - | 260 | 260 |
| Capital outlay: | | | |
| Facilities | 309 | 18 | 327 |
| Other capital outlay | 391 | 606 | 997 |
| Debt service: | | | |
| Principal | - | - | - |
| Interest and fiscal charges | - | - | - |
| Total expenditures | <u>27,917</u> | <u>37,494</u> | <u>65,411</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>426</u> | <u>-</u> | <u>426</u> |
| Net change in fund balances | 426 | - | 426 |
| Fund balances, beginning of year | 5,891 | - | 5,891 |
| Fund balances, end of year | <u>\$ 6,317</u> | <u>\$ -</u> | <u>\$ 6,317</u> |

| <u>Debt Service</u> | <u>Capital Projects</u> | | | <u>Total</u> | <u>Total</u> |
|---------------------|-------------------------|---------------------|-----------------------|-------------------------|---------------------|
| | <u>SBE / COBI</u> | <u>Capital</u> | <u>Public</u> | | |
| <u>Bonds</u> | <u>Bonds</u> | <u>Outlay and</u> | <u>Education</u> | <u>Capital Projects</u> | <u>Governmental</u> |
| | | <u>Debt Service</u> | <u>Capital Outlay</u> | | <u>Funds</u> |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 18,640 |
| - | - | - | - | - | 5,853 |
| - | - | - | - | - | 44 |
| - | - | - | - | - | 8,375 |
| - | - | - | - | - | 2,490 |
| - | - | - | - | - | 4 |
| - | - | - | - | - | 842 |
| - | - | - | - | - | 38 |
| - | - | - | 4 | 4 | 4 |
| - | - | - | - | - | 27,217 |
| - | - | - | - | - | 116 |
| - | - | - | - | - | 200 |
| - | - | - | - | - | 8 |
| - | - | - | - | - | 260 |
| - | 133 | 48 | 10,860 | 11,041 | 11,368 |
| - | - | - | 70 | 70 | 1,067 |
| 1,610 | - | - | - | - | 1,610 |
| 808 | - | 1 | - | 1 | 809 |
| <u>2,418</u> | <u>133</u> | <u>49</u> | <u>10,934</u> | <u>11,116</u> | <u>78,945</u> |
| (46) | (102) | 415 | (5,200) | (4,887) | (4,507) |
| (46) | (102) | 415 | (5,200) | (4,887) | (4,507) |
| 428 | 1,320 | 1,749 | 8,510 | 11,579 | 17,898 |
| <u>\$ 382</u> | <u>\$ 1,218</u> | <u>\$ 2,164</u> | <u>\$ 3,310</u> | <u>\$ 6,692</u> | <u>\$ 13,391</u> |

The School Board of Brevard County, Florida
Debt Service Fund - Other
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget - Positive (Negative)</u> |
|---|-------------------------|-----------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Local sources: | | | | |
| Investment income | \$ 44 | \$ 9 | \$ 9 | \$ - |
| Total revenues | <u>44</u> | <u>9</u> | <u>9</u> | <u>-</u> |
| Expenditures: | | | | |
| Principal | 11,360 | 11,917 | 11,360 | 557 |
| Interest and fiscal charges | <u>26,797</u> | <u>26,530</u> | <u>26,530</u> | <u>-</u> |
| Total expenditures | <u>38,157</u> | <u>38,447</u> | <u>37,890</u> | <u>557</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(38,113)</u> | <u>(38,438)</u> | <u>(37,881)</u> | <u>557</u> |
| Other financing sources (uses) | | | | |
| Transfers in | <u>38,690</u> | <u>38,390</u> | <u>38,391</u> | <u>(1)</u> |
| Total other financing sources | <u>38,690</u> | <u>38,390</u> | <u>38,391</u> | <u>(1)</u> |
| Net change in fund balance | <u>\$ 577</u> | <u>\$ (48)</u> | 510 | <u>\$ 556</u> |
| Fund balance, beginning of year | | | <u>3,678</u> | |
| Fund balance, end of year | | | <u>\$ 4,188</u> | |

The School Board of Brevard County, Florida
Section 1011.14 / 1011.15 Notes Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget - Positive (Negative)</u> |
|---|-------------------------|--------------------|--------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Local sources: | | | | |
| Investment income | \$ - | \$ 575 | \$ 575 | \$ - |
| Other | - | - | 380 | 380 |
| Total revenues | <u>-</u> | <u>575</u> | <u>955</u> | <u>380</u> |
| Expenditures: | | | | |
| Facilities acquisition and construction | 298 | 3,250 | 2,700 | 550 |
| Capital outlay: | | | | |
| Facilities | 18,750 | 17,122 | 10,545 | 6,577 |
| Other capital outlay | 2,763 | 1,448 | 938 | 510 |
| Debt service: | | | | |
| Principal | 39,000 | - | - | - |
| Interest and fiscal charges | - | 1,448 | 1,305 | 143 |
| Total expenditures | <u>60,811</u> | <u>23,268</u> | <u>15,488</u> | <u>7,780</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(60,811)</u> | <u>(22,693)</u> | <u>(14,533)</u> | <u>8,160</u> |
| Other financing sources: | | | | |
| Transfers in | - | 12,065 | 12,064 | (1) |
| Premium on sale of notes | - | 380 | - | (380) |
| Issuance of short-term notes | 39,000 | - | - | - |
| Total other financing sources | <u>39,000</u> | <u>12,445</u> | <u>12,064</u> | <u>(381)</u> |
| Net change in fund balance | <u>\$ (21,811)</u> | <u>\$ (10,248)</u> | <u>(2,469)</u> | <u>\$ 7,779</u> |
| Fund balance, beginning of year | | | <u>(20,556)</u> | |
| Fund balance, end of year | | | <u>\$ (23,025)</u> | |

The School Board of Brevard County, Florida
Local Capital Improvement Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual | Variance with Final Budget - Positive (Negative) |
|---|--------------------|--------------------|------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Local sources: | | | | |
| Ad valorem taxes | \$ 69,004 | \$ 69,531 | \$ 69,531 | \$ - |
| Investment income | 2,500 | 692 | 692 | - |
| Total local sources | <u>71,504</u> | <u>70,223</u> | <u>70,223</u> | <u>-</u> |
| Total revenues | <u>71,504</u> | <u>70,223</u> | <u>70,223</u> | <u>-</u> |
| Expenditures: | | | | |
| Facilities acquisition and construction | 969 | 2,244 | 2,073 | 171 |
| Capital outlay: | | | | |
| Facilities | 31,785 | 38,066 | 24,919 | 13,147 |
| Other capital outlay | 12,791 | 11,728 | 7,247 | 4,481 |
| Principal | 11,000 | 631 | 631 | - |
| Interest and fiscal charges | <u>1,500</u> | <u>12</u> | <u>12</u> | <u>-</u> |
| Total expenditures | <u>58,045</u> | <u>52,681</u> | <u>34,882</u> | <u>17,799</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>13,459</u> | <u>17,542</u> | <u>35,341</u> | <u>17,799</u> |
| Other financing sources (uses): | | | | |
| Transfers out | <u>(38,690)</u> | <u>(54,789)</u> | <u>(54,789)</u> | <u>-</u> |
| Total other financing sources (uses): | <u>(38,690)</u> | <u>(54,789)</u> | <u>(54,789)</u> | <u>-</u> |
| Net change in fund balance | <u>\$ (25,231)</u> | <u>\$ (37,247)</u> | (19,448) | <u>\$ 17,799</u> |
| Fund balance, beginning of year | | | <u>55,313</u> | |
| Fund balance, end of year | | | <u>\$ 35,865</u> | |

The School Board of Brevard County, Florida
Other Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget - Positive (Negative)</u> |
|---|-------------------------|---------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Local sources: | | | | |
| Investment income | \$ 500 | \$ 2,855 | \$ 2,651 | \$ (204) |
| Other | 7,000 | 9,981 | 9,981 | - |
| Total local sources | <u>7,500</u> | <u>12,836</u> | <u>12,632</u> | <u>(204)</u> |
| State sources: | | | | |
| Other | 100 | 153 | 153 | - |
| Total state sources | <u>100</u> | <u>153</u> | <u>153</u> | <u>-</u> |
| Total revenue | <u>7,600</u> | <u>12,989</u> | <u>12,785</u> | <u>(204)</u> |
| Expenditures: | | | | |
| Facilities acquisition and construction | 2,974 | 7,216 | 4,728 | 2,488 |
| Capital outlay: | | | | |
| Facilities | 125,456 | 110,305 | 92,587 | 17,718 |
| Other capital outlay | 7,276 | 6,551 | 3,477 | 3,074 |
| Interest and fiscal charges | - | 50 | 50 | - |
| Total expenditures | <u>135,706</u> | <u>124,122</u> | <u>100,842</u> | <u>23,280</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(128,106)</u> | <u>(111,133)</u> | <u>(88,057)</u> | <u>23,076</u> |
| Other financing sources: | | | | |
| Sale of capital assets | 100 | 97 | 97 | - |
| Transfers in | - | 1 | - | (1) |
| Total other financing sources | <u>100</u> | <u>98</u> | <u>97</u> | <u>(1)</u> |
| Net change in fund balance | <u>\$ (128,006)</u> | <u>\$ (111,035)</u> | <u>(87,960)</u> | <u>\$ 23,075</u> |
| Fund balance, beginning of year | | | <u>145,401</u> | |
| Fund balance, end of year | | | <u>\$ 57,441</u> | |



The School Board of Brevard County, Florida
Food Services Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget - Positive (Negative)</u> |
|---|-------------------------|-------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Local sources: | | | | |
| Food sales | \$ 15,683 | \$ 13,611 | \$ 13,611 | \$ - |
| Investment income | 45 | 22 | 22 | - |
| Other | 1 | 9 | 9 | - |
| Total local sources | <u>15,729</u> | <u>13,642</u> | <u>13,642</u> | <u>-</u> |
| State sources: | | | | |
| Food service | 387 | 418 | 418 | - |
| Other | 10 | 4 | 4 | - |
| Total state sources | <u>397</u> | <u>422</u> | <u>422</u> | <u>-</u> |
| Federal sources: | | | | |
| Food service | 13,087 | 14,279 | 14,279 | - |
| Total federal sources | <u>13,087</u> | <u>14,279</u> | <u>14,279</u> | <u>-</u> |
| Total revenues | <u>29,213</u> | <u>28,343</u> | <u>28,343</u> | <u>-</u> |
| Expenditures: | | | | |
| Food service: | | | | |
| Salaries | 8,789 | 9,220 | 8,696 | 524 |
| Employee benefits | 3,436 | 3,458 | 3,279 | 179 |
| Purchased services | 1,421 | 1,464 | 1,051 | 413 |
| Energy services | 872 | 874 | 724 | 150 |
| Materials and supplies | 13,291 | 13,295 | 12,646 | 649 |
| Capital outlay | 106 | 224 | 61 | 163 |
| Other expenditures | 743 | 743 | 760 | (17) |
| Total food service | <u>28,658</u> | <u>29,278</u> | <u>27,217</u> | <u>2,061</u> |
| Capital outlay: | | | | |
| Facilities | 720 | 924 | 309 | 615 |
| Other capital outlay | 875 | 1,008 | 391 | 617 |
| Total expenditures | <u>30,253</u> | <u>31,210</u> | <u>27,917</u> | <u>3,293</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(1,040)</u> | <u>(2,867)</u> | <u>426</u> | <u>3,293</u> |
| Net change in fund balance | <u>\$ (1,040)</u> | <u>\$ (2,867)</u> | <u>426</u> | <u>\$ 3,293</u> |
| Fund balance, beginning of year | | | <u>5,891</u> | |
| Fund balance, end of year | | | <u>\$ 6,317</u> | |

The School Board of Brevard County, Florida
Contracted Programs Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|---|------------------|---------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| State sources: | | | | |
| State grants and other | \$ 89 | \$ 81 | \$ 81 | \$ - |
| Federal sources: | | | | |
| Federal grants and other | 36,448 | 37,413 | 37,413 | - |
| Total revenues | 36,537 | 37,494 | 37,494 | - |
| Expenditures: | | | | |
| Instructional services: | | | | |
| Salaries | 12,474 | 9,847 | 9,847 | - |
| Employee benefits | 4,536 | 3,125 | 3,125 | - |
| Purchased services | 923 | 3,333 | 3,333 | - |
| Materials and supplies | 705 | 1,177 | 1,177 | - |
| Capital outlay | 1,017 | 1,115 | 1,115 | - |
| Other expenditures | 23 | 43 | 43 | - |
| Total instructional services | 19,678 | 18,640 | 18,640 | - |
| Pupil personnel services | | | | |
| Salaries | 3,121 | 3,040 | 3,040 | - |
| Employee benefits | 985 | 833 | 833 | - |
| Purchased services | 1,109 | 1,777 | 1,777 | - |
| Energy services | 2 | 1 | 1 | - |
| Materials and supplies | 87 | 182 | 182 | - |
| Capital outlay | 26 | 10 | 10 | - |
| Other expenditures | 4 | 10 | 10 | - |
| Total pupil personnel services | 5,334 | 5,853 | 5,853 | - |
| Instructional media services: | | | | |
| Salaries | - | 24 | 24 | - |
| Employee benefits | - | 11 | 11 | - |
| Purchased services | 2 | 3 | 3 | - |
| Capital outlay | - | 6 | 6 | - |
| Total instructional media services | 2 | 44 | 44 | - |
| Instruction and curriculum development services: | | | | |
| Salaries | 5,025 | 5,795 | 5,795 | - |
| Employee benefits | 1,408 | 1,516 | 1,516 | - |
| Purchased services | 644 | 656 | 656 | - |
| Materials and supplies | 269 | 368 | 368 | - |
| Capital outlay | 69 | 31 | 31 | - |
| Other expenditures | 25 | 9 | 9 | - |
| Total instruction and curriculum development services: | 7,440 | 8,375 | 8,375 | - |
| Instructional staff training services: | | | | |
| Salaries | 1,332 | 1,328 | 1,328 | - |
| Employee benefits | 327 | 279 | 279 | - |
| Purchased services | 932 | 377 | 377 | - |
| Materials and supplies | 334 | 414 | 414 | - |
| Capital outlay | 44 | 64 | 64 | - |
| Other expenditures | 41 | 28 | 28 | - |
| Total instructional staff training services | 3,010 | 2,490 | 2,490 | - |

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|--|------------------|--------|-------------------|---|
| | Original | Final | | |
| Expenditures (continued): | | | | |
| Instructional Related Technology: | | | | |
| Purchased services | - | 4 | 4 | - |
| Total instructional related technology | - | 4 | 4 | - |
| General administration: | | | | |
| Purchased services | 23 | - | - | - |
| Other expenditures | 649 | 842 | 842 | - |
| Total general administration | 672 | 842 | 842 | - |
| School administration: | | | | |
| Salaries | 22 | 32 | 32 | - |
| Employee benefits | 10 | 6 | 6 | - |
| Other expenditures | - | - | - | - |
| Total school administration | 32 | 38 | 38 | - |
| Central services: | | | | |
| Salaries | 77 | 43 | 43 | - |
| Employee benefits | 27 | 5 | 5 | - |
| Purchased services | 43 | 44 | 44 | - |
| Materials and supplies | 1 | 21 | 21 | - |
| Capital outlay | - | 1 | 1 | - |
| Other expenditures | 1 | 2 | 2 | - |
| Total central services | 149 | 116 | 116 | - |
| Pupil transportation services: | | | | |
| Salaries | 59 | 74 | 74 | - |
| Employee benefits | 18 | 20 | 20 | - |
| Energy services | 5 | 5 | 5 | - |
| Other expenditures | 27 | 101 | 101 | - |
| Total pupil transportation services | 109 | 200 | 200 | - |
| Operation of plant: | | | | |
| Purchased services | 7 | 8 | 8 | - |
| Total operation of plant | 7 | 8 | 8 | - |
| Community services: | | | | |
| Salaries | 88 | 211 | 211 | - |
| Employee benefits | 16 | 44 | 44 | - |
| Other expenditures | - | 5 | 5 | - |
| Total community services | 104 | 260 | 260 | - |
| Capital outlay: | | | | |
| Facilities | - | 18 | 18 | - |
| Other capital outlay | - | 606 | 606 | - |
| Total capital outlay | - | 624 | 624 | - |
| Total expenditures | 36,537 | 37,494 | 37,494 | - |
| Net change in fund balance | \$ - | \$ - | - | \$ - |
| Fund balances, beginning of year | | | - | |
| Fund balances, end of year | | | \$ - | |

The School Board of Brevard County, Florida
 SBE / COBI Bonds Debt Service Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2009
 (amounts expressed in thousands)

| | Budgeted Amounts | | Actual | Variance with Final Budget - Positive (Negative) |
|---------------------------------|-------------------------|----------------|---------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| State sources: | | | | |
| Withheld for SBE/COBI | \$ 2,510 | \$ 2,371 | \$ 2,371 | \$ - |
| Investment income | - | 1 | 1 | - |
| Total state sources | <u>2,510</u> | <u>2,372</u> | <u>2,372</u> | <u>-</u> |
| Total revenues | <u>2,510</u> | <u>2,372</u> | <u>2,372</u> | <u>-</u> |
| Expenditures: | | | | |
| Principal | 1,704 | 1,610 | 1,610 | - |
| Interest and fiscal charges | <u>836</u> | <u>808</u> | <u>808</u> | <u>-</u> |
| Total expenditures | <u>2,540</u> | <u>2,418</u> | <u>2,418</u> | <u>-</u> |
| Net change in fund balance | <u>\$ (30)</u> | <u>\$ (46)</u> | (46) | <u>\$ -</u> |
| Fund balance, beginning of year | | | <u>428</u> | |
| Fund balance, end of year | | | <u>\$ 382</u> | |

The School Board of Brevard County, Florida
 SBE/COBI Bonds Capital Projects Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2009
 (amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget - Positive (Negative)</u> |
|---------------------------------|-------------------------|-----------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Local sources: | | | | |
| Investment income | \$ - | \$ 31 | \$ 31 | \$ - |
| Total revenues | <u>-</u> | <u>31</u> | <u>31</u> | <u>-</u> |
| Expenditures: | | | | |
| Capital outlay: | | | | |
| Facilities | 133 | 133 | 133 | - |
| Total expenditures | <u>133</u> | <u>133</u> | <u>133</u> | <u>-</u> |
| Net change in fund balance | <u>\$ (133)</u> | <u>\$ (102)</u> | (102) | <u>\$ -</u> |
| Fund balance, beginning of year | | | <u>1,320</u> | |
| Fund balance, end of year | | | <u>\$ 1,218</u> | |

The School Board of Brevard County, Florida
 Capital Outlay and Debt Service Capital Projects Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2009
 (amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget - Positive (Negative)</u> |
|---------------------------------|-------------------------|---------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Local sources: | | | | |
| Investment income | \$ - | \$ 49 | \$ 49 | \$ - |
| State sources: | | | | |
| Other | 355 | 414 | 415 | (1) |
| Total revenues | <u>355</u> | <u>463</u> | <u>464</u> | <u>(1)</u> |
| Expenditures: | | | | |
| Capital outlay: | | | | |
| Facilities | 347 | 347 | 48 | 299 |
| Interest and fiscal charges | - | 1 | 1 | - |
| Total expenditures | <u>347</u> | <u>348</u> | <u>49</u> | <u>299</u> |
| Net change in fund balance | <u>\$ 8</u> | <u>\$ 115</u> | 415 | <u>\$ 300</u> |
| Fund balance, beginning of year | | | <u>1,749</u> | |
| Fund balance, end of year | | | <u>\$ 2,164</u> | |

The School Board of Brevard County, Florida
Public Education Capital Outlay Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget - Positive (Negative)</u> |
|---|-------------------------|-------------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| State sources: | | | | |
| Public education capital outlay | \$ 5,734 | \$ 5,734 | \$ 5,734 | \$ - |
| Total revenues | <u>5,734</u> | <u>5,734</u> | <u>5,734</u> | <u>-</u> |
| Expenditures: | | | | |
| Facilities acquisition and construction | - | 4 | 4 | - |
| Capital outlay: | | | | |
| Facilities | 14,235 | 14,170 | 10,860 | 3,310 |
| Other capital outlay | - | 70 | 70 | - |
| Total expenditures | <u>14,235</u> | <u>14,244</u> | <u>10,934</u> | <u>3,310</u> |
| Net change in fund balance | <u>\$ (8,501)</u> | <u>\$ (8,510)</u> | (5,200) | <u>\$ 3,310</u> |
| Fund balance, beginning of year | | | <u>8,510</u> | |
| Fund balance, end of year | | | <u>\$ 3,310</u> | |

Brevard Public Schools

THE FUTURE
OF FLORIDA'S
SPACE COAST



Agency Funds

The Districts Agency Fund represents the Individual Schools Internal Funds.

Brevard Public Schools

THE FUTURE
OF FLORIDA'S
SPACE COAST



The School Board of Brevard County, Florida
School Internal Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

| | <u>Balance</u> <u>July 1, 2008</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance</u> <u>June 30, 2009</u> |
|---------------------------|---------------------------------------|------------------|-------------------|--|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 6,222 | \$ 21,255 | \$ 21,259 | \$ 6,218 |
| Total Assets | <u>\$ 6,222</u> | <u>\$ 21,255</u> | <u>\$ 21,259</u> | <u>\$ 6,218</u> |
| LIABILITIES | | | | |
| Internal accounts payable | \$ 6,222 | \$ 21,255 | \$ 21,259 | \$ 6,218 |
| Total Liabilities | <u>\$ 6,222</u> | <u>\$ 21,255</u> | <u>\$ 21,259</u> | <u>\$ 6,218</u> |



Internal Service Funds

Internal Service Funds are used to account for the District's individual self-insurance programs for which the Board is fiscal agent.

Medical Insurance Fund - To account for self-insured medical benefits for employees.

Workers' Compensation Fund - To account for the financial activities of the District's self-insured workers compensation program.

General/Automotive Liability Fund - To account for the financial activities of the District's self-insured general and automobile liability coverages.



