



***Cover Drawings by Volusia County Schools Elementary Art Students***

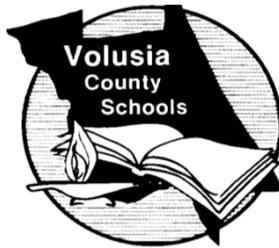
*Top Row:* Logan Stallard, 2<sup>nd</sup> grade, Longstreet Elementary; Art Teacher: Marla Basli  
Kristine Rodriguez, 4<sup>th</sup> grade, Manatee Cove; Art Teacher: Sheri Langlais

*Bottom Row:* Slade Henderson, (part 1) 4<sup>th</sup> grade, Manatee Cove; Art Teacher: Sheri Langlais  
Zanya Torres, 4<sup>th</sup> grade, Pride Elementary; Art Teacher: Cheryl Gentry-Thomas  
Trey Rieckmann, 4<sup>th</sup> grade, Pride Elementary; Art Teacher: Cheryl Gentry-Thomas  
Ria Kolluru, 4<sup>th</sup> grade, Cypress Creek Elementary; Art Teacher: Ektemal Francis Hanna  
Slade Henderson, (part 2,3,4) 4<sup>th</sup> grade, Manatee Cove; Art Teacher: Sheri Langlais

District School Board of Volusia County  
DeLand, Florida

Comprehensive Annual  
Financial Report

For the Fiscal Year Ended  
June 30, 2012



Prepared by:  
Division of Financial and Business Services



**District School Board of Volusia County, Florida  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2012  
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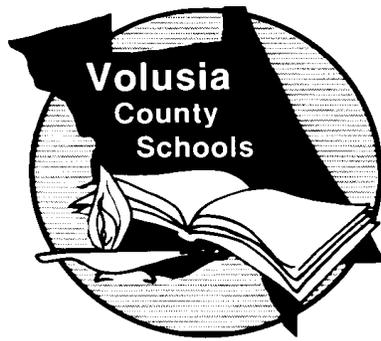
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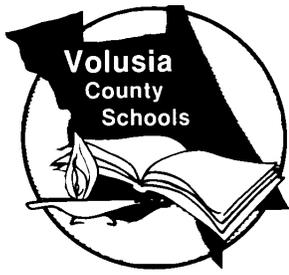
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## Introductory Section



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(386) 734-7190    (386) 255-6475      (386) 427-5223      (407) 860-3322

**School Board of Volusia County**

**Margaret A. Smith, D.Ed.**  
**Superintendent of Schools**

**Dr. Al Williams, Chairman**  
**Ms. Judy Conte, Vice-Chairman**  
**Mr. Stan Schmidt**  
**Ms. Candace Lankford**  
**Mrs. Diane Smith**

December 3, 2012

Dear Chairman, Members of the Board, and Citizens of Volusia 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 (GAAP) and audited, by a firm of licensed certified public accountants or by the Florida Auditor General, 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. Pursuant to that requirement, we hereby issue the comprehensive annual financial report (CAFR) of the District School Board of Volusia County, Florida (District) for the fiscal year ended June 30, 2012. This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. This letter of transmittal is designed to complement Management's Discussion and Analysis (MD&A) and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent certified public accountants.

This report includes all funds of the District, the Volusia School Board Leasing Corporation, Inc., Futures, Inc. and eight of the District's charter schools: Reading Edge Academy, Inc.; Samsula Academy; The Chiles Academy, Inc.; Richard Milburn Academy of Volusia County; Volusia Elementary Charter School, Inc., d/b/a Boston Avenue Charter School; Ivy Hawn Charter School of the Arts; Burns Science and Technology Charter School, Inc.; and Reading Star Academy of Excellence, which comprise the reporting entity. The Volusia School Board Leasing Corporation, Inc., was formed by the School Board to be the lessor in connection with financing the acquisition and/or construction of certain educational facilities and is included as a blended component unit. Futures is a separate not-for-profit corporation organized and operated as a direct-support organization. Futures' purpose is exclusively educational and charitable for the constituents of Volusia County. The Reading Edge Academy, Inc., Samsula Academy, The Chiles Academy, Inc., Richard Milburn Academy of Volusia County, Volusia Elementary, Ivy Hawn Charter School of the Arts, Burns Science and Technology Charter School, Inc., and Reading Star Academy of Excellence, Inc., charter schools are public schools operating under performance contracts with the School Board. Futures and the applicable charter schools are included as aggregate discretely presented component units.

To provide a reasonable basis for making these representations, the District's management has established a system of internal control that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the District's system of internal control has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

The Florida Auditor General 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, 2012, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded that there was a reasonable basis for rendering an unqualified opinion on the District's financial statements for the fiscal year ended June 30, 2012. The Florida Auditor General's report is presented as the first component of the financial section of this report. The Florida Auditor General is considered to be an independent auditor.

## **Profile of the Government**

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 appointed Superintendent of Schools (Superintendent) is the executive officer of the Board and is responsible for the administration and management of the schools within the applicable parameters of Florida Statutes, State Board of Education Rules, and School Board policies. 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 State Board of Education.

The geographical boundaries of the District are those of Volusia County. Volusia County is located in the east-central region of the State of Florida. Volusia County is bordered on the west by the historic St. Johns River, and by the Atlantic Ocean to the east. Roughly the size of Rhode Island, Volusia is situated 50 miles northeast of Orlando, 60 miles north of the Kennedy Space Center, and 89 miles south of Jacksonville. Volusia County was established in 1854 and became the 30<sup>th</sup> county in the State of Florida. The 2011 population for Volusia County is estimated to be 494,804 persons. Within its borders are several incorporated areas and small, unincorporated communities.

In the 2011-12 fiscal year, the District provided general, special, and vocational education programs. The District had 69 K-12 schools, including 45 elementary schools, 12 middle schools, 1 K-8 school, 1 middle/high school, 9 high schools, and 1 alternative education center (Department of Juvenile Justice). In addition, the District sponsors 9 charter schools, 1 of which is not a component unit of the District.

## **Economic Condition and Outlook**

Volusia County is located on the east coast of central Florida and is the eastern terminus of the I-4 corridor, which runs through Orlando and extends to the cities of Tampa and St. Petersburg on the Florida west coast. The county has a total of 16 cities, including: Daytona Beach, Daytona Beach Shores, DeBary, DeLand, Deltona, Edgewater, Holly Hill, Lake Helen, New Smyrna Beach, Oak Hill, Orange City, Ormond Beach, Pierson, Ponce Inlet, Port Orange, and South Daytona. Tourism is the county's largest industry based primarily on a drive-in market of visitors interested in our recreational areas including 47 miles of beaches. Major tourist events include Bike Week, Biketoberfest, and the Daytona 500.

Per capita income was \$32,203 in 2011 for Volusia County. Volusia County's 2011 Florida Price Level Index as reported by the University of Florida, Bureau of Economic and Business Research is 96.19. This means that the cost of living in Volusia County is 3.81 percent below the State average of 100.

Volusia is Florida's 11<sup>th</sup> most populous county, with 2.6 percent of the population. The population of Volusia County has increased 51,461 from 2000 to 2011 and is projected to reach 505,979 by 2015, 526,375 by 2020, and 545,552 by 2025.

The School District of Volusia County reported 61,636 students (20-day enrollment) in 2011-12. The District's enrollment declined by 941 students, or 1.5 percent, during the ten-year period of 2002-03

through 2011-12. Based on the District's cohort projection model and economic conditions, forecasts project enrollment for 2016-17 to be 61,625, a decrease of 11 students from the current fiscal year, or a decrease of less than 0.02 percent.

According to the American Community Survey, the median age in Volusia County in 2011 was 45.9 years. Nineteen percent of the population were under 18 years and 22 percent were 65 years and older. Families made up 61 percent of the households, which includes both married-couple families (46 percent) and other families (15 percent). Seven percent of the people were foreign born and 93 percent were native, including 35 percent who were born in Florida. Among people at least 5 years old, 13 percent spoke a language other than English at home. Of those speaking a language other than English at home, 72 percent spoke Spanish and 28 percent spoke some other language; 32 percent reported that they did not speak English "very well". Eighty-seven percent of people 25 years and older had at least graduated from high school and 20 percent had a bachelor's degree or higher.

In 2011, the leading industries for the employed population 16 years and older in Volusia County were educational services, health care, and social assistance, 24 percent, and retail trade, 16 percent. The most common occupations were: management, business, science, and arts, 31 percent; sales and office occupations, 30 percent; service occupations, 19 percent; production, transportation, and material moving occupations, 11 percent; and natural resources, construction, and maintenance occupations, 9 percent.

Florida Inventory of School Houses (FISH) has average age of schools at 25 years old.

## **Major Initiatives**

### **Class Size Reduction Amendment**

In November, 2002, citizens approved an amendment to the Florida Constitution that set limits on the number of students in core classes (such as Math, English, Science, etc.) in the state's public schools. Beginning with the 2010-11 school year, the maximum number of students in each core class is 18 students per pre-kindergarten class through grade 3; 22 students per core class in grades 4 through 8; and 25 students per core class in grades 9 through 12.

The Florida Legislature enacted Senate Bill 30-A which required the number of students in each classroom be reduced by at least two students per year beginning in the 2003-04 school year, until the maximum number of students per classroom did not exceed the requirements in the law. The amendment would be calculated as follows:

- For the 2003-04, 2004-05, and 2005-06 fiscal years, class size calculated at the district level.
- For the 2006-07, 2007-08, and 2008-09 fiscal years, class size calculated at the school level. (The 2009 Legislature extended the calculation at the school level for an additional year to include 2009-10.)
- For the 2010-11 fiscal year and thereafter, class size calculated at the classroom level.

The District met class size compliance for the 2011-12 fiscal year.

### **Race to the Top**

On August 24, 2010, the U.S. Department of Education announced that Florida was a winner of the second phase of the federal Race to the Top competition. Race to the Top is a \$4.35 billion federal investment in reform designed to reward states that are leading the way in comprehensive, coherent, statewide education reform across four key areas:

- Adopting standards and assessments that prepare students to succeed in college and the workplace and to compete in the global economy;
- Building data systems that measure student growth and success, and inform teachers and principals about how they can improve instruction;

- Recruiting, developing, rewarding, and retaining effective teachers and principals, especially where they are needed most;
- Turning around our lowest-achieving schools.

The School District of Volusia County will receive \$11.8 million over a four-year period.

### **Capital Outlay Program**

In 2001 many public schools in Volusia County were overcrowded and experiencing annual increases in student enrollments. Permanent capacity in the schools fell far short of student enrollments. New facilities could offer improved instructional capabilities and there was a concern with providing consistency and equity in facility offerings (air conditioning, technology, etc.) between the District's older schools and its newer schools. The projected trends indicated that additional sales tax funds would provide a means to accomplish these goals. In January 2002, the public began paying an additional half-cent sales tax for fifteen years to support a ten year construction plan for identified educational facilities. Now that the last of the sales tax projects are in their final stages, the only expenditures left will be for the debt service on projects that were moved forward by issuing debt.

In the 2008-09 fiscal year, the Legislature transferred 0.25 mills, approximately \$8 million, from the District's capital fund to the general fund. In the 2009-10 fiscal year, the Legislature continued to mandate the 0.25 mill transfer and required an additional 0.25 mills to be transferred from the capital fund to the general fund which totaled 0.50 mills or approximately \$16 million. In addition to this mandated transfer, all the capital revenue sources have declined from \$159 million in the 2007-08 fiscal year to \$76 million in the 2011-12 fiscal year. This has significantly and adversely impacted the five year work plan. The transfer combined with the revenue decline from all sources is the basis for projects to be delayed indefinitely and the dramatic changes to the five year work plan.

During this next five year work plan only the highest priority projects that maintain, renovate and make the current facilities dry and safe for students and staff, along with technology and equipment replacements to keep them functional will be considered.

### **Academic Accomplishments**

Fifty-five schools earned the Five Star School award from the Florida Department of Education. This award is presented annually to those schools that have shown evidence of exemplary community involvement.

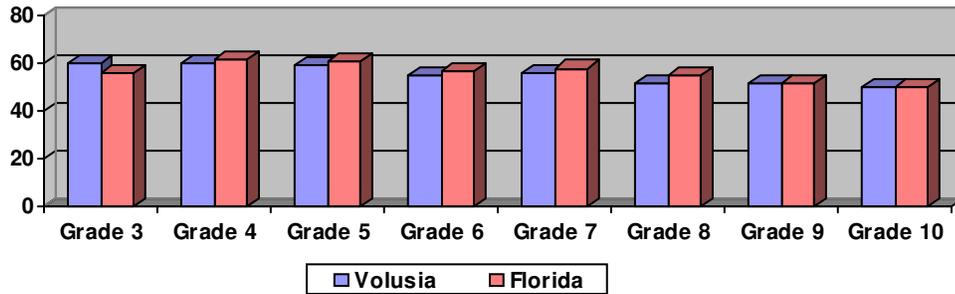
Student achievement is measured throughout a student's educational career using a variety of testing instruments that include both norm-referenced and criterion-referenced assessments. Collectively, the data derived from student achievement tests support several purposes that include School, District, and State accountability; instructional and program decision-making; student placement; and monitoring student progress. Major testing programs include the Florida Comprehensive Assessment Test (FCAT), Pre-Scholastic Assessment Test (PSAT), Scholastic Assessment Test (SAT), American College Test (ACT), Advanced Placement (AP), and the High School Competency Test (HSCT).

The FCAT is a State mandated test that measures the degree to which students are learning the Sunshine State Standards in reading, mathematics, science, and writing. The reading FCAT is administered to students in grades 3 through 10. The mathematics FCAT is administered to students in grades 3 through 8. The writing FCAT is administered to students in grade 4, 8, and 10. The science FCAT is administered to students in grade 5 and 8. FCAT results are used for school accountability purposes, as well as to monitor individual student progress.

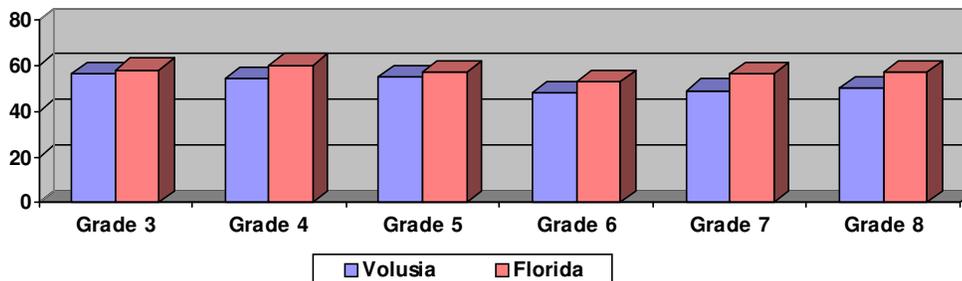
On December 19, 2011, the State Board of Education established new Achievement Level standards for FCAT 2.0 Mathematics and Reading. Spring 2012 is the first time results are being reported according to these new standards. Because the FCAT 2.0 is based on more demanding content standards and the achievement standards are more rigorous, scores may appear lower on the new scale than on the previous scale for certain grades and subjects.

In 2012, in addition to the elements of focus, organization, support, and conventions described in the rubrics, the scoring decisions for FCAT Writing included expanded expectations regarding the following: (1) increased attention to the correct use of standard English conventions and (2) increased attention to the quality of details, requiring use of relevant, logical, and plausible support, rather than contrived statistical claims or unsubstantiated generalities.

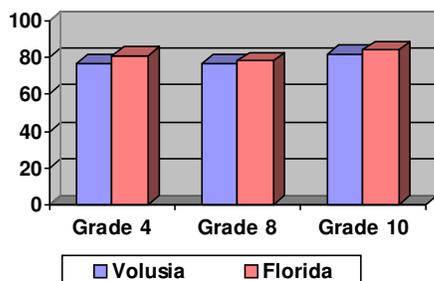
**2012 FCAT Reading**  
(% Equal to or Greater Than Level 3)



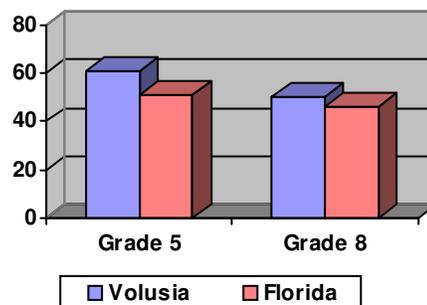
**2012 FCAT Mathematics**  
(% Equal to or Greater Than Level 3)



**2012 FCAT Writing**  
(% Equal to or Greater Than Level 3)



**2012 FCAT Science**  
(% Equal to or Greater Than Level 3)



The distribution of school grades is as follows:

Elementary: Twenty-three (23) received a rating of "A"; fifteen (15) received a rating of "B"; seven (7), including the District's 1 K-8 school, received a rating of "C"; and one (1) received a rating of "D".

Middle: Three (3) received a rating of "A"; three (3) received a rating of "B"; and six (6) received a rating of "C".

High: At this time, only point values for each high school have been reported for the FCAT portion of the school grades. High school grades will be released in December, when the additional data that is now included in the grade calculation will be available.

## Budgetary Controls

The District maintains budgetary controls, the objective of which is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the School Board. Activities of all governmental and proprietary fund types are included in the annual appropriated budget. Project-length financial plans are adopted for the Capital Projects Funds. The level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is established at the function level.

Budgetary information is integrated into the accounting system, and, to facilitate budgetary control, budget balances are encumbered when purchase orders are issued. Appropriations lapse at year-end and encumbrances outstanding are honored from the subsequent year's appropriations.

In order to provide budgetary control for salaries, the District utilizes a centralized position control system. On an annual basis, the Board adopts a District staffing plan that establishes teacher positions based generally on student populations served. Additionally, support and administrative positions are created based on established criteria.

## Awards and Acknowledgements

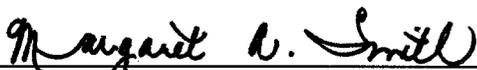
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2011. In order to be awarded the Certificate of Achievement for Excellence in Financial Reporting and the Certificate of Excellence in Financial Reporting, the District must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement and the Certificate of Excellence are valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA and the ASBO to determine its eligibility for another certificate.

The preparation of the CAFR was made possible by the dedicated service of the entire staff of Financial and Business Services. Each member of the division has our sincere appreciation for the contributions made in the preparation of this report.