The School Board of Brevard County, Florida
Combining Statement of Net Assets
Internal Service Funds
June 30, 2009
(amounts expressed in thousands)

| | <u>Medical Insurance</u> | <u>Workers' Compensation</u> | <u>General/ Automotive Liability</u> | <u>Totals</u> |
|------------------------------------|------------------------------|----------------------------------|--|------------------|
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ - | \$ 273 | \$ 2,480 | \$ 2,753 |
| Investments | 16,882 | 13,792 | - | 30,674 |
| Due from other agencies | 4 | - | - | 4 |
| Other receivables | 77 | 57 | - | 134 |
| Total current assets | <u>16,963</u> | <u>14,122</u> | <u>2,480</u> | <u>33,565</u> |
| Total assets | <u>16,963</u> | <u>14,122</u> | <u>2,480</u> | <u>33,565</u> |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Salaries and wages payable | 12 | 1 | - | 13 |
| Accounts payable | 1,773 | 10 | - | 1,783 |
| Estimated insurance claims payable | 4,358 | 2,079 | 562 | 6,999 |
| Total current liabilities | <u>6,143</u> | <u>2,090</u> | <u>562</u> | <u>8,795</u> |
| Long-term liabilities: | | | | |
| Estimated insurance claims payable | - | 8,735 | 929 | 9,664 |
| Total liabilities | <u>6,143</u> | <u>10,825</u> | <u>1,491</u> | <u>18,459</u> |
| NET ASSETS | | | | |
| Unrestricted | <u>10,820</u> | <u>3,297</u> | <u>989</u> | <u>15,106</u> |
| Total net assets | <u>\$ 10,820</u> | <u>\$ 3,297</u> | <u>\$ 989</u> | <u>\$ 15,106</u> |

The School Board of Brevard County, Florida
Combining Statement of Revenues, Expenses
and Changes in Fund Net Assets
Internal Service Funds
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

| | Medical Insurance | Workers' Compensation | General/ Automotive Liability | Totals |
|--|----------------------|--------------------------|-------------------------------------|------------------|
| OPERATING REVENUES | | | | |
| Premium revenues | \$ 57,281 | \$ 3,636 | \$ 889 | \$ 61,806 |
| Other operating revenues | - | 9 | - | 9 |
| Total operating revenues | <u>57,281</u> | <u>3,645</u> | <u>889</u> | <u>61,815</u> |
| OPERATING EXPENSES | | | | |
| Salaries | 625 | 87 | 92 | 804 |
| Employee benefits | 196 | 27 | 29 | 252 |
| Purchased services | 200 | 100 | - | 300 |
| Material and supplies | 5 | 1 | - | 6 |
| Capital outlay | - | 2 | - | 2 |
| Claims expenses | 63,886 | 3,313 | 833 | 68,032 |
| Total operating expenses | <u>64,912</u> | <u>3,530</u> | <u>954</u> | <u>69,396</u> |
| Operating income (loss) | <u>(7,631)</u> | <u>115</u> | <u>(65)</u> | <u>(7,581)</u> |
| NON-OPERATING REVENUES | | | | |
| Investment earnings | 788 | 541 | 153 | 1,482 |
| Total non-operating revenues | <u>788</u> | <u>541</u> | <u>153</u> | <u>1,482</u> |
| Income (loss) before operating transfers | <u>(6,843)</u> | <u>656</u> | <u>88</u> | <u>(6,099)</u> |
| Transfers in | - | - | 273 | 273 |
| Transfers out | - | (1,287) | (286) | (1,573) |
| Change in net assets | <u>(6,843)</u> | <u>(631)</u> | <u>75</u> | <u>(7,399)</u> |
| Total net assets, beginning | 17,663 | 3,928 | 914 | 22,505 |
| Total net assets, ending | <u>\$ 10,820</u> | <u>\$ 3,297</u> | <u>\$ 989</u> | <u>\$ 15,106</u> |

The School Board of Brevard County, Florida
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

| | <u>Medical Insurance</u> | <u>Workers' Compensation</u> | <u>General/ Automotive Liability</u> | <u>Totals</u> |
|--|------------------------------|----------------------------------|--|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Cash received from premiums | \$ 57,383 | \$ 3,645 | \$ 889 | \$ 61,917 |
| Cash payments for insurance claims | (64,214) | (4,403) | (1,094) | (69,711) |
| Cash payments to employees | (819) | (115) | (121) | (1,055) |
| Other payments | (73) | (102) | - | (175) |
| Net cash used in operating activities | <u>(7,723)</u> | <u>(975)</u> | <u>(326)</u> | <u>(9,024)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| Transfers from other funds | - | - | 273 | 273 |
| Transfers to other funds | - | (1,287) | (286) | (1,573) |
| Net cash used in noncapital financing activities | <u>-</u> | <u>(1,287)</u> | <u>(13)</u> | <u>(1,300)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest on investments | 788 | 541 | 153 | 1,482 |
| Proceeds from sales of investments | 946 | - | - | 946 |
| Purchase of investments | - | (693) | - | (693) |
| Net cash provided by (used in) investment activities | <u>1,734</u> | <u>(152)</u> | <u>153</u> | <u>1,735</u> |
| Net change in cash and cash equivalents | (5,989) | (2,414) | (186) | (8,589) |
| Cash and cash equivalents, beginning | 5,989 | 2,687 | 2,666 | 11,342 |
| Cash and cash equivalents, ending | <u>\$ -</u> | <u>\$ 273</u> | <u>\$ 2,480</u> | <u>\$ 2,753</u> |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| Operating income (loss) | \$ (7,631) | \$ 115 | \$ (65) | \$ (7,581) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| Changes in assets and liabilities: | | | | |
| Decrease in accounts receivable | 106 | - | - | 106 |
| (Increase) in due from other agencies | (4) | - | - | (4) |
| Increase in salaries and benefits payable | 2 | - | - | 2 |
| Increase in accounts payable | 132 | 1 | - | 133 |
| (Decrease) in estimated liabilities for self-insurance programs | (328) | (1,091) | (261) | (1,680) |
| Total adjustments | <u>(92)</u> | <u>(1,090)</u> | <u>(261)</u> | <u>(1,443)</u> |
| Net cash used in operating activities | <u>\$ (7,723)</u> | <u>\$ (975)</u> | <u>\$ (326)</u> | <u>\$ (9,024)</u> |

Brevard Public Schools

THE FUTURE
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Discretely Presented Component Units

The District's discretely presented component units consists of the following entities:

Charter Schools - Pursuant to Chapter 617, Florida Statutes, and Section 1002.33, Florida Statutes, the following charter schools are considered discretely presented component units: Palm Bay Academy, Inc., Odyssey Charter School, Inc., Sculptor Elementary, Royal Palm Charter School, Inc., Educational Horizons Charter School Inc., Primary Charter School, Inc., and River's Edge Charter Academy.

Brevard Schools Foundation, Inc. - The Foundation is a not-for-profit corporation organized and operated as a direct-support organization under Section 1001.453, Florida Statutes, to raise funds, receive, hold, invest, administer property and to make expenditures for the benefit of the District.

The School Board of Brevard County, Florida
Combining Statement of Net Assets
Nonmajor Component Units
June 30, 2009
(amounts expressed in thousands)

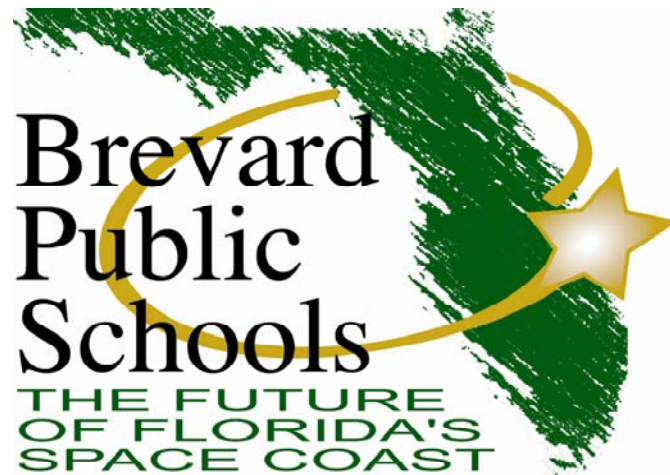
| | Palm Bay Academy, Inc. | Odyssey Charter School, Inc. | Sculptor Elementary | Royal Palm Charter School, Inc. |
|---|---------------------------|------------------------------------|------------------------|---------------------------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 384 | \$ 757 | \$ 659 | \$ 272 |
| Investments | 219 | - | 1,363 | - |
| Accounts receivable, net | - | 66 | 10 | - |
| Due from other agencies | 60 | - | 18 | 7 |
| Prepaid items | - | 4 | 13 | - |
| Deposits | 30 | - | - | - |
| Deferred Charges | 743 | 42 | - | - |
| Restricted Assets: | | | | |
| Restricted cash and cash equivalents | 1,925 | - | - | - |
| Capital assets (net of accumulated depreciation): | | | | |
| Land | 1,712 | 1,083 | 496 | - |
| Construction in process | - | 66 | 226 | 43 |
| Improvements other than buildings | 36 | - | 345 | 35 |
| Buildings and fixed equipment | 8,125 | 5,271 | 2,575 | - |
| Furniture, fixtures and equipment | 297 | 461 | 149 | 8 |
| Motor vehicles | 9 | 291 | 13 | - |
| Audio visual materials | 4 | - | - | - |
| Computer software | - | - | 347 | 23 |
| Total assets | <u>13,544</u> | <u>8,041</u> | <u>6,214</u> | <u>388</u> |
| LIABILITIES | | | | |
| Payroll deductions and withholdings | 152 | - | 166 | 34 |
| Accounts payable | 17 | 276 | 159 | 16 |
| Deferred revenue | - | - | - | - |
| Long-term liabilities: | | | | |
| Portion due or payable within one year: | | | | |
| Notes payable | - | 40 | 15 | - |
| Obligations under capital leases | 27 | 6 | - | 4 |
| Bonds payable | 85 | - | - | - |
| Portion due or payable after one year: | | | | |
| Notes payable | - | 3,903 | 4,945 | - |
| Obligations under capital leases | 163 | 2 | - | 6 |
| Bonds payable | 12,064 | - | - | - |
| Total liabilities | <u>12,508</u> | <u>4,227</u> | <u>5,285</u> | <u>60</u> |
| NET ASSETS | | | | |
| Invested in capital assets, net of related debt | 512 | 3,222 | 53 | 99 |
| Restricted for: | | | | |
| Debt service | - | - | 530 | - |
| Capital projects | 60 | 94 | 51 | - |
| Other purposes | - | - | - | - |
| Unrestricted | 464 | 498 | 295 | 229 |
| Total net assets | <u>\$ 1,036</u> | <u>\$ 3,814</u> | <u>\$ 929</u> | <u>\$ 328</u> |

| Educational Horizons Charter School, Inc. | Imagine Charter Formerly River's Edge Charter Academy | Primary Charter School, Inc. | Total Charter Schools | Brevard Schools Foundation, Inc. |
|--|--|-------------------------------------|------------------------------|---|
| \$ 97 | \$ 119 | \$ 55 | \$ 2,343 | \$ 1,011 |
| - | - | - | 1,582 | 488 |
| - | 7 | - | 83 | 46 |
| 4 | 67 | 12 | 168 | 32 |
| 1 | 38 | 24 | 80 | 1,225 |
| - | 13 | 2 | 45 | - |
| - | - | - | 785 | - |
| - | - | - | 1,925 | - |
| - | - | - | 3,291 | - |
| - | - | - | 335 | - |
| - | - | 28 | 444 | - |
| - | - | 6 | 15,977 | - |
| - | 10 | 22 | 947 | - |
| - | - | - | 313 | - |
| - | - | - | 4 | - |
| - | - | - | 370 | - |
| <u>102</u> | <u>254</u> | <u>149</u> | <u>28,692</u> | <u>2,802</u> |
| - | 119 | 43 | 514 | 39 |
| - | 73 | 30 | 571 | 5 |
| - | 9 | - | 9 | - |
| - | - | - | 55 | - |
| - | - | - | 37 | - |
| - | - | - | 85 | - |
| - | - | - | 8,848 | - |
| - | - | - | 171 | - |
| - | - | - | 12,064 | - |
| <u>-</u> | <u>201</u> | <u>73</u> | <u>22,354</u> | <u>44</u> |
| - | 10 | 55 | 3,951 | - |
| - | - | - | 530 | - |
| - | 34 | - | 239 | - |
| - | - | 10 | 10 | 2,500 |
| <u>102</u> | <u>9</u> | <u>11</u> | <u>1,608</u> | <u>258</u> |
| <u>\$ 102</u> | <u>\$ 53</u> | <u>\$ 76</u> | <u>\$ 6,338</u> | <u>\$ 2,758</u> |

The School Board of Brevard County, Florida
Combining Statement of Activities
Nonmajor Component Units
June 30, 2009
(amounts expressed in thousands)

| | Palm Bay Academy, Inc. | Odyssey Charter School, Inc. | Sculptor Elementary | Royal Palm Charter School, Inc. |
|--|-----------------------------------|---|--------------------------------|--|
| EXPENSES | | | | |
| Instruction | \$ 1,832 | \$ 2,475 | \$ 1,835 | \$ 664 |
| Pupil personnel services | - | 54 | - | - |
| Instructional media services | 106 | 56 | - | 5 |
| Instructional and curriculum development services | 18 | - | 49 | - |
| Instructional staff training services | - | 13 | 7 | - |
| Instructional related technology | - | - | 20 | - |
| Board of education | - | 4 | - | - |
| General administration | - | - | - | - |
| School administration | 252 | 568 | 397 | 273 |
| Facilities acquisition and construction | 318 | 13 | 122 | - |
| Fiscal services | 22 | 111 | 18 | 13 |
| Food services | 124 | 229 | 40 | - |
| Central services | 5 | 45 | - | - |
| Pupil transportation services | 173 | 109 | 52 | - |
| Operation of plant | 253 | 265 | 203 | 269 |
| Maintenance of plant | 133 | 74 | 17 | 10 |
| Community services | - | 67 | - | - |
| Interest on long-term debt | 811 | 290 | 291 | 1 |
| Total expenses | <u>4,047</u> | <u>4,373</u> | <u>3,051</u> | <u>1,235</u> |
| PROGRAM REVENUES | | | | |
| Charges for services | 38 | 235 | 233 | - |
| Operating grants and contributions | 70 | 97 | - | 105 |
| Capital grants and contributions | 320 | - | - | - |
| Total program revenues | <u>428</u> | <u>332</u> | <u>233</u> | <u>105</u> |
| Net program expense | <u>(3,619)</u> | <u>(4,041)</u> | <u>(2,818)</u> | <u>(1,130)</u> |
| GENERAL REVENUES | | | | |
| Grants and contributions not restricted to specific programs | 3,135 | 3,991 | 2,794 | 1,090 |
| Investment earnings | 16 | - | 14 | - |
| Miscellaneous | 64 | - | 119 | 6 |
| Total general revenues | <u>3,215</u> | <u>3,991</u> | <u>2,927</u> | <u>1,096</u> |
| Change in net assets | (404) | (50) | 109 | (34) |
| Total net assets - July 1, 2008 | 1,440 | 3,864 | 820 | 362 |
| Prior period adjustment | - | - | - | - |
| Total net assets - June 30, 2009 | <u>\$ 1,036</u> | <u>\$ 3,814</u> | <u>\$ 929</u> | <u>\$ 328</u> |

| Educational Horizons Charter School, Inc. | Imagine Charter Formerly River's Edge Charter Academy | Primary Charter School, Inc. | Total Charter Schools | Brevard Schools Foundation, Inc. |
|--|--|-------------------------------------|------------------------------|---|
| \$ 248 | \$ 1,570 | \$ 376 | \$ 9,000 | \$ - |
| - | - | - | 54 | 1,785 |
| - | - | - | 167 | - |
| - | 4 | 5 | 76 | - |
| 11 | - | - | 31 | - |
| - | - | - | 20 | - |
| - | 40 | - | 44 | - |
| - | - | 4 | 4 | 335 |
| 140 | 918 | 213 | 2,761 | - |
| - | - | - | 453 | - |
| 10 | - | 21 | 195 | - |
| - | 206 | 8 | 607 | - |
| - | 2 | - | 52 | - |
| - | 310 | 2 | 646 | - |
| 73 | 398 | 180 | 1,641 | - |
| 1 | 128 | 17 | 380 | - |
| - | 30 | - | 97 | 251 |
| - | - | - | 1,393 | - |
| <u>483</u> | <u>3,606</u> | <u>826</u> | <u>17,621</u> | <u>2,371</u> |
| - | 52 | - | 558 | - |
| 40 | 593 | 69 | 974 | - |
| - | - | - | 320 | - |
| <u>40</u> | <u>645</u> | <u>69</u> | <u>1,852</u> | <u>-</u> |
| (443) | (2,961) | (757) | (15,769) | (2,371) |
| 437 | 2,791 | 761 | 14,999 | 2,415 |
| - | - | - | 30 | (122) |
| 7 | (3) | 28 | 221 | - |
| <u>444</u> | <u>2,788</u> | <u>789</u> | <u>15,250</u> | <u>2,293</u> |
| 1 | (173) | 32 | (519) | (78) |
| 101 | 182 | 44 | 6,813 | 2,836 |
| - | 44 | - | 44 | - |
| <u>\$ 102</u> | <u>\$ 53</u> | <u>\$ 76</u> | <u>\$ 6,338</u> | <u>\$ 2,758</u> |



**CAPITAL ASSETS
USED IN THE OPERATION OF
GOVERNMENTAL FUNDS**

The School Board of Brevard County, Florida
 Capital Assets Used in the Operation of Governmental Funds
 Comparative Schedule By Source
 June 30, 2009 and 2008
 (amounts expressed in thousands)

| | <u>2009</u> | <u>2008</u> |
|--|---------------------|---------------------|
| Governmental funds capital assets: | | |
| Land | \$ 25,125 | \$ 25,125 |
| Improvements other than buildings | 60,307 | 56,446 |
| Buildings and fixed equipment | 1,176,918 | 942,729 |
| Furniture, fixtures and equipment | 84,477 | 85,028 |
| Motor vehicles | 44,844 | 40,737 |
| Construction in progress | 191,588 | 289,869 |
| AV materials and computer software | 17,345 | 17,266 |
| Property under capital lease | 2,943 | 2,943 |
| Total governmental funds capital assets | <u>\$ 1,603,547</u> | <u>\$ 1,460,143</u> |
| Investment in governmental funds capital assets by source: | | |
| General fund | \$ 123,902 | \$ 122,421 |
| Special revenue funds | 78,264 | 77,029 |
| Capital projects funds | 1,400,431 | 1,259,743 |
| Other | 950 | 950 |
| Total governmental funds capital assets | <u>\$ 1,603,547</u> | <u>\$ 1,460,143</u> |

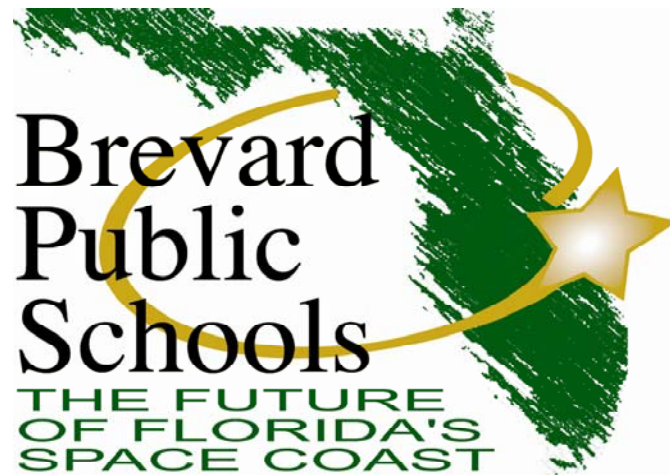
The School Board of Brevard County, Florida
 Capital Assets Used in the Operation of Governmental Funds
 Comparative Schedule By Function
 June 30, 2009 and 2008
 (amounts expressed in thousands)

| | <u>2009</u> | <u>2008</u> |
|--|---------------------|---------------------|
| Governmental funds capital assets: | | |
| Land | \$ 25,125 | \$ 25,125 |
| Improvements other than buildings | 60,307 | 56,446 |
| Buildings and fixed equipment | 1,176,918 | 942,729 |
| Furniture, fixtures and equipment | 84,477 | 85,028 |
| Motor vehicles | 44,844 | 40,737 |
| Construction in progress | 191,588 | 289,869 |
| AV materials and computer software | 17,345 | 17,266 |
| Property under capital lease | 2,943 | 2,943 |
| Total governmental funds capital assets | <u>\$ 1,603,547</u> | <u>\$ 1,460,143</u> |
| Investment in governmental funds capital assets by function: | | |
| Instructional | \$ 1,032,125 | \$ 1,031,943 |
| Administrative | 37,544 | 37,522 |
| Transportation | 40,983 | 37,340 |
| Facilities acquisitions and maintenance | 492,895 | 353,338 |
| Total governmental funds capital assets | <u>\$ 1,603,547</u> | <u>\$ 1,460,143</u> |

The School Board of Brevard County, Florida
 Capital Assets Used in the Operation of Governmental Funds
 The Schedule of Changes by Function
 For Fiscal Year Ended June 30, 2009
 (amounts expressed in thousands)

| | <u>Instructional</u> | <u>Administrative</u> | <u>Transportation</u> | <u>Facilities Acquisitions and Maintenance</u> | <u>Total</u> |
|---|----------------------|-----------------------|-----------------------|--|---------------------|
| Balance, June 30, 2008 | \$ 1,031,943 | \$ 37,522 | \$ 37,340 | \$ 353,338 | \$ 1,460,143 |
| Additions | 2,038 | 53 | 5,473 | 380,422 | 387,986 |
| Deletions | (1,856) | (31) | (1,830) | (240,865) | (244,582) |
| Balance, June 30, 2009 | <u>\$ 1,032,125</u> | <u>\$ 37,544</u> | <u>\$ 40,983</u> | <u>\$ 492,895</u> | <u>\$ 1,603,547</u> |
| Governmental funds capital assets: | | | | | |
| Land | \$ 23,125 | \$ - | \$ - | \$ 2,000 | \$ 25,125 |
| Improvements other than buildings | 45,332 | 24 | - | 14,950 | 60,306 |
| Buildings and fixed equipment | 872,353 | 26,559 | 1,390 | 276,617 | 1,176,919 |
| Furniture, fixtures and equipment | 68,982 | 9,007 | 1,651 | 4,836 | 84,476 |
| Motor vehicles | 6,678 | 151 | 37,174 | 842 | 44,845 |
| Construction in progress | - | - | - | 191,588 | 191,588 |
| AV materials and software | 12,712 | 1,803 | 768 | 2,062 | 17,345 |
| Property under capital lease | 2,943 | - | - | - | 2,943 |
| Total governmental funds capital assets | <u>\$ 1,032,125</u> | <u>\$ 37,544</u> | <u>\$ 40,983</u> | <u>\$ 492,895</u> | <u>\$ 1,603,547</u> |

STATISTICAL SECTION



SCHOOL BOARD OF BREVARD COUNTY
STATISTICAL SECTION
June 30, 2009

This part of the School Board of Brevard County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the District's most significant local revenue sources, the property tax.

Debt Capacity

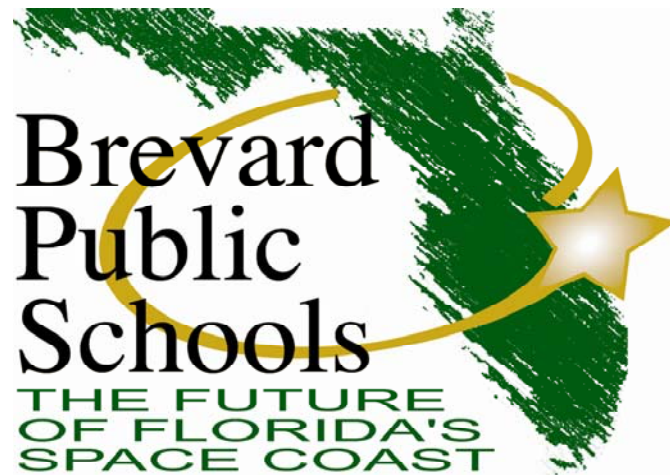
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information

These schedules contain service data to help the reader understand how the information in the District's financial report relates to the service the District provides and the activities it performs.



The School Board of Brevard County, Florida
Net Assets by Component
Last Eight Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)
(unaudited)

| | Fiscal Year Ending | | | | | | | |
|---|---------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | <u>June 30, 2002</u> | <u>June 30, 2003</u> | <u>June 30, 2004</u> | <u>June 30, 2005</u> | <u>June 30, 2006</u> | <u>June 30, 2007</u> | <u>June 30, 2008</u> | <u>June 30, 2009</u> |
| GOVERNMENTAL ACTIVITIES: | | | | | | | | |
| Invested in capital assets | | | | | | | | |
| Net of related debt | \$ 242,749 | \$ 268,164 | \$ 254,733 | \$ 246,372 | \$ 220,495 | \$ 363,718 | \$ 386,592 | \$ 420,217 |
| Restricted | 30,351 | 53,295 | 43,386 | 85,374 | 151,517 | 34,504 | 36,539 | 14,474 |
| Unrestricted | <u>(10,339)</u> | <u>(37,916)</u> | <u>6,929</u> | <u>23,439</u> | <u>41,207</u> | <u>53,110</u> | <u>62,887</u> | <u>32,259</u> |
| Total governmental activities net assets | <u>\$ 262,761</u> | <u>\$ 283,543</u> | <u>\$ 305,048</u> | <u>\$ 355,185</u> | <u>\$ 413,219</u> | <u>\$ 451,332</u> | <u>\$ 486,018</u> | <u>\$ 466,950</u> |
| BUSINESS-TYPE ACTIVITIES: | | | | | | | | |
| Invested in capital assets | | | | | | | | |
| Net of related debt | \$ - | \$ - | \$ 169 | \$ 537 | \$ 991 | \$ 866 | \$ 714 | \$ 477 |
| Unrestricted | <u>1,058</u> | <u>1,405</u> | <u>1,389</u> | <u>1,484</u> | <u>1,214</u> | <u>1,514</u> | <u>460</u> | <u>484</u> |
| Total business-type activities net assets | <u>1,058</u> | <u>1,405</u> | <u>1,558</u> | <u>2,021</u> | <u>2,205</u> | <u>2,380</u> | <u>1,174</u> | <u>961</u> |
| PRIMARY GOVERNMENT: | | | | | | | | |
| Invested in capital assets | | | | | | | | |
| Net of related debt | 242,749 | 268,164 | 254,902 | 246,909 | 221,486 | 364,584 | 387,306 | 420,694 |
| Restricted | 30,351 | 53,295 | 43,386 | 85,374 | 151,517 | 34,504 | 36,539 | 14,474 |
| Unrestricted | <u>(9,281)</u> | <u>(36,511)</u> | <u>8,318</u> | <u>24,923</u> | <u>42,421</u> | <u>54,624</u> | <u>63,347</u> | <u>32,743</u> |
| Total primary government net assets | <u>\$ 263,819</u> | <u>\$ 284,948</u> | <u>\$ 306,606</u> | <u>\$ 357,206</u> | <u>\$ 415,424</u> | <u>\$ 453,712</u> | <u>\$ 487,192</u> | <u>\$ 467,911</u> |

Source: District records

Note: Government-wide information (GASB 34) was implemented for the fiscal year ended June 30, 2002. Therefore, statements are presented since the year of inception.

See page 128 for fund balances of governmental funds.

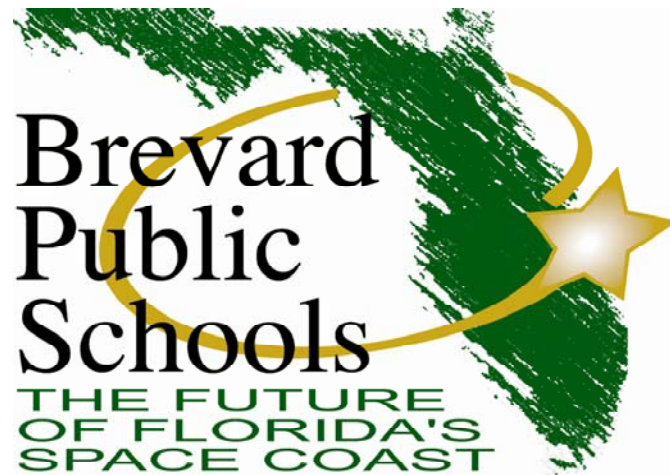
The School Board of Brevard County, Florida
Changes in Net Assets
Last Eight Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)
(unaudited)

| | Fiscal Year Ending | | | | | | | |
|---|---------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | <u>June 30, 2002</u> | <u>June 30, 2003</u> | <u>June 30, 2004</u> | <u>June 30, 2005</u> | <u>June 30, 2006</u> | <u>June 30, 2007</u> | <u>June 30, 2008</u> | <u>June 30, 2009</u> |
| EXPENSES | | | | | | | | |
| Governmental activities: | | | | | | | | |
| Instruction | \$ 248,214 | \$ 245,565 | \$ 279,380 | \$ 284,024 | \$ 309,781 | \$ 362,787 | \$ 373,608 | \$ 370,649 |
| Pupil personnel services | 15,253 | 15,052 | 16,417 | 16,256 | 18,099 | 21,396 | 23,235 | 22,776 |
| Instructional media services | 10,689 | 9,978 | 11,152 | 11,140 | 9,963 | 9,302 | 9,500 | 9,444 |
| Instruction and curriculum development services | 11,687 | 11,204 | 13,387 | 13,798 | 17,251 | 21,615 | 22,524 | 21,415 |
| Instructional staff training services | 3,739 | 3,036 | 3,380 | 4,533 | 4,597 | 5,711 | 4,806 | 3,972 |
| Instruction related technology | - | - | - | - | 2,880 | 6,087 | 6,828 | 7,575 |
| Board of education | 705 | 967 | 911 | 802 | 814 | 768 | 924 | 1,260 |
| General administration | 2,941 | 3,093 | 3,220 | 2,623 | 2,516 | 3,253 | 3,355 | 3,200 |
| School administration | 28,914 | 28,327 | 31,905 | 27,572 | 31,407 | 38,716 | 40,060 | 39,907 |
| Facilities acquisition & construction | 18,796 | 14,343 | 18,629 | 16,768 | 21,824 | 24,938 | 23,839 | 11,109 |
| Fiscal services | 2,064 | 1,830 | 1,745 | 1,666 | 1,897 | 2,190 | 2,220 | 2,333 |
| Food services | 18,981 | 19,421 | 21,379 | 22,388 | 24,767 | 26,250 | 27,751 | 27,896 |
| Central services | 9,714 | 8,963 | 9,114 | 9,023 | 6,818 | 8,731 | 8,435 | 6,424 |
| Pupil transportation services | 15,597 | 15,815 | 17,218 | 18,743 | 20,672 | 23,189 | 25,244 | 25,027 |
| Operation of plant | 36,466 | 37,133 | 39,882 | 43,547 | 44,869 | 56,575 | 52,871 | 50,688 |
| Maintenance of plant | 5,987 | 10,047 | 2,515 | 9,068 | 7,536 | 8,621 | 6,316 | 4,085 |
| Administrative technology services | - | - | - | - | 2,331 | 2,986 | 3,091 | 4,279 |
| Community services | 23 | 212 | 390 | 419 | 414 | 621 | 384 | 667 |
| Interest and fiscal charges | 9,433 | 11,292 | 10,361 | 13,604 | 15,463 | 21,443 | 28,666 | 28,778 |
| Depreciation - unallocated | 27,042 | 30,171 | 29,147 | 27,858 | 27,547 | 32,510 | 34,590 | 39,968 |
| Total governmental activities expenses | <u>466,245</u> | <u>466,449</u> | <u>510,132</u> | <u>523,832</u> | <u>571,446</u> | <u>677,689</u> | <u>698,247</u> | <u>681,452</u> |
| Business type activities | | | | | | | | |
| Extended day program | 3,954 | 5,162 | 5,757 | 6,025 | 7,529 | 8,200 | 8,315 | 7,333 |
| Total business type activities expenses | <u>3,954</u> | <u>5,162</u> | <u>5,757</u> | <u>6,025</u> | <u>7,529</u> | <u>8,200</u> | <u>8,315</u> | <u>7,333</u> |
| Total primary government expenses | <u>\$ 470,199</u> | <u>\$ 471,611</u> | <u>\$ 515,889</u> | <u>\$ 529,857</u> | <u>\$ 578,975</u> | <u>\$ 685,889</u> | <u>\$ 706,562</u> | <u>\$ 688,785</u> |

| | Fiscal Year Ending | | | | | | | |
|---|---------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | <u>June 30, 2002</u> | <u>June 30, 2003</u> | <u>June 30, 2004</u> | <u>June 30, 2005</u> | <u>June 30, 2006</u> | <u>June 30, 2007</u> | <u>June 30, 2008</u> | <u>June 30, 2009</u> |
| PROGRAM REVENUES | | | | | | | | |
| Governmental activities: | | | | | | | | |
| Charges for services | | | | | | | | |
| Food services | \$ 12,200 | \$ 12,526 | \$ 13,328 | \$ 13,750 | \$ 14,587 | \$ 14,564 | \$ 14,141 | \$ 13,505 |
| Other | 592 | 418 | 863 | 514 | 203 | 435 | 612 | 1,222 |
| Operating grants and contributions | 18,552 | 21,118 | 21,235 | 23,433 | 23,003 | 25,755 | 26,173 | 26,401 |
| Capital grants and contributions | 13,248 | 9,368 | 23,037 | 10,901 | 11,096 | 22,607 | 20,702 | 8,562 |
| Total governmental activities program revenues | <u>44,592</u> | <u>43,430</u> | <u>58,463</u> | <u>48,598</u> | <u>48,889</u> | <u>63,361</u> | <u>61,628</u> | <u>49,690</u> |
| Business type activities: | | | | | | | | |
| Extended day program | 4,320 | 5,508 | 5,908 | 6,480 | 7,681 | 8,342 | 7,830 | 7,120 |
| Total business type activities program revenues | <u>4,320</u> | <u>5,508</u> | <u>5,908</u> | <u>6,480</u> | <u>7,681</u> | <u>8,342</u> | <u>7,830</u> | <u>7,120</u> |
| Total primary government program revenues | <u>\$ 48,912</u> | <u>\$ 48,938</u> | <u>\$ 64,371</u> | <u>\$ 55,078</u> | <u>\$ 56,570</u> | <u>\$ 71,703</u> | <u>\$ 69,458</u> | <u>\$ 56,810</u> |
| Net (expense)/revenue | | | | | | | | |
| Governmental activities | \$ (421,653) | \$ (423,019) | \$ (451,669) | \$ (475,234) | \$ (522,557) | \$ (614,328) | \$ (636,619) | \$ (631,762) |
| Business-type activities | 366 | 346 | 151 | 455 | 152 | 142 | (485) | (213) |
| Total primary government net expense | <u>\$ (421,287)</u> | <u>\$ (422,673)</u> | <u>\$ (451,518)</u> | <u>\$ (474,779)</u> | <u>\$ (522,405)</u> | <u>\$ (614,186)</u> | <u>\$ (637,104)</u> | <u>\$ (631,975)</u> |
| GENERAL REVENUES AND OTHER | | | | | | | | |
| CHANGES IN NET ASSETS | | | | | | | | |
| Governmental activities: | | | | | | | | |
| Property taxes | | | | | | | | |
| Levied for operational purposes | 118,223 | 125,892 | 137,259 | 152,100 | 177,938 | 215,255 | 219,788 | 234,639 |
| Levied for capital projects | 35,414 | 38,106 | 42,842 | 49,001 | 61,264 | 76,003 | 79,458 | 69,531 |
| Grants and contributions | | | | | | | | |
| Not restricted to specific programs | 260,126 | 271,485 | 287,874 | 304,593 | 309,393 | 324,936 | 341,241 | 300,912 |
| Miscellaneous | 3,203 | 5,583 | 3,293 | 1,948 | 23,598 | 22,207 | 9,924 | 1,308 |
| Unrestricted investment earnings | 2,998 | 2,735 | 1,906 | 4,984 | 8,398 | 18,513 | 14,095 | 6,304 |
| Insurance recoveries | - | - | - | 12,745 | - | - | - | - |
| Total governmental activities | <u>419,964</u> | <u>443,801</u> | <u>473,174</u> | <u>525,371</u> | <u>580,591</u> | <u>656,914</u> | <u>664,506</u> | <u>612,694</u> |
| Business type activities: | | | | | | | | |
| Extended day program | - | 1 | 2 | 8 | 32 | 33 | - | - |
| Total business type activities | <u>-</u> | <u>1</u> | <u>2</u> | <u>8</u> | <u>32</u> | <u>33</u> | <u>-</u> | <u>-</u> |
| Total primary government | <u>419,964</u> | <u>443,802</u> | <u>473,176</u> | <u>525,379</u> | <u>580,623</u> | <u>656,947</u> | <u>664,506</u> | <u>612,694</u> |
| CHANGE IN NET ASSETS | | | | | | | | |
| Governmental activities | \$ (1,689) | \$ 20,782 | \$ 21,505 | \$ 50,137 | \$ 58,034 | \$ 42,586 | \$ 27,887 | \$ (19,068) |
| Business-type activities | 366 | 347 | 153 | 463 | 184 | 175 | (485) | (213) |
| Total primary government | <u>\$ (1,323)</u> | <u>\$ 21,129</u> | <u>\$ 21,658</u> | <u>\$ 50,600</u> | <u>\$ 58,218</u> | <u>\$ 42,761</u> | <u>\$ 27,402</u> | <u>\$ (19,281)</u> |

Source: District records

Note: Government-wide information (GASB 34) was implemented for the fiscal year ended June 30, 2002. Therefore, statements are presented since the year of inception.



The School Board of Brevard County, Florida
Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years
(accrual basis of accounting)
(amount expressed in thousands)
(unaudited)

| <u>Fiscal Year Ending</u> | <u>Property Tax</u> | | <u>Total</u> |
|---------------------------|------------------------|-------------------------|--------------|
| | <u>General Purpose</u> | <u>Capital Projects</u> | |
| June 30, 2009 | \$ 234,639 | \$ 69,531 | \$ 304,170 |
| June 30, 2008 | 219,788 | 79,458 | 299,246 |
| June 30, 2007 | 215,255 | 76,003 | 291,258 |
| June 30, 2006 | 177,938 | 61,264 | 239,202 |
| June 30, 2005 | 152,100 | 49,001 | 201,101 |
| June 30, 2004 | 137,259 | 42,842 | 180,101 |
| June 30, 2003 | 125,892 | 38,106 | 163,998 |
| June 30, 2002 | 118,223 | 35,414 | 153,637 |
| June 30, 2001 | 113,553 | 32,861 | 146,414 |
| June 30, 2000 | 109,990 | 30,749 | 140,739 |

Source: District records

The School Board of Brevard County, Florida
Fund Balances of Governmental Funds
Last Eight Fiscal Years
(modified accrual basis of accounting)
(amount expressed in thousands)
(unaudited)

Pre-GASB 54

| | Fiscal Year Ending | | | | |
|-------------------------------------|---------------------------|----------------------|----------------------|----------------------|----------------------|
| | June 30, 2002 | June 30, 2003 | June 30, 2004 | June 30, 2005 | June 30, 2006 |
| GENERAL FUND | | | | | |
| Reserved for: | \$ 6,782 | \$ 8,457 | \$ 9,413 | \$ 10,099 | \$ 12,027 |
| Unreserved | 16,046 | 20,705 | 23,789 | 32,471 | 29,952 |
| Total general fund | <u>\$ 22,828</u> | <u>\$ 29,162</u> | <u>\$ 33,202</u> | <u>\$ 42,570</u> | <u>\$ 41,979</u> |
| ALL OTHER GOVERNMENTAL FUNDS | | | | | |
| Reserved for: | \$ 13,992 | \$ 29,022 | \$ 18,381 | \$ 44,628 | \$ 82,734 |
| Unreserved, reported in: | | | | | |
| Special revenue funds | 4,695 | 4,964 | 6,975 | 8,173 | 6,675 |
| Capital projects funds | 6,710 | 12,722 | 17,989 | 25,064 | 89,179 |
| Total all other governmental funds | <u>\$ 25,397</u> | <u>\$ 46,708</u> | <u>\$ 43,345</u> | <u>\$ 77,865</u> | <u>\$ 178,588</u> |
| Total governmental funds | <u>\$ 48,225</u> | <u>\$ 75,870</u> | <u>\$ 76,547</u> | <u>\$ 120,435</u> | <u>\$ 220,567</u> |

Post-GASB 54

| | Fiscal Year Ending | | |
|-------------------------------------|---------------------------|----------------------|----------------------|
| | June 30, 2007 | June 30, 2008 | June 30, 2009 |
| GENERAL FUND | | | |
| Nonspendable | \$ 3,363 | \$ 7,320 | \$ 2,513 |
| Restricted | 11,929 | 9,649 | 6,204 |
| Assigned | 3,687 | 3,252 | 2,636 |
| Unassigned | 21,316 | 29,193 | 31,026 |
| Total General Fund | <u>\$ 40,295</u> | <u>\$ 49,414</u> | <u>\$ 42,379</u> |
| ALL OTHER GOVERNMENTAL FUNDS | | | |
| Nonspendable | \$ 1,951 | \$ 2,320 | \$ 1,881 |
| Restricted | 302,761 | 219,970 | 108,802 |
| Assigned | - | - | 202 |
| Unassigned | (15,039) | (20,556) | (23,025) |
| Total all other governmental funds | <u>\$ 289,673</u> | <u>\$ 201,734</u> | <u>\$ 87,860</u> |
| Total governmental funds | <u>\$ 329,968</u> | <u>\$ 251,148</u> | <u>\$ 130,239</u> |

Source: District records

Note: Eight years of data available for GASB 34 compliance.

Three years of data available for GASB 54 compliance,
which was adopted in June 30, 2009.

The School Board of Brevard County, Florida
Changes in Fund Balances of Governmental Funds
Last Eight Fiscal Years
(modified accrual basis of accounting)
(amount expressed in thousands)
(unaudited)

| | Fiscal Year Ending | | | | | | | |
|--|---------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | June 30, 2002 | June 30, 2003 | June 30, 2004 | June 30, 2005 | June 30, 2006 | June 30, 2007 | June 30, 2008 | June 30, 2009 |
| FEDERAL DIRECT SOURCES | | | | | | | | |
| Reserve officers training corps (ROTC) | | | | | | | | |
| Miscellaneous federal direct | \$ 4,137 | \$ 4,191 | \$ 2,689 | \$ 7,019 | \$ 4,825 | \$ 5,563 | \$ 4,402 | \$ 2,649 |
| Total federal direct | 4,137 | 4,191 | 2,689 | 7,019 | 4,825 | 5,563 | 4,402 | 2,649 |
| FEDERAL THROUGH STATE SOURCES | | | | | | | | |
| Food service | 7,924 | 10,279 | 10,027 | 11,430 | 11,300 | 12,313 | 12,969 | 14,279 |
| Other federal through state grants | 27,713 | 31,012 | 37,378 | 36,942 | 36,646 | 36,557 | 36,065 | 36,465 |
| Total federal through state grants | 35,637 | 41,291 | 47,405 | 48,372 | 47,946 | 48,870 | 49,034 | 50,744 |
| STATE SOURCES | | | | | | | | |
| Florida education finance program (FEFP) | 195,132 | 208,952 | 208,887 | 206,883 | 197,361 | 194,873 | 191,901 | 152,985 |
| Categorical educational programs | 21,072 | 20,042 | 19,566 | 20,539 | 19,977 | 91,170 | 107,411 | 104,775 |
| District discretionary lottery funds | 6,535 | 5,180 | 3,436 | 4,029 | 3,566 | 2,928 | 3,541 | 1,780 |
| Public education capital outlay | 10,655 | 6,769 | 6,429 | 5,929 | 6,681 | 8,529 | 10,856 | 5,734 |
| Food services | 262 | 250 | 331 | 368 | 357 | 350 | 387 | 418 |
| State grants and other state sources | 18,497 | 15,298 | 43,401 | 45,786 | 62,228 | 20,536 | 16,395 | 8,461 |
| Total state sources | 252,153 | 256,491 | 282,050 | 283,534 | 290,170 | 318,386 | 330,491 | 274,153 |
| LOCAL SOURCES | | | | | | | | |
| Ad valorem taxes | 153,637 | 163,998 | 180,102 | 201,101 | 239,202 | 291,258 | 299,246 | 304,170 |
| Food service sales | 12,200 | 12,526 | 13,328 | 13,750 | 14,649 | 14,563 | 14,175 | 13,611 |
| Interest income and others | 2,566 | 2,753 | 1,773 | 4,984 | 8,426 | 18,513 | 15,753 | 5,794 |
| Local grants and other local sources | 3,416 | 5,591 | 4,110 | 5,795 | 23,110 | 21,830 | 13,847 | 16,339 |
| Total local sources | 171,819 | 184,868 | 199,313 | 225,630 | 285,387 | 346,164 | 343,021 | 339,914 |
| Total revenues | \$ 463,746 | \$ 486,841 | \$ 531,457 | \$ 564,555 | \$ 628,328 | \$ 718,983 | \$ 726,948 | \$ 667,460 |