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

Respectfully submitted,



Dr. Margaret A. Smith  
Superintendent of Schools



Dr. Robert Moll  
Deputy Superintendent for Financial and  
Business Services



Bertie Trawick  
Director of Finance

DISTRICT SCHOOL BOARD OF VOLUSIA COUNTY, FLORIDA  
SCHOOL BOARD MEMBERS - ELECTED



**Dr. Al Williams, Chairman**

District 2

Member since November 2004

Current term expires November 2012

**Ms. Judy Conte, Vice Chairman**

District 4

Member since November 1992

Current term expires November 2012



**Mr. Stan Schmidt**

District 3

Member since November 2006

Current term expires November 2014

**Ms. Candace Lankford**

District 1

Member since November 2002

Current term expires November 2014



**Mrs. Diane Smith**

District 5

Member since November 2006

Current term expires November 2014

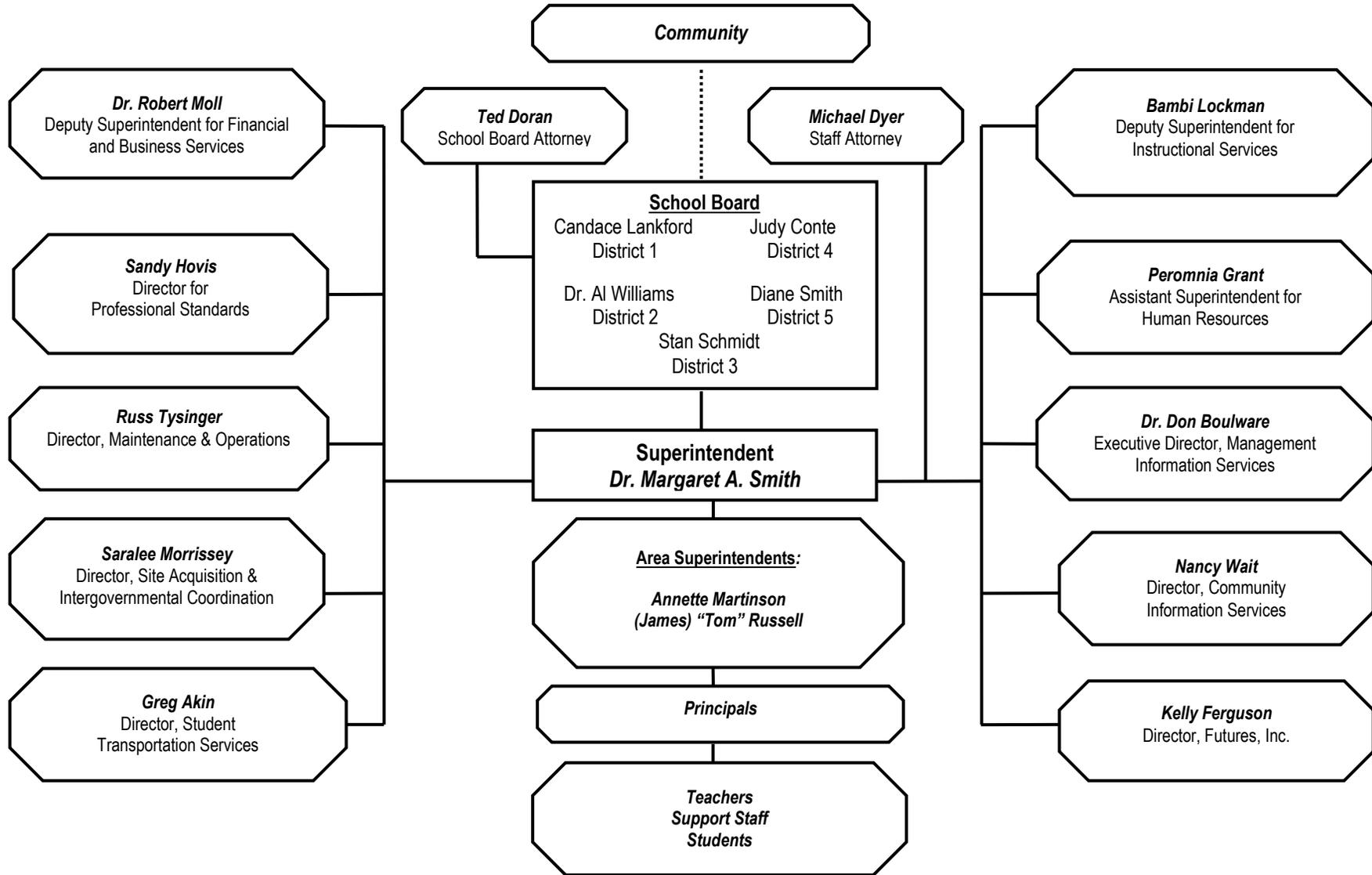
DISTRICT SCHOOL BOARD OF VOLUSIA COUNTY, FLORIDA  
PRINCIPAL OFFICIALS - APPOINTED



**Dr. Margaret A. Smith**  
Superintendent of Schools

Bambi Lockman	Deputy Superintendent Instructional Services
Dr. Robert Moll	Deputy Superintendent Financial and Business Services
Annette Martinson	Area Superintendent
James T. Russell	Area Superintendent
Peromnia Grant	Assistant Superintendent Human Resources
Michael G. Dyer, Esquire	Chief Counsel for Labor Relations, Contract Services and Policy Development
Dr. Don Boulware	Executive Director Management Information Services
Saralee Morrissey	Director, Site Acquisition and Intergovernmental Coordination
Russ Tysinger	Director, Maintenance and Operations
Greg Akin	Director, Student Transportation Services
Nancy Wait	Director, Community Information Services
Sandy Hovis	Director, Professional Standards

# DISTRICT SCHOOL BOARD OF VOLUSIA COUNTY, FLORIDA ORGANIZATIONAL CHART



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

District School Board  
of Volusia County, Florida

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2011

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



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**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
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This Certificate of Excellence in Financial Reporting is presented to

**DISTRICT SCHOOL BOARD OF VOLUSIA COUNTY**  
**For its Comprehensive Annual Financial Report (CAFR)**  
For the Fiscal Year Ended June 30, 2011

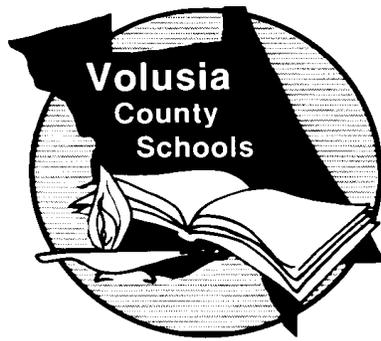
Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

*Bruce Nee*

President

*John D. Mueser*

Executive Director



## Financial Section



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AUDITOR GENERAL

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The President of the Senate, the Speaker of the  
House of Representatives, and the  
Legislative Auditing Committee

## INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Volusia County District School Board, as of and for the fiscal year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of District management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the school internal funds, which represent 10 percent of the assets and 44 percent of the liabilities of the aggregate remaining fund information. In addition, we did not audit the financial statements of the District's direct-support organization (Futures, Inc.), and seven District charter schools (Reading Edge Academy, Inc.; Samsula Academy; The Chiles Academy, Inc.; Richard Milburn Academy of Volusia County; Volusia Elementary Charter School, Inc. d/b/a Boston Avenue Charter School; Ivy Hawk Charter School of the Arts; and Burns Science and Technology Charter School, Inc.), which represent 99 percent of the assets, 98 percent of the liabilities, 95 percent of revenues, and 95 percent of the expenses of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for the school internal funds and the above-noted aggregate discretely presented component units, are based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information for the Volusia County District School Board as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the general fund and major special revenue fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1.D. to the basic financial statements for the 2011-12 fiscal year, the District adopted new accounting guidance Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

In accordance with *Government Auditing Standards*, we have also issued a report on our consideration of the Volusia County District School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading **INDEPENDENT AUDITOR'S REPORT 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**. 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.

Accounting principles generally accepted in the United States of America require that **MANAGEMENT'S DISCUSSION AND ANALYSIS** and **SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS PLAN**, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, the combining and individual fund financial statements and schedules, and the statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Also, the accompanying **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS** is presented for purposes of additional analysis as required by the United States Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying

accounting and other records used to prepare the basic financial statements. The combining and individual fund financial statements and schedules, and **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**, have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the reports of other auditors, the combining and individual fund financial statements and schedules, and **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and the statistical section 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.

Respectfully submitted,

A handwritten signature in blue ink that reads "David W. Martin". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

David W. Martin, CPA  
December 3, 2012  
Audit Report No. 2013-049

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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As management of the District School Board of Volusia County, Florida, (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with our basic financial statements and notes thereto found on pages 31 through 54.

### FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at June 30, 2012, by \$822,882,739. Of this amount, \$733,957,739 represents net investment in capital assets, and restricted and unrestricted net position of \$94,921,529 and (\$5,996,529), respectively.
- The District's total net position decreased \$35,224,363.
- At June 30, 2012, the District's governmental funds reported combined fund balances of \$142,577,097, a decrease of \$41,309,754 in comparison with the prior year.
- At June 30, 2012, the unassigned fund balance for the General Fund was \$26,696,378, or 6.8 percent of total General Fund revenues. Of this amount, the District has set aside \$19,697,835 "contingency reserves" for potential revenue shortfalls, emergencies, and unanticipated expenditures after the current year budget adoption.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

#### Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's assets, deferred outflows of resources and liabilities. The combined assets and deferred outflows of resources, less the total liabilities are reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

The government-wide financial statements include the District (known as the primary government), Futures, Inc., and eight charter schools: Reading Edge Academy, Inc.; Samsula Academy; The Chiles Academy, Inc.; Richard Milburn Academy of Volusia County; Volusia Elementary Charter School, Inc., d/b/a Boston Avenue Charter School; Ivy Hawn Charter School of the Arts; Burns Science and Technology Charter School, Inc.; and Reading Star Academy of Excellence, Inc.; for which the District is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government. Futures, Inc. is a separate not-for-profit corporation organized and operated as a direct-support organization under Section 1001.453, Florida Statutes, to provide charitable and educational aid to the District, to promote education, and to encourage research, learning and dissemination of information. The Volusia School Board Leasing Corporation (Leasing Corporation), although also legally separate, was formed to facilitate financing for the acquisition of facilities and equipment. Due to the substantive economic relationship between the District and the Leasing Corporation, the Leasing Corporation has been included as an integral part of the primary government. The government-wide financial statements can be found on pages 15 through 17 of this report.

### **Fund 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. All of the District's funds can be divided into one of three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds** – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains 14 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the District's most significant funds. The District's major governmental funds are the General Fund, American Recovery and Reinvestment Act (ARRA) Economic Stimulus Funds – Special Revenue Fund, Sales Tax Revenue Bonds – Debt Service Fund, and Local Capital Improvement – Capital Projects Fund. Data for the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The District adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General and major Special Revenue Funds on pages 24 and 25 to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 18 through 25 of this report.

**Proprietary Funds** – Proprietary funds may be established to account for activities in which a fee is charged for services. The District maintains internal service funds to accumulate and allocate costs internally among the District's various functions. The District uses internal service funds to account for its self-insurance programs. Because these services predominantly benefit governmental rather than business-type functions, they have been included with governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The four internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements. Individual fund data is provided in the form of combining statements elsewhere in this report.

The basic proprietary funds financial statements can be found on pages 26 through 28 of this report.

**Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the primary government. The District maintains Private Purpose Trust Funds to account for the resources of the District's trust and endowment funds for DeLand High, Spruce Creek High, Seabreeze High, and Samsula Scholars. The District also maintains Agency Funds to account for resources of the school internal funds and a voluntary employee benefits program. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary funds financial statements can be found on pages 29 and 30 of this report.

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31 through 54 of this report.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. The District's total assets exceeded its total liabilities by \$822,882,739 (total net position) at June 30, 2012, which was a decrease of \$35,224,363 from the previous year.

Net position includes investments in capital assets, primarily school facilities and related furniture, fixtures, and equipment, net of outstanding debt used to acquire or construct capital assets. The remaining net position is divided between restricted and unrestricted. Restricted net position represents those assets net of related liabilities that are restricted to uses specified by third parties, primarily under the terms of debt issues, and Federal and State grantor agencies. The following is a summary of the District's net position as of June 30, 2012, compared to net position as of June 30, 2011:

## Condensed Statement of Net Position

	Governmental Activities	
	2012	2011
<b>ASSETS</b>		
Current and other assets	\$ 187,124,760	\$ 241,169,383
Capital assets, net	<u>1,173,215,158</u>	<u>1,193,668,851</u>
<b>Total assets</b>	<b><u>1,360,339,918</u></b>	<b><u>1,434,838,234</u></b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
	<u>986,190</u>	<u>-</u>
<b>LIABILITIES</b>		
Long-term liabilities	516,880,212	546,413,387
Other liabilities	<u>21,563,157</u>	<u>30,317,745</u>
<b>Total liabilities</b>	<b><u>538,443,369</u></b>	<b><u>576,731,132</u></b>
<b>NET POSITION</b>		
Net investment in capital assets	733,957,739	734,140,933
Restricted	94,921,529	110,556,480
Unrestricted (deficit)	<u>(5,996,529)</u>	<u>13,409,689</u>
<b>Total net position</b>	<b><u>\$ 822,882,739</u></b>	<b><u>\$ 858,107,102</u></b>

The District reports a \$5,996,529 deficit in unrestricted net position at June 30, 2012, a \$19,406,218 decrease from the prior year. This is primarily due to the decrease in the fund balance of the General Fund. Management has every confidence that the deficit in unrestricted net position does not represent an inability to meet District obligations. Compensated absences, in the amount of \$54,716,963 and the District's other postemployment benefits obligation (OPEB) of \$14,962,083 were the most significant liabilities (claims) against unrestricted assets. Most of the estimated amount of compensated absences liability, \$49,804,565, will be due more than one year from the financial statement date and does not require the use of current resources.

Restricted net position represents resources that are subject to external restrictions on how they may be used, such as for capital projects and debt service. The restricted portion of the District's net assets totals \$94,921,529, which represents a 14.1 percent decrease from the prior year due to expenditures for various construction projects.

The largest portion of the District's net position (89.2 percent) reflects its net investment in capital assets. Net investment in capital assets decreased \$183,194 due to the construction of capital assets and the reduction of outstanding debt.

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

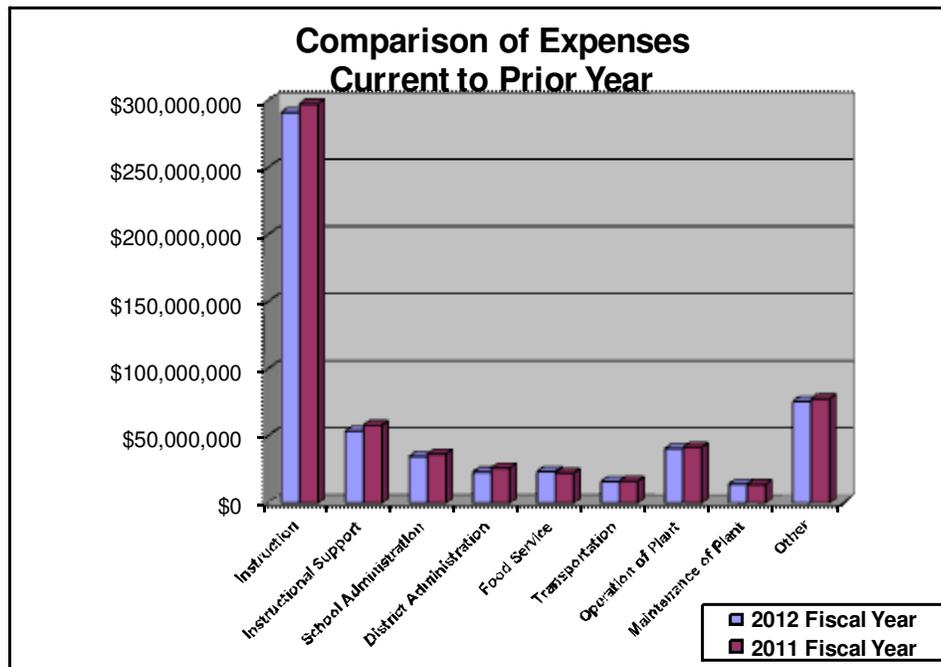
## Change in Net Position

	Governmental Activities	
	2012	2011
Revenues:		
Program revenues:		
Charges for services	\$ 10,854,735	\$ 11,386,664
Operating grants and contributions	19,116,610	20,796,827
Capital grants and contributions	7,629,499	5,866,973
General revenues:		
Property taxes	208,874,733	234,172,676
Local sales taxes	30,526,725	29,883,829
Grants and contributions not restricted to specific programs	254,143,163	292,423,998
Unrestricted investment earnings	286,316	609,669
Miscellaneous	9,339,354	6,860,929
<b>Total revenues</b>	<b>540,771,135</b>	<b>602,001,565</b>
Expenses:		
Instruction	291,064,900	297,441,097
Pupil personnel services	21,530,239	24,692,342
Instructional media services	6,627,166	6,776,769
Instruction and curriculum development services	16,733,853	17,602,486
Instructional staff training services	3,819,069	4,756,052
Instruction related technology	4,899,708	4,163,784
Board of education	745,562	799,763
General administration	2,924,365	3,875,616
School administration	34,671,162	36,505,849
Facilities services - non-capitalized	5,721,489	8,021,594
Fiscal services	2,489,673	2,706,882
Food services	23,493,765	22,396,205
Central services	6,390,653	5,587,469
Pupil transportation services	15,930,975	16,300,770
Operation of plant	40,640,438	41,657,376
Maintenance of plant	14,152,879	13,935,290
Administrative technology services	4,948,558	5,168,871
Community services	4,508,252	4,574,728
Interest on long-term debt	20,363,353	22,293,945
Unallocated depreciation expense	50,843,331	50,799,821
<b>Total expenses</b>	<b>572,499,390</b>	<b>590,056,709</b>
Increase (decrease) in net position	(31,728,255)	11,944,856
Net position - Beginning	858,107,102	846,162,246
Adjustment to beginning net position	(3,496,108)	-
<b>Net position - Ending</b>	<b>\$ 822,882,739</b>	<b>\$ 858,107,102</b>

Governmental activities decreased the District's net position by \$31,728,255. Key elements are as follows:

- A decrease in unrestricted net position of \$19,406,218, resulting from a decrease in the fund balance of the General Fund. General Fund balance decreased \$18,264,840, predominantly due to the use of \$12,436,516 of fund balance accumulated in the prior fiscal year when the Education Jobs Fund Federal program was used to pay the salaries and benefits of teachers, school administrators, and other essential school-based staff normally paid from unrestricted net assets.
- Capital projects fund balance decreased \$27,165,554 due to lower property tax revenue as a result of a decrease in assessed value, the District's ten-year sales tax building program ending, and no Public Education Capital Outlay (PECO) appropriations from the State for the 2011-12 fiscal year.
- Long-term liabilities decreased \$29,533,175 due to a decrease in long-term debt of \$31,429,015 and a decrease of \$692,380 in compensated absences, which is partially offset by an increase in other postemployment benefits payable (OPEB) of \$3,256,353.

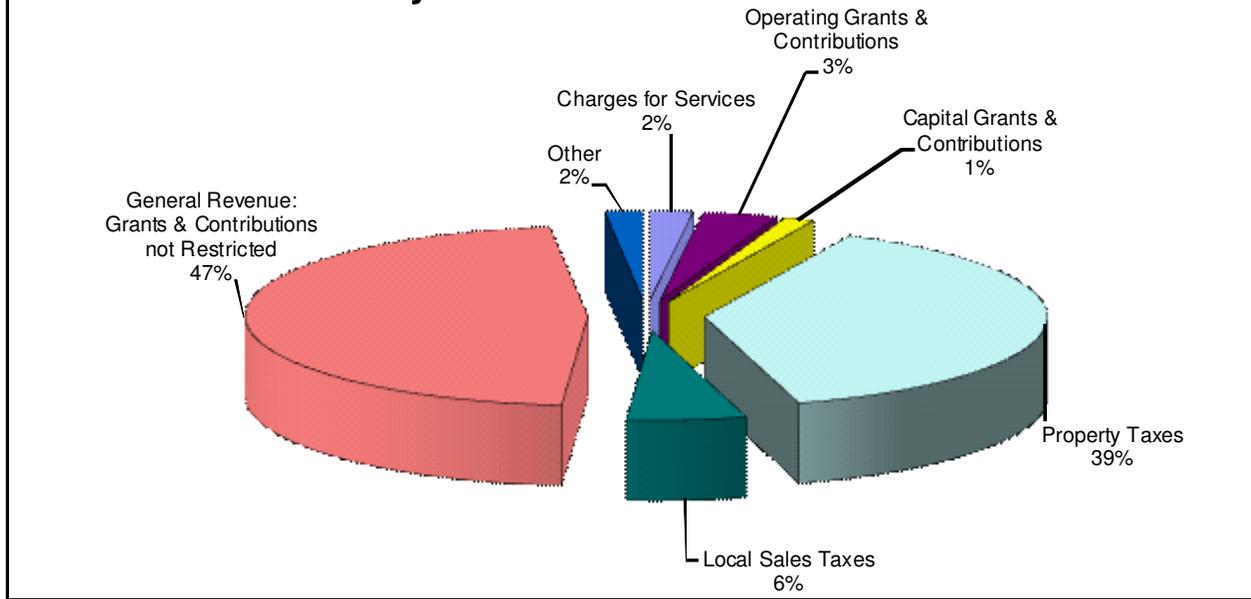
Instruction and instructional support expenses accounted for approximately 60.2 percent of total governmental expenses. Instruction decreased by \$6.4 million (2.1 percent) due to a reduction in Ed Jobs funding and instructional support expenses decreased by \$4.4 million (7.6 percent) from the 2010-11 fiscal year due to a reduction in Federal grants.



Instructional support includes pupil personnel services, instructional media services, instruction and curriculum development services, instructional staff training services, and instruction related technology.

District administration includes board of education, general administration, facilities acquisition and construction, fiscal services, central services, and administrative technology services. Other includes community services, interest on long-term debt, and unallocated depreciation expense.

## Revenues by Source - Governmental Activities



## FINANCIAL ANALYSIS OF THE INDIVIDUAL FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related requirements.

**Governmental Funds.** The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$142,577,097 a decrease of \$41,309,754 in comparison with the prior year. The following schedule indicates the fund balance and the total change in fund balance by major fund and other governmental funds (Nonmajor) as reported in the basic financial statements for the fiscal years ended June 30, 2012 and June 30, 2011.

Fund Balance	Governmental Activities		Increase (Decrease)	Percentage Change
	2012	2011		
General Fund	\$ 46,220,473	\$ 64,485,313	\$ (18,264,840)	-28%
Special Revenue Funds:				
ARRA Economic Stimulus Funds	-	-	-	0%
Debt Service Funds:				
Sales Tax Revenue Bonds	20,875,074	17,339,956	3,535,118	20%
Capital Projects Funds:				
Local Capital Improvement	40,990,566	56,352,579	(15,362,013)	-27%
Other Governmental Funds (Nonmajor)	34,490,984	45,709,003	(11,218,019)	-25%
<b>Total</b>	<b>\$ 142,577,097</b>	<b>\$ 183,886,851</b>	<b>\$ (41,309,754)</b>	<b>-22%</b>

The General Fund is the chief operating fund of the District. During the current fiscal year, the total fund balance of the General Fund decreased by \$18,264,840. Key elements are as follows:

- Revenues decreased \$16,749,605, mainly due to a decrease in collections of property taxes as a result of a decrease in assessed value.
- Expenditures increased \$18,995,637, the majority of which is the result of teaching and support staff positions that were retained or created through ARRA and the Education Jobs Fund Act. As of the 2011-12 fiscal year, these federal subsidies have ended. Consequently, in order to avoid significant reductions in staff, budget reserves were expended, coupled with eliminating positions through attrition.
- Expenditures exceeded revenues by \$34,285,330. Other financing sources, such as transfers from capital project funds to reimburse expenditures in the General Fund for maintenance, property insurance, and equipment leases, totaled \$16,020,490.

The ARRA Economic Stimulus Funds – Special Revenue Fund has total revenues and expenditures of \$4,934,271 each. Because grant revenues attributed to the grants accounted for in this fund are not recognized until expenditures are incurred, this fund generally does not accumulate a fund balance.