The School Board of Brevard County, Florida
Changes in Fund Balances of Governmental Funds
Last Eight Fiscal Years
(modified accrual basis of accounting)
(amount expressed in thousands)
(unaudited)

| | Fiscal Year Ending | | | | | | | |
|---|---------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | June 30, 2002 | June 30, 2003 | June 30, 2004 | June 30, 2005 | June 30, 2006 | June 30, 2007 | June 30, 2008 | June 30, 2009 |
| EXPENDITURES | | | | | | | | |
| Current: | | | | | | | | |
| Instruction | \$ 250,557 | \$ 252,109 | \$ 278,293 | \$ 298,182 | \$ 321,809 | \$ 355,086 | \$ 371,212 | \$ 360,012 |
| Pupil personnel services | - | - | 16,333 | 17,300 | 18,933 | 20,884 | 23,079 | 22,100 |
| Instructional media services | 41,430 | 40,172 | 11,094 | 11,863 | 10,551 | 8,985 | 9,411 | 9,184 |
| Instruction and curriculum development services | - | - | 13,289 | 15,200 | 18,489 | 20,822 | 22,272 | 20,806 |
| Instructional staff training services | - | - | 3,367 | 4,727 | 4,777 | 5,584 | 4,763 | 3,871 |
| Instruction related technology | - | - | - | - | 2,892 | 6,010 | 6,775 | 7,345 |
| Board of education | - | - | 911 | 802 | 815 | 768 | 924 | 1,249 |
| General administration | 15,525 | 16,385 | 3,203 | 2,808 | 2,668 | 3,160 | 3,332 | 3,194 |
| School administration | 28,358 | 29,257 | 31,593 | 31,663 | 34,844 | 36,498 | 39,357 | 38,616 |
| Facilities acquisition & construction | - | - | 15,839 | 756 | 841 | 22,984 | 23,600 | 10,554 |
| Fiscal services | - | - | 1,739 | 1,815 | 1,980 | 2,141 | 2,212 | 2,236 |
| Food service | - | - | 21,358 | 22,741 | 25,124 | 26,050 | 27,681 | 27,491 |
| Central services | 19,843 | 20,022 | 8,411 | 9,551 | 7,305 | 8,469 | 8,366 | 6,241 |
| Pupil transportation services | 13,885 | 13,948 | 15,211 | 17,050 | 18,981 | 20,504 | 22,444 | 21,486 |
| Operation of plant | 42,898 | 47,447 | 39,846 | 44,118 | 45,430 | 56,223 | 52,760 | 49,926 |
| Maintenance of plant | - | - | 2,495 | 9,392 | 7,866 | 8,424 | 6,272 | 3,804 |
| Administrative technology services | - | - | - | - | 2,351 | 2,927 | 3,067 | 4,190 |
| Community services | 358 | 220 | 385 | 511 | 519 | 546 | 362 | 642 |
| CAPITAL OUTLAY | | | | | | | | |
| Capital outlay | 44,141 | 63,113 | 56,747 | 76,187 | 110,539 | 174,483 | 205,362 | 153,735 |
| Other Capital Outlay | | | | | | | | |
| DEBT SERVICE | | | | | | | | |
| Principal | 7,341 | 30,226 | 6,617 | 7,449 | 9,358 | 10,059 | 13,045 | 13,601 |
| Interest and fiscal charges | 9,433 | 12,000 | 10,312 | 13,352 | 16,914 | 23,147 | 28,569 | 29,792 |
| Total expenditures | 473,769 | 524,899 | 537,043 | 585,467 | 662,986 | 813,754 | 874,865 | 790,075 |
| Excess (deficiency) of revenues over (under) expenditures | (10,023) | (38,058) | (5,586) | (20,912) | (34,658) | (94,771) | (147,917) | (122,615) |

| | Fiscal Year Ending | | | | | | | |
|---|---------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | June 30, 2002 | June 30, 2003 | June 30, 2004 | June 30, 2005 | June 30, 2006 | June 30, 2007 | June 30, 2008 | June 30, 2009 |
| OTHER FINANCIAL SOURCES (USES) | | | | | | | | |
| Issuance of refunding certificates of participation | - | - | - | 69,746 | 128,440 | 232,085 | 56,000 | |
| Inception of capital lease | - | - | - | 2,942 | - | - | - | - |
| Premium on refunding bonds | 166 | 65,483 | 6,235 | 49,633 | 650 | 2,258 | - | - |
| Payment to refunded certificates escrow agent | 400 | - | - | (70,537) | 4,967 | (39,575) | - | - |
| Premium on sale of bonds/notes | - | - | - | - | - | 6,755 | 965 | |
| Sale of capital assets | 86 | 220 | 28 | 271 | 104 | 27 | 124 | 97 |
| Loss recoveries | - | - | - | 12,745 | 630 | 14 | 102 | 309 |
| Transfers in | 20,501 | 35,414 | 21,551 | 23,257 | 50,276 | 33,844 | 58,821 | 56,089 |
| Transfers out | (20,501) | (35,414) | (21,551) | (23,257) | (50,276) | (33,844) | (46,915) | (54,789) |
| Total other financing sources (uses) | 652 | 65,703 | 6,263 | 64,800 | 134,791 | 201,564 | 69,097 | 1,706 |
| Net change in fund balance | (9,371) | 27,645 | 677 | 43,888 | 100,133 | 106,793 | (78,821) | (120,909) |
| Fund balance, beginning | 57,596 | 48,225 | 75,870 | 76,547 | 120,434 | 220,567 | 329,968 | 251,148 |
| Prior year adjustments | | | | | | 2,608 | - | - |
| Fund balance ending | <u>\$ 48,225</u> | <u>\$ 75,870</u> | <u>\$ 76,547</u> | <u>\$ 120,435</u> | <u>\$ 220,567</u> | <u>\$ 329,968</u> | <u>\$ 251,148</u> | <u>\$ 130,239</u> |
| Debt service as a percentage of noncapital expenditures | 3.81% | 8.99% | 3.63% | 3.99% | 4.63% | 5.15% | 6.21% | 6.82% |

Source: District records

Note: Eight years of data available for GASB 34 compliance.

Three years of data available for GASB 54 compliance.

The School Board of Brevard County, Florida
Summary of Revenues, Expenditures (by Major Object)
and Changes in Fund Balances - General Fund
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amount expressed in thousands)
(unaudited)

| | Fiscal Year Ending | | | |
|--|---------------------------|----------------------|----------------------|----------------------|
| | June 30, 2000 | June 30, 2001 | June 30, 2002 | June 30, 2003 |
| FEDERAL SOURCES | | | | |
| Federal direct | \$ 1,210 | \$ 1,301 | \$ 1,473 | \$ 1,519 |
| Total federal direct | <u>1,210</u> | <u>1,301</u> | <u>1,473</u> | <u>1,519</u> |
| FEDERAL THROUGH STATE SOURCES | | | | |
| Other federal through state grants | 819 | 1,078 | 966 | 868 |
| Total federal through state grants | <u>819</u> | <u>1,078</u> | <u>966</u> | <u>868</u> |
| STATE SOURCES | | | | |
| Florida education finance program | 177,577 | 202,511 | 195,132 | 208,952 |
| Categorical programs | 37,681 | 20,315 | 21,072 | 20,042 |
| Lottery enhancement | - | 5,379 | 6,535 | 5,180 |
| Other | 5,188 | 11,022 | 13,688 | 12,324 |
| Total state sources | <u>220,446</u> | <u>239,227</u> | <u>236,427</u> | <u>246,498</u> |
| LOCAL SOURCES | | | | |
| Ad valorem taxes | 109,990 | 113,553 | 118,223 | 125,892 |
| Investment income | 4,303 | 3,741 | 874 | 892 |
| Other | 5,254 | 6,814 | 3,185 | 5,112 |
| Total local sources | <u>119,547</u> | <u>124,108</u> | <u>122,282</u> | <u>131,896</u> |
| Total revenues | <u>342,022</u> | <u>365,714</u> | <u>361,148</u> | <u>380,781</u> |
| EXPENDITURES: (by object) | | | | |
| Salaries | 218,646 | 234,901 | 242,569 | 246,843 |
| Employee benefits | 61,086 | 64,692 | 68,866 | 66,525 |
| Purchased services | 25,434 | 26,306 | 27,743 | 29,737 |
| Energy services | 8,848 | 10,037 | 10,222 | 10,126 |
| Material and supplies | 11,789 | 12,026 | 12,060 | 12,129 |
| Capital outlay | 10,438 | 13,920 | 7,481 | 7,259 |
| Other expenditures | 1,597 | 1,608 | 1,456 | 1,828 |
| Total expenditures | <u>337,838</u> | <u>363,490</u> | <u>370,397</u> | <u>374,447</u> |
| Excess (deficiency) of revenues over expenditures | <u>4,184</u> | <u>2,226</u> | <u>(9,249)</u> | <u>6,334</u> |
| Other financing sources | <u>(2,887)</u> | <u>(1,839)</u> | <u>188</u> | <u>-</u> |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | <u>1,297</u> | <u>387</u> | <u>(9,061)</u> | <u>6,334</u> |
| Beginning fund balances | <u>30,898</u> | <u>32,195</u> | <u>32,582</u> | <u>22,829</u> |
| Prior period adjustments | - | - | - | - |
| Ending fund balances | <u>\$ 32,195</u> | <u>\$ 32,582</u> | <u>\$ 23,521</u> | <u>\$ 29,163</u> |

Source: District records

Fiscal Year Ending

| <u>June 30, 2004</u> | <u>June 30, 2005</u> | <u>June 30, 2006</u> | <u>June 30, 2007</u> | <u>June 30, 2008</u> | <u>June 30, 2009</u> |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 1,920 | \$ 4,748 | \$ 1,104 | \$ 1,654 | \$ 1,365 | \$ 1,351 |
| <u>1,920</u> | <u>4,748</u> | <u>1,104</u> | <u>1,654</u> | <u>1,365</u> | <u>1,351</u> |
| - | 1,395 | 1,226 | - | 774 | 350 |
| <u>-</u> | <u>1,395</u> | <u>1,226</u> | <u>-</u> | <u>774</u> | <u>350</u> |
| 208,887 | 206,883 | 197,361 | 194,873 | 191,901 | 152,985 |
| 19,566 | 24,568 | 19,977 | 91,170 | 107,411 | 104,775 |
| 3,436 | 40,398 | 3,566 | 2,928 | 3,541 | 1,780 |
| 26,360 | - | 57,768 | 6,249 | 6,324 | 5,436 |
| <u>258,249</u> | <u>271,849</u> | <u>278,672</u> | <u>295,220</u> | <u>309,177</u> | <u>264,976</u> |
| 137,259 | 152,100 | 177,938 | 215,255 | 219,788 | 234,639 |
| 1,000 | 1,964 | 4,490 | 4,900 | 2,857 | 1,765 |
| 3,621 | 4,130 | 4,505 | 3,515 | 7,584 | 5,969 |
| <u>141,880</u> | <u>158,194</u> | <u>186,933</u> | <u>223,670</u> | <u>230,229</u> | <u>242,373</u> |
| 402,049 | 436,186 | 467,935 | 520,544 | 541,545 | 509,050 |
| 258,641 | 280,066 | 300,039 | 330,595 | 349,431 | 336,006 |
| 76,271 | 81,532 | 89,255 | 92,349 | 103,127 | 98,872 |
| 32,595 | 36,672 | 40,453 | 57,798 | 49,809 | 45,818 |
| 11,128 | 12,235 | 15,104 | 16,485 | 18,732 | 16,967 |
| 11,379 | 15,189 | 14,830 | 16,905 | 13,893 | 15,331 |
| 6,545 | 8,860 | 7,006 | 9,621 | 6,197 | 4,490 |
| 1,450 | 2,010 | 2,469 | 2,220 | 3,244 | 4,544 |
| <u>398,009</u> | <u>436,564</u> | <u>469,156</u> | <u>525,973</u> | <u>544,433</u> | <u>522,028</u> |
| 4,040 | (378) | (1,221) | (5,429) | (2,888) | (12,978) |
| <u>-</u> | <u>9,745</u> | <u>630</u> | <u>1,147</u> | <u>12,007</u> | <u>5,943</u> |
| 4,040 | 9,367 | (591) | (4,282) | 9,119 | (7,035) |
| <u>29,163</u> | <u>33,203</u> | <u>42,570</u> | <u>41,979</u> | <u>40,295</u> | <u>49,414</u> |
| - | - | - | 2,598 | - | - |
| <u>\$ 33,203</u> | <u>\$ 42,570</u> | <u>\$ 41,979</u> | <u>\$ 40,295</u> | <u>\$ 49,414</u> | <u>\$ 42,379</u> |

The School Board of Brevard County, Florida
Summary of Revenues, Expenditures (by Major Object) and Changes in Fund Balances-
Special Revenue Fund-Contracted Programs
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amount expressed in thousands)
(unaudited)

| | Fiscal Year Ending | | | |
|--|---------------------------|----------------------|----------------------|----------------------|
| | June 30, 2000 | June 30, 2001 | June 30, 2002 | June 30, 2003 |
| FEDERAL SOURCES | | | | |
| Federal direct | \$ 1,057 | \$ 1,126 | \$ 2,736 | \$ 2,741 |
| Other federal direct | 20,205 | 24,352 | 26,747 | 30,144 |
| Total federal sources | <u>21,262</u> | <u>25,478</u> | <u>29,483</u> | <u>32,885</u> |
| State sources | - | - | - | - |
| Total revenues | <u>21,262</u> | <u>25,478</u> | <u>29,483</u> | <u>32,885</u> |
| EXPENDITURES | | | | |
| Salaries | 10,524 | 12,077 | 13,241 | 16,466 |
| Employee benefits | 2,751 | 3,242 | 3,723 | 4,268 |
| Purchased services | 2,854 | 3,780 | 5,441 | 5,658 |
| Material and supplies | 1,653 | 1,533 | 1,936 | 1,683 |
| Capital outlay | 3,013 | 4,387 | 4,489 | 3,926 |
| Other expenditures | 467 | 459 | 653 | 884 |
| Total expenditures | <u>21,262</u> | <u>25,478</u> | <u>29,483</u> | <u>32,885</u> |
| Excess (deficiency) of revenues over expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Beginning fund balance | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Ending fund balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Source: District records

Fiscal Year Ending

| June 30, 2004 | June 30, 2005 | June 30, 2006 | June 30, 2007 | June 30, 2008 | June 30, 2009 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 882 | \$ 2,377 | \$ 3,815 | \$ 3,909 | \$ 3,037 | \$ 1,298 |
| 37,378 | 35,547 | 35,420 | 36,557 | 35,291 | 36,115 |
| <u>38,260</u> | <u>37,924</u> | <u>39,235</u> | <u>40,466</u> | <u>38,328</u> | <u>37,413</u> |
| - | - | - | 80 | 93 | 81 |
| <u>38,260</u> | <u>37,924</u> | <u>39,235</u> | <u>40,546</u> | <u>38,421</u> | <u>37,494</u> |
| 17,779 | 18,415 | 18,913 | 20,434 | 20,569 | 20,394 |
| 5,093 | 5,294 | 5,761 | 6,070 | 6,274 | 5,839 |
| 5,770 | 7,399 | 7,322 | 7,788 | 5,862 | 6,202 |
| 2,012 | 2,229 | 2,359 | 2,242 | 2,185 | 2,162 |
| 6,260 | 3,230 | 3,835 | 2,976 | 2,474 | 1,833 |
| 1,346 | 1,357 | 1,045 | 1,036 | 1,057 | 1,064 |
| <u>38,260</u> | <u>37,924</u> | <u>39,235</u> | <u>40,546</u> | <u>38,421</u> | <u>37,494</u> |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

The School Board of Brevard County, Florida
Summary of Revenues, Expenditures (by Major Object) and Changes in Fund Balances-
Special Revenue Fund - Food Service
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amount expressed in thousands)
(unaudited)

| | Fiscal Year Ending | | | |
|--|---------------------------|----------------------|----------------------|----------------------|
| | June 30, 2000 | June 30, 2001 | June 30, 2002 | June 30, 2003 |
| FEDERAL THROUGH STATE SOURCES | | | | |
| Food service | \$ 6,309 | \$ 6,502 | \$ 6,472 | \$ 7,842 |
| Donated foods | 1,120 | 1,142 | 1,452 | 2,437 |
| Total federal through state grants | <u>7,429</u> | <u>7,644</u> | <u>7,924</u> | <u>10,279</u> |
| STATE SOURCES | | | | |
| Food service | 276 | 260 | 262 | 250 |
| Total state sources | <u>276</u> | <u>260</u> | <u>262</u> | <u>250</u> |
| LOCAL SOURCES | | | | |
| Food service sales | 10,661 | 11,424 | 12,200 | 12,526 |
| Interest income and others | 82 | 153 | 67 | 73 |
| Total local services | <u>10,743</u> | <u>11,577</u> | <u>12,267</u> | <u>12,599</u> |
| Total revenues | <u>18,448</u> | <u>19,481</u> | <u>20,453</u> | <u>23,128</u> |
| EXPENDITURES: (by object) | | | | |
| Salaries | 5,640 | 5,998 | 6,039 | 6,260 |
| Employee benefits | 2,177 | 2,508 | 2,428 | 2,299 |
| Purchased services | 1,812 | 2,087 | 2,254 | 1,595 |
| Energy services | - | 181 | 379 | 353 |
| Material and supplies | 7,218 | 6,331 | 8,110 | 8,808 |
| Capital outlay | 860 | 1,814 | 142 | 748 |
| Other expenditures | 417 | 370 | 1,028 | 335 |
| Total expenditures | <u>18,124</u> | <u>19,289</u> | <u>20,380</u> | <u>20,398</u> |
| Excess (deficiency) of revenues over expenditures | <u>324</u> | <u>192</u> | <u>73</u> | <u>2,730</u> |
| Other financing sources (uses) | <u>-</u> | <u>-</u> | <u>(1,300)</u> | <u>(2,500)</u> |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | <u>324</u> | <u>192</u> | <u>(1,227)</u> | <u>230</u> |
| Beginning fund balance | 5,484 | 5,808 | 6,000 | 4,773 |
| Ending fund balance | <u>\$ 5,808</u> | <u>\$ 6,000</u> | <u>\$ 4,773</u> | <u>\$ 5,003</u> |

Source: District records

Fiscal Year Ending

| <u>June 30, 2004</u> | <u>June 30, 2005</u> | <u>June 30, 2006</u> | <u>June 30, 2007</u> | <u>June 30, 2008</u> | <u>June 30, 2009</u> |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 8,785 | \$ 8,998 | \$ 9,991 | \$ 11,139 | \$ 11,511 | \$ 12,567 |
| 1,242 | 2,432 | 1,309 | 1,174 | 1,458 | 1,712 |
| <u>10,027</u> | <u>11,430</u> | <u>11,300</u> | <u>12,313</u> | <u>12,969</u> | <u>14,279</u> |
| | | | | | |
| 343 | 380 | 357 | 362 | 397 | 422 |
| <u>343</u> | <u>380</u> | <u>357</u> | <u>362</u> | <u>397</u> | <u>422</u> |
| | | | | | |
| 13,328 | 13,750 | 14,405 | 14,563 | 14,175 | 13,611 |
| 73 | 109 | 182 | 224 | 55 | 31 |
| <u>13,401</u> | <u>13,859</u> | <u>14,587</u> | <u>14,787</u> | <u>14,230</u> | <u>13,642</u> |
| | | | | | |
| 23,771 | 25,669 | 26,244 | 27,462 | 27,596 | 28,343 |
| | | | | | |
| 6,807 | 7,131 | 7,529 | 8,237 | 8,701 | 8,696 |
| 2,680 | 2,867 | 3,084 | 3,266 | 3,378 | 3,279 |
| 1,493 | 1,338 | 1,566 | 1,569 | 1,398 | 1,051 |
| 485 | 558 | 646 | 750 | 808 | 724 |
| 9,110 | 10,080 | 11,418 | 11,376 | 12,492 | 12,646 |
| 614 | 1,039 | 2,418 | 3,259 | 1,611 | 761 |
| 370 | 347 | 422 | 476 | 531 | 760 |
| <u>21,559</u> | <u>23,360</u> | <u>27,083</u> | <u>28,933</u> | <u>28,919</u> | <u>27,917</u> |
| | | | | | |
| 2,212 | 2,309 | (839) | (1,471) | (1,323) | 426 |
| | | | | | |
| - | - | - | - | - | - |
| <u>2,212</u> | <u>2,309</u> | <u>(839)</u> | <u>(1,471)</u> | <u>(1,323)</u> | <u>426</u> |
| | | | | | |
| 5,003 | 7,215 | 9,524 | 8,685 | 7,214 | 5,891 |
| <u>\$ 7,215</u> | <u>\$ 9,524</u> | <u>\$ 8,685</u> | <u>\$ 7,214</u> | <u>\$ 5,891</u> | <u>\$ 6,317</u> |

The School Board of Brevard County, Florida
Summary of Revenues, Expenditures (by Major Object) and Changes in Fund Balances-
Debt Service Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amount expressed in thousands)
(unaudited)

| | Fiscal Year Ending | | | |
|--|---------------------------|----------------------|----------------------|----------------------|
| | June 30, 2000 | June 30, 2001 | June 30, 2002 | June 30, 2003 |
| STATE SOURCES | | | | |
| CO & DS withheld for SBE/COBI bonds | \$ 2,099 | \$ 2,133 | \$ 2,137 | \$ 2,146 |
| SBE/COBI bond interest | 26 | 24 | 12 | 20 |
| Racing commission | 223 | 223 | 223 | 223 |
| Total state sources | <u>2,348</u> | <u>2,380</u> | <u>2,372</u> | <u>2,389</u> |
| LOCAL SOURCES | | | | |
| Interest income and others | 333 | 347 | 126 | 25 |
| Total local sources | <u>333</u> | <u>347</u> | <u>126</u> | <u>25</u> |
| Total revenues | <u>2,681</u> | <u>2,727</u> | <u>2,498</u> | <u>2,414</u> |
| EXPENDITURES: (by object) | | | | |
| Debt service: | | | | |
| Principal | 6,224 | 8,647 | 7,320 | 16,715 |
| Interest and fiscal charges | 9,439 | 8,963 | 8,508 | 10,537 |
| Total expenditures | <u>15,663</u> | <u>17,610</u> | <u>15,828</u> | <u>27,252</u> |
| Excess (deficiency) of revenues over expenditures | <u>(12,982)</u> | <u>(14,883)</u> | <u>(13,330)</u> | <u>(24,838)</u> |
| Other financing sources (uses) | <u>13,038</u> | <u>15,049</u> | <u>13,352</u> | <u>21,470</u> |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | <u>56</u> | <u>166</u> | <u>22</u> | <u>(3,368)</u> |
| Beginning fund balance | 5,705 | 5,761 | 5,927 | 5,949 |
| Adjustments to fund balance | | | | |
| Ending fund balance | <u>\$ 5,761</u> | <u>\$ 5,927</u> | <u>\$ 5,949</u> | <u>\$ 2,581</u> |