The Sales Tax Revenue Bonds – Debt Service Fund, which is used to account for the payment of principal, interest, and related costs pertaining to the District's local sales tax revenue bonds, has a total fund balance of \$20,875,074. The net increase in fund balance during the current fiscal year was \$3,535,118 mainly due to an increase in the reserve for the 2006 bonds.

The Local Capital Improvement – Capital Projects Fund, which is used to account for revenues produced by an ad valorem (property) tax levy authorized by the Board to support capital improvements, has a total fund balance of \$40,990,566. The net decrease in fund balance during the current year was \$15,362,013, primarily due to a decline in assessed value of taxable property resulting in a \$4,026,454 decrease in property tax revenue and additional transfers out to other funds of \$6,613,957.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

Differences between the original budget and the final amended budget for revenues were approximately \$8.7 million (2.3 percent increase), and can be briefly summarized as follows:

- Federal revenue increased by \$0.9 million, primarily due to Medicaid funding.
- A \$2.0 million decrease in the Florida Education Finance Program funding primarily due to the McKay Scholarships coupled with a \$0.6 million increase in other State sources, resulting in a \$1.4 million decrease in State revenues.
- Other local revenue increased by \$9.3 million. The District's after school age child care program generated \$4.2 million of the increase; \$1.8 million was collected through miscellaneous local grants and sources; an additional \$1.6 million was collected in E-rate revenue; the federal indirect cost rate generated \$0.3 million; and \$0.4 million was collected in bus fees.

Differences between the original budget and the final amended budget for expenditures were approximately \$18.2 million (4.1 percent decrease) and were due to unspent balances for State and local programs.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

**Capital Assets.** The District's investment in capital assets for its governmental activities as of June 30, 2012, amounted to \$1,173,215,158 (net of accumulated depreciation). This investment in capital assets includes land; construction in progress; improvements other than buildings; buildings and fixed equipment; furniture, fixtures, and equipment; motor vehicles; audio visual materials; and computer software. The total decrease in the District's investment in capital assets for the current fiscal year was 1.7 percent.

After opening Citrus Grove Elementary and Holly Hill School middle school wing for the 2011-12 school year, the major construction has slowed due to the economy and unstable student base. The District had one major and three other capital asset projects in progress during the 2011-12 fiscal year that included the following:

- The last sales tax project, Ormond Beach Middle School (replacement), is scheduled for completion during the 2012-13 fiscal year. This is a three phase construction project that is taking several years to complete.
- The classroom addition at Southwestern Middle School in DeLand has been completed and is ready for students.
- The Silver Sands Middle School project for lighting, HVAC ducts, windows, intercom, fire sprinklers, tennis courts and kitchen electric should be completed during the 2012-13 fiscal year.
- Deltona High School roof replacement is also ongoing and should be completed during the 2012-13 fiscal year.

New major projects scheduled during the 2012-13 school year are roof replacements for Forest Lake Elementary and Timbercrest Elementary and Seabreeze High School campus-wide demand ventilation and replacement of the media center's heating and air units.

The following is a summary of capital assets as of June 30, 2012, and June 30, 2011:

<b>Capital Assets (net of depreciation)</b>		
	<b>Governmental Activities</b>	
	<b>2012</b>	<b>2011</b>
Land	\$ 54,276,384	\$ 54,542,103
Construction in progress	16,263,050	19,431,939
Improvements other than buildings	58,323,377	61,998,603
Buildings and fixed equipment	1,017,755,677	1,027,021,172
Furniture, fixtures, and equipment	13,835,352	15,158,359
Motor vehicles	10,706,390	13,688,847
Audio visual materials	-	-
Computer software	2,054,928	1,827,828
<b>Total</b>	<b>\$ 1,173,215,158</b>	<b>\$ 1,193,668,851</b>

Additional information on the District's capital assets can be found in Notes 5 and 17 on pages 41 and 53 of this report.

**Long-Term Debt.** At the end of the current fiscal year, the District had total debt outstanding of \$428,685,000, excluding premiums. Of this amount, \$119,310,000 comprises debt backed by sales tax revenue, and \$10,635,000 backed by the full faith and credit of the State of Florida. The remainder of this debt represents \$298,740,000 in certificates of participation (COPs).

In November, 2011, Moody's Investors Service, Inc., affirmed the District's rating on its COPs and Sales Tax Revenue Bonds at Aa3 and Baa2 (negative outlook), respectively. In July, 2012, Fitch Ratings affirmed the District's rating on its COPs at A+ and its Sales Tax Revenue Bonds at BBB. In addition, Fitch affirmed the District's AA- implied general obligation rating. The rating outlook on the COPs and general obligation is stable. The rating outlook on the sales tax bonds was revised to stable from negative.

Additional information on the District's long-term debt can be found in Notes 6 through 9 to the basic financial statements pages 42 to 47.

The following is a summary of outstanding debt, excluding premiums, as of June 30, 2012, and June 30, 2011:

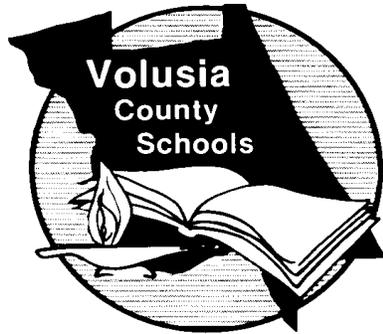
<b>Outstanding Debt</b>		
	<b>Governmental Activities</b>	
	<b>2012</b>	<b>2011</b>
Bonds payable	\$ 129,945,000	\$ 153,015,000
Certificates of participation	298,740,000	307,940,000
<b>Total</b>	<b>\$ 428,685,000</b>	<b>\$ 460,955,000</b>

## **ECONOMIC FACTORS AND NEW YEAR'S BUDGETS AND RATES**

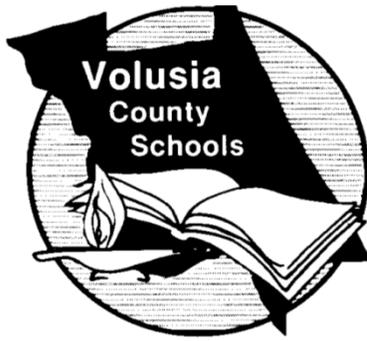
- The unemployment rate for the District (Volusia County, Florida) is currently 9.1 percent, which is slightly lower than the State's average unemployment rate of 9.3 percent and above the national average unemployment rate of 8.6 percent.
- The 2012-13 fiscal year capital budget declined by \$29.3 million from the 2011-12 fiscal year budget due to the completion of sales tax projects as well as the loss of Public Education Capital Outlay (PECO) funds and declining revenue due to lower ad valorem revenue.
- Available reserves and cost savings measures are being utilized to balance the budget while attempting to address District needs. Over 354 FTE personnel reductions have been put in effect for the 2012-13 fiscal year as part of the District's mitigating interventions.
- Entering into the third year of class size amendment requirements by individual classes and sections, the District will face even greater challenges in achieving full compliance.

## **REQUESTS FOR INFORMATION**

This report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate compliance and accountability for its resources. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the School District of Volusia County, Finance Department, P.O. Box 2118, DeLand, Florida 32721-2118.



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# Financial Statements



**District School Board of Volusia County, Florida**  
**Statement of Net Position**  
**June 30, 2012**

	<b>Primary Government</b>	
<b>ASSETS</b>	<b>Governmental Activities</b>	<b>Component Units</b>
Cash and cash equivalents	\$ 10,963,984	\$ 1,967,001
Investments	153,129,669	227,610
Accounts receivable	294,122	168,581
Interest receivable	671,492	-
Due from other agencies	7,976,959	280,091
Inventories	3,726,078	12,061
Prepaid items	-	467,659
Cash with fiscal agent	362,456	-
Deferred charges	-	20,848
Other assets	-	130,990
Investment in joint venture	10,000,000	-
Capital assets:		
Land	54,276,384	703,616
Construction in progress	16,263,050	-
Leasehold improvements	-	534,042
Improvements other than buildings, net	58,323,377	-
Buildings and fixed equipment, net	1,017,755,677	5,382,451
Furniture, fixtures, and equipment, net	13,835,352	492,516
Motor vehicles, net	10,706,390	31,619
Audio visual materials, net	-	-
Computer software, net	2,054,928	9,412
Total assets	1,360,339,918	10,428,497
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred amount on refunding	986,190	-
 <b>LIABILITIES AND NET POSITION</b>		
<b>LIABILITIES</b>		
Salaries and benefits payable	6,600,010	35,979
Payroll deductions and withholdings	19,320	-
Accounts payable	12,378,541	650,498
Construction contracts payable	1,711,790	-
Construction contracts payable - retainage	815,943	-
Due to other agencies	7,010	22,124
Accrued liabilities	-	3,833
Accrued interest payable	-	7,757
Unearned revenue	63	-
Estimated liability for arbitrage rebate	30,480	-
Long-term liabilities:		
Portion due within one year:		
Notes payable	-	80,782
Bonds payable	24,482,278	-
Certificates of participation payable	10,080,328	-
Compensated absences payable	4,912,398	-
Estimated insurance claims payable	1,596,892	-
Portion due in more than one year:		
Notes payable	-	2,654,843
Bonds payable	110,411,831	-
Certificates of participation payable	297,965,886	-
Compensated absences payable	49,804,565	43,143
Estimated insurance claims payable	2,663,951	-
Postemployment healthcare benefits payable	14,962,083	-
Total liabilities	538,443,369	3,498,959
 <b>NET POSITION</b>		
Net investment in capital assets	733,957,739	4,418,031
Restricted for:		
State required carryover programs	899,163	-
Debt service	21,536,359	-
Capital projects	62,631,995	149,927
Food service	9,854,012	-
Other purposes	-	625,696
Unrestricted	(5,996,529)	1,735,884
<b>Total net position</b>	<b>\$ 822,882,739</b>	<b>\$ 6,929,538</b>

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

**District School Board of Volusia County, Florida**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2012**

FUNCTIONS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
Instruction	\$ 291,064,900	\$ -	\$ -	\$ -
Pupil personnel services	21,530,239	-	-	-
Instructional media services	6,627,166	-	-	-
Instruction and curriculum development services	16,733,853	-	-	-
Instructional staff training services	3,819,069	-	-	-
Instruction related technology	4,899,708	-	-	-
Board of education	745,562	-	-	-
General administration	2,924,365	-	-	-
School administration	34,671,162	-	-	-
Facilities services - non-capitalized	5,721,489	-	-	3,006,048
Fiscal services	2,489,673	-	-	-
Food services	23,493,765	6,092,067	19,114,486	-
Central services	6,390,653	-	-	-
Pupil transportation services	15,930,975	-	2,124	-
Operation of plant	40,640,438	-	-	-
Maintenance of plant	14,152,879	-	-	-
Administrative technology services	4,948,558	-	-	-
Community services	4,508,252	4,762,668	-	-
Interest on long-term debt	20,363,353	-	-	4,623,451
Unallocated depreciation expense	50,843,331	-	-	-
Total primary government	<u>\$ 572,499,390</u>	<u>\$ 10,854,735</u>	<u>\$ 19,116,610</u>	<u>\$ 7,629,499</u>
<b>Component units:</b>				
Charter Schools	\$ 14,270,010	\$ 764,384	\$ 1,239,576	\$ 264,389
Futures, Inc.	466,173	19,563	454,584	-
Total component units	<u>\$ 14,736,183</u>	<u>\$ 783,947</u>	<u>\$ 1,694,160</u>	<u>\$ 264,389</u>

General revenues:

Taxes:

Property taxes, levied for operational purposes

Property taxes, levied for capital projects

Local sales taxes

Grants and contributions not restricted to specific programs

Unrestricted investment earnings

Miscellaneous

Total general revenues

Change in net position

Net position - July 1, 2011

Adjustment to beginning net position

Net position - June 30, 2012

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

**Net (Expense) Revenue and Changes in Net Position**

**Primary Government**

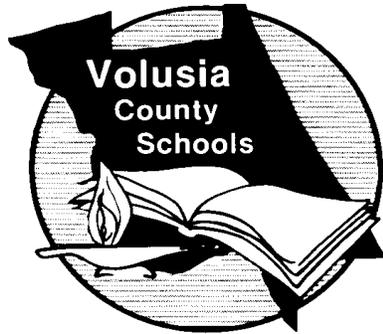
<b>Governmental Activities</b>		<b>Component Units</b>	
\$	(291,064,900)	\$	-
	(21,530,239)		-
	(6,627,166)		-
	(16,733,853)		-
	(3,819,069)		-
	(4,899,708)		-
	(745,562)		-
	(2,924,365)		-
	(34,671,162)		-
	(2,715,441)		-
	(2,489,673)		-
	1,712,788		-
	(6,390,653)		-
	(15,928,851)		-
	(40,640,438)		-
	(14,152,879)		-
	(4,948,558)		-
	254,416		-
	(15,739,902)		-
	(50,843,331)		-
	(534,898,546)		-
	-		(12,001,661)
	-		7,974
	-		(11,993,687)
	170,047,047		-
	38,827,686		-
	30,526,725		-
	254,143,163	12,202,104	
	286,316	4,210	
	9,339,354	65,008	
	503,170,291	12,271,322	
	(31,728,255)	277,635	
	858,107,102	6,697,033	
	(3,496,108)	(45,130)	
\$	822,882,739	\$	6,929,538

**District School Board of Volusia County, Florida**  
**Balance Sheet -**  
**Governmental Funds**  
**June 30, 2012**

	<u>General Fund</u>	<u>ARRA Economic Stimulus Funds - Special Revenue Fund</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 9,286,028	\$ 79,364
Investments	51,260,407	-
Accounts receivable	279,059	-
Interest receivable	417,785	-
Due from other agencies	1,331,002	16,239
Inventories	1,289,062	-
Total assets	<u>\$ 63,863,343</u>	<u>\$ 95,603</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Salaries and benefits payable	\$ 5,827,823	\$ 76,699
Payroll deductions and withholdings	19,320	-
Accounts payable	11,789,907	18,891
Construction contracts payable	-	-
Construction contracts payable-retainage	-	-
Estimated liability for arbitrage rebate	-	-
Due to other agencies	5,820	13
Unearned revenue	-	-
Total liabilities	<u>17,642,870</u>	<u>95,603</u>
Fund balances:		
Nonspendable	1,289,062	-
Restricted	899,163	-
Committed	5,410,429	-
Assigned	11,925,441	-
Unassigned	26,696,378	-
Total fund balances	<u>46,220,473</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 63,863,343</u>	<u>\$ 95,603</u>

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

<b>Sales Tax Revenue Bonds - Debt Service Fund</b>	<b>Local Capital Improvement - Capital Projects Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ 17,363	\$ 1,581,229	\$ 10,963,984
20,875,575	41,750,430	26,660,611	140,547,023
-	-	-	279,059
-	227,796	12	645,593
-	23,024	6,606,694	7,976,959
-	-	2,437,016	3,726,078
<u>\$ 20,875,575</u>	<u>\$ 42,018,613</u>	<u>\$ 37,285,562</u>	<u>\$ 164,138,696</u>
\$ -	\$ -	\$ 694,931	\$ 6,599,453
-	-	-	19,320
501	6,798	561,443	12,377,540
-	622,913	1,088,877	1,711,790
-	398,336	417,607	815,943
-	-	30,480	30,480
-	-	1,177	7,010
-	-	63	63
<u>501</u>	<u>1,028,047</u>	<u>2,794,578</u>	<u>21,561,599</u>
-	-	2,437,016	3,726,078
20,875,074	40,990,566	32,053,968	94,818,771
-	-	-	5,410,429
-	-	-	11,925,441
-	-	-	26,696,378
<u>20,875,074</u>	<u>40,990,566</u>	<u>34,490,984</u>	<u>142,577,097</u>
<u>\$ 20,875,575</u>	<u>\$ 42,018,613</u>	<u>\$ 37,285,562</u>	<u>\$ 164,138,696</u>



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**District School Board of Volusia County, Florida  
Reconciliation of the Governmental Funds Balance Sheet  
to the Government-wide Statement of Net Position  
June 30, 2012**

**Total Fund Balances - Governmental Funds** **\$ 142,577,097**

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

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

Land	\$ 54,276,384	
Construction in progress	16,263,050	
Improvements other than buildings; net of \$31,911,413 accumulated depreciation	58,323,377	
Buildings and fixed equipment; net of \$286,700,919 accumulated depreciation	1,017,755,677	
Furniture, fixtures and equipment; net of \$66,642,515 accumulated depreciation	13,835,352	
Motor vehicles; net of \$26,324,344 accumulated depreciation	10,706,390	
Audio visual materials; net of \$113,908 accumulated depreciation	-	
Computer software; net of \$15,117,243 accumulated depreciation	<u>2,054,928</u>	
		1,173,215,158

Payment to refunded bond escrow agent is held on debt that will not be defeased until called in the next fiscal year. 362,456

Deferred outflow of resources is reported as the deferred amount on refunding and amortized over the life of the new debt. 986,190

Investment in a joint venture used in governmental activities is not a financial resource and, therefore, is not reported as an asset in the governmental funds. 10,000,000

Internal service funds are used by management to charge the costs of its self-insurance programs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. 8,361,207

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	\$ 134,894,109	
Certificates of participation payable	308,046,214	
Compensated absences payable	54,716,963	
Postemployment healthcare benefits payable	<u>14,962,083</u>	<u>(512,619,369)</u>

**Total Net Position - Governmental Activities** **\$ 822,882,739**

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

**District School Board of Volusia County, Florida**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances -**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2012**

	<b>General Fund</b>	<b>ARRA Economic Stimulus Funds - Special Revenue Fund</b>
<b>REVENUES</b>		
Federal direct	\$ 492,607	\$ -
Federal through State	2,352,391	4,934,271
Federal through local	158,215	-
State sources	208,245,906	-
Local sources:		
Ad valorem taxes	170,047,047	-
Sales taxes	-	-
Food service	-	-
Other local revenues	12,660,533	-
Total local sources	<u>182,707,580</u>	<u>-</u>
Total revenues	<u>393,956,699</u>	<u>4,934,271</u>
<b>EXPENDITURES</b>		
Current:		
Instruction	270,941,799	832,493
Pupil personnel services	16,946,522	29,749
Instructional media services	6,548,060	37,648
Instruction and curriculum development services	6,542,580	489,300
Instructional staff training services	1,423,728	309,778
Instruction related technology	3,569,080	1,306,827
Board of education	744,079	-
General administration	1,495,802	161,576
School administration	32,127,613	1,437
Facilities services - non-capitalized	468,419	-
Fiscal services	2,472,566	-
Food services	-	-
Central services	4,849,597	1,515,943
Pupil transportation services	15,397,929	12,380
Operation of plant	40,508,451	1,136
Maintenance of plant	14,085,224	-
Administrative technology services	4,896,861	26,136
Community services	4,490,584	-
Debt service:		
Principal	-	-
Interest and fiscal charges	-	-
Capital Outlay:		
Facilities acquisition and construction	-	-
Other capital outlay	733,135	209,868
Total expenditures	<u>428,242,029</u>	<u>4,934,271</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(34,285,330)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Refunding bonds issued	-	-
Premium on refunding bonds issued	-	-
Payment to refunded bonds escrow agent	-	-
Proceeds from sale of capital assets	54,245	-
Loss recoveries	2,124	-
Transfers in	15,964,121	-
Transfers out	-	-
Total other financing sources (uses)	<u>16,020,490</u>	<u>-</u>
Net change in fund balances	<u>(18,264,840)</u>	<u>-</u>
Fund balances, July 1, 2011	64,485,313	-
Fund balances, June 30, 2012	<u>\$ 46,220,473</u>	<u>\$ -</u>

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

Sales Tax Revenue Bonds - Debt Service Fund	Local Capital Improvement - Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 272,554	\$ 765,161
-	-	56,378,388	63,665,050
-	-	-	158,215
-	-	3,160,928	211,406,834
-	38,827,686	-	208,874,733
-	-	30,526,725	30,526,725
-	-	6,104,537	6,104,537
15,780	123,796	4,933,516	17,733,625
<u>15,780</u>	<u>38,951,482</u>	<u>41,564,778</u>	<u>263,239,620</u>
<u>15,780</u>	<u>38,951,482</u>	<u>101,376,648</u>	<u>539,234,880</u>
-	-	17,545,949	289,320,241
-	-	4,443,170	21,419,441
-	-	-	6,585,708
-	-	9,667,723	16,699,603
-	-	2,083,790	3,817,296
-	-	8,923	4,884,830
-	-	-	744,079
-	-	1,260,014	2,917,392
-	-	2,310,051	34,439,101
-	4,747,187	513,787	5,729,393
-	-	-	2,472,566
-	-	23,441,712	23,441,712
-	-	-	6,365,540
-	-	445,844	15,856,153
-	-	27,286	40,536,873
-	-	-	14,085,224
-	-	-	4,922,997
-	-	-	4,490,584
20,780,000	-	10,580,000	31,360,000
7,107,447	-	15,192,405	22,299,852
-	8,991,202	14,817,134	23,808,336
-	4,001,659	1,759,500	6,704,162
<u>27,887,447</u>	<u>17,740,048</u>	<u>104,097,288</u>	<u>582,901,083</u>
<u>(27,871,667)</u>	<u>21,211,434</u>	<u>(2,720,640)</u>	<u>(43,666,203)</u>
39,110,000	-	315,000	39,425,000
3,580,437	-	48,392	3,628,829
(41,994,258)	-	(362,456)	(42,356,714)
-	-	1,602,965	1,657,210
-	-	-	2,124
30,710,606	-	23,812,062	70,486,789
-	(36,573,447)	(33,913,342)	(70,486,789)
<u>31,406,785</u>	<u>(36,573,447)</u>	<u>(8,497,379)</u>	<u>2,356,449</u>
3,535,118	(15,362,013)	(11,218,019)	(41,309,754)
17,339,956	56,352,579	45,709,003	183,886,851
<u>\$ 20,875,074</u>	<u>\$ 40,990,566</u>	<u>\$ 34,490,984</u>	<u>\$ 142,577,097</u>

**District School Board of Volusia County, Florida**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances to the Statement of Activities**  
**For the Fiscal Year Ended June 30, 2012**

**Net Change in Fund Balances - Total Governmental Funds** **\$ (41,309,754)**

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of depreciation expense in excess of capital outlays in the current period.