Source: District records

Fiscal Year Ending

| June 30, 2004 | June 30, 2005 | June 30, 2006 | June 30, 2007 | June 30, 2008 | June 30, 2009 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 2,226 | \$ 2,254 | \$ 2,318 | \$ 2,363 | \$ 2,369 | \$ 2,371 |
| 5 | 4 | 62 | 16 | 20 | 1 |
| 223 | 223 | 223 | - | - | - |
| <u>2,454</u> | <u>2,481</u> | <u>2,603</u> | <u>2,379</u> | <u>2,389</u> | <u>2,372</u> |
| 21 | 409 | 394 | 49 | 32 | 9 |
| <u>21</u> | <u>409</u> | <u>394</u> | <u>49</u> | <u>32</u> | <u>9</u> |
| <u>2,475</u> | <u>2,890</u> | <u>2,997</u> | <u>2,428</u> | <u>2,421</u> | <u>2,381</u> |
| 6,580 | 6,905 | 8,790 | 9,470 | 12,435 | 12,970 |
| <u>9,643</u> | <u>10,213</u> | <u>13,042</u> | <u>19,225</u> | <u>26,195</u> | <u>27,338</u> |
| <u>16,223</u> | <u>17,118</u> | <u>21,832</u> | <u>28,695</u> | <u>38,630</u> | <u>40,308</u> |
| (13,748) | (14,228) | (18,835) | (26,267) | (36,209) | (37,927) |
| <u>13,870</u> | <u>15,891</u> | <u>18,651</u> | <u>25,706</u> | <u>36,684</u> | <u>38,391</u> |
| 122 | 1,663 | (184) | (561) | 475 | 464 |
| <u>2,581</u> | <u>2,703</u> | <u>4,366</u> | <u>4,182</u> | <u>3,631</u> | <u>4,106</u> |
| <u>10</u> | | | | | |
| <u>\$ 2,703</u> | <u>\$ 4,366</u> | <u>\$ 4,182</u> | <u>\$ 3,631</u> | <u>\$ 4,106</u> | <u>\$ 4,570</u> |

The School Board of Brevard County, Florida
Summary of Revenues, Expenditures (by Major Object) and Changes in Fund Balances-
Capital Projects Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amount expressed in thousands)
(unaudited)

| | Fiscal Year Ending | | | |
|--|---------------------------|----------------------|----------------------|----------------------|
| | June 30, 2000 | June 30, 2001 | June 30, 2002 | June 30, 2003 |
| REVENUES | | | | |
| State sources: | | | | |
| CO & DS distributed to district | \$ - | \$ - | \$ - | \$ - |
| Public education capital outlay | 7,807 | 8,371 | 10,655 | 6,769 |
| Classroom first program/class size reduction | - | 9,545 | - | - |
| State grants and other state sources | 6,414 | 7,945 | 2,365 | 532 |
| Total state sources | <u>14,221</u> | <u>25,861</u> | <u>13,020</u> | <u>7,301</u> |
| Local sources: | | | | |
| Ad valorem taxes | 30,749 | 32,861 | 35,414 | 38,106 |
| Interest income and others | 2,455 | 2,294 | 1,532 | 1,798 |
| Local grants and other local sources | 322 | 73 | 198 | 428 |
| Total local sources | <u>33,526</u> | <u>35,228</u> | <u>37,144</u> | <u>40,332</u> |
| Total revenues | <u>47,747</u> | <u>61,089</u> | <u>50,164</u> | <u>47,633</u> |
| EXPENDITURES: (by object) | | | | |
| Library books | 190 | 291 | 89 | 134 |
| Audio visual materials | 31 | 37 | 10 | 15 |
| Buildings and fixed materials | 13,960 | 12,240 | 16,595 | 24,848 |
| Furniture, fixtures and equipment | 3,977 | 3,937 | 1,497 | 2,241 |
| Motor vehicles | 2,898 | 2,173 | 658 | 986 |
| Land | 2 | 8 | - | - |
| Improvements other than buildings | 639 | 1,388 | 556 | 832 |
| Remodeling and renovations | 34,081 | 33,465 | 17,457 | 26,140 |
| Computer software | 92 | 141 | 385 | 576 |
| Debt service | 897 | 717 | 434 | 650 |
| Total expenditures | <u>56,767</u> | <u>54,397</u> | <u>37,681</u> | <u>56,422</u> |
| Excess (deficiency) of revenues over expenditures | <u>(9,020)</u> | <u>6,692</u> | <u>12,483</u> | <u>(8,789)</u> |
| Other financing sources (uses) | <u>(9,352)</u> | <u>(10,624)</u> | <u>(11,588)</u> | <u>33,238</u> |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | <u>(18,372)</u> | <u>(3,932)</u> | <u>895</u> | <u>24,449</u> |
| Beginning fund balance | 36,084 | 17,712 | 13,780 | 14,675 |
| Ending fund balance | <u>\$ 17,712</u> | <u>\$ 13,780</u> | <u>\$ 14,675</u> | <u>\$ 39,124</u> |

Source: District records

Fiscal Year Ending

| <u>June 30, 2004</u> | <u>June 30, 2005</u> | <u>June 30, 2006</u> | <u>June 30, 2007</u> | <u>June 30, 2008</u> | <u>June 30, 2009</u> |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ - | \$ 444 | \$ - | \$ - | \$ 356 | \$ 414 |
| 6,429 | 5,929 | 6,681 | 8,529 | 10,856 | 5,734 |
| - | 2,345 | - | 11,314 | - | - |
| <u>14,462</u> | <u>-</u> | <u>1,825</u> | <u>502</u> | <u>7,223</u> | <u>153</u> |
| <u>20,891</u> | <u>8,718</u> | <u>8,506</u> | <u>20,345</u> | <u>18,435</u> | <u>6,301</u> |
| 42,843 | 49,001 | 61,264 | 76,003 | 79,458 | 69,531 |
| 743 | 2,556 | 3,173 | 13,356 | 12,811 | 3,998 |
| 425 | 1,611 | 18,975 | 18,299 | 6,261 | 10,361 |
| <u>44,011</u> | <u>53,168</u> | <u>83,412</u> | <u>107,658</u> | <u>98,530</u> | <u>83,890</u> |
| <u>64,902</u> | <u>61,886</u> | <u>91,918</u> | <u>128,003</u> | <u>116,965</u> | <u>90,191</u> |
| 127 | 141 | 174 | 292 | 332 | 190 |
| 44 | 27 | 37 | 43 | 92 | 35 |
| 27,374 | 42,500 | 57,781 | 77,127 | 106,658 | 55,424 |
| 3,493 | 3,321 | 5,008 | 13,033 | 17,687 | 15,552 |
| 3,237 | 762 | 3,829 | 3,973 | 2,413 | 5,095 |
| 5 | 12 | 880 | 3,460 | 2,000 | - |
| 1,854 | 934 | 1,694 | 5,322 | 11,193 | 3,493 |
| 26,453 | 20,505 | 32,607 | 82,287 | 81,458 | 80,175 |
| 48 | 106 | 64 | 333 | 304 | 365 |
| 357 | 2,194 | 3,598 | 3,737 | 2,324 | 1,999 |
| <u>62,992</u> | <u>70,502</u> | <u>105,672</u> | <u>189,607</u> | <u>224,462</u> | <u>162,328</u> |
| <u>1,910</u> | <u>(8,616)</u> | <u>(13,754)</u> | <u>(61,604)</u> | <u>(107,497)</u> | <u>(72,137)</u> |
| <u>(7,607)</u> | <u>39,164</u> | <u>115,500</u> | <u>174,711</u> | <u>20,406</u> | <u>(42,627)</u> |
| <u>(5,697)</u> | <u>30,548</u> | <u>101,746</u> | <u>113,107</u> | <u>(87,091)</u> | <u>(114,764)</u> |
| <u>39,124</u> | <u>33,427</u> | <u>63,975</u> | <u>165,721</u> | <u>278,828</u> | <u>191,737</u> |
| <u>\$ 33,427</u> | <u>\$ 63,975</u> | <u>\$ 165,721</u> | <u>\$ 278,828</u> | <u>\$ 191,737</u> | <u>\$ 76,973</u> |



The School Board of Brevard County, Florida
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands)
(unaudited)

| Fiscal Year | Real Property Fiscal Year Ending Value | Personal Property Assessed Value (2) | Total Assessed Valuations (1) | Real Property Exemptions | Personal Property Exemptions (2) | Taxable Assessed Property Value | Ratio of Taxable Assessed Value to Total Assessed Value |
|--------------------|---|---|--------------------------------------|---------------------------------|---|--|--|
| 2008-09 | \$ 58,670,319 | \$ 9,761,816 | \$ 68,432,135 | \$ 19,740,636 | \$ 7,346,395 | \$ 41,345,105 | 60.42% |
| 2007-08 | 61,091,036 | 10,314,639 | 71,405,675 | 22,656,269 | 7,775,898 | 40,973,508 | 57.38% |
| 2006-07 | 62,812,856 | 9,762,987 | 72,575,843 | 25,929,271 | 7,334,824 | 39,311,747 | 54.17% |
| 2005-06 | 50,063,358 | 9,509,259 | 59,572,617 | 23,338,502 | 5,173,871 | 31,060,244 | 52.14% |
| 2004-05 | 38,125,091 | 8,593,271 | 46,718,362 | 15,065,778 | 6,494,683 | 25,157,901 | 53.85% |
| 2003-04 | 32,358,742 | 9,641,071 | 41,999,813 | 12,362,728 | 7,549,649 | 22,087,436 | 52.59% |
| 2002-03 | 28,575,379 | 9,363,734 | 37,939,113 | 10,700,218 | 7,495,587 | 19,743,308 | 52.04% |
| 2001-02 | 26,400,596 | 8,267,869 | 34,668,465 | 9,930,936 | 6,421,157 | 18,316,372 | 52.83% |
| 2000-01 | 24,185,123 | 7,513,161 | 31,698,284 | 8,793,395 | 5,979,942 | 16,924,947 | 53.39% |
| 1999-00 | 22,839,527 | 8,345,885 | 31,185,412 | 8,647,503 | 6,627,637 | 15,910,272 | 51.02% |

Source: Brevard County Property Appraiser

Notes: The basis of assessed property value is approximately 100% of estimated actual value

Beginning in 1/1/08, the taxable assessed valuation for Brevard County is subject to an increase of \$25,000 (increase from \$25,000 to \$50,000) homestead exemption for each primary residence in Brevard County. The extra exemption does not apply to the school's taxable value, resulting in a lower taxable assessed valuation for Brevard County of \$37,872,867,507.

- (1) Total assessed valuations (real, personal and centrally assessed property)
(2) Personal and centrally assessed property

The School Board of Brevard County, Florida
Property Tax Rates Direct and Overlapping Governments
Last Ten Fiscal Years
(Mills per \$1,000 of Assessed Value)
(unaudited)

| | Fiscal Year | | | |
|------------------------------------|----------------|----------------|----------------|----------------|
| | 2000 | 2001 | 2002 | 2003 |
| COUNTY -WIDE | | | | |
| Brevard County | 5.5991 | 5.5032 | 5.6143 | 5.8395 |
| Brevard County School District | 9.1710 | 8.9080 | 8.6740 | 8.6050 |
| St. Johns River Water Management | 0.4820 | 0.4720 | 0.4620 | 0.4620 |
| Florida Inland Navigation District | 0.0440 | 0.0410 | 0.0385 | 0.0385 |
| Total county-wide | <u>15.2961</u> | <u>14.9242</u> | <u>14.7888</u> | <u>14.9450</u> |
| COUNTY TAXING DISTRICTS | | | | |
| District I | 5.2548 | 5.3234 | 6.5153 | 6.5318 |
| District II | 3.6633 | 3.7346 | 4.7678 | 4.7076 |
| District III | 3.8384 | 3.9664 | 4.7780 | 4.7075 |
| District IV | 4.4409 | 4.5024 | 5.8769 | 5.7928 |
| District V | 3.8910 | 4.0190 | 4.8491 | 4.7833 |
| CITIES | | | | |
| Cape Canaveral | 1.6739 | 2.0004 | 2.0040 | 2.7064 |
| Cocoa | 4.1321 | 4.1321 | 4.4068 | 4.4068 |
| Cocoa Beach | 5.1174 | 5.1174 | 5.0374 | 4.8900 |
| Grant-Valkaria | - | - | - | - |
| Indialantic | 4.8451 | 4.8451 | 4.8451 | 5.0089 |
| Indian Harbour Beach | 4.3290 | 4.6400 | 4.6900 | 4.8545 |
| Malabar | 1.5000 | 1.6212 | 1.7642 | 1.7642 |
| Melbourne | 4.5228 | 4.5228 | 4.5228 | 4.5228 |
| Melbourne Beach | 4.3767 | 4.2887 | 3.9336 | 3.7959 |
| Melbourne Village | 4.0643 | 4.1766 | 4.0360 | 4.3529 |
| Palm Bay | 7.1742 | 7.6563 | 7.6563 | 7.6394 |
| Rockledge | 5.5590 | 5.7000 | 5.7000 | 5.7000 |
| Satellite Beach | 6.1395 | 6.2687 | 6.5265 | 6.6404 |
| Titusville | 6.7835 | 7.0313 | 6.8403 | 5.8504 |
| West Melbourne | - | - | - | - |

Source: Brevard County Comprehensive Annual Financial Report
for the year ended September 30, 2008.

Notes: Brevard County has numerous millage code districts which are included within Brevard County Commissioner districts. A tax levy may apply to specific millage codes or may be levied District-wide.

Fiscal Year

| 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|----------------|----------------|----------------|----------------|----------------|----------------|
| 5.8342 | 5.4032 | 4.8245 | 4.9370 | 4.6210 | 4.6762 |
| 8.4050 | 8.1940 | 7.9630 | 7.6670 | 7.5310 | 7.6610 |
| 0.4620 | 0.4620 | 0.4620 | 0.4620 | 0.4158 | 0.4158 |
| 0.0385 | 0.0385 | 0.0385 | 0.0385 | 0.0345 | 0.0345 |
| <u>14.7397</u> | <u>14.0977</u> | <u>13.2880</u> | <u>13.1045</u> | <u>12.6023</u> | <u>12.7875</u> |
| 7.1508 | 6.8696 | 6.3774 | 3.9600 | 3.8564 | 3.7642 |
| 6.5848 | 5.5686 | 5.4617 | 2.6555 | 2.6470 | 2.6433 |
| 4.5705 | 4.6863 | 4.3537 | 2.5865 | 2.6065 | 2.5546 |
| 5.7899 | 5.9678 | 5.4839 | 3.3304 | 3.2455 | 3.1528 |
| 4.6463 | 4.7984 | 4.4641 | 2.7039 | 2.6374 | 2.5821 |
| 3.4564 | 3.3740 | 3.0000 | 3.0000 | 2.7816 | 3.0671 |
| 4.5228 | 4.8074 | 4.8026 | 4.5705 | 4.4891 | 4.4891 |
| 4.7800 | 4.5000 | 4.1000 | 3.5800 | 3.4642 | 3.7186 |
| - | - | - | - | 0.4261 | 0.4976 |
| 5.0089 | 4.8451 | 4.6203 | 4.3313 | 4.3313 | 4.9810 |
| 4.9765 | 4.9733 | 4.7050 | 4.3675 | 4.0118 | 4.2037 |
| 1.7642 | 1.7642 | 1.5994 | 1.3970 | 1.2693 | 1.4676 |
| 4.7856 | 4.7856 | 4.7415 | 4.5081 | 4.4751 | 4.4751 |
| 3.7676 | 3.2774 | 3.0443 | 2.7808 | 2.7920 | 2.9543 |
| 4.5224 | 4.5221 | 4.5890 | 4.5384 | 4.5384 | 5.5656 |
| 7.5301 | 6.9900 | 5.9804 | 4.6000 | 4.7429 | 5.3000 |
| 5.7000 | 5.7000 | 5.2900 | 4.9500 | 4.8105 | 5.3500 |
| 6.5953 | 6.3812 | 6.3596 | 5.9000 | 6.1742 | 7.1207 |
| 5.8504 | 5.8504 | 6.0597 | 5.1990 | 5.0263 | 5.2694 |
| - | - | 1.9344 | 1.5899 | 1.5899 | 1.5899 |

The School Board of Brevard County, Florida
Principal Property Taxpayers
Current Year and Nine Years Ago
(unaudited)

| Taxpayer | 2009 | | | 2000 | | |
|--|-----------------------|---------------------------|------|-----------------------|---------------------------|------|
| | Taxes | Percentage of Total Taxes | Rank | Taxes | Percentage of Total Taxes | Rank |
| Florida Power and Light Company | \$ 7,156,358 | 0.97% | 1 | \$ 7,039,988 | 2.38% | 1 |
| Oleander Power Project LTD | 3,491,687 | 0.47% | 2 | - | - | |
| AT& T Florida | 2,832,542 | 0.38% | 3 | 4,304,280 | 1.46% | 3 |
| Harris Corporation | 2,660,807 | 0.36% | 4 | 5,456,874 | 1.85% | 2 |
| Walmart Stores Inc. | 1,894,643 | 0.26% | 5 | 772,084 | 0.26% | 5 |
| Florida East Coast Railroad | 1,350,635 | 0.18% | 6 | 550,196 | 0.19% | 9 |
| Bright House Networks | 1,150,756 | 0.16% | 7 | - | - | |
| The Viera Company | 1,128,588 | 0.15% | 8 | - | - | |
| Cape Caribe Inc. | 921,721 | 0.12% | 9 | - | - | |
| Reliant Energy Indian River LLC | 872,246 | 0.12% | 10 | - | - | |
| Time Warner Entertainment | - | - | | 775,930 | 0.26% | 4 |
| Canaveral Port Authority | - | - | | 649,655 | 0.22% | 6 |
| John Hancock Mutual Insurance | - | - | | 563,577 | 0.19% | 7 |
| Melbourne JCP Assoc. Ltd | - | - | | 550,214 | 0.19% | 8 |
| Florida Gas | - | - | | 514,724 | 0.17% | 10 |
| Total taxable assessed value of 10 largest taxpayers | <u>23,459,983</u> | <u>3.18%</u> | | <u>\$ 21,177,522</u> | <u>7.17%</u> | |
| Total property taxes collected (lagged one year) | <u>\$ 738,570,256</u> | | | <u>\$ 295,520,355</u> | | |

Source: Brevard County Comprehensive Annual Financial Report for the year ended September 30, 2008

The School Board of Brevard County, Florida
Property Tax Levies and Collections
Last Ten Fiscal Years
(unaudited)

| Fiscal Year | Taxable Assessed Value | Millage | | | Total Tax Levy |
|-------------|------------------------|-----------|---------|-------|----------------|
| | | Operating | Capital | Total | |
| 2008-09 | \$ 41,345,104,921 | 5.911 | 1.750 | 7.661 | \$ 316,744,849 |
| 2007-08 | 40,973,507,774 | 5.531 | 2.000 | 7.531 | 308,571,487 |
| 2006-07 | 39,311,747,501 | 5.667 | 2.000 | 7.667 | 301,901,311 |
| 2005-06 | 31,060,244,010 | 5.963 | 2.000 | 7.963 | 247,332,723 |
| 2004-05 | 25,334,959,340 | 6.194 | 2.000 | 8.194 | 207,594,657 |
| 2003-04 | 22,087,435,919 | 6.405 | 2.000 | 8.405 | 185,644,899 |
| 2002-03 | 19,695,633,660 | 6.605 | 2.000 | 8.605 | 169,480,928 |
| 2001-02 | 18,316,371,454 | 6.674 | 2.000 | 8.674 | 158,876,206 |
| 2000-01 | 16,924,947,000 | 6.908 | 2.000 | 8.908 | 150,767,428 |
| 1999-00 | 15,910,272,000 | 7.171 | 2.000 | 9.171 | 145,913,105 |

| Fiscal Year | Total Tax Levy | Collected to End of Tax Year | | Delinquent Collections | Collected in Fiscal Year | |
|-------------|----------------|------------------------------|-----------------|------------------------|--------------------------|-----------------|
| | | Current Tax Collections | Percent of Levy | | Total Collections | Percent of Levy |
| 2008-09 | \$ 316,744,849 | \$ 302,754,505 | 95.58 | \$ 1,604,475 | \$ 304,358,980 | 96.09 |
| 2007-08 | 308,571,487 | 298,380,945 | 96.70 | 1,074,207 | 299,455,152 | 97.05 |
| 2006-07 | 301,901,311 | 291,257,414 | 96.47 | - | 291,257,414 | 96.47 |
| 2005-06 | 247,332,723 | 239,202,234 | 96.71 | - | 239,202,234 | 96.71 |
| 2004-05 | 207,594,657 | 199,679,745 | 96.19 | - | 199,679,745 | 96.19 |
| 2003-04 | 185,644,899 | 180,101,081 | 97.01 | - | 180,101,081 | 97.01 |
| 2002-03 | 169,480,928 | 162,654,142 | 95.97 | - | 162,654,142 | 95.97 |
| 2001-02 | 158,876,206 | 152,245,662 | 95.83 | - | 152,245,662 | 95.83 |
| 2000-01 | 150,767,428 | 146,414,331 | 97.11 | - | 146,414,331 | 97.11 |
| 1999-00 | 145,913,105 | 140,738,742 | 96.45 | - | 140,738,742 | 96.45 |

Source: District records
Brevard County Tax Collector
Brevard County Property Appraiser

Note: Beginning in 1/1/08, the taxable assessed valuation for Brevard County is subject to an increase of \$25,000 (increase from \$25,000 to \$50,000) homestead exemption for each primary residence in Brevard County. The extra exemption does not apply to the school's taxable value, resulting in a lower taxable assessed valuation for Brevard County of \$37,872,867,507.

Delinquent collections unavailable for FY2000 -FY2007

The School Board of Brevard County, Florida
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(unaudited)

| GOVERNMENTAL ACTIVITIES | | | | | | |
|--------------------------------|---------------------------------------|--------------------------------------|-----------------------|---------------------------------|--------------------------------------|-------------------|
| Fiscal Year | State Board of Education Bonds | Certificates of Participation | Capital Leases | Total Primary Government | Percentage of Personal Income | Per Capita |
| 2008-09 | \$ 15,330,000 | \$ 551,158,000 | \$ 631,417 | \$ 567,119,417 | Unavailable | 1,020 |
| 2007-08 | 16,940,000 | 562,518,000 | 631,416 | 580,089,416 | 3.08% | 1,051 |
| 2006-07 | 18,490,000 | 517,403,000 | 1,241,103 | 537,134,103 | 2.96% | 989 |
| 2005-06 | 19,970,000 | 331,093,000 | 1,829,808 | 352,892,808 | 2.07% | 663 |
| 2004-05 | 20,695,000 | 208,688,000 | 2,398,252 | 231,781,252 | 1.47% | 445 |
| 2003-04 | 20,455,000 | 164,738,000 | 39,516 | 185,232,516 | 1.27% | 365 |
| 2002-03 | 19,820,000 | 165,615,000 | 77,078 | 185,512,078 | 1.34% | 375 |
| 2001-02 | 21,005,000 | 120,055,000 | 10,081,506 | 151,141,506 | 1.13% | 312 |
| 2000-01 | 21,605,000 | 124,190,000 | 12,212,075 | 158,007,075 | 1.23% | 332 |
| 1999-00 | 24,345,000 | 128,105,000 | 14,260,609 | 166,710,609 | 1.44% | 357 |

Source: Governmental Activities from District records
Total Primary Government debt divided by Personal Income and Population from page 149

Note: The primary government does not have any business-type activities outstanding debt.

The School Board of Brevard County, Florida
Demographics Statistics and Economic Statistics
Last Ten Fiscal Years
 (estimates)
 (Amounts expressed in thousands)
 (unaudited)

| Fiscal Year | Tax Year | Population (1) | Personal Income (1) | Per Capita Personal Income (1) | Median Age (1) | Unemployment Rate (1) | School Membership Enrollment (2) | Governmental Activities Expenses (2) | Cost per Student |
|--------------------|-----------------|-----------------------|----------------------------|---------------------------------------|-----------------------|------------------------------|---|---|-------------------------|
| 2008-09 | 2008 | 556,213 | (4) | (4) | (4) | 10.8%(3) | 72,757 | 682,873 | 9 |
| 2007-08 | 2007 | 552,109 | 18,854,000 | 35,164 | 43.5 | 4.4% | 73,579 | 698,247 | 9 |
| 2006-07 | 2006 | 543,050 | 18,129,724 | 34,081 | 43.3 | 3.4% | 74,425 | 677,689 | 9 |
| 2005-06 | 2005 | 531,970 | 17,023,185 | 32,314 | 43.0 | 3.7% | 74,688 | 571,446 | 8 |
| 2004-05 | 2004 | 521,422 | 15,785,327 | 30,562 | 42.8 | 4.4% | 74,066 | 523,832 | 7 |
| 2003-04 | 2003 | 507,810 | 14,586,155 | 28,973 | 42.6 | 5.2% | 73,178 | 510,132 | 7 |
| 2002-03 | 2002 | 494,102 | 13,853,189 | 28,009 | 42.2 | 5.7% | 71,777 | 466,449 | 6 |
| 2001-02 | 2001 | 485,178 | 13,327,716 | 27,425 | 41.9 | 4.4% | 70,722 | 466,245 | 6 |
| 2000-01 | 2000 | 476,230 | 12,865,456 | 26,931 | 41.4 | 3.6% | 69,463 | (4) | n/a |
| 1999-00 | 1999 | 467,401 | 11,613,186 | 24,597 | (4) | 4.1% | 67,774 | (4) | n/a |

-
- (1) Brevard County Comprehensive Annual Financial Report for period ended September 30, 2008
 - (2) District records
 - (3) FRED: Florida Research and Economic Database
 - (4) Data unavailable

The School Board of Brevard County, Florida
Computation of Direct and Overlapping Bonded Debt
June 30, 2009
(unaudited)

| Governmental Unit | Net Debt Outstanding | Estimated Percentage Applicable | Estimated Share of Overlapping Debt |
|---|---------------------------------|--|--|
| Debt repaid with property taxes: Brevard County | \$ 176,805,779 | 100.00% | \$ 176,805,779 |
| City of Titusville | 9,220,000 | 100.00% | 9,220,000 |
| Subtotal, overlapping debt | | | <u>186,025,779</u> |
| School Board of Brevard County direct debt | - | | - |
| Total direct and overlapping debt | <u>\$ 186,025,779</u> | | <u>\$ 186,025,779</u> |

Source: Brevard County Comprehensive Annual Financial Report for the period ending September 30, 2008
City of Titusville Comprehensive Annual Financial Report for the period ending September 30, 2008

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the District. This process recognized that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying debt of each overlapping government.

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the District's boundaries and dividing it by the county's total taxable assessed value.

The School Board of Brevard County, Florida
Anticipated Capital Outlay Millage Levy
Required to Cover Certificates of Participation Payments
Last Ten Fiscal Years
(unaudited)

| Fiscal Year | Tax Year | Taxable Assessed Valuation | Principal Payment | Interest Payment | Total Annual Lease Payment | Millage Levy to Provide 1.00x Coverage |
|--------------------|-----------------|-----------------------------------|--------------------------|-------------------------|-----------------------------------|---|
| 2008-09 | 2008 | \$ 41,345,104,921 | \$ 11,360,000 | \$ 26,482,251 | \$ 37,842,251 | 0.963 mills |
| 2007-08 | 2007 | 40,973,507,774 | 10,885,000 | 24,132,250 | 35,017,250 | 0.899 mills |
| 2006-07 | 2006 | 39,311,747,501 | 7,990,000 | 15,549,956 | 23,539,956 | 0.630 mills |
| 2005-06 | 2005 | 31,060,244,010 | 6,035,000 | 12,055,419 | 18,090,419 | 0.613 mills |
| 2004-05 | 2004 | 25,334,959,340 | 5,515,000 | 9,309,873 | 14,824,873 | 0.616 mills |
| 2003-04 | 2003 | 22,087,435,919 | 5,285,000 | 8,584,752 | 13,869,752 | 0.661 mills |
| 2002-03 | 2002 | 19,695,633,660 | 5,385,000 | 8,612,557 | 13,997,557 | 0.748 mills |
| 2001-02 | 2001 | 18,316,371,454 | 4,135,000 | 6,675,910 | 10,810,910 | 0.621 mills |
| 2000-01 | 2000 | 16,924,947,000 | 3,915,000 | 6,896,905 | 10,811,905 | 0.672 mills |
| 1999-00 | 1999 | 15,910,272,000 | 3,710,000 | 7,099,085 | 10,809,085 | 0.715 mills |

Source: District records
Brevard County Property Appraiser

Note: (A) Millage rate calculated using 95% of the taxable assessed valuation.
(B) Capital lease arrangements are financed by Certificates of Participation and are not considered general obligation debt.

Beginning in 1/1/08, the taxable assessed valuation for Brevard County is subject to an increase of \$25,000 (increase from \$25,000 to \$50,000) homestead exemption for each primary residence in Brevard County. The extra exemption does not apply to the school's taxable value, resulting in a lower taxable assessed valuation for Brevard County.

The School Board of Brevard County, Florida
Calculation of Legal Debt Margin
Last Ten Fiscal Years
(amount expressed in thousands)
(unaudited)

| | Fiscal Year Ending | | | |
|--|---------------------------|----------------------|----------------------|----------------------|
| | June 30, 2000 | June 30, 2001 | June 30, 2002 | June 30, 2003 |
| Assessed Value | \$ 15,910,272 | \$ 16,924,947 | \$ 18,316,371 | \$ 19,695,634 |
| Debt Limit on Assessed Value | 15,910,272 | 16,924,947 | 18,316,371 | 19,695,634 |
| Amount of Debt Applicable to Debt Limit: | | | | |
| Bonds Payable | - | - | - | - |
| Less, Amount Available for Debt Service | - | - | - | - |
| Total Debt Applicable to the Debt Limit | - | - | - | - |
| Legal Debt Margin | 15,910,272 | 16,924,947 | 18,316,371 | 19,695,634 |
| Total Debt Applicable to the Debt Limit as a Percentage of Debt Limit | 0.00% | 0.00% | 0.00% | 0.00% |

Source: District records
Assessed Value from Brevard County Property Appraiser.

Notes: The State of Florida does not have a limit on the amount of voter approved (general obligation) debt.

Beginning in 1/1/08, the taxable assessed valuation for Brevard County is subject to an increase of \$25,000 (increase from \$25,000 to \$50,000) homestead exemption for each primary residence in Brevard County. The extra exemption does not apply to the school's taxable value, resulting in a lower taxable assessed valuation for Brevard County of \$37,872,867,507.

Fiscal Year Ending

| | <u>June 30, 2004</u> | <u>June 30, 2005</u> | <u>June 30, 2006</u> | <u>June 30, 2007</u> | <u>June 30, 2008</u> | <u>June 30, 2009</u> |
|----|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ | 22,087,436 | \$ 25,334,959 | \$ 31,060,244 | \$ 39,311,748 | \$ 40,973,508 | \$ 41,345,105 |
| | 22,087,436 | 25,334,959 | 31,060,244 | 39,311,748 | 40,973,773 | 41,345,105 |
| | - | - | - | - | - | - |
| | - | - | - | - | - | - |
| | - | - | - | - | - | - |
| | <u>22,087,436</u> | <u>25,334,959</u> | <u>31,060,244</u> | <u>39,311,748</u> | <u>40,973,773</u> | <u>41,345,105</u> |
| | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

The School Board of Brevard County, Florida
Principal Employers-Melbourne-Titusville-Palm Bay
Metropolitan Statistical Area (MSA)
Current Year and Nine Years Ago
(unaudited)

| EMPLOYER | Fiscal Year | | | | | |
|--|--------------------|-------------|---|------------------|-------------|---|
| | 2008-2009 | | | 1999-2000 | | |
| | Employees | Rank | Percentage of total MSA Employment | Employees | Rank | Percentage of total MSA Employment |
| Brevard County School Board | 8,700 | 1 | 3.49% | 7,800 | 3 | 3.77% |
| Harris Corporation | 6,700 | 2 | 2.69% | 8,500 | 2 | 4.11% |
| Health First | 6,420 | 3 | 2.58% | 4,800 | 5 | 2.32% |
| United Space Alliance | 5,890 | 4 | 2.37% | 5,500 | 4 | 2.66% |
| Brevard County Board of County Commissioners | 3,240 | 5 | 1.30% | 2,560 | 7 | 1.24% |
| Wuestoff Heath Systems | 2,430 | 6 | 0.98% | 2,017 | 10 | 0.98% |
| NASA | 2,200 | 7 | 0.88% | - | - | - |
| Department of Defense | 1,990 | 8 | 0.80% | - | - | - |
| Space Gateway Support | 1,760 | 9 | 0.71% | - | - | - |
| Northrop Grumman Corporation | 1,640 | 10 | 0.66% | 2,181 | 9 | 1.06% |
| Patrick Air Force Base | - | - | - | 13,970 | 1 | 6.76% |
| Boeing Company | - | - | - | 2,725 | 6 | 1.32% |
| Brevard Community College | - | - | - | 2,300 | 8 | 1.11% |
| Total | 40,970 | | 16.46% | 52,353 | | 25.33% |
| Total employees | 248,977 | | | 206,684 | | |

Source: Brevard County Comprehensive Annual Financial Report for the year ended September 30, 2008

The School Board of Brevard County, Florida
Capital Asset Information
Last Seven Fiscal Years
(unaudited)

| | Fiscal Year Ending | | | | | | |
|------------------------------|--------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 |
| <u>SCHOOLS</u> | | | | | | | |
| Elementary | | | | | | | |
| Permanent Buildings: | | | | | | | |
| Number | 451 | 448 | 445 | 441 | 439 | 448 | 434 |
| Square Feet | 5,320,314 | 5,322,401 | 5,387,763 | 4,881,050 | 4,006,575 | 4,686,574 | 4,546,669 |
| Portables: | | | | | | | |
| Number | 158 | 163 | 155 | 166 | 174 | 150 | 107 |
| Square Feet | 120,728 | 123,724 | 116,014 | 126,046 | 128,634 | 108,380 | 71,142 |
| Student Stations | 44,638 | 44,656 | 44,727 | 45,393 | 43,633 | 50,158 | 39,312 |
| Enrollment | 36,346 | 36,551 | 36,798 | 37,481 | 37,717 | 37,435 | 37,193 |
| Middle | | | | | | | |
| Permanent Buildings: | | | | | | | |
| Number | 75 | 75 | 73 | 73 | 70 | 73 | 70 |
| Square Feet | 1,611,462 | 1,609,800 | 1,628,297 | 1,554,178 | 1,312,055 | 1,528,176 | 1,528,176 |
| Portables: | | | | | | | |
| Number | 29 | 18 | 18 | 18 | 21 | 22 | 14 |
| Square Feet | 23,008 | 13,504 | 13,504 | 13,740 | 15,816 | 15,784 | 9,096 |
| Student Stations | 12,326 | 12,033 | 12,033 | 12,442 | 12,266 | 13,045 | 11,434 |
| Enrollment | 12,057 | 12,472 | 12,766 | 12,942 | 12,615 | 12,565 | 12,291 |
| High | | | | | | | |
| Permanent Buildings: | | | | | | | |
| Number | 312 | 306 | 296 | 271 | 278 | 273 | 266 |
| Square Feet | 4,024,169 | 3,995,526 | 4,051,872 | 3,431,690 | 2,944,637 | 3,062,245 | 3,033,419 |
| Portables: | | | | | | | |
| Number | 192 | 229 | 271 | 232 | 167 | 149 | 104 |
| Square Feet | 155,247 | 183,089 | 216,159 | 180,504 | 128,156 | 113,179 | 72,499 |
| Student Stations | 31,397 | 31,816 | 33,154 | 33,315 | 31,589 | 29,135 | 25,641 |
| Enrollment | 19,254 | 19,659 | 19,911 | 19,952 | 20,085 | 19,993 | 19,545 |
| Other | | | | | | | |
| Permanent Buildings: | | | | | | | |
| Number | 50 | 51 | 51 | 59 | 58 | 58 | 48 |
| Square Feet | 228,066 | 231,125 | 231,136 | 270,010 | 238,491 | 246,587 | 265,209 |
| Portables: | | | | | | | |
| Number | 67 | 56 | 57 | 65 | 55 | 51 | 52 |
| Square Feet | 45,254 | 37,908 | 39,190 | 44,548 | 37,235 | 34,675 | 34,505 |
| Student Stations | 184 | 716 | 716 | 1,244 | 1,244 | 1,282 | 1,204 |
| Enrollment | 1,619 | 1,207 | 1,115 | 1,022 | 1,169 | 1,089 | 932 |
| <u>ADMINISTRATIVE</u> | | | | | | | |
| Permanent Buildings | 6 | 6 | 6 | 5 | 5 | 5 | 5 |
| Square Feet | 212,133 | 207,938 | 207,938 | 185,323 | 184,081 | 184,081 | 189,472 |
| Portables | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Source: District Records

Note: Data not available for fiscal years 1999-2002
Some data for fiscal year 2003 is estimated

The School Board of Brevard County, Florida
Student Membership Enrollment Data by School
Last Ten Years
(unaudited)

| | <u>1999-00</u> | <u>2000-01</u> | <u>2001-02</u> | <u>2002-03</u> | <u>2003-04</u> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <u>ELEMENTARY SCHOOLS</u> | | | | | | | | | | |
| Allen | 534 | 547 | 581 | 661 | 691 | 734 | 782 | 812 | 743 | 659 |
| Andersen | 1,041 | 847 | 837 | 856 | 715 | 691 | 651 | 654 | 634 | 673 |
| Apollo | 884 | 955 | 958 | 972 | 962 | 941 | 849 | 714 | 706 | 704 |
| Atlantis | 735 | 772 | 754 | 849 | 832 | 810 | 810 | 783 | 776 | 752 |
| Audubon | 631 | 708 | 699 | 757 | 753 | 726 | 704 | 673 | 626 | 591 |
| Cambridge | 521 | 667 | 683 | 608 | 583 | 611 | 616 | 554 | 495 | 507 |
| Cape View | 527 | 503 | 456 | 434 | 405 | 371 | 353 | 372 | 349 | 368 |
| Challenger 7 | 642 | 591 | 583 | 660 | 660 | 645 | 535 | 520 | 490 | 485 |
| Columbia | 807 | 755 | 700 | 658 | 684 | 644 | 661 | 603 | 580 | 606 |
| Coquina | 379 | 560 | 574 | 527 | 441 | 441 | 449 | 443 | 419 | 403 |
| Creel | 1,030 | 997 | 1,017 | 1,072 | 1,026 | 985 | 983 | 842 | 833 | 785 |
| Croton | 532 | 497 | 498 | 484 | 460 | 609 | 565 | 552 | 528 | 513 |
| Discovery | 1,140 | 1,032 | 967 | 920 | 972 | 923 | 991 | 1,037 | 1,065 | 1,002 |
| Endeavour | 729 | 650 | 677 | 645 | 615 | 581 | 558 | 560 | 560 | 613 |
| Enterprise | 942 | 854 | 797 | 928 | 901 | 936 | 891 | 880 | 892 | 839 |
| Fairglen | 963 | 886 | 845 | 799 | 790 | 808 | 796 | 753 | 704 | 722 |
| Gardendale | 697 | 676 | 663 | 663 | 610 | 619 | 582 | 512 | 470 | 459 |
| Gemini | 717 | 734 | 673 | 646 | 659 | 632 | 598 | 596 | 584 | 616 |
| Golfview | 601 | 645 | 576 | 615 | 523 | 590 | 590 | 616 | 613 | 642 |
| Harbor City | 602 | 591 | 584 | 511 | 499 | 499 | 455 | 420 | 468 | 455 |
| Holland | 612 | 498 | 479 | 496 | 524 | 442 | 431 | 409 | 431 | 404 |
| Imperial Estates | 632 | 528 | 526 | 510 | 545 | 537 | 623 | 669 | 673 | 641 |
| Indialantic | 816 | 791 | 770 | 744 | 791 | 809 | 828 | 798 | 762 | 760 |
| Jupiter | 796 | 885 | 810 | 833 | 844 | 790 | 833 | 844 | 862 | 835 |
| Lewis Carroll | 785 | 883 | 896 | 883 | 946 | 932 | 903 | 900 | 852 | 784 |
| Lockmar | 1,026 | 960 | 922 | 885 | 926 | 852 | 783 | 764 | 717 | 748 |
| Longleaf | 896 | 1,047 | 1,050 | 1,055 | 1,062 | 836 | 749 | 698 | 691 | 693 |
| Manatee | - | - | - | - | 724 | 809 | 808 | 824 | 837 | 980 |
| McAuliffe | 959 | 851 | 863 | 840 | 840 | 914 | 923 | 936 | 955 | 895 |
| Meadowlane Primary | 953 | 949 | 951 | 790 | 835 | 921 | 959 | 989 | 696 | 740 |
| Meadowlane Intermediate | - | - | - | - | - | - | - | - | 517 | 506 |
| Mila | 568 | 492 | 475 | 430 | 448 | 428 | 409 | 390 | 361 | 396 |
| Mims | 628 | 637 | 666 | 646 | 636 | 602 | 607 | 581 | 564 | 520 |
| Oak Park | 964 | 906 | 892 | 850 | 848 | 835 | 798 | 749 | 705 | 704 |
| Central Pine Grove | 15 | - | - | - | - | - | - | - | - | - |
| South Pine Grove | 52 | 18 | - | - | - | - | - | - | - | - |
| Ocean Breeze | 680 | 641 | 624 | 628 | 615 | 620 | 633 | 593 | 566 | 552 |
| Palm Bay | 840 | 710 | 701 | 691 | 681 | 685 | 711 | 715 | 683 | 673 |
| Pinewood | 533 | 512 | 473 | 439 | 398 | 395 | 416 | 433 | 415 | 433 |
| Port Malabar | 972 | 908 | 867 | 853 | 830 | 851 | 775 | 771 | 742 | 755 |
| Quest | - | - | - | - | - | 561 | 687 | 783 | 901 | 846 |
| Riverview | 712 | 386 | 374 | 396 | 388 | 434 | 499 | 519 | 458 | 458 |
| Riviera | 828 | 758 | 707 | 686 | 712 | 678 | 637 | 616 | 562 | 577 |
| Roosevelt | 698 | 679 | 635 | 628 | 579 | 533 | 525 | 510 | 422 | 402 |
| Sabal | 637 | 557 | 471 | 459 | 468 | 550 | 580 | 551 | 569 | 584 |
| Saturn | 946 | 796 | 737 | 794 | 746 | 766 | 746 | 733 | 730 | 703 |
| Sea Park | 539 | 468 | 442 | 432 | 468 | 387 | 370 | 315 | 314 | 310 |
| Sherwood | 762 | 786 | 792 | 761 | 744 | 718 | 679 | 644 | 631 | 610 |
| South Lake | 646 | 499 | 418 | 462 | 441 | 467 | 504 | 483 | 441 | 459 |
| Sunrise | - | - | - | - | - | - | - | 614 | 753 | 774 |
| Suntree | 967 | 1,065 | 1,173 | 1,203 | 1,141 | 907 | 866 | 830 | 814 | 842 |
| Surfside | 566 | 572 | 565 | 494 | 479 | 486 | 458 | 411 | 410 | 411 |
| Tropical | 994 | 926 | 916 | 852 | 840 | 883 | 858 | 817 | 771 | 738 |
| Turner | 782 | 720 | 679 | 689 | 667 | 686 | 734 | 759 | 764 | 741 |
| University Park | 581 | 566 | 551 | 529 | 542 | 548 | 591 | 563 | 585 | 551 |
| Westside | 740 | 883 | 942 | 955 | 1,126 | 1,185 | 1,276 | 806 | 820 | 871 |
| Williams | - | 977 | 1,133 | 1,039 | 751 | 802 | 793 | 819 | 815 | 787 |
| Total Elementary Schools | 37,779 | 37,321 | 36,622 | 36,217 | 36,366 | 36,645 | 36,411 | 35,732 | 35,324 | 35,077 |