	Capital outlay - facilities acquisition and construction: \$ 23,808,336	
	Capital outlay - other capital outlay: 6,704,162	
	Less, depreciation expense: <u>(50,843,331)</u>	(20,330,833)

Capital assets donated to the District during the current period increase net assets on the government-wide statements, but do not provide current financial resources and are not reported as revenues in the governmental funds. 142,859

Proceeds from the sale of land are included in the governmental funds. However, the cost of the land sold is removed from capital assets and offset against the sale proceeds in the government-wide statements. (265,719)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. (39,425,000)

Refunded long-term debt is reported as other financing uses in governmental funds, but decreases long-term liabilities in the statement of net position. 40,335,000

Payment to refunded bond escrow agent is held on debt that will not be defeased until called in the next fiscal year. 362,456

Deferred amount on refunding transactions are deferred outflows of resources and are amortized as expenses over the life of the debt in the statement of activities. 986,190

Under GASB Statement No. 65, debt issuance costs are not considered assets in the statement of net position and are recognized as an expense in the period incurred in the governmental funds. Issuance costs from debt issued are removed from the statement of net position and an adjustment to beginning net position is included in the statement of activities.

	Deferred Charges removed in current year: \$ 3,496,108	
	Less, Deferred Charges - prior year: <u>3,674,604</u>	
	Net decrease in expenses from deferred charges:	(178,496)

Premiums on new debt issues are reported when issued as other financing sources in the governmental funds, but are deferred and amortized as expenses over the life of the debt in the statement of activities.

	Unamortized Premiums - current year: \$ 14,255,323	
	Less, Unamortized Premiums - prior year: <u>13,414,338</u>	
	Net decrease in expenses from unamortized premiums:	(840,985)

Repayments of long-term debt are expenditures in the governmental funds, but repayments reduce long-term liabilities in the statement of net position.

	Bonds Payable: \$ 22,160,000	
	Certificates of Participation Payable: <u>9,200,000</u>	
	Total debt repayments:	31,360,000

The net change in the liability for postemployment healthcare benefits is reported in the government-wide statements, but not in the governmental fund statements. (3,256,353)

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 paid in excess of the amount earned in the current period.

692,380

**Change in net position of governmental activities** **\$ (31,728,255)**

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

**District School Board of Volusia County, Florida**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2012**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
<b>Federal direct:</b>				
Reserve Officers Training Corp (ROTC)	\$ 320,000	\$ 406,616	\$ 406,616	\$ -
Miscellaneous Federal direct	-	85,991	85,991	-
Total Federal direct	<u>320,000</u>	<u>492,607</u>	<u>492,607</u>	<u>-</u>
<b>Federal through State:</b>				
Medicaid	1,825,000	2,352,391	2,352,391	-
Total Federal through State	<u>1,825,000</u>	<u>2,352,391</u>	<u>2,352,391</u>	<u>-</u>
<b>Federal through local:</b>				
Miscellaneous Federal through local	-	158,215	158,215	-
<b>State sources:</b>				
Florida education finance program	140,725,182	138,706,251	138,706,251	-
Other restricted State programs	67,955,523	67,907,677	67,907,677	-
District discretionary lottery funds	170,855	194,772	194,772	-
CO&DS withheld for administrative expense	34,366	34,366	34,366	-
Other State sources	798,485	1,402,840	1,402,840	-
Total State sources	<u>209,684,411</u>	<u>208,245,906</u>	<u>208,245,906</u>	<u>-</u>
<b>Local sources:</b>				
Ad valorem taxes	169,553,896	170,047,047	170,047,047	-
Interest income	275,000	130,975	130,975	-
Authorized fees	-	4,393,396	4,393,396	-
Indirect cost	1,812,947	2,124,235	2,124,235	-
Other local sources	1,758,983	6,011,927	6,011,927	-
Total local sources	<u>173,400,826</u>	<u>182,707,580</u>	<u>182,707,580</u>	<u>-</u>
Total revenues	<u>385,230,237</u>	<u>393,956,699</u>	<u>393,956,699</u>	<u>-</u>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Instruction	280,593,053	281,778,812	270,941,799	10,837,013
Pupil personnel services	16,636,227	17,593,358	16,946,522	646,836
Instructional media services	6,956,286	6,796,401	6,548,060	248,341
Instruction and curriculum development services	5,135,214	6,703,192	6,542,580	160,612
Instructional staff training services	2,002,385	2,171,652	1,423,728	747,924
Instruction related technology	3,901,476	3,884,752	3,569,080	315,672
Board of education	696,569	744,079	744,079	-
General administration	1,571,585	1,674,176	1,495,802	178,374
School administration	32,207,477	33,207,549	32,127,613	1,079,936
Facilities services - non-capitalized	247,277	557,828	468,419	89,409
Fiscal services	2,724,375	2,524,461	2,472,566	51,895
Central services	6,631,373	5,649,164	4,849,597	799,567
Pupil transportation services	17,533,674	15,493,525	15,397,929	95,596
Operation of plant	44,308,652	40,952,481	40,508,451	444,030
Maintenance of plant	14,751,277	14,245,366	14,085,224	160,142
Administrative technology services	5,907,769	5,500,418	4,896,861	603,557
Community services	1,508,081	6,218,766	4,490,584	1,728,182
<b>Capital Outlay:</b>				
Other capital outlay	12,900	781,081	733,135	47,946
Total expenditures	<u>443,325,650</u>	<u>446,477,061</u>	<u>428,242,029</u>	<u>18,235,032</u>
Deficiency of revenues under expenditures	<u>(58,095,413)</u>	<u>(52,520,362)</u>	<u>(34,285,330)</u>	<u>18,235,032</u>
<b>OTHER FINANCING SOURCES</b>				
Proceeds from sale of capital assets	-	54,245	54,245	-
Loss recoveries	-	2,124	2,124	-
Transfers in	17,507,250	15,964,121	15,964,121	-
Total other financing sources	<u>17,507,250</u>	<u>16,020,490</u>	<u>16,020,490</u>	<u>-</u>
Net change in fund balances	<u>(40,588,163)</u>	<u>(36,499,872)</u>	<u>(18,264,840)</u>	<u>18,235,032</u>
Fund balances, July 1, 2011	64,485,313	64,485,313	64,485,313	-
Fund balances, June 30, 2012	<u>\$ 23,897,150</u>	<u>\$ 27,985,441</u>	<u>\$ 46,220,473</u>	<u>\$ 18,235,032</u>

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

**District School Board of Volusia County, Florida**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -**  
**American Recovery and Reinvestment Act (ARRA) Economic Stimulus Funds -**  
**Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2012**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Federal through State:				
Individuals with Disabilities Education Act (IDEA)	\$ 295,571	\$ 295,571	\$ 295,571	\$ -
Elementary and Secondary Education Act, Title I	421,250	421,250	421,250	-
Race-to-the-Top-Incentive-Grants	10,745,999	10,896,499	3,962,891	(6,933,608)
Education Jobs Act	-	183,785	183,785	-
Other Federal through State	72,136	70,774	70,774	-
Total Federal through State	<u>11,534,956</u>	<u>11,867,879</u>	<u>4,934,271</u>	<u>(6,933,608)</u>
Total revenues	<u>11,534,956</u>	<u>11,867,879</u>	<u>4,934,271</u>	<u>(6,933,608)</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	732,710	1,092,297	832,493	259,804
Pupil personnel services	4,288	29,749	29,749	-
Instructional media services	-	154,298	37,648	116,650
Instruction and curriculum development services	901,054	1,070,215	489,300	580,915
Instructional staff training services	1,189,732	1,350,266	309,778	1,040,488
Instruction related technology	2,831,841	2,686,867	1,306,827	1,380,040
General administration	392,878	419,511	161,576	257,935
School administration	-	1,437	1,437	-
Central services	4,352,146	4,045,923	1,515,943	2,529,980
Pupil transportation services	81,702	13,409	12,380	1,029
Operation of plant	10,758	1,136	1,136	-
Administrative technology services	70,000	212,686	26,136	186,550
Capital Outlay:				
Other capital outlay	967,847	790,085	209,868	580,217
Total expenditures	<u>11,534,956</u>	<u>11,867,879</u>	<u>4,934,271</u>	<u>6,933,608</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances, July 1, 2011	-	-	-	-
Fund balances, June 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**District School Board of Volusia County, Florida**  
**Statement of Net Position -**  
**Proprietary Funds**  
**June 30, 2012**

	<b>Governmental Activities - Internal Service Funds</b>
<b>ASSETS</b>	
Current assets:	
Investments	\$ 12,582,646
Accounts receivable	15,063
Interest receivable	25,899
Total assets	12,623,608
 <b>LIABILITIES</b>	
Current liabilities:	
Salaries and benefits payable	557
Accounts payable	1,001
Estimated insurance claims payable	1,596,892
Noncurrent liabilities:	
Estimated insurance claims payable	2,663,951
Total liabilities	4,262,401
 <b>NET POSITION</b>	
Unrestricted	8,361,207
Total net position	\$ 8,361,207

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

**District School Board of Volusia County, Florida  
Statement of Revenues, Expenses, and  
Changes in Fund Net Position -  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2012**

	<b>Governmental Activities - Internal Service Funds</b>
<b>OPERATING REVENUES</b>	
Premium revenue	\$ 5,172,816
<b>OPERATING EXPENSES</b>	
Salaries	62,218
Employee benefits	14,709
Purchased services	3,970,616
Materials and supplies	4,601
Insurance claims and related costs	1,129,680
Total operating expenses	5,181,824
Operating loss	(9,008)
<b>NONOPERATING REVENUES</b>	
Interest	9,008
Total nonoperating revenues	9,008
Change in net position	-
Net position - July 1, 2011	8,361,207
Net position - June 30, 2012	\$ 8,361,207

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

**District School Board of Volusia County, Florida**  
**Statement of Cash Flows -**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2012**

	<b>Governmental Activities - Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from premium revenues	\$ 5,172,816
Payments to suppliers for goods and services	(3,989,747)
Payments to employees	(76,877)
Payments for insurance claims	(1,797,813)
	(691,621)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from maturities of investments	682,790
Purchase of investments	(177)
Interest income	9,008
	691,621
Net cash provided by investing activities	691,621
Net change in cash and cash equivalents	-
Cash and cash equivalents - July 1, 2011	-
Cash and cash equivalents - June 30, 2012	\$ -
<b>Reconciliation of operating loss to net cash used by operating activities:</b>	
Operating loss	\$ (9,008)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Changes in assets and liabilities:	
Increase in accounts receivable	(15,063)
Increase in salaries and benefits payable	51
Increase in accounts payable	532
Decrease in estimated insurance claims payable	(668,133)
	(691,621)
Net cash used by operating activities	\$ (691,621)
<b>Noncash investing activities:</b>	
Net decrease in the fair value of investments	\$ (13,439)

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

**District School Board of Volusia County, Florida**  
**Statement of Fiduciary Net Position -**  
**Fiduciary Funds**  
**June 30, 2012**

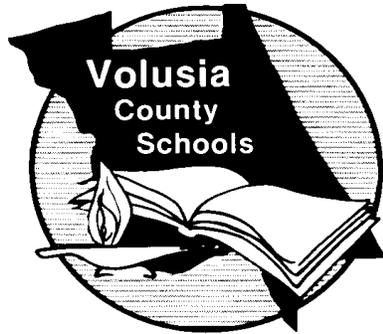
	<b>Private-Purpose Trust Funds</b>	<b>Agency Funds</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ -	\$ 2,466,546
Investments	824,272	3,662,891
Total assets	824,272	\$ 6,129,437
<b>LIABILITIES</b>		
Accounts payable	\$ -	\$ 383,753
Deposits held for others	-	5,745,684
Total liabilities	-	\$ 6,129,437
<b>NET POSITION</b>		
Assets held in trust for scholarships	\$ 824,272	

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

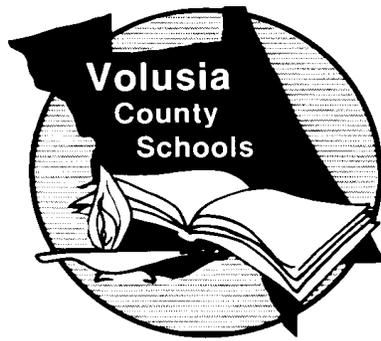
**District School Board of Volusia County, Florida**  
**Statement of Changes in Fiduciary Net Position -**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2012**

	<b>Private-Purpose Trust Funds</b>
<b>ADDITIONS</b>	
Interest earnings	\$ 2,075
<b>DEDUCTIONS</b>	
Scholarship payments	3,450
Instructional media	448
Total deductions	3,898
Change in net position	(1,823)
Net position - July 1, 2011	826,095
Net position - June 30, 2012	\$ 824,272

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



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# Notes to the Financial Statements

District School Board of Volusia County, Florida  
Notes to the Financial Statements  
June 30, 2012

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

Criteria for determining if other entities are potential component units that should be reported within the District's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) Statement No.61, *The Financial Reporting Entity: Omnibus* (GASB 61). The statement provides guidance on the inclusion of a legally separate entity to be included as a component unit under the misleading to exclude criterion, and the financial accountability concept, which requires that, in addition to meeting the fiscal dependency criterion, a financial benefit or burden relationship also be present in order for a potential component unit to be included in the financial reporting entity. The District has elected early adoption of GASB 61, and used guidance provided in a Florida Department of Education memorandum, dated October 8, 2012, in the application of these criteria for identification of any entities for which the District is financially accountable and has a financial benefit or burden relationship present and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's basic financial statements to be misleading or incomplete.

The District considered its charter school operated by Easter Seals Educational Services, Inc., for inclusion in its reporting entity; however, because Easter Seals Educational Services, Inc. is a component unit of a nongovernmental not-for-profit organization, it does not meet the criteria for inclusion as a component unit of the District. The charter school's financial statements were audited by an independent certified public accountant and are filed in the District's administrative office.

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

**Blended Component Unit.** The Volusia School Board Leasing Corporation (Leasing Corporation) was formed to facilitate financing for the acquisition of facilities and equipment. Due to the substantive economic relationship between the District and the Leasing Corporation and their shared governing body, 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 District's other component units. These component units consist of Futures, Inc. (Futures), and eight of the District's charter schools: Reading Edge Academy, Inc., Samsula Academy, The Chiles Academy, Inc., Richard Milburn Academy of Volusia County, Volusia Elementary Charter School, Inc. d/b/a Boston Avenue Charter School (Volusia Elementary), Ivy Hawn Charter School of the Arts, Burns Science and Technology Charter School, Inc., and Reading Star Academy of Excellence, Inc.

Futures is a separate not-for-profit corporation organized and operated as a direct-support organization under Section 1001.453, Florida Statutes, to provide charitable and educational aid to the District, to promote education, and to encourage research, learning and dissemination of information. Futures is considered to be a component unit of the District, because the District must approve all members of Futures' Board, and the District has the ability to impose its will on Futures. It is considered to be a discretely presented component unit, because the two boards are not the same and Futures does not provide services entirely or nearly entirely to the District. An audit of the direct-support organization's financial statements for the fiscal year ended June 30, 2012, was conducted by an independent certified public accountant and is filed in the District's administrative office.

The District's charter schools are separate not-for-profit corporations organized pursuant to Chapter 617, Florida Statutes, the Florida Not for Profit Corporation Act, and Section 1002.33, Florida Statutes. The charter schools

District School Board of Volusia County, Florida  
Notes to the Financial Statements  
June 30, 2012

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operate under a charter approved by their sponsor, the District School Board of Volusia County, and are considered to be component units of the District since they are fiscally dependent on the District for their tax levy and the majority of their budget. In addition, they create a financial burden on the District because the charter schools' full-time equivalent (FTE) student enrollment is the basis for the District to provide funding to the charter schools.

Two charter schools in their first year of operation reported deficit net assets totaling \$45,130 for the fiscal year ended June 30, 2011 in the audited financial statements for the fiscal year ended June 30, 2012. These deficit net assets are reported as adjustments to beginning net position in the combining schedules for the discretely presented component units. Audits of charter schools' financial statements are conducted by independent certified public accountants. Separate financial statements for the charter schools are filed in the District's administrative office.

**B. Basis of Presentation**

**Government-wide Financial Statements** – Government-wide financial statements, including the statement of net position and the statement of activities, present information about the District as a whole. These statements include the nonfiduciary financial activity of the primary government and its component units.

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Eliminations have been made to minimize the double-counting of internal service fund activities. The effect of interfund activities has been eliminated from the government-wide statements, except for interfund services provided and used.

**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. Nonmajor funds are aggregated and reported in a single column. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, a reconciliation is presented with each of the governmental fund financial statements.

The District reports the following major governmental funds:

**General Fund** – to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.

**ARRA Economic Stimulus Funds – Special Revenue Fund** – to account for programs funded by the American Recovery and Reinvestment Act.

**Sales Tax Revenue Bonds – Debt Service Fund** – to account for the accumulation of resources for, and the payment of, debt principal, interest, and related costs pertaining to the District's sales tax revenue bonds.

**Local Capital Improvement - Capital Projects 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, renovation and remodeling projects, leases on relocatable educational facilities, and debt service payments on certificates of participation.

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

District School Board of Volusia County, Florida  
Notes to the Financial Statements  
June 30, 2012

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**Internal Service Funds** – to account for the District’s individual self-insurance programs.

**Private-Purpose Trust Funds** – to account for the DeLand High, Spruce Creek High, Seabreeze High, and Samsula Scholars scholarship trust funds.

**Agency Funds** – to account for resources of the school internal funds that are used to administer moneys collected at the several schools in connection with school, student athletic, class, and club activities and to account for resources that are held for a voluntary employee benefits program.

**C. 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 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 utilizing the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become susceptible to accrual, that is, both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Significant revenues susceptible to accrual include ad valorem taxes, reimbursable-type grants, and interest on investments. The District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. 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.

Agency (Fiduciary) Funds are purely custodial in nature (assets equal liabilities) and, as such, do not have a measurement focus.

In applying the “susceptible to accrual” concept to revenues from Federal and State sources, the legal contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of revenues. In one, monies must be expended for the specific purpose before the District will receive any amounts; therefore, revenues are recognized based upon the incurrence of the expenditures. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed legal and contractual requirements. These resources are reflected as revenues at the time of receipt or earlier if the “susceptible to accrual” criteria are met. In all cases, monies received before the revenue recognition criteria have been met, are reported as deferred revenue.

The proprietary funds are prepared under the economic resources measurement focus and the accrual basis of accounting. Proprietary funds distinguish operating revenues and expenses from nonoperating 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 workers’ compensation, general liability, and property insurance. The principal operating expenses include salaries and benefits for employees, insurance claims, and excess coverage insurance. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Retained earnings in the internal service funds are designated for future losses.

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

District School Board of Volusia County, Florida  
Notes to the Financial Statements  
June 30, 2012

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

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

Futures is accounted for under the not-for-profit basis of accounting and uses the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred.

**D. New Pronouncements**

The GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Positions* (GASB 63) effective for reporting periods beginning after December 15, 2011. The statement provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The District has elected early adoption of GASB 63 in the 2011-12 fiscal year financial statements and has restated the prior net assets as net positions, as reported in the statement of activities, in conformity with GASB 63 in the statement of net position financial statement. In the statement of net position, assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, equals net position.

The GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities* (GASB 65), effective for reporting periods after beginning after December 15, 2012. The statement amends or supersedes the accounting and financial reporting guidance for certain items previously required to be reported as assets or liabilities. In addition, the statement amends or supersedes requirements for the determination of major funds and addresses other statement of net position and governmental funds balance sheet presentation issues. The District has elected early adoption of GASB 65 in the 2011-12 fiscal year financial statements. The impact of the early adoption of the statement, due to a change in accounting principle, is discussed in a subsequent note.

**E. Deposits and Investments**

The amount reported as cash and cash equivalents consists of cash on hand, demand deposits, and cash placed with the State Board of Administration (SBA) Florida PRIME fund, created pursuant to Section 218.405, Florida Statutes. The statement of cash flows considers cash and cash equivalents as cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Under this definition, the District considers amounts invested in Florida PRIME to be cash equivalents. The amount reported as cash and cash equivalents for the Agency Funds consists of cash on hand and demand deposits.

Cash deposits are held by banks qualified as public depositories under Florida law, and at June 30, 2012, the bank balances totaled \$20,954,630. All deposits are insured by Federal depository insurance, up to specified limits, or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

At June 30, 2012, the District reported as cash equivalents \$17,363 of moneys held in Florida PRIME administered by SBA, pursuant to Section 215.47, Florida Statutes. The District's investments in Florida PRIME, which SBA indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, as of June 30, 2012, are similar to money market funds in which shares are owned in the fund rather than the underlying investments

Investments consist of amounts placed with SBA in a debt service account, amounts placed with SBA for participation in the Fund B Surplus Funds Trust Fund (Fund B) investment pools created by Section 218.417, Florida Statutes, and those made locally. This investment pool operates under investment guidelines established by Section 215.47, Florida Statutes.

The District's investments in the SBA Debt Service accounts are administered by the State Board of Education (SBE) to provide for debt service payments on bonded debt issued by SBE for the benefit of the District. Disclosures for the

District School Board of Volusia County, Florida  
Notes to the Financial Statements  
June 30, 2012

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debt service accounts are included in the notes to the financial statements of the State of Florida's Comprehensive Annual Financial Report.

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

Investments made locally consist of United States Treasury obligations, obligations of United States Government agencies and instrumentalities, commercial paper, an intergovernmental investment pool, and money market funds and are reported at fair value. Agency funds report money market funds as investments. Types and amounts of investments held at fiscal year-end are described in a subsequent note on investments.

**F. Inventories**

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

**G. Capital Assets**

Expenditures for capital assets acquired or constructed for general District purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of net assets but are not reported in the governmental fund financial statements. Capital assets are defined by the District as those costing more than \$750. Such assets are recorded at historical cost or estimated historical costs if purchased or constructed. Donated assets are recorded at fair value at the date of donation. Interest costs incurred during construction of capital assets are not considered material and are not capitalized as part of the cost of construction.

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

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

Land and construction in progress are not depreciated. Current-year information relative to changes in capital assets is described in a subsequent note.

District School Board of Volusia County, Florida  
Notes to the Financial Statements  
June 30, 2012

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**H. Long-Term Liabilities**

Long-term obligations that will be financed from resources to be received in the future by governmental funds are reported as liabilities in the government-wide statement of net position. Bond and certificates of participation premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the straight-line method. Bonds and certificates of participation payable are reported net of the applicable bond premium or discount.

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

In the government-wide financial statements, compensated absences (i.e., paid absences for employee vacation leave and sick leave) are accrued as liabilities to the extent that it is probable that the benefits will result in termination payments. A liability is reported in the governmental fund financial statements only for the current portion of compensated absences expected to be paid using expendable available resources. The liability is liquidated with expendable available resources, and expenditures are recognized as payments come due each period upon the occurrence of relevant events, such as employee resignations and retirements.

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

**I. State Revenue Sources**

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

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

The State allocates gross receipt taxes, generally known as Public Education Capital Outlay money, to the District on an annual basis. The District is authorized to expend these funds only upon applying for and receiving an encumbrance authorization from the Department. While the District did not receive any PECO appropriations for its use during the 2011-12 fiscal year appropriations were received for and distributed to the District's various charter schools.

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

District School Board of Volusia County, Florida  
Notes to the Financial Statements  
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**J. District Property Taxes**

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

Property taxes consist of ad valorem taxes on real and personal property within the District. Property values are determined by the Volusia County Property Appraiser and property taxes are collected by the Volusia County Finance Department.

The Board adopted the 2011 tax levy on September 13, 2011. Tax bills are mailed in October and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to 4 percent for early payment. Taxes become an enforceable lien on January 1.

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 received by the District, except that revenue is accrued for taxes collected by the Volusia County Finance Department at fiscal year-end but not yet remitted to the District.

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

**K. School Capital Outlay Surtax (Local Sales Tax)**

The citizens of Volusia County, on October 9, 2001, approved a one-half cent sales tax authorized under Section 212.055(6), Florida Statutes. The surtax levy commenced on January 1, 2002, and shall remain in effect for a period of fifteen years through December 31, 2016.

**L. 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.

**2. ACCOUNTING CHANGES**

The District's early adoption of GASB Statement No. 65, a change in accounting principle, requires the District to restate the beginning net position in the governmental activities statement of activities in the amount of the deferred charges related to debt issuance costs of previously issued certificates of participation and sales tax revenues bonds. The District's beginning net position was decreased \$3,496,108, restated to \$854,610,994, and resulted in the removal of deferred charges, previously reported as an asset, from the governmental activities statement of net position. In addition, the District reported \$986,190, the difference between the reacquisition cost and the net carrying amount of the sales tax revenue bonds, Series 2002, refunded during the 2011-12 fiscal year, as deferred outflows of resources in the statement of net position.

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**3. BUDGETARY COMPLIANCE AND ACCOUNTABILITY**

The Board follows procedures established by Chapter 1001.51, Florida Statutes, and State Board of Education Administrative Rules, Chapter 6A-1, in establishing budget balances for governmental funds as described below:

- Budgets are prepared, public hearings are held, and original budgets are adopted annually for all governmental fund types in accordance with procedures and time intervals prescribed by law and State Board of Education rules.
- The legal level of control is at the functional level (e.g., instruction, pupil personnel services, and school administration) with control exercised at the object level (e.g., salaries, purchased services, and capital outlay) within each function. Appropriations are amended accordingly by resolution at any School Board meeting prior to the due date of 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.

**4. INVESTMENTS**

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

Investments	Fair Value	Investment Maturities		
		< 6 Months	< 1 Year	> 5 Years
State Board of Administration (SBA):				
Prime (1)	\$ 17,363	\$ 17,363	\$ -	\$ -
Fund B Surplus Funds Trust Fund (Fund B)	33,292	-	-	33,292
Debt Service Accounts	298,090	298,090	-	-
Obligations of United States:				
Treasury	21,923,827	11,953,567	9,970,260	-
Government Agencies and Instrumentalities	39,487,366	39,487,366	-	-
Commercial Paper	51,032,630	51,032,630	-	-
Florida Education Investment Trust Fund	7,966,973	7,966,973	-	-
Money Market Funds:				
Bank of America Government Reserves	5,383	5,383	-	-
Fidelity Institutional Government	54,351	54,351	-	-
PFM Government	408,441	408,441	-	-
PFM Prime	34,853,371	34,853,371	-	-
Dreyfus Government Cash Management	1,553,108	1,553,108	-	-
<b>Total Investments - Primary Government</b>	<b>\$ 157,634,195</b>	<b>\$ 147,630,643</b>	<b>\$ 9,970,260</b>	<b>\$ 33,292</b>

(1) Amount reported as cash and cash equivalents in the financial statements.

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's investment policy limits the length of investments to the type of investments up to a maximum of five years and, to the extent possible, investment of current operating funds to twelve months. SBA Fund B had a weighted average life (WAL) of 5.73 years. A portfolio's WAL is the dollar weighted average length of time until securities held reach maturity. WAL, which also measures the sensitivity of the portfolio to interest rate changes, is based on legal final maturity dates for Fund B as of June 30, 2012. However, because Fund B consists of restructured or defaulted securities there is considerable uncertainty regarding the WAL. Participation in Fund B is involuntary. Florida PRIME carried a credit rating of AAAM by Standard & Poor's and had a weighted average days to maturity (WAM) of 38 days at June 30, 2012. A portfolio's WAM reflects the average maturity in days based on final maturity or reset

**District School Board of Volusia County, Florida**  
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date, in the case of floating rate investments. WAM measures the sensitivity of Florida PRIME to interest rate changes. The investments in Florida PRIME are reported at fair value, which is amortized cost.

As of June 30, 2012, the District had the following investments by fund and interest rate risk:

Investments by Fund	Fair Value	Investment Maturities		
		< 6 Months	< 1 Year	> 5 Years
<b>Major Governmental Funds:</b>				
General Fund	\$ 51,260,407	\$ 51,260,407	\$ -	\$ -
Sales Tax Revenue Bonds - Debt Service Fund	20,875,575	20,875,575	-	-
Local Capital Improvement - Capital Projects Fund	41,767,793	41,734,501	-	33,292
<b>Nonmajor Governmental Funds</b>	<b>26,660,611</b>	<b>26,660,611</b>	<b>-</b>	<b>-</b>
Internal Service Funds	12,582,646	2,612,386	9,970,260	-
Fiduciary Funds	4,487,163	4,487,163	-	-
<b>Total Investments - Primary Government</b>	<b>\$ 157,634,195</b>	<b>\$ 147,630,643</b>	<b>\$ 9,970,260</b>	<b>\$ 33,292</b>

**Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. District policy allows for the following investments:

Investments in negotiable direct obligations of the United States Government, Governmental agencies, and Federal instrumentalities with maturities less than five years. As of June 30, 2012, the District had investments in United States Treasury securities with a fair market value of \$21,923,827 and in obligations of the United States Government agencies and Federal instrumentalities with a fair market value of \$39,487,366. Obligations of the United States Government agencies and instrumentalities were rated "AA+" by Standard & Poor's.

Investment in SBA Fund B. As of June 30, 2012, the District had investments in Fund B with a fair market value of \$33,292. Fund B is not rated.

Investments in commercial paper with maturities less than 180 days. As of June 30, 2012, the District had investments in commercial paper with a fair market value of \$51,032,630. Investments in commercial paper were rated "A-1" by Standard and Poor's.

Investments in an intergovernmental investment pool rated "AAAm" by Standard & Poor's. As of June 30, 2012, the District had investments in an intergovernmental investment pool rated "AAAm" by Standard & Poor's with a fair value of \$7,966,973.

Investments in money market mutual funds that are rated "AAAm" by Standard & Poor's. As of June 30, 2012, the District had investments in Bank of America Government Reserves with a fair value of \$5,383, in Fidelity Institutional Government with a fair value of \$54,351, PFM Government with a fair value of \$408,441, PFM Prime with a fair value of \$34,853,371 and in Dreyfus Government Cash Management with a fair value of \$1,553,108, which were rated "AAAm" by Standard & Poor's.

Investments in the SBA Debt Service accounts totaling \$298,090 are administered by SBA to provide for debt service payments on bonded debt issued by the State Board of Education for the benefit of the District. The District has no formal policy for managing interest rate risk or credit risk for this account, but relies on policies developed by SBA. Disclosures for these debt service accounts are included in the notes to the basic financial statements of the State of Florida's Comprehensive Annual Financial Report.

**Custodial Credit Risk**

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

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require that all securities be held in the District's name in custodial accounts by a third party custodian. All securities were held in custodial accounts in the District's name by a third party custodial bank.

**Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. Composition of investment portfolio, calculated based on the original cost, is limited by District policy as follows:

- United States government securities are limited to 100 percent of the portfolio;
- Federal instrumentalities are limited to 75 percent of the portfolio and a maximum of 25 percent with any single issuer.
- Commercial paper is limited to 35 percent of the portfolio and a maximum of 10 percent with any single issuer.
- Intergovernmental investment pools are limited to 25 percent of the portfolio.
- Interest bearing time deposit or savings accounts are limited to 25 percent of the portfolio and a maximum of 15 percent with any single issuer; registered investment companies (money market mutual funds) are limited to 75 percent of the portfolio and a maximum of 25 percent with any single issuer.
- Florida local government surplus trust funds (SBA) are limited to 25 percent of the portfolio.

Investments in any one issuer that represent 5 percent or more of the District's investments are reported below and were in investments in the General, Sales Tax Revenue Bonds – Debt Service, Local Capital Improvement Funds – Capital Projects, Other Nonmajor, and Agency Funds. As of June 30, 2012, the District had the following issuer concentrations based on fair value:

Issuer	Fair Value	Percent of Total Investments. Primary Government
US Government Agencies and Instrumentalities:		
Federal Home Loan Mortgage Corporation	\$ 20,377,330	12.9%
Federal Home Loan Bank	16,106,466	10.2%
Commercial Paper:		
Bank of Tokyo	7,982,409	5.1%
General Electric Corporation	16,457,412	10.4%
Nordea North America	16,694,255	10.6%
Toyota Motor Credit	9,898,554	6.3%
	<u>\$ 87,516,426</u>	

Investments in Federal Home Loan Mortgage Corporation, Federal Home Loan Bank, and Federal National Mortgage Association are 25 percent of total District investments, and 59 and 22 percent of the investments in the General and Local Capital Improvement Funds – Capital Projects Funds, respectively. Commercial paper of the Bank of Tokyo, General Electric Corporation, Nordea North America and Toyota Motor Credit are 32 percent of the District investments. The Bank of Tokyo is 19 and 49 percent of the Other Nonmajor and Agency Funds investments, respectively. General Electric Corporation is 6 and 36 percent of the Other Nonmajor and Local Capital Improvement Funds – Capital Projects Funds investments, respectively. The Nordea North America commercial paper is 33 percent of the General Fund investments, and the Toyota Motor Credit represents 18 and 24 percent of Other Nonmajor and Sales Tax Revenue Bonds – Debt Service Funds, respectively.

Compliance with portfolio allocations and issuer maximums is measured at the time of purchase. District investments were in compliance with the District's investment policy or debt covenants and did not exceed portfolio allocation or issuer maximums at the time of purchase.

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**4. DUE FROM OTHER AGENCIES**

At June 30, 2012, the District had a total of \$7,976,959 in "Due from Other Agencies" as follows:

General Fund - \$1,331,002

\$89,327 is due from Volusia County for taxes receivable; \$558,281 is due from Medicaid for reimbursement for services performed; \$683,394 is due from Federal, State, and local governments for various grants and other programs.

ARRA Economic Stimulus Funds – Special Revenue Funds - \$16,239

\$16,239 is due from the State for Federal grant reimbursements.

Local Capital Improvement – Capital Projects Funds – \$23,024

\$23,024 is due from Volusia County for taxes receivable.

Nonmajor Governmental Funds - \$6,606,694

\$5,344,953 is due from the State for sales taxes; \$265,428 is due from Volusia County for impact fees; \$497,244 is due from the State for child nutrition programs; \$420,367 is due from the Federal government for Federal grant reimbursements; and \$78,702 is due from local governments and agencies for various programs.

**5. CHANGES IN CAPITAL ASSETS**

Changes in capital assets are presented in the table below:

<b>GOVERNMENTAL ACTIVITIES</b>	<b>July 1, 2011 Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2012 Balance</b>
<b>Capital Assets Not Being Depreciated:</b>				
Land	\$ 54,542,103	\$ -	\$ 265,719	\$ 54,276,384
Construction in progress	19,431,939	23,063,205	26,232,094	16,263,050
Total Capital Assets Not Being Depreciated:	73,974,042	23,063,205	26,497,813	70,539,434
<b>Capital Assets Being Depreciated:</b>				
Improvements other than buildings	90,445,816	832,581	1,043,607	90,234,790
Buildings and fixed equipment	1,297,279,316	26,232,094	19,054,814	1,304,456,596
Furniture, fixtures, and equipment	78,430,949	5,514,121	3,467,203	80,477,867
Motor vehicles	36,980,229	96,764	46,259	37,030,734
Audio visual materials	115,825	-	1,917	113,908
Computer software	16,144,841	1,148,686	121,356	17,172,171
Total Capital Assets Being Depreciated:	1,519,396,976	33,824,246	23,735,156	1,529,486,066
<b>Less Accumulated Depreciation for:</b>				
Improvements other than buildings	28,447,213	4,507,807	1,043,607	31,911,413
Buildings and fixed equipment	270,258,144	35,497,589	19,054,814	286,700,919
Furniture, fixtures, and equipment	63,272,590	6,837,128	3,467,203	66,642,515
Motor vehicles	23,291,382	3,079,221	46,259	26,324,344
Audio visual materials	115,825	-	1,917	113,908
Computer software	14,317,013	921,586	121,356	15,117,243
Total Accumulated Depreciation	399,702,167	50,843,331	23,735,156	426,810,342
Total Capital Assets Being Depreciated, Net	1,119,694,809	(17,019,085)	-	1,102,675,724
<b>Governmental Activities - Capital Assets, Net</b>	<b>\$ 1,193,668,851</b>	<b>\$ 6,044,120</b>	<b>\$ 26,497,813</b>	<b>\$ 1,173,215,158</b>

The District's capital assets serve several functions; accordingly, depreciation expense, which totaled \$50,843,331, was not charged to functions but is separately reported as unallocated on the statement of activities.

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**6. CERTIFICATES OF PARTICIPATION**

The District entered into a financing arrangement on September 1, 1999, which was characterized as a lease-purchase agreement, with the Leasing Corporation, whereby the District secured financing for the acquisition and construction of facilities and equipment in the total amount of \$65,685,000. The financing was accomplished through the issuance of Certificates of Participation, Series 1999, to be repaid from the proceeds of rents paid by the District. The District entered into a crossover refunding arrangement on March 10, 2005, to advance refund the Certificates of Participation, Series 1999, which matured on or after August 1, 2010. On the crossover date, August 1, 2009, the crossover transaction met the definition of an in-substance defeasance and the liability for the Refunded Series 1999 Certificates was removed from the District's government-wide financial statements. The refunding issue was made pursuant to the Master Lease-Purchase Agreement dated August 1, 1991, and the Supplemental Trust Agreement dated March 1, 2005. The refunding was accomplished through the issuance of Refunding Certificates of Participation, Series 2005B, totaling \$47,180,000.

As a condition of the financing arrangement, the District has given a ground lease on District property to the Leasing Corporation, with a rental fee of \$10 per year. The term of the original lease commenced on September 1, 1999, and runs until the earlier of (a) the date on which the Series 2005B Certificates (or any Certificates issued to refund the Series 2005B Certificates) have been paid in full, or (b) June 30, 2034. The properties covered by the ground lease are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the lease and to provide for the rent payments through the term, the District may be required to surrender the sites included under the Ground Lease Agreement for the benefit of the securers of the Certificates for a period of time specified by the arrangement which may be up to approximately 30 years from the date of the inception of the arrangement.

The District properties included in the ground lease under this arrangement, and supplements thereto, include Creekside Middle School, Maintenance Facility, Campbell Middle School, Seabreeze High School, and Deltona High School.

The District entered into a financing arrangement on June 30, 2005, which was characterized as a lease-purchase agreement, with the Leasing Corporation, whereby the District secured financing for the acquisition, construction and installation of certain education facilities in the total amount of \$39,010,000. The financing was accomplished through the issuance of Certificates of Participation, Series 2005C, to be repaid from the proceeds of rents paid by the District.

As a condition of the financing arrangement, the District has given a ground lease on District property to the Leasing Corporation, with a rental fee of \$10 per year. The term of the original lease commenced on June 1, 2005, and runs until the earlier of (a) the date on which the Series 2005C Certificates (or any Certificates issued to refund the Series 2005C Certificates) have been paid in full, or (b) July 1, 2035. The properties covered by the ground lease are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the lease and to provide for the rent payments through the term, the District may be required to surrender the sites included under the Ground Lease Agreement for the benefit of the securers of the Certificates for a period of time specified by the arrangement which may be up to approximately 30 years from the date of the inception of the arrangement.

The District properties included in the ground lease under this arrangement include Osteen Elementary School, Cypress Creek Elementary School, and the Community Learning Center East.

The District entered into a financing arrangement on January 31, 2006, which was characterized as a lease-purchase agreement, with the Leasing Corporation, whereby the District secured financing for the acquisition, construction and installation of certain education facilities in the total amount of \$135,175,000. The financing was accomplished through the issuance of Certificates of Participation, Series 2006A, to be repaid from the proceeds of rents paid by the District.

As a condition of the financing arrangement, the District has given a ground lease on District property to the Leasing Corporation, with a rental fee of \$10 per year. The term of the original lease commenced on January 1, 2006, and

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runs until the earlier of (a) the date on which the Series 2006A Certificates (or any Certificates issued to refund the Series 2006A Certificates) have been paid in full, or (b) July 30, 2036. The properties covered by the ground lease are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the lease and to provide for the rent payments through the term, the District may be required to surrender the sites included under the Ground Lease Agreement for the benefit of the securers of the Certificates for a period of time specified by the arrangement which may be up to approximately 30 years from the date of the inception of the arrangement.

The District properties included in the ground lease under this arrangement include University High School and River Springs Middle School.

The District entered into a financing arrangement on April 25, 2007, which was characterized as a lease-purchase agreement, with the Leasing Corporation, whereby the District secured financing for the acquisition, construction, and installation of certain education facilities in the total amount of \$97,975,000. The financing was accomplished through the issuance of Certificates of Participation, Series 2007, to be repaid from the proceeds of rents paid by the District.

As a condition of the financing arrangement, the District has given a ground lease on District property to the Leasing Corporation, with a rental fee of \$10 per year. The term of the original lease commenced on April 1, 2007, and runs until the earlier of (a) the date on which the Series 2007 Certificates (or any Certificates issued to refund the Series 2007 Certificates) have been paid in full, or (b) July 31, 2037. The properties covered by the ground lease are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the lease and to provide for the rent payments through the term, the District may be required to surrender the sites included under the Ground Lease Agreement for the benefit of the securers of the Certificates for a period of time specified by the arrangement which may be up to approximately 30 years from the date of the inception of the arrangement.

The District properties included in the ground lease under this arrangement, amended in June 2009, include Holly Hill School, Ormond Beach Middle School, Pride Elementary School, and Hurst Elementary School replacement.