The School Board of Brevard County, Florida
Student Membership Enrollment Data by School
Last Ten Years
(unaudited)

| | <u>1999-00</u> | <u>2000-01</u> | <u>2001-02</u> | <u>2002-03</u> | <u>2003-04</u> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <u>MIDDLE SCHOOLS</u> | | | | | | | | | | |
| Central | 1,543 | 1,160 | 1,191 | 1,273 | 1,301 | 1,296 | 1,198 | 1,154 | 955 | 946 |
| Clearlake | 845 | 601 | 612 | 577 | 529 | 527 | 471 | 418 | 393 | 423 |
| DeLaura | 1,224 | 852 | 916 | 908 | 866 | 813 | 756 | 693 | 686 | 698 |
| Edgewood | 623 | 483 | 485 | 530 | 563 | 641 | 795 | 920 | 915 | 926 |
| Hoover | 783 | 533 | 588 | 605 | 594 | 546 | 503 | 473 | 456 | 438 |
| Jackson | 661 | 677 | 634 | 613 | 661 | 630 | 626 | 653 | 608 | 557 |
| Jefferson | 836 | 527 | 517 | 514 | 609 | 672 | 727 | 702 | 693 | 654 |
| Johnson | 1,309 | 981 | 992 | 1,050 | 1,075 | 1,022 | 978 | 967 | 939 | 919 |
| Kennedy | 824 | 589 | 645 | 713 | 711 | 663 | 638 | 603 | 623 | 674 |
| Madison | 762 | 789 | 801 | 833 | 740 | 680 | 657 | 633 | 641 | 557 |
| McNair | 550 | 414 | 426 | 421 | 375 | 399 | 420 | 466 | 550 | 506 |
| Southwest | 1,283 | 1,298 | 1,336 | 1,463 | 1,378 | 1,323 | 1,433 | 1,437 | 1,381 | 1,316 |
| Space Coast Jr/Sr | 1,063 | 1,148 | 1,220 | 1,150 | 1,512 | 1,779 | 2,086 | 2,062 | 2,062 | 1,870 |
| Stone | 762 | 806 | 776 | 720 | 722 | 689 | 721 | 668 | 639 | 633 |
| West Shore Jr/Sr | 521 | 806 | 916 | 921 | 929 | 935 | 933 | 917 | 931 | 940 |
| Total Middle Schools | <u>13,589</u> | <u>11,664</u> | <u>12,055</u> | <u>12,291</u> | <u>12,565</u> | <u>12,615</u> | <u>12,942</u> | <u>12,766</u> | <u>12,472</u> | <u>12,057</u> |
| <u>HIGH SCHOOLS</u> | | | | | | | | | | |
| Astronaut | 1,359 | 1,416 | 1,549 | 1,605 | 1,516 | 1,453 | 1,379 | 1,334 | 1,256 | 1,208 |
| Bayside | 875 | 1,601 | 1,693 | 1,812 | 2,000 | 2,116 | 2,277 | 2,477 | 2,630 | 2,615 |
| Cocoa Beach | 1,048 | 1,186 | 1,262 | 1,360 | 1,455 | 1,462 | 1,497 | 1,490 | 1,475 | 1,446 |
| Cocoa | 1,095 | 1,121 | 1,184 | 1,270 | 1,280 | 1,223 | 1,190 | 1,138 | 1,075 | 1,010 |
| Eau Gallie | 1,317 | 1,907 | 2,008 | 2,118 | 2,190 | 2,262 | 2,244 | 1,941 | 1,798 | 1,631 |
| Melbourne | 1,501 | 2,086 | 2,214 | 2,152 | 2,211 | 2,196 | 2,190 | 2,243 | 2,153 | 2,068 |
| Merritt Island | 1,200 | 1,706 | 1,736 | 1,772 | 1,734 | 1,674 | 1,568 | 1,471 | 1,487 | 1,441 |
| Palm Bay | 2,126 | 1,677 | 1,772 | 2,047 | 2,258 | 2,412 | 2,418 | 2,379 | 2,294 | 2,190 |
| Rockledge | 1,398 | 1,455 | 1,521 | 1,530 | 1,562 | 1,618 | 1,672 | 1,466 | 1,331 | 1,206 |
| Satellite | 1,316 | 1,822 | 1,850 | 1,921 | 2,007 | 2,003 | 1,998 | 1,614 | 1,408 | 1,215 |
| Titusville | 1,898 | 2,001 | 2,087 | 1,958 | 1,780 | 1,666 | 1,519 | 1,478 | 1,372 | 1,339 |
| Viera | - | - | - | - | - | - | - | 880 | 1,380 | 1,885 |
| Total High Schools | <u>15,133</u> | <u>17,978</u> | <u>18,876</u> | <u>19,545</u> | <u>19,993</u> | <u>20,085</u> | <u>19,952</u> | <u>19,911</u> | <u>19,659</u> | <u>19,254</u> |
| <u>SPECIAL CENTERS</u> | | | | | | | | | | |
| Brevard County Jail | 13 | 11 | 7 | 8 | 6 | - | - | - | - | - |
| Brevard Virtual Instruction | - | - | - | - | - | - | - | - | - | 22 |
| Center/ drug free liv. | - | - | - | - | 23 | 15 | 12 | 25 | 24 | 28 |
| Cogswell Offsite/ Central Alternative L C | 84 | 105 | 111 | 116 | 118 | 114 | 85 | 65 | 76 | 68 |
| Crosswinds | 16 | 12 | 16 | 15 | 16 | 16 | 16 | 18 | 13 | - |
| Detention Center | 33 | 56 | 29 | 59 | - | 65 | 34 | - | 36 | - |
| Devereux Hospital | 135 | 146 | 100 | 126 | 61 | 40 | 45 | 47 | 31 | 33 |
| Devereux So. Pine Grove | - | 46 | 36 | - | - | - | - | - | - | - |
| Drug-Free Living Center | 19 | 13 | 18 | 19 | - | - | - | - | - | - |
| Early Intervention Center | 48 | 64 | 57 | 48 | 38 | - | - | - | - | - |
| Fieldston Preparatory | - | - | - | - | 77 | 88 | 86 | 75 | 72 | 74 |
| Halfway House | 20 | 20 | 20 | 19 | 21 | 19 | 22 | 29 | 25 | 22 |
| Horace Mann Academy | - | - | - | - | 131 | 165 | 151 | 137 | 131 | 117 |
| Infants and Toddlers | 53 | 63 | 99 | 67 | 130 | 167 | 173 | 257 | 386 | 542 |
| South Alternative Learning Center | - | - | - | - | - | - | 152 | 205 | 177 | 200 |
| Meadowlane Offsite | 148 | 144 | 127 | 188 | 210 | 222 | - | - | - | - |
| Meadowlane R.O.P.E.S. | 75 | - | - | - | - | - | - | - | - | - |
| Normandy-Devereux | 46 | 64 | 31 | - | - | - | - | - | - | - |
| Devereux North | - | - | 56 | 33 | - | - | - | - | - | - |
| Outward Bound | 2 | - | 1 | - | 8 | 4 | 6 | - | - | - |
| Pre-Kindergarten | 144 | 137 | 132 | - | - | - | - | - | - | - |
| Riverdale Country Day | - | - | 85 | 113 | 137 | 156 | 166 | 168 | 135 | 133 |
| Space Coast Marine | 31 | 27 | 33 | 36 | 29 | 18 | 31 | 30 | 33 | 33 |
| Stevenson R.O.P.E.S. | 85 | - | - | - | - | - | - | - | - | - |
| North Alternative Learning Center | - | - | - | - | - | - | 43 | 59 | 68 | 48 |
| Whispering Hills Offsite | 63 | 120 | 85 | 85 | 84 | 80 | - | - | - | - |
| Total - Special Centers | <u>1,015</u> | <u>1,028</u> | <u>1,043</u> | <u>932</u> | <u>1,089</u> | <u>1,169</u> | <u>1,022</u> | <u>1,115</u> | <u>1,207</u> | <u>1,320</u> |
| Source: District Records | | | | | | | | | | |

The School Board of Brevard County, Florida
Student Membership Enrollment Data by School
Last Ten Years
(unaudited)

| | <u>1999-00</u> | <u>2000-01</u> | <u>2001-02</u> | <u>2002-03</u> | <u>2003-04</u> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <u>MILLENNIUM SCHOOLS</u> | | | | | | | | | | |
| Freedom 7 | - | 143 | 255 | 338 | 401 | 421 | 418 | 413 | 399 | 425 |
| Stevenson | - | 129 | 248 | 282 | 269 | 255 | 248 | 248 | 416 | 437 |
| West Melbourne | - | 175 | 260 | 356 | 399 | 396 | 404 | 405 | 412 | 407 |
| Total Millennium Schools | - | 447 | 763 | 976 | 1,069 | 1,072 | 1,070 | 1,066 | 1,227 | 1,269 |
| <u>CHARTER SCHOOLS</u> | | | | | | | | | | |
| Campus Primary | - | 60 | 64 | 80 | 128 | 135 | 213 | 165 | 137 | 114 |
| Educational Horizons | 11 | 51 | 64 | 54 | 55 | 70 | 71 | 70 | 52 | 66 |
| Einstein Montessori | - | - | - | - | 96 | 106 | 107 | 109 | - | - |
| Explorer | 131 | 175 | 186 | 199 | 222 | 236 | 269 | 232 | - | - |
| Imagine School of West Melbourne | - | - | - | - | - | - | - | - | - | 364 |
| Milestones | 27 | 139 | 191 | 188 | 138 | - | - | - | - | - |
| Oakwood | - | - | - | - | - | - | 28 | 41 | - | - |
| Odyssey | - | 143 | 150 | 158 | 187 | 360 | 489 | 503 | 526 | 543 |
| Osprey | - | - | - | - | - | - | 184 | 162 | - | - |
| Palm Bay Academy | 89 | 150 | 180 | 203 | 213 | 210 | 244 | 344 | 400 | 504 |
| Palm Bay Community/Patriot | - | - | - | - | - | - | - | 735 | 897 | 708 |
| River's Edge Academy | - | - | - | - | - | 439 | 512 | 316 | 284 | - |
| Royal Palm | - | 28 | 79 | 105 | 128 | 107 | 119 | 113 | 173 | 179 |
| Sculptor | - | 279 | 330 | 325 | 354 | 357 | 388 | 392 | 393 | 418 |
| Sawgrass Academy | - | - | - | - | - | - | 107 | 73 | - | - |
| Stepping Stones | - | - | 119 | 134 | 164 | - | - | - | - | - |
| Summit Quest | - | - | - | 114 | - | - | - | - | - | - |
| Total Charter Schools | 258 | 1,025 | 1,363 | 1,560 | 1,685 | 2,020 | 2,731 | 3,255 | 2,862 | 2,896 |
| Other: Home Ed. Migrant, McKay Scholarship recipients | - | - | - | 256 | 411 | 460 | 560 | 580 | 828 | 884 |
| Total District | <u>67,774</u> | <u>69,463</u> | <u>70,722</u> | <u>71,777</u> | <u>73,178</u> | <u>74,066</u> | <u>74,688</u> | <u>74,425</u> | <u>73,579</u> | <u>72,757</u> |

Source: District records

The School Board of Brevard County, Florida
Number of Personnel
Last Ten Fiscal Years
(unaudited)

| Fiscal Year | Instructional | Administrative | Support | Total | (1) Ratio Students to Instructional | Ratio Instructors to School Administrators |
|--------------------|----------------------|-----------------------|----------------|--------------|--|---|
| 2008-09 | 5,253 | 290 | 3,899 | 9,442 | 13.85 : 1 | 18.11 : 1 |
| 2007-08 | 5,432 | 292 | 4,003 | 9,727 | 13.55 : 1 | 18.60 : 1 |
| 2006-07 | 5,371 | 286 | 3,921 | 9,578 | 13.86 : 1 | 18.78 : 1 |
| 2005-06 | 5,231 | 281 | 3,765 | 9,277 | 14.28 : 1 | 18.62 : 1 |
| 2004-05 | 5,124 | 267 | 3,641 | 9,032 | 14.45 : 1 | 19.19 : 1 |
| 2003-04 | 4,909 | 262 | 3,438 | 8,609 | 14.91 : 1 | 18.74 : 1 |
| 2002-03 | 4,665 | 260 | 3,345 | 8,270 | 15.39 : 1 | 17.94 : 1 |
| 2001-02 | 4,590 | 258 | 3,272 | 8,120 | 15.41 : 1 | 17.79 : 1 |
| 2000-01 | 4,497 | 259 | 3,153 | 7,906 | 15.45 : 1 | 17.36 : 1 |
| 1999-00 | 4,401 | 256 | 2,971 | 7,631 | 15.40 : 1 | 17.19 : 1 |

Source: District Records

(1) Student membership

The School Board of Brevard County, Florida
Teacher Base Salaries (10 Month)
Last Ten Fiscal Years
(unaudited)

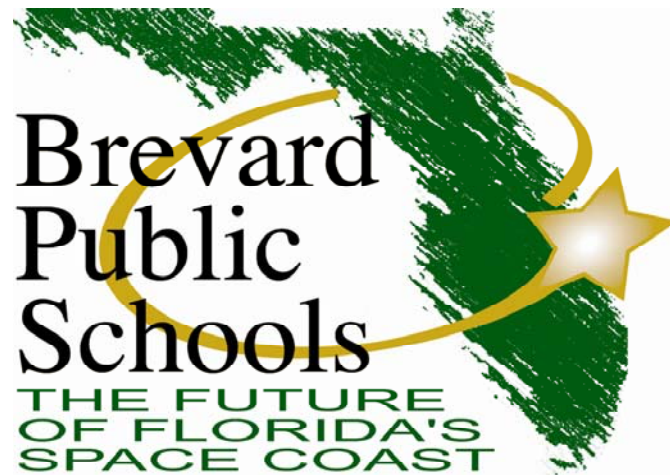
| <u>Fiscal Year</u> | <u>Minimum Salary</u> | <u>Maximum Salary</u> | <u>Median Salary</u> |
|---------------------------|------------------------------|------------------------------|-----------------------------|
| 2008-09 | 36,000 | 56,350 | 46,175 |
| 2007-08 | 36,000 | 56,350 | 46,175 |
| 2006-07 | 35,000 | 54,550 | 44,775 |
| 2005-06 | 32,100 | 52,125 | 42,113 |
| 2004-05 | 30,500 | 50,235 | 40,368 |
| 2003-04 | 30,375 | 49,235 | 39,805 |
| 2002-03 | 30,000 | 48,480 | 39,240 |
| 2001-02 | 28,250 | 47,400 | 37,825 |
| 2000-01 | 27,250 | 46,650 | 36,950 |
| 1999-00 | 26,420 | 45,000 | 35,710 |

Source: District records

The School Board of Brevard County, Florida
Food Services Operating Data
Last Ten Fiscal Years
(unaudited)

| | Fiscal Year Ending | | | | | | | | | |
|---|---------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | June 30, 2000 | June 30, 2001 | June 30, 2002 | June 30, 2003 | June 30, 2004 | June 30, 2005 | June 30, 2006 | June 30, 2007 | June 30, 2008 | June 30, 2009 |
| Days meals were served - total | 180 | 180 | 180 | 180 | 180 | 174 | 180 | 180 | 180 | 178 |
| Average number of free and reduced meals served daily | 18,608 | 18,461 | 17,799 | 22,535 | 24,739 | 25,209 | 26,142 | 28,026 | 28,843 | 30,843 |
| Number of free and reduced meals served | 3,349,430 | 3,322,951 | 3,203,734 | 4,056,374 | 4,453,056 | 4,386,369 | 4,705,694 | 5,044,678 | 5,191,817 | 5,490,005 |
| Average daily subsidy received | \$ 41,272 | \$ 42,468 | \$ 44,020 | \$ 57,104 | \$ 55,705 | \$ 65,692 | \$ 62,778 | \$ 68,405 | \$ 72,051 | \$ 80,219 |
| Total subsidy received | \$ 7,428,971 | \$ 7,644,187 | \$ 7,923,657 | \$ 10,278,700 | \$ 10,026,832 | \$ 11,430,423 | \$ 11,300,021 | \$ 12,312,753 | \$ 12,969,118 | \$ 14,278,997 |
| Average number of meals served daily | 32,407 | 32,453 | 32,641 | 40,702 | 43,906 | 45,433 | 49,559 | 51,693 | 52,842 | 52,517 |
| Number of full paid meals served | 2,483,913 | 2,518,661 | 2,671,585 | 3,269,993 | 3,450,058 | 3,519,037 | 4,214,943 | 4,259,913 | 4,319,715 | 3,858,005 |
| Average daily revenue | \$ 102,491 | \$ 108,228 | \$ 113,628 | \$ 128,488 | \$ 132,059 | \$ 147,523 | \$ 145,799 | \$ 152,567 | \$ 153,313 | \$ 159,232 |
| Total revenue | \$ 18,448,427 | \$ 19,480,994 | \$ 20,453,037 | \$ 23,127,751 | \$ 23,770,539 | \$ 25,668,970 | \$ 26,243,774 | \$ 27,462,067 | \$ 27,596,366 | \$ 28,343,225 |
| Average daily cost | \$ 100,690 | \$ 107,164 | \$ 113,221 | \$ 113,323 | \$ 119,768 | \$ 134,251 | \$ 150,462 | \$ 160,741 | \$ 163,762 | \$ 156,841 |
| Total cost | \$ 18,124,210 | \$ 19,289,581 | \$ 20,379,807 | \$ 20,398,175 | \$ 21,558,323 | \$ 23,359,598 | \$ 27,083,158 | \$ 28,933,340 | \$ 29,477,101 | \$ 27,917,777 |

Source: District records



SINGLE AUDIT SECTION



**BREVARD COUNTY
DISTRICT SCHOOL BOARD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2009**

| Federal Grantor/Pass-Through Grantor/Program Title | Catalog of Federal Domestic Assistance Number | Pass - Through Grantor Number | FY 2009 Amount of Federal Assistance |
|--|---|--|---|
| United States Department of Agriculture: | | | |
| Indirect: | | | |
| Florida Department of Education: | | | |
| Child Nutrition Cluster: | | | |
| Summer Food Service Program for Children | 10.559 | 323 | 196,129.23 |
| School Breakfast Program | 10.553 | 321 | 4,230,859.17 |
| National School Lunch Program | 10.555 | 300 | <u>9,852,009.29</u> |
| Total Child Nutrition Cluster | | | <u>14,278,997.69</u> |
| Total United States Department of Agriculture | | | <u>14,278,997.69</u> |
| United States Department of Homeland Security | | | |
| Direct: | | | |
| FEMA-Public Assistance Grant | 97.036 | **To Be Determined | <u>283,833.47</u> |
| Total United States Department of Homeland Security | | | <u>283,833.47</u> |
| United States Department of Education: | | | |
| Direct: | | | |
| Impact Aid | 84.041 | N/A | 1,351,402.65 |
| Safe & Drug Free Schools and Communities-National Program | 84.184 | N/A | 24,686.98 |
| Improvement of Education: | | | |
| Physical Education/ American History Grant Grant | 84.215 | N/A | 280,049.43 |
| Magnet School Assistance | 84.165 | N/A | <u>178,963.65</u> |
| | | | 1,835,102.71 |
| Indirect: | | | |
| Special Education Cluster: | | | |
| Florida Department of Education: | | | |
| Special Education - Grants to States | 84.027 | 262, 263 | 15,534,299.65 |
| Special Education - Preschool Grants | 84.173 | 267 | <u>679,516.23</u> |
| Total Special Education Cluster | | | <u>16,213,815.88</u> |
| Florida Department of Education: | | | |
| WIA Incentive Grants-Section 503 Grants to States | 17.267 | 590 | - |
| Adult Education - State Grant Program | 84.002 | 191 | 675,780.60 |
| Title I Grants to Local Educational Agencies | 84.010 (3) | 212 | 13,124,938.72 |
| Migrant Education-State Grant Program | 84.011 | 217 | 197.65 |
| Vocational Education - Basic Grants to States | 84.048 | 151 | 728,365.10 |
| Safe and Drug-Free Schools and Communities - State Grant | 84.186 (3) | 103 | 243,819.40 |
| Even Start - State Educational Agencies | 84.213 | 219 | 273,725.62 |
| Charter Schools | 84.282 | 298 | 370,876.00 |
| 21st Century Community Learning Centers | 84.287 | 244 | 702,106.35 |
| State Grants for Innovative Programs | 84.298 | 113 | 74,105.19 |
| Education Technology State Grants | 84.318 | 121, 122 | 110,245.70 |
| Reading First-State Grants | 84.357 | 247 | 299,783.67 |
| Voluntary Public School Choice Grant | 84.361 | 299 | - |
| English Language Acquisition | 84.365 | 102 | 337,216.42 |
| Improving Teacher Quality State Grants | 84.367 | 111, 123, 124, 224 | 2,845,072.79 |
| Title I School Improvement Fund | 84.377 | **To Be Determined | 48,896.35 |
| Learn & Serve America-School and Community Based Programs | 94.004 | 234 | <u>65,826.29</u> |
| Total Indirect | | | <u>36,114,771.73</u> |
| Total United States Department of Education | | | <u>37,949,874.44</u> |
| United States Department of Defense: | | | |
| Direct: | | | |
| Army Junior Reserve Officers Training Corps | None | N/A | 327,573.02 |
| Air Force Junior Reserve Officers Training Corps | None | N/A | 257,111.84 |
| Navy Junior Reserve Officers Training Corps | None | N/A | 129,512.89 |
| Marines Junior Reserve Officers Training Corps | None | N/A | <u>100,019.52</u> |
| Total Amount of Federal Assistance: | | | <u>\$ 53,326,922.87</u> |

Notes: (1) Basis of Presentation-The Schedule of Expenditures of Federal Awards represents amounts expended from Federal programs during the 2008-09 fiscal year as determined based on the modified accrual basis of accounting. The amounts reported on the Schedule have been reconciled to and are in material agreement with amounts recorded in the District's accounting records from which the basic financial statements have been reported.

(2) Noncash Assistance - Food Donation- Represents the amount of donated food used during the 2008-09 fiscal year. Commodities are valued at fair value as determined at the time of donation. These donations have been reported with the School Breakfast Program and the National School Lunch Program in the amounts \$513,650.70 and \$1,198,518.30 respectively.



Report of Independent Certified Public Accountants on Internal
Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of the Financial Statements
Performed in Accordance With *Government Auditing Standards*

Members of the School Board of Brevard County, Florida
The School Board of Brevard County, Florida

We have audited the financial statements of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the School Board of Brevard County, Florida (the District) as of and for the year ended June 30, 2009, which collectively comprised the District's basic financial statements and have issued our report thereon dated October 21, 2009. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Component Units and The Brevard Schools Foundation, Inc., as described in our report on the District's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal control over financial reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted certain additional matters that we reported to management of the District in a separate letter dated October 21, 2009.

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

Ernst & Young LLP

October 21, 2009

Report of Independent Certified Public Accountants on
Compliance with Requirements Applicable to Each Major Program
and on Internal Control Over Compliance in Accordance
with OMB Circular A-133

Members of the School Board of Brevard County, Florida
The School Board of Brevard County, Florida

Compliance

We have audited the compliance of the School Board of Brevard County, Florida (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2009-1 and 2009-2.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the District's response and, accordingly, we express no opinion on it.