The lease payments are payable by the District, semiannually, on August 1 and February 1. A summary of interest rates is presented as follows:

<u>Certificate</u>	<u>Remaining Interest Rates</u>
Series 2005B	3.125% to 5.000%
Series 2005C	3.300% to 5.000%
Series 2006A	3.500% to 5.000%
Series 2007	3.625% to 5.000%

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

Fiscal Year Ending June 30	Principal	Interest	Total
2013	\$ 9,520,000	\$ 14,278,246	\$ 23,798,246
2014	9,850,000	13,949,528	23,799,528
2015	10,205,000	13,597,265	23,802,265
2016	10,620,000	13,180,615	23,800,615
2017	11,110,000	12,691,915	23,801,915
2018-2022	63,585,000	55,416,955	119,001,955
2023-2027	80,770,000	38,230,000	119,000,000
2028-2032	103,080,000	15,920,950	119,000,950
Total Minimum Lease Payments	298,740,000	177,265,474	476,005,474
Plus: Unamortized Net Premiums	9,306,214	-	9,306,214
<b>Total Certificates of Participation</b>	<b>\$ 308,046,214</b>	<b>\$ 177,265,474</b>	<b>\$ 485,311,688</b>

**7. BONDS PAYABLE**

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

Bond Type	Amount Issued	Amount Outstanding	Remaining Interest Rates (Percent)	Annual Maturity To
<b>State School Bonds:</b>				
Series 2003-A	\$ 560,000	\$ 390,000	3.125 - 4.250	2023
Series 2005-B, refunding	13,575,000	9,020,000	5.000	2020
Series 2009-A, refunding	1,390,000	910,000	4.000 - 5.000	2019
Series 2011-A, refunding	315,000	315,000	3.000 - 5.000	2023
<b>Sales Tax Revenue Bonds:</b>				
Series 2002	146,845,000	22,610,000	4.125 - 5.500	2014
Series 2004	57,825,000	27,020,000	3.500 - 5.250	2017
Series 2006	59,125,000	30,570,000	3.800 - 5.000	2017
Series 2011, refunding	39,110,000	39,110,000	3.000 - 5.000	2017
<b>Subtotal</b>	<b>318,745,000</b>	<b>129,945,000</b>		
<b>Plus Unamortized Net Premiums:</b>				
Sales Tax Revenue Bonds, Series 2002	4,414,904	423,831		
Sales Tax Revenue Bonds, Series 2004	3,835,659	1,180,200		
Sales Tax Revenue Bonds, Series 2006	1,322,003	480,728		
Sales Tax Revenue Bonds, Series 2011, refunding	3,580,437	2,864,350		
<b>Total Unamortized Net Premiums</b>	<b>13,153,003</b>	<b>4,949,109</b>		
<b>Total Bonds Payable</b>	<b>\$ 331,898,003</b>	<b>\$ 134,894,109</b>		

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

**State School Bonds**

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

**Sales Tax Revenue Bonds**

The School Board issued Sales Tax Revenue Bonds, Series 2002; 2004; 2006; and 2011 Refunding on February 8, 2002; May 19, 2004; May 5, 2006; and December 15, 2011, respectively, totaling \$302,905,000. These bonds are authorized by Chapter 1001 Florida Statutes, and Chapter 212, Florida Statutes. These bonds are secured by a pledge of proceeds received by the District from the levy and collection of a one-half cent discretionary sales surtax pursuant to Section 212.055(6), Florida Statutes. Proceeds of the bonds were used to finance construction of new school facilities and renovations of existing school facilities.

The District pledged a total of \$134,625,080 of discretionary surtax sales revenues (sales tax revenues) in connection with the Sales Tax Revenue Bond issues described above. During the 2011-12 fiscal year, the District recognized sales tax revenues totaling \$30,526,725 and expended \$27,887,447 (91.4 percent) of these revenues for debt service directly collateralized by these revenues. The pledged sales tax revenues are committed until final maturity of the debt, or October 1, 2016.

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

Fiscal Year Ending June 30	Principal	Interest	Total
<b>State School Bonds:</b>			
2013	\$ 1,470,000	\$ 524,106	\$ 1,994,106
2014	1,550,000	452,681	2,002,681
2015	1,640,000	375,606	2,015,606
2016	1,720,000	294,056	2,014,056
2017	1,810,000	208,469	2,018,469
2018-2022	2,350,000	172,613	2,522,613
2023	95,000	3,475	98,475
<b>Total State School Bonds</b>	<b>10,635,000</b>	<b>2,031,006</b>	<b>12,666,006</b>
<b>Sales Tax Revenue Bonds:</b>			
2013	21,775,000	5,391,925	27,166,925
2014	22,630,000	4,249,719	26,879,719
2015	23,805,000	3,102,683	26,907,683
2016	24,930,000	1,920,996	26,850,996
2017	26,170,000	649,757	26,819,757
<b>Total Sales Tax Revenue Bonds</b>	<b>119,310,000</b>	<b>15,315,080</b>	<b>134,625,080</b>
<b>Subtotal</b>	<b>129,945,000</b>	<b>17,346,086</b>	<b>147,291,086</b>
<b>Plus Unamortized Net Premiums</b>	<b>4,949,109</b>	<b>-</b>	<b>4,949,109</b>
<b>Total</b>	<b>\$ 134,894,109</b>	<b>\$ 17,346,086</b>	<b>\$ 152,240,195</b>

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Annual requirements to amortize net premiums as of June 30, 2012, are as follows:

Fiscal Year Ending June 30	Amortized Expense
<b>Sales Tax Revenue Bonds:</b>	
2013	\$ 1,237,278
2014	1,237,277
2015	1,237,277
2016	1,237,277
<b>Total</b>	<b>\$ 4,949,109</b>

**8. DEFEASED DEBT**

On December 15, 2011, the District issued Sales Tax Revenue Refunding Bonds, Series 2011, in the amount of \$39,110,000 to advance refund that portion of its outstanding Sales Tax Revenue Bonds, Series 2002 maturing on October 1, 2013, bearing interest at 4.30% and October 1, 2014 through 2016, inclusive. The net proceeds of \$41,994,258 (including a premium of \$3,580,437 and after a payment of \$696,179 in underwriting fees, insurance, and other issuance costs) plus an additional \$337,765 of legally available funds were placed in an irrevocable escrow until the refunded bonds are called on October 1, 2012. As a result, \$40,335,000 of the Series 2002 bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide financial statements.

The Series 2011 Refunding Bonds were issued to reduce the total debt service over the next five years by \$1,465,759 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt net of refunding costs) of \$1,350,683.

The Florida Department of Education issued State Board of Education (SBE), Capital Outlay Bonds, Series 2011A, on January 5, 2012, for \$53,785,000. A portion of these bonds, totaling \$28,990,000, was used to advance refund the SBE, Capital Outlay Bonds, Series 2002B bonds and \$29,320,000 of the SBE, Capital Outlay Bonds, Series 2003A bonds. The District did not participate in the Series 2002B bonds.

The District's portion of the Series 2011A bonds totaled \$315,000 and was used to advance refund \$365,000 of the District's portion of the Series 2003A bonds. The District's pro rata share of the net proceeds of the Series 2011A bonds totaled \$362,456 (after deduction of \$936 by the Florida Department of Education for the District's pro rata share of underwriting fees, insurance, and other issuance cost) was placed in a trust account to refund the Series 2003A bonds that mature on or after January 1, 2014 and scheduled to be called on January 1, 2013. The trust account is not considered to be risk-free in accordance with GASB Statement No. 7. As a result, the refunding of \$390,000 representing the District's portion of the Series 2003A bonds is considered to be an economic defeasance and not a legal defeasance and the liability for these bonds has not been removed from the government-wide financial statements. When the Series 2003A bonds are called on January 1, 2013, they will be removed.

The Series 2011A bonds were issued to reduce the total debt service over the next 11 years by approximately \$5,674,047 and to obtain an economic gain (difference between the present value of the debt service payment on the old and new debt) of \$5,289,901. The District's portion resulted in a reduction in total debt service of \$45,406 over the next 11 years and \$38,266 in economic gain.

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**9. CHANGES IN LONG-TERM LIABILITIES**

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

Description	July 1, 2011 Balance	Additions	Deductions	June 30, 2012 Balance	Due in One Year
GOVERNMENTAL ACTIVITIES					
Bonds Payable	\$ 153,015,000	\$ 39,425,000	\$ 62,495,000	\$ 129,945,000	\$ 23,245,000
Plus Unamortized Net Premium	3,547,796	3,580,437	2,179,124	4,949,109	1,237,278
Net Bonds Payable	<u>156,562,796</u>	<u>43,005,437</u>	<u>64,674,124</u>	<u>134,894,109</u>	<u>24,482,278</u>
Certificates of Participation Payable	307,940,000	-	9,200,000	298,740,000	9,520,000
Plus Unamortized Net Premium	9,866,542	-	560,328	9,306,214	560,328
Net Certificates of Participation Payable	<u>317,806,542</u>	<u>-</u>	<u>9,760,328</u>	<u>308,046,214</u>	<u>10,080,328</u>
Compensated Absences Payable	55,409,343	4,220,018	4,912,398	54,716,963	4,912,398
Estimated Insurance Claims Payable	4,928,976	1,129,681	1,797,814	4,260,843	1,596,892
Postemployment Healthcare Benefits Payable	11,705,730	4,073,473	817,120	14,962,083	-
<b>Total Governmental Activities</b>	<u><b>\$ 546,413,387</b></u>	<u><b>\$ 52,428,609</b></u>	<u><b>\$ 81,961,784</b></u>	<u><b>\$ 516,880,212</b></u>	<u><b>\$ 41,071,896</b></u>

For the governmental activities, compensated absences and postemployment healthcare benefits are generally liquidated with resources of the General Fund. The estimated insurance claims payable are generally liquidated with resources of the internal service funds as discussed in Note 19.

**10. FUND BALANCE REPORTING**

There are 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 endowment fund. The District has inventories that are considered nonspendable. The District does not have any prepaid items or nonspendable funds related to endowments.

In addition to the nonspendable fund balances, spendable fund balances are classified 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. The Superintendent is authorized to assign fund balances pursuant to Board Policy 701.
- **Unassigned:** Fund balance of the General Fund that is not constrained for any particular purpose.

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

**NONSPENDABLE:** The District has inventories totaling \$3,726,078 that are classified as nonspendable.

**SPENDABLE:** The District has classified the spendable fund balances as *Restricted*, *Committed*, *Assigned*, and *Unassigned* and considered each to have been spent when expenditures are incurred

- **Restricted for State Required Carryover Programs, Food Service, Debt Service, and Capital Projects:** Federal laws, Florida Statutes and local ordinances require that certain revenues be specifically designated for the purposes of State required carryover programs, food service, debt service, and capital projects. The funds have been included in the Restricted category of fund balance. Restricted fund balances total

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\$94,818,771 and represented \$899,163 in State required carryover programs, \$7,416,996 in food service, \$21,173,903 in debt service and \$65,328,709 in capital projects.

- **Committed:**  
The Board adopted a resolution on June 26, 2012, to commit \$5,410,429 that cannot be used for any purpose other than for the Board-approved contractual salaries for the 2012-13 fiscal year.
- **Assigned for State and Local Programs:**  
The District has set aside certain spendable fund balances for State and local programs. At year end, the assigned fund balance is \$11,925,441 for State and local programs.
- **Unassigned:**  
The unassigned fund balance in the General Fund is \$26,696,378.

	Major Funds				
	General Fund	Sales Tax Revenue Bonds - Debt Service Fund	Local Capital Improvement - Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:					
Nonspendable:					
Inventories:					
General Fund	\$ 1,289,062	\$ -	\$ -	\$ -	\$ 1,289,062
Food Service	-	-	-	2,437,016	2,437,016
Restricted:					
State Required					
Carryover Programs	899,163	-	-	-	899,163
Food Service	-	-	-	7,416,996	7,416,996
Debt Service	-	20,875,074	-	298,829	21,173,903
Capital Projects	-	-	40,990,566	24,338,143	65,328,709
Committed:	5,410,429	-	-	-	5,410,429
Assigned:					
State and Local Programs	11,925,441	-	-	-	11,925,441
Unassigned:	26,696,378	-	-	-	26,696,378
Total Fund Balance:	<u>\$ 46,220,473</u>	<u>\$ 20,875,074</u>	<u>\$ 40,990,566</u>	<u>\$ 34,490,984</u>	<u>\$ 142,577,097</u>

The Board has established a policy requiring a minimum fund balance (Board Policy 722), which requires the District to maintain a minimum 3 percent unreserved fund balance with the desirability of 5 percent. At June 30, 2012, the unassigned fund balance for the General Fund was \$26,696,378, or 6.8 percent of total General Fund revenues. Of this amount, the District has set aside \$19,697,835 "contingency reserves" for potential revenue shortfalls, emergencies, and unanticipated expenditures after the current year's budget adoption.

**11. ENCUMBRANCES**

Appropriations in governmental fund types are encumbered upon issuance of purchase orders for goods and/or services. Even though appropriations lapse at the end of the fiscal year, unfilled purchase orders of the current year are carried forward and the next year's appropriations are likewise encumbered. The District uses encumbrance accounting for recording purchase order commitments. At June 30, 2012, the District has recorded \$8,656,858 in encumbrances as follows: \$1,582,736 for the General Fund; \$4,022,005 for the Local Capital Improvement – Capital Projects Fund; \$3,052,117 for the nonmajor governmental funds.

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**12. INTERFUND TRANSFERS**

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

Transfers Out	Transfers In			Total
	General Fund	Sales Tax Revenue Bonds - Debt Service Fund	Nonmajor Governmental Funds	
Local Capital Improvement - Capital Projects Fund	\$ 15,543,460	\$ -	\$ 21,029,987	\$ 36,573,447
Nonmajor Governmental Funds	420,661	30,710,606	2,782,075	33,913,342
<b>Total</b>	<b>\$ 15,964,121</b>	<b>\$ 30,710,606</b>	<b>\$ 23,812,062</b>	<b>\$ 70,486,789</b>

A portion of the transfers out of the Local Capital Improvement – Capital Projects Fund was to provide debt service principal and interest payments, to assist in funding maintenance operations of the District and for property and casualty insurance. A portion of the transfers out of the Nonmajor Governmental Funds was to provide debt service principal and interest payments. The remaining transfers between funds were operational in nature.

**13. SCHEDULE OF STATE REVENUE SOURCES**

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

Sources	Amount
Florida Education Finance Program	\$ 138,706,251
Other Restricted State Sources:	
Class Size Reduction	65,678,797
School Recognition	1,829,373
Discretionary Lottery Funds	194,772
Other	399,507
Motor Vehicle License Tax (Capital Outlay and Debt Service)	2,316,950
Mobile Home License Tax	520,427
Charter School Capital Outlay Funding	420,661
Food Service Supplement	350,143
State Grants and Other State Sources	989,953
<b>Total</b>	<b>\$ 211,406,834</b>

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

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**14. PROPERTY TAXES**

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

	<u>Millages</u>	<u>Taxes Levied</u>
<b><u>General Fund</u></b>		
Nonvoted School Tax:		
Required Local Effort	5.565	\$ 149,474,643
Basic Discretionary Local Effort	0.748	20,091,111
Critical Operating Needs	0.250	6,714,944
<b><u>Capital Projects Funds</u></b>		
Nonvoted Tax:		
Local Capital Improvements	<u>1.500</u>	<u>40,289,661</u>
<b>Total</b>	<b><u>8.063</u></b>	<b><u>\$ 216,570,359</u></b>

**15. FLORIDA RETIREMENT SYSTEM**

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

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Members of both Plans may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments.

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. District employees participating in DROP are not eligible to participate in this program. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The Investment Plan is funded by employer and employee contributions that are based on salary and membership class (Regular Class, Senior Management Service Class, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Employees in the Investment Plan vest at one year of service.

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The State of Florida establishes contribution rates for participating employers and employees. Contribution rates during the 2011-12 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer(A)</u>
Florida Retirement System, Regular	3.00	4.91
Florida Retirement System, Elected County Officers	3.00	11.14
Florida Retirement System, Senior Management Service	3.00	6.27
Deferred Retirement Option Program (DROP) - Applicable to Members from All of the Above Classes	0.00	4.42
Florida Retirement System, Reemployed Retiree	(B)	(B)

**Notes:**

- (A) Employer rates include 1.11 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.03 percent for administrative costs of the Investment Plan.
- (B) Contribution rates are dependent upon retirement class in which reemployed.

The District's liability for participation is limited to the payment of the required contribution at the rates and frequencies established by law on future payrolls of the District. The District's contributions including employee contributions for the fiscal year ended June 30, 2010, June 30, 2011, and June 30, 2012, totaled \$28,610,591, \$30,323,142, \$20,285,889, respectively, which were equal to the required contributions for each fiscal year.

There were 959 District participants in the Investment Plan during the 2011-12 fiscal year. The District's contributions including employee contributions to the Investment Plan totaled \$2,514,898, which was equal to the required contribution for the 2011-12 fiscal year.

Financial statements and other supplementary information of the FRS are included in the State's Comprehensive Annual Financial Report, which is available from the Florida Department of Financial Services. An annual report on the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services, Division of Retirement.

**16. OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**Plan Description** – The Other Postemployment Benefits Plan (OPEB) is a single-employer defined benefit plan administered by the District. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees and eligible dependents who retire from the District may continue to participate in the District's fully insured health and hospitalization plan for medical and prescription drug coverage. The District subsidizes the premium rates paid by retirees by allowing them to participate in the plans at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. The rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. Additionally, if a retiree participates in a medical plan they receive a monthly Health Insurance Subsidy (HIS) from the District in the amount of \$0.50 per year of service (maximum \$20) until age 65. Retirees are required to enroll in the Federal Medicare programs parts A and B for their primary coverage as soon as they are eligible. OPEB does not issue a stand-alone report and is not included in the report of a public employee retirement system or other entity.

**Funding Policy** - For OPEB, contribution requirements of the District are established and may be amended through recommendations of the Insurance Committee and action from the Board. The District has not advance-funded or established a funding methodology for the annual OPEB costs or the net OPEB obligation. As of July 1, 2011, there were 503 retirees and 95 eligible dependents receiving postemployment healthcare benefits. For the 2011-12 fiscal year the District provided required contributions of \$817,120 toward the annual OPEB costs, comprised of payments made on behalf of retirees for claims expenses, retention costs, and net of retiree contributions totaling \$4,413,549, which represents 1.4 percent of covered payroll. Required contributions are based on projected pay-as-you-go financing.

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**Annual OPEB Cost and Net OPEB Obligation** – The District’s annual OPEB cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined, in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The ARC represents a level of funding that if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the District’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District’s net OPEB obligation for the fiscal year ending June 30, 2012:

Description	Amount
Normal Cost (service cost for one year)	\$ 2,562,207
Amortization of Unfunded Actuarial Accrued Liability	1,306,363
Interest on Normal Cost and Amortization	154,743
Annual Required Contribution	4,023,313
Interest on Net OPEB Obligation	468,229
Adjustment to Annual Required Contribution	(418,069)
Annual OPEB Cost (Expense)	4,073,473
Contribution Toward the OPEB Cost	(817,120)
Increase in Net OPEB Obligation	3,256,353
Net OPEB Obligation, Beginning of Year	11,705,730
Net OPEB Obligation, End of Year	<u>\$ 14,962,083</u>

The District’s historical annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of the June 30, 2012, and the two preceding years, were as follows:

Fiscal Year Ended	Annual OPEB Cost	Amount Contributed	Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2010	\$ 3,999,629	\$ 1,950,394	48.8%	\$ 9,385,561
6/30/2011	4,234,012	1,913,843	45.2%	11,705,730
6/30/2012	4,073,473	817,120	20.1%	14,962,083

**Funding Status and Funding Progress** – As of June 30, 2012, the actuarial accrued liability for benefits was \$33,985,250 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$33,985,250 and a funded ratio of 0.00 percent. The covered payroll (annual payroll for active participating employees) was \$316,242,056 for the 2011-12 fiscal year, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 10.75 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and that actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about 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 required schedule of funding progress immediately following the notes to financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**Actuarial Methods and Assumptions** – Projections of benefits for financial reporting purposes are based on the substantive plan provisions, as understood by the employer and participating members, and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and participating members. The actuarial methods and assumptions used include techniques that are

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designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The District's OPEB actuarial valuation for the 2011-12 fiscal year used the entry age normal cost actuarial method to estimate the unfunded actuarial liability and to determine the annual required contribution. Because the OPEB liability is currently unfunded, the actuarial assumptions included a 4 percent rate of return on invested assets, which is the District's long-term expectation of investment returns. The actuarial assumptions also included a payroll growth rate of 3.5 percent per year, general inflation of 2.5 percent, and an annual healthcare cost trend rate of 9.0 percent initially for the 2011-12 fiscal year, reduced to an ultimate rate of 5.5 percent for the fiscal year ending June 30, 2018. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The unfunded actuarial accrued liability was amortized over 30 years in calculating the District's 2011-12 fiscal year annual required contribution.

**17. CONSTRUCTION CONTRACT COMMITMENTS**

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

Project	Contract Amount	Completed to Date	Balance Committed
ORMOND BEACH MIDDLE SCHOOL - New Construction:			
Architect	\$ 2,604,954	\$ 2,559,334	\$ 45,620
Contractor	8,598,440	6,722,985	1,875,455
<b>Total</b>	<b><u>\$ 11,203,394</u></b>	<b><u>\$ 9,282,319</u></b>	<b><u>\$ 1,921,075</u></b>

**18. JOINT VENTURES**

A joint venture is a legal entity or other organization that results from a contractual agreement, and is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain: (a) an ongoing financial interest or (b) ongoing financial responsibility. As discussed below, the District participates in a joint venture.

The District entered into an agreement with the Flagler County District School Board and Daytona State College pursuant to Section 163.01, Florida Statutes, and Chapter 98-302, Laws of Florida, to construct and operate a charter technical career center. The charter technical career center does business as the Volusia Flagler Advanced Technology College, Inc. (ATC), a separate legal entity, and is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, and Section 1002.34, Florida Statutes. Because the sponsoring governments (sponsors) have an on-going financial interest and financial responsibility, the ATC is considered a joint venture. The ATC Board of Directors, which oversees the ATC's operations, has 11 members: one member is the chief executive officer from a sponsor, and is appointed on a rotating basis from each sponsor to a one-year term; six members are appointed by the sponsors (two members are appointed by each sponsor); and four members are elected by the seven appointed board members.

The District's capital contribution was \$10,000,000 as provided in the agreement and is reported as an investment in joint venture in the Statement of Net Assets. The agreement provides a vested interest for each sponsor for the purposes of recouping of investments and the allocating of assets and assuming liabilities upon termination of the agreement. In the event of termination of the agreement, the capital assets purchased by the ATC will be appraised and sold. The profits will revert to the sponsors based on their proportionate equity in the ATC as defined by the agreement. As of June 30, 2012, the District's proportionate share of profits to be distributed in the event of termination of the agreement was 58.8 percent.

The total cost to construct the ATC facility was \$25,500,000 and was financed through capital contributions from each sponsor as provided in the agreement. However, the District holds title to, and is considered the owner of, the facility and the site on which the facility is located. Pursuant to the agreement, the District must lease the facility to Daytona State College for a period of 40 years.

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Daytona State College serves as the fiscal agent for the joint venture.

ATC is accounted for as a proprietary joint venture. An audit of the ATC's financial statements was conducted by an independent certified public accountant, and copies of the audit report can be obtained from the ATC's administrative office or the District's administrative office.

**19. RISK MANAGEMENT PROGRAMS**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Workers' compensation, general liability, and fleet coverage are being provided on a self-insured basis up to specified limits. The District has entered into agreements with various insurance companies to provide specific excess coverage of claim amounts above the stated amount on an individual claim basis, and aggregate excess coverage when total claims, minus specific excess coverage, exceed the loss fund established annually by the District. The District has contracted with an insurance administrator to administer these self-insurance programs, including the processing, investigating, and payment of claims.

Property and casualty coverage is obtained through purchased commercial insurance. The property insurance fund is used to track premiums and any claims expense. In the 2011-12 fiscal year, property insurance coverage amounts remained at \$50 million for wind and \$125 million for all other perils with no significant change in coverage or premiums.

A liability in the amount of \$4,260,843 was actuarially determined to cover estimated incurred, but not reported, insurance claims payable at June 30, 2012.

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

<u>Fiscal Years</u>	<u>Beginning-of- Fiscal-Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year-End</u>
2010-11	\$ 5,685,303	\$ 1,330,267	\$ (2,086,594)	\$ 4,928,976
2011-12	4,928,976	1,129,680	(1,797,813)	4,260,843

Health and hospitalization coverage are being provided through purchased commercial insurance.

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

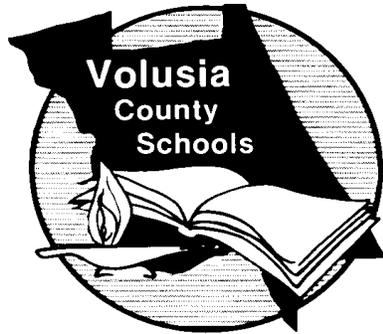
**20. LITIGATION**

The District is involved in several pending and threatened legal actions. In the opinion of District management, the range of potential loss from all such claims and actions should not materially affect the financial condition of the District.

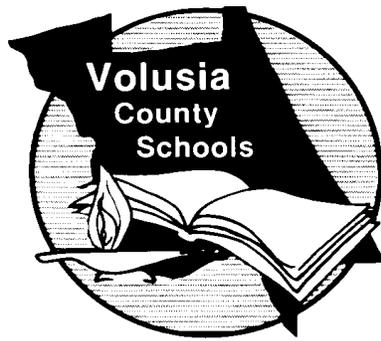
Amounts received or receivable from grantors are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by grantors cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

**21. SUBSEQUENT EVENTS**

During the April 24, 2012 meeting, the Board voted to terminate the charter school contract with Reading Star Academy of Excellence, Inc., citing contractual violations. On August 17, 2012, the District and charter school signed a stipulated agreement for the dissolution and termination of the charter school. The agreement was approved by the Board at its August 28, 2012 meeting.



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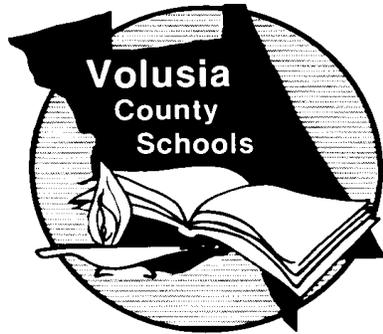


## Required Supplementary Information

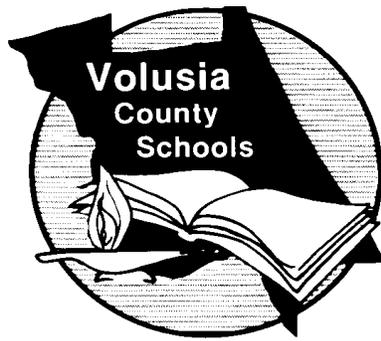


**District School Board of Volusia County, Florida  
 Required Supplementary Information -  
 Schedule of Funding Progress -  
 Other Postemployment Benefits Plan**

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 Percent of Covered Payroll [(b-a)/c]
June 30, 2010	-	\$ 34,750,176	\$ 34,750,176	0.0%	\$ 331,446,181	10.5%
June 30, 2011	-	36,936,977	36,936,977	0.0%	324,711,371	11.4%
June 30, 2012	-	33,985,250	33,985,250	0.0%	316,242,056	10.8%



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## 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 Service Fund** - Used to account for the activities of the District's food services function. These activities are funded primarily through local charges and Federal awards.

**Contracted Federal Programs Fund** - Used to account for programs funded by Federal 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, long-term debt principal and interest.

**SBE/COBI Bonds Fund** - Used 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.

**Certificates of Participation Fund** - Used to account for the payment of principal, interest, and related costs pertaining to the District's certificates of participation.

## Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities, such as new school buildings or additions to existing buildings, or for major renovation projects.

**Certificates of Participation Fund** - Used to account for capital project activity funded through certificates of participation.

**Capital Outlay and Debt Service Fund** - Used to account for capital project activity funded by the District's portion of the State Capital Outlay and Debt Service program.

**Impact Fees Fund** - Used to account for capital project activity funded through impact fees.

**Local Sales Tax Fund** - Used to account for capital project activity funded through local sales tax.

**Sale of Property Fund** - Used to account for capital project activity funded through the sale of property.

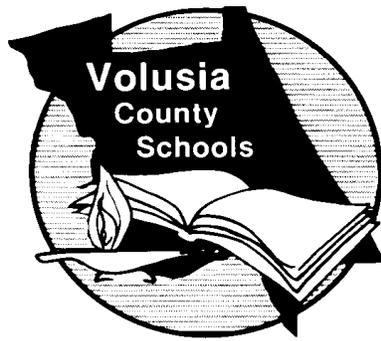
**Charter Schools' Capital Outlay Fund** - Used to account for capital project activity for the charter schools' capital outlay funds.

**District School Board of Volusia County, Florida**  
**Combining Balance Sheet -**  
**Nonmajor Governmental Funds**  
**June 30, 2012**

	<b>Total Nonmajor Special Revenue Funds</b>	<b>Total Nonmajor Debt Service Funds</b>	<b>Total Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,523,851	\$ -	\$ 57,378	\$ 1,581,229
Investments	6,153,402	329,309	20,177,900	26,660,611
Interest receivable	-	-	12	12
Due from other agencies	996,313	-	5,610,381	6,606,694
Inventories	2,437,016	-	-	2,437,016
Total assets	<u>\$ 11,110,582</u>	<u>\$ 329,309</u>	<u>\$ 25,845,671</u>	<u>\$ 37,285,562</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Salaries and benefits payable	\$ 694,931	\$ -	\$ -	\$ 694,931
Accounts payable	560,399	-	1,044	561,443
Construction contracts payable	-	-	1,088,877	1,088,877
Construction contracts payable-retainage	-	-	417,607	417,607
Estimated liability for arbitrage rebate	-	30,480	-	30,480
Due to other agencies	1,177	-	-	1,177
Unearned revenue	63	-	-	63
Total liabilities	<u>1,256,570</u>	<u>30,480</u>	<u>1,507,528</u>	<u>2,794,578</u>
Fund balances:				
Nonspendable	2,437,016	-	-	2,437,016
Restricted	7,416,996	298,829	24,338,143	32,053,968
Total fund balances	<u>9,854,012</u>	<u>298,829</u>	<u>24,338,143</u>	<u>34,490,984</u>
Total liabilities and fund balances	<u>\$ 11,110,582</u>	<u>\$ 329,309</u>	<u>\$ 25,845,671</u>	<u>\$ 37,285,562</u>

**District School Board of Volusia County, Florida  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Nonmajor Governmental Funds  
For the Fiscal Year Ended June 30, 2012**

	<b>Total Nonmajor Special Revenue Funds</b>	<b>Total Nonmajor Debt Service Funds</b>	<b>Total Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUES</b>				
Federal direct	\$ 272,554	\$ -	\$ -	\$ 272,554
Federal through State	56,378,388	-	-	56,378,388
State sources	355,522	1,925,052	880,354	3,160,928
Local sources	6,104,537	-	35,460,241	41,564,778
Total revenues	<u>63,111,001</u>	<u>1,925,052</u>	<u>36,340,595</u>	<u>101,376,648</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	17,545,949	-	-	17,545,949
Pupil personnel services	4,443,170	-	-	4,443,170
Instruction and curriculum development services	9,667,723	-	-	9,667,723
Instructional staff training services	2,083,790	-	-	2,083,790
Instruction related technology	8,923	-	-	8,923
General administration	1,260,014	-	-	1,260,014
School administration	2,310,051	-	-	2,310,051
Facilities services - non-capitalized	-	-	513,787	513,787
Food services	23,441,712	-	-	23,441,712
Pupil transportation services	445,844	-	-	445,844
Operation of plant	27,286	-	-	27,286
Debt service:				
Principal	-	10,580,000	-	10,580,000
Interest and fiscal charges	-	15,191,550	855	15,192,405
Capital Outlay:				
Facilities acquisition and construction	-	-	14,817,134	14,817,134
Other capital outlay	1,260,517	-	498,983	1,759,500
Total expenditures	<u>62,494,979</u>	<u>25,771,550</u>	<u>15,830,759</u>	<u>104,097,288</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>616,022</u>	<u>(23,846,498)</u>	<u>20,509,836</u>	<u>(2,720,640)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Refunding bonds issued	-	315,000	-	315,000
Premium on refunding bonds issued	-	48,392	-	48,392
Payment to refunded bonds escrow agent	-	(362,456)	-	(362,456)
Proceeds from sale of capital assets	3,000	-	1,599,965	1,602,965
Transfers in	-	23,812,062	-	23,812,062
Transfers out	-	-	(33,913,342)	(33,913,342)
Total other financing sources (uses)	<u>3,000</u>	<u>23,812,998</u>	<u>(32,313,377)</u>	<u>(8,497,379)</u>
Net change in fund balances	619,022	(33,500)	(11,803,541)	(11,218,019)
Fund balances, July 1, 2011	9,234,990	332,329	36,141,684	45,709,003
Fund balances, June 30, 2012	<u>\$ 9,854,012</u>	<u>\$ 298,829</u>	<u>\$ 24,338,143</u>	<u>\$ 34,490,984</u>



# Special Revenue Funds

**District School Board of Volusia County, Florida**  
**Combining Balance Sheet -**  
**Nonmajor Governmental Funds - Special Revenue Funds**  
**June 30, 2012**

	<u>Food Service</u>	<u>Contracted Federal Programs</u>	<u>Total Nonmajor Special Revenue Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,039,646	\$ 484,205	\$ 1,523,851
Investments	6,153,402	-	6,153,402
Due from other agencies	575,946	420,367	996,313
Inventories	2,437,016	-	2,437,016
Total assets	<u>\$ 10,206,010</u>	<u>\$ 904,572</u>	<u>\$ 11,110,582</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Salaries and benefits payable	\$ 57,276	\$ 637,655	\$ 694,931
Accounts payable	294,722	265,677	560,399
Due to other agencies	-	1,177	1,177
Unearned revenue	-	63	63
Total liabilities	<u>351,998</u>	<u>904,572</u>	<u>1,256,570</u>
Fund balances:			
Nonspendable	2,437,016	-	2,437,016
Restricted	7,416,996	-	7,416,996
Total fund balances	<u>9,854,012</u>	<u>-</u>	<u>9,854,012</u>
Total liabilities and fund balances	<u>\$ 10,206,010</u>	<u>\$ 904,572</u>	<u>\$ 11,110,582</u>

**District School Board of Volusia County, Florida  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Nonmajor Governmental Funds - Special Revenue Funds  
For the Fiscal Year Ended June 30, 2012**

	<b>Food Service</b>	<b>Contracted Federal Programs</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>REVENUES</b>			
Federal direct	\$ -	\$ 272,554	\$ 272,554
Federal through State	18,764,344	37,614,044	56,378,388
State sources	355,522	-	355,522
Local sources	6,104,537	-	6,104,537
Total revenues	<u>25,224,403</u>	<u>37,886,598</u>	<u>63,111,001</u>
<b>EXPENDITURES</b>			
Current:			
Instruction	-	17,545,949	17,545,949
Pupil personnel services	-	4,443,170	4,443,170
Instruction and curriculum development services	-	9,667,723	9,667,723
Instructional staff training services	-	2,083,790	2,083,790
Instruction related technology	-	8,923	8,923
General administration	-	1,260,014	1,260,014
School administration	-	2,310,051	2,310,051
Food services	23,441,712	-	23,441,712
Pupil transportation services	-	445,844	445,844
Operation of plant	-	27,286	27,286
Capital Outlay:			
Other capital outlay	1,166,669	93,848	1,260,517
Total expenditures	<u>24,608,381</u>	<u>37,886,598</u>	<u>62,494,979</u>
Excess of revenues over expenditures	<u>616,022</u>	<u>-</u>	<u>616,022</u>
<b>OTHER FINANCING SOURCES</b>			
Proceeds from sale of capital assets	3,000	-	3,000
Total other financing sources	<u>3,000</u>	<u>-</u>	<u>3,000</u>
Net change in fund balances	619,022	-	619,022
Fund balances, July 1, 2011	9,234,990	-	9,234,990
Fund balances, June 30, 2012	<u>\$ 9,854,012</u>	<u>\$ -</u>	<u>\$ 9,854,012</u>

**District School Board of Volusia County, Florida**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual -**  
**All Special Revenue Funds**  
**For the Fiscal Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Federal direct	\$ 258,194	\$ 277,262	\$ 272,554	\$ (4,708)
Federal through State:				
School lunch reimbursement	13,000,000	13,371,905	13,371,905	-
School breakfast reimbursement	3,000,000	3,554,209	3,554,209	-
USDA donated foods	1,300,000	1,465,465	1,465,465	-
Vocational Education Acts	638,839	674,859	643,443	(31,416)
Improving Teacher Quality State Grants	2,620,730	3,285,106	2,489,900	(795,206)
Individuals with Disabilities Education Act (IDEA)	14,329,830	15,562,479	14,007,802	(1,554,677)
Elementary and Secondary Education Act, Title I	24,296,677	25,355,453	19,446,052	(5,909,401)
Race to the Top Incentive Grants	10,745,999	10,896,499	3,962,891	(6,933,608)
Education Jobs Act	-	183,785	183,785	-
Other Federal through State	2,457,330	2,698,112	2,187,207	(510,905)
Total Federal through State	<u>72,389,405</u>	<u>77,047,872</u>	<u>61,312,659</u>	<u>(15,735,213)</u>
State sources:				
State supplements	350,000	350,143	350,143	-
Other state sources	-	5,379	5,379	-
Total state sources	<u>350,000</u>	<u>355,522</u>	<u>355,522</u>	<u>-</u>
Local sources:				
Interest Income	12,000	10,266	10,266	-
Student lunches	3,000,000	2,889,389	2,889,389	-
Student breakfasts	200,000	190,138	190,138	-
Student and adult a la carte	2,880,000	2,460,205	2,460,205	-
Other food service revenues	577,000	552,335	552,335	-
Other local sources	1,500	2,204	2,204	-
Total local sources	<u>6,670,500</u>	<u>6,104,537</u>	<u>6,104,537</u>	<u>-</u>
Total revenues	<u>79,668,099</u>	<u>83,785,193</u>	<u>68,045,272</u>	<u>(15,739,921)</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	21,920,603	22,426,110	18,378,442	4,047,668
Pupil personnel services	3,718,244	5,026,492	4,472,919	553,573
Instructional media services	-	154,298	37,648	116,650
Instruction and curriculum development services	13,224,592	13,077,729	10,157,023	2,920,706
Instructional staff training services	4,676,029	4,630,374	2,393,568	2,236,806
Instruction related technology	2,831,841	2,695,790	1,315,750	1,380,040
General administration	1,801,349	2,253,663	1,421,590	832,073
School administration	-	2,311,488	2,311,488	-
Food services	24,240,574	23,749,752	23,441,712	308,040
Central services	4,352,146	4,045,923	1,515,943	2,529,980
Pupil transportation services	1,291,310	620,097	458,224	161,873
Operation of plant	36,133	37,716	28,422	9,294
Administrative technology services	70,000	212,686	26,136	186,550
Capital Outlay:				
Other capital outlay	2,007,849	2,368,993	1,470,385	898,608
Total expenditures	<u>80,170,670</u>	<u>83,611,111</u>	<u>67,429,250</u>	<u>16,181,861</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(502,571)</u>	<u>174,082</u>	<u>616,022</u>	<u>441,940</u>
<b>OTHER FINANCING SOURCES</b>				
Proceeds from sale of capital assets	-	3,000	3,000	-
Total other financing sources	<u>-</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Net change in fund balances	<u>(502,571)</u>	<u>177,082</u>	<u>619,022</u>	<u>441,940</u>
Fund balances, July 1, 2011	9,234,990	9,234,990	9,234,990	-
Fund balances, June 30, 2012	<u>\$ 8,732,419</u>	<u>\$ 9,412,072</u>	<u>\$ 9,854,012</u>	<u>\$ 441,940</u>

**District School Board of Volusia County, Florida**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -**  
**Food Service - Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2012**

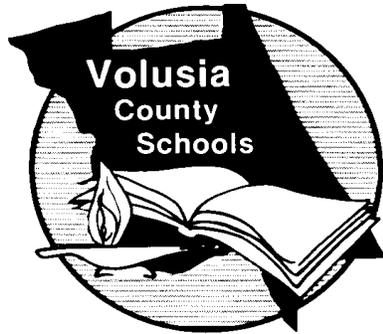
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Federal through State:				
School lunch reimbursement	\$ 13,000,000	\$ 13,371,905	\$ 13,371,905	\$ -
School breakfast reimbursement	3,000,000	3,554,209	3,554,209	-
USDA donated foods	1,300,000	1,465,465	1,465,465	-
Other Federal through State	450,000	372,765	372,765	-
Total Federal through State	<u>17,750,000</u>	<u>18,764,344</u>	<u>18,764,344</u>	<u>-</u>
State sources:				
State supplements	350,000	350,143	350,143	-
Other state sources	-	5,379	5,379	-
Total state sources	<u>350,000</u>	<u>355,522</u>	<u>355,522</u>	<u>-</u>
Local sources:				
Interest Income	12,000	10,266	10,266	-
Student lunches	3,000,000	2,889,389	2,889,389	-
Student breakfasts	200,000	190,138	190,138	-
Student and adult a la carte	2,880,000	2,460,205	2,460,205	-
Other food service revenues	577,000	552,335	552,335	-
Other local sources	1,500	2,204	2,204	-
Total local sources	<u>6,670,500</u>	<u>6,104,537</u>	<u>6,104,537</u>	<u>-</u>
Total revenues	<u>24,770,500</u>	<u>25,224,403</u>	<u>25,224,403</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
Food services	24,240,574	23,749,752	23,441,712	308,040
Capital Outlay:				
Other capital outlay	1,032,497	1,300,569	1,166,669	133,900
Total expenditures	<u>25,273,071</u>	<u>25,050,321</u>	<u>24,608,381</u>	<u>441,940</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(502,571)</u>	<u>174,082</u>	<u>616,022</u>	<u>441,940</u>
<b>OTHER FINANCING SOURCES</b>				
Proceeds from sale of capital assets	-	3,000	3,000	-
Total other financing sources	<u>-</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Net change in fund balances	<u>(502,571)</u>	<u>177,082</u>	<u>619,022</u>	<u>441,940</u>
Fund balances, July 1, 2011	9,234,990	9,234,990	9,234,990	-
Fund balances, June 30, 2012	<u>\$ 8,732,419</u>	<u>\$ 9,412,072</u>	<u>\$ 9,854,012</u>	<u>\$ 441,940</u>