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

Ernst & Young LLP

October 21, 2009

Brevard County Public Schools

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2009

Part I—Summary of auditor’s results

Financial statements section

Type of auditor’s report issued (unqualified, qualified, adverse or disclaimer): Unqualified

Internal control over financial reporting:

| | | |
|---|--------------------------|-----------------------------------|
| Material weakness(es) identified? | <u> </u> yes | <u> X </u> no |
| Significant deficiency(ies) identified that are not considered to be material weaknesses? | <u> </u> yes | <u> X </u> none reported |
| Noncompliance material to financial statements noted? | <u> </u> yes | <u> X </u> no |

Federal awards section

Internal control over major programs:

| | | |
|---|--------------------------|-----------------------------------|
| Material weakness(es) identified? | <u> </u> yes | <u> X </u> no |
| Significant deficiency(ies) identified that are not considered to be material weaknesses? | <u> </u> yes | <u> X </u> none reported |

Type of auditor’s report issued on compliance for major programs (unqualified, qualified, adverse or disclaimer): Unqualified

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of OMB Circular A-133? X **yes** **no**

Brevard County Public Schools

Schedule of Findings and Questioned Costs (continued)

Part I—Summary of auditor’s results (continued)

Identification of major programs:

| <u>CFDA number(s)</u> | <u>Name of federal program or cluster</u> |
|----------------------------|---|
| 10.553, 10.555, and 10.559 | Child Nutrition Cluster |
| 84.367 | Improving Teacher Quality State Grants |

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

\$1,599,808

Auditee qualified as low-risk auditee?

 X yes no

Brevard County Public Schools

Schedule of Findings and Questioned Costs (continued)

Part II—Financial statement findings section

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements for which *Government Auditing Standards* require reporting in a Circular A-133 audit.

There were no findings required to be reported.

Part III—Federal award findings and questioned costs section

This section identifies the audit findings required to be reported by Circular A-133 section .510(a) (for example, material weaknesses, significant deficiencies and material instances of noncompliance, including questioned costs), as well as any abuse findings involving federal awards that are material to a major program.

Federal program information:

Finding No. 2009-1

84.367 – Improving Teacher Quality State Grants

Condition:

Each year the District is required to submit the “LEA Annual Report” to the Florida Department of Education (FDOE), which requires the reporting of total funds spent during the fiscal year related to the Improving Teacher Quality State Grant program. Total expenditures reported in the fiscal year 2009 “LEA Annual Report” were approximately \$221,000 higher than the actual expenditures incurred during the year.

Criteria or specific requirement (including statutory, regulatory, or other citation):

The “LEA Annual Report” submitted to the FDOE should report actual expenditures incurred.

Cause:

District personnel were unaware that the total funds spent as reported in the “LEA Annual Report” should agree to actual expenditures incurred instead of the amount of the grant award.

Questioned costs:

No questioned costs were noted.

Brevard County Public Schools

Schedule of Findings and Questioned Costs (continued)

| | |
|---|--|
| <u>Effect:</u> | The FDOE (pass through entity) relies on information included in the “LEA Annual Report” when complying with their reporting requirements with the federal government. It is important for any financial information that is reported to the FDOE to be accurate and consistent with the federal reporting requirements. |
| <u>Recommendation:</u> | We recommend that the District evaluate whether the “LEA Annual Report” should be revised for fiscal year 2009. Additionally, we recommend that the District ensure that future reports include actual expenditures incurred by the District during the fiscal year. |
| <u>Views of responsible officials and planned corrective actions:</u> | The District has conferred with FDOE, (pass through entity), which has confirmed that the LEA is expected to include all funds expended in the fiscal year which would include any roll forward from the previous year. In future reporting, the District will report only actual expenditures for each fiscal year. |
| <u>Federal program information:</u> | Finding No. 2009-2 84.367 – Improving Teacher Quality State Grants |
| <u>Condition:</u> | Teaching personnel paid under the Improving Teacher Quality State Grants program did not complete a semi-annual certification to evidence, of record, that they were engaged solely in activities related to this grant program. |

Brevard County Public Schools

Schedule of Findings and Questioned Costs (continued)

| | |
|---|---|
| <u>Criteria or specific requirement (including statutory, regulatory, or other citation):</u> | OMB Circular A-87, Attachment B, paragraph 11(h)(3) requires: Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee. |
| <u>Cause:</u> | District personnel were unaware that teaching personnel were required to complete these certifications. |
| <u>Questioned costs:</u> | No questioned costs were noted. |
| <u>Effect:</u> | By not completing the certifications, the District does not have the required documentation evidencing the employee time and effort. This could expose the District to risk that costs could be disallowed. |
| <u>Recommendation:</u> | We recommend that the District implement procedures to have the required semi-annual certifications collected from all District personnel that are paid under this grant. These certification forms should be signed by the employee or a supervisory official having first-hand knowledge of the work performed by the employee. |
| <u>Views of responsible officials and planned corrective actions:</u> | The District agrees with the recommendation and will implement a process to collect the required certifications. It should be noted that when this finding was brought to our attention, we obtained the required confirmations for the personnel paid under the 2009 grant and noted no exceptions. |

Brevard County Public Schools

Summary Schedule of Prior Audit Findings

For the Year Ended June 30, 2009

| Audit Report No. and Federal Awards Finding No. | Program/ Requirement | Description | Status | Comments |
|--|---|--|---------------|---|
| 2008-3 | 84.027 and 84.173 Special Education Cluster Procurement and Suspension and Debarment | During fiscal 2008, it was noted that the District had not performed any verification procedures to determine that a new contractor was not considered to be debarred. | Implemented | Certification of debarment has always been a part of the District's general conditions for all bids and proposals in excess of \$25,000. The District has enhanced the procedures to include verification of all new vendors, that they are neither suspended nor debarred, by checking the Excluded Parties List System (EPL) maintained by the General Services Administration. |

Management Letter and State Reporting Requirements

Chairperson and Members of
The School Board of Brevard County, Florida

We have audited the basic financial statements of The School Board of Brevard County, Florida (the District), as of and for the year ended June 30, 2009, and have issued our report thereon dated October 21, 2009, which referred to our use of the reports of other auditors. In planning and performing our audit of the District's basic financial statements, in accordance with auditing standards generally accepted in the United States, we considered its internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

The suggestions included in this letter, which resulted from our consideration of internal control, are submitted to assist in improving procedures and controls. In addition, this report includes other disclosures required by Rules of the Auditor General.

We have also issued our Report of Independent Certified Public Accountants on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Basic Financial Statements Performed in Accordance with Government Auditing Standards dated October 21, 2009. Disclosures in that report should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.800, Rules of the Auditor General, which govern the conduct of District audits performed in the State of Florida and require that certain items be addressed in this letter. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

A. Current year recommendations

2009-1 Capital Assets

Observation

During our testing of capital assets, we noted there was one project included in construction in process that was completed in 2008 that was not moved to buildings and equipment upon the completion of the project. As a result, depreciation expense was not recorded for that asset. Although the impact of the unrecorded depreciation expense during the year was not considered significant, the District should ensure that controls related to the capitalization of completed projects are reviewed and enhanced as necessary to preclude any future errors that could materially impact financial reporting.

During the audit, we also noted instances in which contract payables were not recorded at June 30, 2009. These payables were approved by project managers subsequent to year-end but were invoiced to the District prior to year-end. The District does not record any invoices until the project managers complete their approval process. However, if invoices that relate to work completed prior to year-end are not recorded, the District may be understating its capital assets and related liabilities at year-end.

Recommendation

We recommend that the District meet with the construction project managers to ensure that completed capital assets are moved to depreciable categories on a timely basis. We also recommend the District work closely with the construction project managers to ensure that all projects with pending invoices at or near year-end are included in the year-end accrual.

Management's response

Accounting Services has historically relied on the Facilities Services to determine whether the status of a project should be designated as work in progress or completed and capitalized. A list of projects along with their percentage of completion status is provided to Accounting Services by the Facilities Services Department as part of the year end closing process. In order to prevent asset misclassifications in the future, the Accounting Services will provide an additional step in the year end review process to examine major projects included on the project list and compare the list to the contracts and other source documents that are held in the Facilities Services Department. This process improvement will enable Accounting Services and Facilities Services to work in tandem to confirm that all projects are properly categorized.

Each Department is responsible to approve all invoices for expenditures, including project expenditures, for which they have budgeting responsibility. The approved invoices are then subsequently provided to Accounting Services for payment processing. The instances noted above were invoices that were not received in the Accounting Services office until after the year end cut off for the reporting of the June 30 financial statements. In future fiscal years, Accounting Services will take additional steps to provide frequent reminders to worksites during the months of June and July to instruct them that all June 30 invoices should be approved and forwarded to Accounting Services for year end close out, no later than July 31 after the close of the fiscal year. Accounting Services will also take extra precautionary steps to review accounts payable records to search for unrecorded liabilities just prior to final cut off.

2009-2 Self Insurance Calculations

Observation

During our testing of the self insurance liability estimates prepared by third party actuaries, we noted that the calculations were dated as of June 30, 2008. The actuary report for the workers compensation, general, and auto liability is typically not provided to management until subsequent to the closing of the general ledger. As such, management has historically not adjusted the amount recorded at year-end to the updated actuary report. We also noted that the health reserve calculations were dated December 31, 2008. However, upon our request, management did initially obtain an updated calculation of the health reserve as of June 30, 2009. Because of the material differences noted between the recorded actuarial reserves and the updated calculations, management did adjust the financial statements to reflect the June 30, 2009 liability estimates.

Recommendation

We recommend that the District work with its actuaries to obtain the self insurance reports earlier in the closing process so that management can use these current reports when recording the self insurance accruals.

Management's response

District staff understands and agrees that the claims liability for all self insurances should be accurately reported through June 30 of each fiscal year; however, the most updated claims information cannot be obtained for a June 30 actuarial calculation until approximately ninety days after year end, which is the estimated timeframe for all June 30 outstanding claims to be paid. As a result, claims have been estimated, in previous years, based on the most recent actuarial report received prior to fiscal year end.

As recommended, Accounting Services will update the liability in the District's Comprehensive Annual Financial Statements (CAFR) and close the fiscal year only after the updated actuarial report is received on or after September 30 following each fiscal year end. It is important to note; however, in addition to the CAFR report the District is required to provide an unaudited Annual Financial Report (AFR) and a Program Cost Report to Florida Department of Education (FDOE) no later than September 11 of each fiscal year. Since the updated actuarial calculations are not received in time to include them in the reports submitted to FDOE on September 11, District staff will be required to amend the Annual Financial Report and the Program Cost Report each year to align with the updated actuarial report. While amendments are

permitted by FDOE, the reports will have already been reviewed by them (FDOE) by the time of resubmission, which will require rework for both the District and FDOE.

2009-3 Information Technology

CrossPointe Change Testing

Observation

During our review of the District's program change controls over the CrossPointe system, we noted that changes to the CrossPointe system are not always documented, and evidence of testing is not always maintained. As a result, program changes that have been placed into production may not function properly or according to user specifications.

Recommendation

We recommend that evidence of testing of the program change, including the sign-off by the tester (IT and requestor / end user) be documented and retained for each change to CrossPointe.

Management's response

We agree that the testing process should be reflected on the SCAR Change Form. A test date field will be added to the SCAR change form to be used by the developer, when testing is completed. Testing evidence (i.e., hard copy) will be attached to the form. This process change was completed on September 30, 2009.

CrossPointe Access to Production and Monitoring Changes

Observation

During our review of the District's program change controls over CrossPointe, we noted that the developers have the ability to modify CrossPointe objects / programs, as well as migrate changes to production. As a compensating monitoring control, a quarterly review of changes migrated to production is performed by the Application and Information Systems Manager. However, the Application and Information Systems Manager also has the ability to develop and migrate changes. The ability to develop changes, migrate changes and monitor changes creates a segregation of duties issue. In addition, the quarterly review does not specifically tie each change to its correlating supporting documentation. Key financial data/programs could be intentionally or unintentionally modified. An unauthorized or unapproved change could be promoted to the production environment.

Recommendation

We recommend that the development and migration of changes to production duties be appropriately segregated. If this is not feasible, an individual who does not have development and migration to production ability should perform the review of changes to verify they were appropriately authorized, tested and approved. The review should document approval and tie each change to the supporting change documentation.

Management's response

The verification of changes function will be assigned to the Systems and Security Services Group. The verification process will be enhanced to more frequent reviews and providing the ability to reconcile the program update to the change documentation. This process change was completed on September 30, 2009.

AS 400 Password Settings

Observation

During our testing of access change controls over the information systems, we noted that a particular parameter was not set to the level recommended by best practices.

Recommendation

We provided management with the specific recommendation to modify the parameter to the level recommended by best practices.

Management's response

We agree with the recommendation and this process change was completed on August 10, 2009.

CrossPointe New User Access

Observation

During our testing of access change controls, we noted that the system access request form does not have evidence of approval / signature for the new user access rights. Unauthorized users may be granted access to applicable local access layers and access rights not required for their job function.

Recommendation

We recommend that evidence of approval such as signatures from the business owner be documented on each new user access request form.

Management's response

We agree with the recommendation and have requested the Finance Manager to provide initials on all users' access request forms.

B. Status of prior year recommendations

The following is a summary of the recommendations communicated in prior year's management letters that were not repeated in the current year recommendations, were not implemented or were only partially

implemented by the District during the current year. All prior year recommendations that have been fully implemented were not repeated in this section.

| Finding Number | Prior Years' Observation | Comment is Still Relevant | Comment is no Longer Relevant |
|-----------------------|--|----------------------------------|--------------------------------------|
| 2007-1 | Financial Reporting | | X |
| 2007-2 | Comprehensive Procedures Manual | X | |
| 2007-3 | Bank Reconciliations | | X |
| 2007-4 | Capital Asset Controls | | X |
| 2007-5 | Unreconciled and Unsupported Account Balances | | X |
| 2007-10 | Bank Services | X | |
| 2008-4 | Instances of noncompliance with Florida Statutes | X | |
| 2008-5 | Capital Assets | | X |

**2007-2
Comprehensive
Procedures
Manual**

Recommendation

The District should review its comprehensive procedures manual and make revisions whenever significant processes are modified.

Current Year Management's response

Current year response:

The expected completion date for the comprehensive procedures manual is December 2009. The Accounting Services staff will review and update the manual, at least annually for process changes and other required revisions. Upon completion of the comprehensive procedures manual, Accounting Services believes that this issue is closed.

Prior year response:

District staff is working to complete a comprehensive accounting procedures manual, for general ledger processes, interim financial reports and year end processing. While many procedures are already in place, we expect to have a more comprehensive procedures manual completed by December, 2009.

**2007-10
Bank Services**

The District should periodically solicit proposals from several financial institutions to ensure it is obtaining banking services in the most cost effective manner.

Current year response:

Accounting Services believes that the current fee structure is competitive and benefits the District, as the banking services have maintained the same fee structure since the previous contract was awarded. However staff agrees that an RFP process is warranted and proposals for banking services will be solicited during FY10.

| Recommendation | Current Year Management's response |
|--|--|
| | <p><i>Prior year response:</i></p> <p>The banking industry is undergoing significant changes due to the economic downturn. District staff will postpone the solicitation of proposals for banking services until the banking crisis improves and stabilization is returned to the banking industry. An RFP process will be re-visited during FY10.</p> |
| <p>2008-4</p> <p>Instances of noncompliance with Florida Statutes</p> <p>Observation</p> <p>In connection with our compliance auditing procedures, we noted the following instances of noncompliance which were not considered material instances of noncompliance as defined in Government Auditing Standards, but are required to be reported pursuant to Rules of the Auditor General:</p> <ol style="list-style-type: none"> 1. Florida Statute section 1013.13 states that the school district must provide the law-enforcement agency and fire department with the floor plans of the schools they have jurisdiction over by October 1, 2008. Based on our review of available documentation and our inquiries of responsible District employees, the floor plans were not delivered as of October 1, 2008. 2. Florida Statutes section 119.071(5)(a)2.,5(a)3.,5(a)4 states that the school district must provide a written statement as to the purpose of the collection of social security numbers from individuals. Per discussion with responsible District employees, and based on our review of available documentation, such written statements were not provided in those instances where the District collected social | <p><i>Current year response:</i></p> <p>All issues were resolved during fiscal year 2009 with the exception of item #3.</p> <p><u>Item 1:</u> Resolution completed.</p> <p><u>Item 2:</u> Effective May 14, 2009, the Employment Section of the Administrative Procedures subsection of Board Policy was amended to outline the various reasons for collecting a copy of employees' social security numbers. The same information also appears on the online job application.</p> <p><u>Item 3:</u> Human Resources will send the required information to the House and Senate Leadership, no later than November 6, 2009, as required in Florida Statute.</p> <p><u>Item 4:</u> Resolution completed.</p> <p><i>Prior year response:</i></p> <p>All comments are duly noted and responsible parties have been notified that corrections and/ or</p> |

| Recommendation | Current Year Management's response |
|---|--|
| <p>security numbers from individuals.</p> <p>3. Florida Statutes section 119.071(5)(a)2.,5(a)3.,5(a)4 states that the district must review its compliance with the "Written Statement for Social Security Numbers" requirement and certify its compliance to the President of the Senate and Speaker of the House of Representatives no later than January 31, 2008. Based on our procedures, the District did not perform the required review and has not completed the required certification.</p> <p>4. Florida Statues section 1011.09(2) states that the District is allowed to temporarily advance moneys from one fund to another fund when insufficient moneys are available to meet current obligations if the temporary advance is repaid within 13 months. However, there were loans made by the District to other schools, accounted for as loans to the agency fund that had repayment terms up to 20 years. The District recorded a correcting entry in fiscal year 2008 to record the loans to these schools as current year expenditures.</p> <p>Compliance with Florida Statutes is critical to the District and should be carefully monitored. Noncompliance with material requirements can have a negative impact to the District.</p> <p>Recommendation</p> <p>We recommend that the District assign a responsible individual to monitor the District's compliance with key compliance requirements. This individual could utilize a tool, such as the Florida Auditor General's Compliance Supplement, in order to identify and monitor those types of requirements</p> | <p>updates are required for compliance to Florida Statutes. Corrections will be made to bring about compliance. Item # 4 was corrected and reflected in the fiscal year 2008 financial statements.</p> |

| Recommendation | Current Year Management's response |
|--|------------------------------------|
| <p>important to the District. In addition, for any of the compliance violations noted above that require immediate corrective action to ensure current compliance, the District should consult with appropriate DOE officials as necessary.</p> <p><i>Current year update:</i></p> <p>With the exception of #3, we noted no instances of noncompliance with respect to the above findings during fiscal year 2009.</p> | |

C. Other required communications

The Rules of the Auditor General (Section 10.804(1)(f)1.) state that a management letter shall include a statement as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. The status of recommendations made in prior year management letters have been addressed in Section B above.

The Rules of the Auditor General (Section 10.804(1)(f)2.) state that a management letter shall include a statement as to whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes. Management of the District has determined that the District is not in a state of financial emergency as defined in Section 218.503(1), Florida Statutes. During the course of our audit of the District's 2009 basic financial statements, nothing came to our attention that would cause us to believe that the District is in a state of financial emergency as a consequence of conditions described in Section 218.503(1), Florida Statutes.

The Rules of the Auditor General (Section 10.804(1)(f)3.) require that a management letter include a statement as to whether or not the District complied with Section 218.415, Florida Statutes, regarding the investment of public funds. During the conduct of our audit, we noted no instances of noncompliance with Section 218.415, Florida Statutes, related to the investment of public funds.

The Rules of the Auditor General (Sections 10.804(1)(f)4 through 6.) state that the management letter shall include the following matters if not already addressed in the report of independent certified public accountants on compliance and on internal control over financial reporting: recommendations to improve financial management, accounting procedures, and internal controls; violations of laws, rules, regulations, and contractual provisions or abuse that have occurred or are likely to have occurred, were discovered within the scope of the financial audit, and may or may not have materially affected the basic financial statements; improper expenditures discovered within the scope of the financial audit that may or may not materially affect the basic financial statements; and other matters requiring correction that may or may not materially affect the basic financial statements including improper or inadequate accounting procedures,

failures to properly record financial transactions, and other inaccuracies, shortages, and instances of fraud representing reportable conditions discovered by, or that come to the attention of, the auditor. We noted certain matters that are required to be disclosed by Rules of the Auditor General relating to recommendations to improve financial management, accounting procedures, and internal controls, which are reported in Sections A. and B. of this management letter.

The Rules of the Auditor General (Sections 10.804(1)(f)7.) state that the management letter shall include information regarding the auditor's application of financial condition assessment procedures pursuant to Rule 10.805(6), including a statement that the auditor applied financial condition assessment procedures and, if deteriorating financial conditions are noted, a statement that the district District's condition is deteriorating and a description of the conditions causing the auditor to make this conclusion. In connection with our audit, we applied financial condition assessment procedures pursuant to Rule 10.805(6). The District management is ultimately responsible for assessing financial condition on an on-going basis.

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

Ernst & Young LLP

October 21, 2009



NONDISCRIMINATION NOTICE

It is the policy of the School Board of Brevard County to offer the opportunity to all **students** to participate in appropriate programs and activities without regard to race, color, gender, religion, national origin, disability, marital status, or age, except as otherwise provided by Federal law or by Florida state law.

A **student** having a grievance concerning discrimination may contact:

Dr. Brian T. Binggeli
Superintendent
Brevard Public Schools

Ms. Brenda Blackburn
Associate Superintendent,
Division of Curriculum
and Instruction,
Equity Coordinator

Dr. Walter Christy, Director
Office of Secondary Programs

Ms. Eva Lewis
ESE Program Support Services
ADA/Section 504 Coordinator

School Board of Brevard County
2700 Judge Fran Jamieson Way
Viera, Florida 32940-6601
(321) 633-1000

It is the policy of the School Board of Brevard County not to discriminate against **employees or applicants** for employment on the basis of race, color, religion, sex, national origin, participation and membership in professional or political organizations, marital status, age, or disability. Sexual harassment is a form of employee misconduct which undermines the integrity of the employment relationship, and is prohibited. This policy shall apply to recruitment, employment, transfers, compensation, and other terms and conditions of employment.

An **employee or applicant** having a grievance concerning employment may contact:

Ms. Susan Standley, Director
Office of
Compensation & Benefits

Ms. Joy Salamone, Director
Human Resources Services
and Labor Relations

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2700 Judge Fran Jamieson Way
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