**District School Board of Volusia County, Florida**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -**  
**Contracted Federal Programs - Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2012**

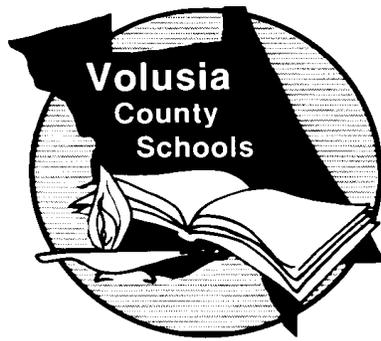
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Federal direct	\$ 258,194	\$ 277,262	\$ 272,554	\$ (4,708)
Federal through State:				
Vocational Education Acts	638,839	674,859	643,443	(31,416)
Improving Teacher Quality State Grants	2,620,730	3,285,106	2,489,900	(795,206)
Individuals with Disabilities Education Act (IDEA)	14,034,259	15,266,908	13,712,231	(1,554,677)
Elementary and Secondary Education Act, Title I	23,875,427	24,934,203	19,024,802	(5,909,401)
Other Federal through State	1,935,194	2,254,573	1,743,668	(510,905)
Total Federal through State	<u>43,104,449</u>	<u>46,415,649</u>	<u>37,614,044</u>	<u>(8,801,605)</u>
Total revenues	<u>43,362,643</u>	<u>46,692,911</u>	<u>37,886,598</u>	<u>(8,806,313)</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	21,187,893	21,333,813	17,545,949	3,787,864
Pupil personnel services	3,713,956	4,996,743	4,443,170	553,573
Instruction and curriculum development services	12,323,538	12,007,514	9,667,723	2,339,791
Instructional staff training services	3,486,297	3,280,108	2,083,790	1,196,318
Instruction related technology	-	8,923	8,923	-
General administration	1,408,471	1,834,152	1,260,014	574,138
School administration	-	2,310,051	2,310,051	-
Pupil transportation services	1,209,608	606,688	445,844	160,844
Operation of plant	25,375	36,580	27,286	9,294
Capital Outlay:				
Other capital outlay	7,505	278,339	93,848	184,491
Total expenditures	<u>43,362,643</u>	<u>46,692,911</u>	<u>37,886,598</u>	<u>8,806,313</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances, July 1, 2011	-	-	-	-
Fund balances, June 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**District School Board of Volusia County, Florida**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -**  
**American Recovery and Reinvestment Act (ARRA) Economic Stimulus Funds -**  
**Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2012**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Federal through State:				
Individuals with Disabilities Education Act (IDEA)	\$ 295,571	\$ 295,571	\$ 295,571	\$ -
Elementary and Secondary Education Act, Title I	421,250	421,250	421,250	-
Race to the Top Incentive Grants	10,745,999	10,896,499	3,962,891	(6,933,608)
Education Jobs Act	-	183,785	183,785	-
Other Federal through State	72,136	70,774	70,774	-
Total Federal through State	<u>11,534,956</u>	<u>11,867,879</u>	<u>4,934,271</u>	<u>(6,933,608)</u>
Total revenues	<u>11,534,956</u>	<u>11,867,879</u>	<u>4,934,271</u>	<u>(6,933,608)</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	732,710	1,092,297	832,493	259,804
Pupil personnel services	4,288	29,749	29,749	-
Instructional media services	-	154,298	37,648	116,650
Instruction and curriculum development services	901,054	1,070,215	489,300	580,915
Instructional staff training services	1,189,732	1,350,266	309,778	1,040,488
Instruction related technology	2,831,841	2,686,867	1,306,827	1,380,040
General administration	392,878	419,511	161,576	257,935
School administration	-	1,437	1,437	-
Central services	4,352,146	4,045,923	1,515,943	2,529,980
Pupil transportation services	81,702	13,409	12,380	1,029
Operation of plant	10,758	1,136	1,136	-
Administrative technology services	70,000	212,686	26,136	186,550
Capital Outlay:				
Other capital outlay	967,847	790,085	209,868	580,217
Total expenditures	<u>11,534,956</u>	<u>11,867,879</u>	<u>4,934,271</u>	<u>6,933,608</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances, July 1, 2011	-	-	-	-
Fund balances, June 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



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# Debt Service Funds

**District School Board of Volusia County, Florida  
Combining Balance Sheet -  
Nonmajor Governmental Funds - Debt Service Funds  
June 30, 2012**

	<b>SBE/COBI Bonds</b>	<b>Certificates of Participation</b>	<b>Total Nonmajor Debt Service Funds</b>
<b>ASSETS</b>			
Investments	\$ 298,090	\$ 31,219	\$ 329,309
Total assets	\$ 298,090	\$ 31,219	\$ 329,309
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Estimated liability for arbitrage rebate	\$ -	\$ 30,480	\$ 30,480
Total liabilities	-	30,480	30,480
Fund balances:			
Restricted	298,090	739	298,829
Total fund balances	298,090	739	298,829
Total liabilities and fund balances	\$ 298,090	\$ 31,219	\$ 329,309

**District School Board of Volusia County, Florida  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Nonmajor Governmental Funds - Debt Service Funds  
For the Fiscal Year Ended June 30, 2012**

	SBE/COBI Bonds	Certificates of Participation	Total Nonmajor Debt Service Funds
<b>REVENUES</b>			
State sources	\$ 1,925,052	\$ -	\$ 1,925,052
Total revenues	<u>1,925,052</u>	<u>-</u>	<u>1,925,052</u>
<b>EXPENDITURES</b>			
Debt service:			
Principal	1,380,000	9,200,000	10,580,000
Interest and fiscal charges	579,488	14,612,062	15,191,550
Total expenditures	<u>1,959,488</u>	<u>23,812,062</u>	<u>25,771,550</u>
Deficiency of revenues under expenditures	<u>(34,436)</u>	<u>(23,812,062)</u>	<u>(23,846,498)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Refunding bonds issued	315,000	-	315,000
Premium on refunding bonds issued	48,392	-	48,392
Payment to refunded bonds escrow agent	(362,456)	-	(362,456)
Transfers in	-	23,812,062	23,812,062
Total other financing sources (uses)	<u>936</u>	<u>23,812,062</u>	<u>23,812,998</u>
Net change in fund balances	<u>(33,500)</u>	<u>-</u>	<u>(33,500)</u>
Fund balances, July 1, 2011	331,590	739	332,329
Fund balances, June 30, 2012	<u>\$ 298,090</u>	<u>\$ 739</u>	<u>\$ 298,829</u>

**District School Board of Volusia County, Florida**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual -**  
**All Debt Service Funds**  
**For the Fiscal Year Ended June 30, 2012**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
State sources				
CO&DS withheld for SBE/COBI bonds	\$ 1,957,213	\$ 1,925,052	\$ 1,925,052	\$ -
SBE/COBI bond interest	-	-	-	-
Total State sources	<u>1,957,213</u>	<u>1,925,052</u>	<u>1,925,052</u>	<u>-</u>
Local sources				
Interest income and other	-	15,780	15,780	-
Total local sources	<u>-</u>	<u>15,780</u>	<u>15,780</u>	<u>-</u>
Total revenues	<u>1,957,213</u>	<u>1,940,832</u>	<u>1,940,832</u>	<u>-</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal	31,360,000	31,360,000	31,360,000	-
Interest and fiscal charges	<u>21,700,674</u>	<u>22,298,997</u>	<u>22,298,997</u>	<u>-</u>
Total expenditures	<u>53,060,674</u>	<u>53,658,997</u>	<u>53,658,997</u>	<u>-</u>
Deficiency of revenues under expenditures	<u>(51,103,461)</u>	<u>(51,718,165)</u>	<u>(51,718,165)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Refunding bonds issued	-	39,425,000	39,425,000	-
Premium on refunding bonds issued	-	3,628,829	3,628,829	-
Payment to refunded bonds escrow agent	-	(42,356,714)	(42,356,714)	-
Transfers in	<u>51,601,151</u>	<u>54,522,668</u>	<u>54,522,668</u>	<u>-</u>
Total other financing sources (uses)	<u>51,601,151</u>	<u>55,219,783</u>	<u>55,219,783</u>	<u>-</u>
Net change in fund balances	497,690	3,501,618	3,501,618	-
Fund balances, July 1, 2011	<u>17,672,285</u>	<u>17,672,285</u>	<u>17,672,285</u>	<u>-</u>
Fund balances, June 30, 2012	<u>\$ 18,169,975</u>	<u>\$ 21,173,903</u>	<u>\$ 21,173,903</u>	<u>\$ -</u>

**District School Board of Volusia County, Florida**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -**  
**SBE/COBI Bonds - Debt Service Fund**  
**For the Fiscal Year Ended June 30, 2012**

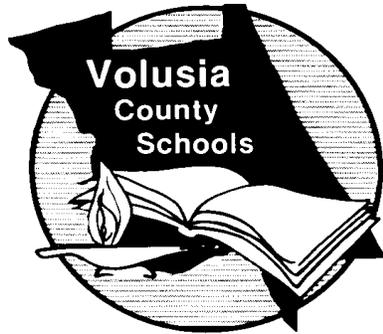
	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
State sources:				
CO&DS withheld for SBE/COBI bonds	\$ 1,957,213	\$ 1,925,052	\$ 1,925,052	\$ -
SBE/COBI bond interest	-	-	-	-
Total State sources	<u>1,957,213</u>	<u>1,925,052</u>	<u>1,925,052</u>	<u>-</u>
Total revenues	<u>1,957,213</u>	<u>1,925,052</u>	<u>1,925,052</u>	<u>-</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal	1,380,000	1,380,000	1,380,000	-
Interest and fiscal charges	577,213	579,488	579,488	-
Total expenditures	<u>1,957,213</u>	<u>1,959,488</u>	<u>1,959,488</u>	<u>-</u>
Deficiency of revenues under expenditures	<u>-</u>	<u>(34,436)</u>	<u>(34,436)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Refunding bonds issued	-	315,000	315,000	-
Premium on refunding bonds issued	-	48,392	48,392	-
Payment to refunded bonds escrow agent	-	(362,456)	(362,456)	-
Total other financing sources (uses)	<u>-</u>	<u>936</u>	<u>936</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>(33,500)</u>	<u>(33,500)</u>	<u>-</u>
Fund balances, July 1, 2011	331,590	331,590	331,590	-
Fund balances, June 30, 2012	<u>\$ 331,590</u>	<u>\$ 298,090</u>	<u>\$ 298,090</u>	<u>\$ -</u>

**District School Board of Volusia County, Florida**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -**  
**Sales Tax Revenue Bonds - Debt Service Fund**  
**For the Fiscal Year Ended June 30, 2012**

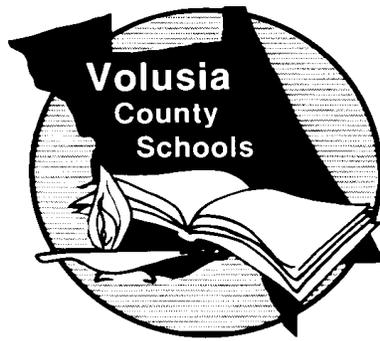
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Local sources:				
Interest income	\$ -	\$ 15,780	\$ 15,780	\$ -
Total local sources	-	15,780	15,780	-
Total revenues	-	15,780	15,780	-
<b>EXPENDITURES</b>				
Debt Service:				
Principal	20,780,000	20,780,000	20,780,000	-
Interest and fiscal charges	6,522,709	7,107,447	7,107,447	-
Total expenditures	27,302,709	27,887,447	27,887,447	-
Deficiency of revenues under expenditures	(27,302,709)	(27,871,667)	(27,871,667)	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Refunding bonds issued	-	39,110,000	39,110,000	-
Premium on refunding bonds issued	-	3,580,437	3,580,437	-
Payment to refunded bonds escrow agent	-	(41,994,258)	(41,994,258)	-
Transfers in	27,800,399	30,710,606	30,710,606	-
Total other financing sources (uses)	27,800,399	31,406,785	31,406,785	-
Net change in fund balances	497,690	3,535,118	3,535,118	-
Fund balances, July 1, 2011	17,339,956	17,339,956	17,339,956	-
Fund balances, June 30, 2012	<u>\$ 17,837,646</u>	<u>\$ 20,875,074</u>	<u>\$ 20,875,074</u>	<u>\$ -</u>

**District School Board of Volusia County, Florida**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -**  
**Certificates of Participation - Debt Service Fund**  
**For the Fiscal Year Ended June 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Local sources:				
Interest income	\$ -	\$ -	\$ -	\$ -
Total local sources	-	-	-	-
Total revenues	-	-	-	-
<b>EXPENDITURES</b>				
Debt Service:				
Principal	\$ 9,200,000	\$ 9,200,000	\$ 9,200,000	-
Interest and fiscal charges	14,600,752	14,612,062	14,612,062	-
Total expenditures	23,800,752	23,812,062	23,812,062	-
Deficiency of revenues under expenditures	(23,800,752)	(23,812,062)	(23,812,062)	-
<b>OTHER FINANCING SOURCES</b>				
Transfers in	23,800,752	23,812,062	23,812,062	-
Total other financing sources	23,800,752	23,812,062	23,812,062	-
Net change in fund balances	-	-	-	-
Fund balances, July 1, 2011	739	739	739	-
Fund balances, June 30, 2012	\$ 739	\$ 739	\$ 739	\$ -



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# Capital Projects Funds

**District School Board of Volusia County, Florida  
Combining Balance Sheet -  
Nonmajor Capital Projects Funds  
June 30, 2012**

	<b>Certificates of Participation</b>	<b>Capital Outlay and Debt Service</b>	<b>Impact Fees</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ 57,378	\$ -
Investments	3,986,208	-	10,143,343
Interest receivable	-	-	12
Due from other agencies	-	-	265,429
Total assets	\$ 3,986,208	\$ 57,378	\$ 10,408,784
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 299	\$ -	\$ 550
Construction contracts payable	1,017,375	-	71,502
Construction contracts payable - retainage	271,820	-	145,787
Total liabilities	1,289,494	-	217,839
Fund balances:			
Restricted	2,696,714	57,378	10,190,945
Total fund balances	2,696,714	57,378	10,190,945
Total liabilities and fund balances	\$ 3,986,208	\$ 57,378	\$ 10,408,784

<b>Local Sales Tax</b>	<b>Sale of Property</b>	<b>Charter Schools' Capital Outlay</b>	<b>Total Nonmajor Capital Projects Funds</b>
\$ -	\$ -	\$ -	\$ 57,378
2,569,911	3,478,438	-	20,177,900
-	-	-	12
5,344,952	-	-	5,610,381
<u>\$ 7,914,863</u>	<u>\$ 3,478,438</u>	<u>\$ -</u>	<u>\$ 25,845,671</u>
\$ -	\$ 195	\$ -	\$ 1,044
-	-	-	1,088,877
-	-	-	417,607
<u>-</u>	<u>195</u>	<u>-</u>	<u>1,507,528</u>
7,914,863	3,478,243	-	24,338,143
<u>7,914,863</u>	<u>3,478,243</u>	<u>-</u>	<u>24,338,143</u>
<u>\$ 7,914,863</u>	<u>\$ 3,478,438</u>	<u>\$ -</u>	<u>\$ 25,845,671</u>

**District School Board of Volusia County, Florida  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Nonmajor Capital Projects Funds  
For the Fiscal Year Ended June 30, 2012**

	<u>Certificates of Participation</u>	<u>Capital Outlay and Debt Service</u>	<u>Impact Fees</u>
<b>REVENUES</b>			
State sources			
Other state revenues	\$ -	\$ 357,532	\$ -
Total state sources	<u>-</u>	<u>357,532</u>	<u>-</u>
Local sources			
Local sales taxes	-	-	-
Impact fees	-	-	4,892,107
Other local revenues	5,738	-	18,500
Total local sources	<u>5,738</u>	<u>-</u>	<u>4,910,607</u>
Total revenues	<u>5,738</u>	<u>357,532</u>	<u>4,910,607</u>
<b>EXPENDITURES</b>			
Current:			
Facilities services - non-capitalized	394,175	-	20,141
Debt Service:			
Interest and fiscal charges	-	855	-
Capital Outlay:			
Facilities acquisition and construction	11,181,155	363,930	3,012,856
Other capital outlay	457,291	-	41,692
Total expenditures	<u>12,032,621</u>	<u>364,785</u>	<u>3,074,689</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,026,883)</u>	<u>(7,253)</u>	<u>1,835,918</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of capital assets	-	-	-
Transfers out	(117,823)	-	(2,664,251)
Total other financing sources (uses)	<u>(117,823)</u>	<u>-</u>	<u>(2,664,251)</u>
Net change in fund balances	(12,144,706)	(7,253)	(828,333)
Fund balances, July 1, 2011	14,841,420	64,631	11,019,278
Fund balances, June 30, 2012	<u>\$ 2,696,714</u>	<u>\$ 57,378</u>	<u>\$ 10,190,945</u>

<b>Local Sales Tax</b>	<b>Sale of Property</b>	<b>Charter Schools' Capital Outlay</b>	<b>Total Nonmajor Capital Projects Funds</b>
\$ -	\$ 102,161	\$ 420,661	\$ 880,354
-	102,161	420,661	880,354
30,526,725	-	-	30,526,725
-	-	-	4,892,107
4,301	12,870	-	41,409
30,531,026	12,870	-	35,460,241
30,531,026	115,031	420,661	36,340,595
-	99,471	-	513,787
-	-	-	855
-	259,193	-	14,817,134
-	-	-	498,983
-	358,664	-	15,830,759
30,531,026	(243,633)	420,661	20,509,836
-	1,599,965	-	1,599,965
(30,710,607)	-	(420,661)	(33,913,342)
(30,710,607)	1,599,965	(420,661)	(32,313,377)
(179,581)	1,356,332	-	(11,803,541)
8,094,444	2,121,911	-	36,141,684
\$ 7,914,863	\$ 3,478,243	\$ -	\$ 24,338,143

**District School Board of Volusia County, Florida**  
**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual -**  
**All Capital Project Funds**  
**For the Fiscal Year Ended June 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
State sources:				
CO&DS distributed	\$ 300,000	\$ 331,646	\$ 331,646	-
Interest on undistributed CO&DS	5,000	25,886	25,886	-
Charter school capital outlay funding	-	420,661	420,661	-
Other State sources	-	102,161	102,161	-
Total State sources	<u>305,000</u>	<u>880,354</u>	<u>880,354</u>	<u>-</u>
Local sources:				
Ad valorem taxes	38,752,224	38,827,686	38,827,686	-
Local sales tax	29,290,000	30,526,725	30,526,725	-
Interest income	-	129,295	129,295	-
Impact fees	3,000,000	4,892,107	4,892,107	-
Other local sources	-	35,910	35,910	-
Total local sources	<u>71,042,224</u>	<u>74,411,723</u>	<u>74,411,723</u>	<u>-</u>
Total revenues	<u>71,347,224</u>	<u>75,292,077</u>	<u>75,292,077</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
Facilities services - non-capitalized	3,274,428	6,389,179	5,260,974	1,128,205
Debt Service:				
Interest and fiscal charges	-	855	855	-
Capital Outlay:				
Facilities acquisition and construction	33,989,458	35,280,493	23,808,336	11,472,157
Other capital outlay	10,445,639	5,543,964	4,500,642	1,043,322
Total expenditures	<u>47,709,525</u>	<u>47,214,491</u>	<u>33,570,807</u>	<u>13,643,684</u>
Excess of revenues over expenditures	<u>23,637,699</u>	<u>28,077,586</u>	<u>41,721,270</u>	<u>13,643,684</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	-	1,599,965	1,599,965	-
Transfers out	(69,108,401)	(70,486,789)	(70,486,789)	-
Total other financing sources (uses)	<u>(69,108,401)</u>	<u>(68,886,824)</u>	<u>(68,886,824)</u>	<u>-</u>
Net change in fund balances	<u>(45,470,702)</u>	<u>(40,809,238)</u>	<u>(27,165,554)</u>	<u>13,643,684</u>
Fund balances, July 1, 2011	92,494,263	92,494,263	92,494,263	-
Fund balances, June 30, 2012	<u>\$ 47,023,561</u>	<u>\$ 51,685,025</u>	<u>\$ 65,328,709</u>	<u>\$ 13,643,684</u>

**District School Board of Volusia County, Florida**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -**  
**Local Capital Improvement - Capital Projects Fund**  
**For the Fiscal Year Ended June 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Local sources:				
Ad valorem taxes	\$ 38,752,224	\$ 38,827,686	\$ 38,827,686	\$ -
Interest income	-	94,142	94,142	-
Other local sources	-	29,654	29,654	-
Total local sources	<u>38,752,224</u>	<u>38,951,482</u>	<u>38,951,482</u>	<u>-</u>
Total revenues	<u>38,752,224</u>	<u>38,951,482</u>	<u>38,951,482</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
Facilities services - non-capitalized	2,632,331	5,585,766	4,747,187	838,579
Capital Outlay:				
Facilities acquisition and construction	17,052,150	17,437,837	8,991,202	8,446,635
Other capital outlay	9,613,341	4,715,206	4,001,659	713,547
Total expenditures	<u>29,297,822</u>	<u>27,738,809</u>	<u>17,740,048</u>	<u>9,998,761</u>
Excess of revenues over expenditures	<u>9,454,402</u>	<u>11,212,673</u>	<u>21,211,434</u>	<u>9,998,761</u>
<b>OTHER FINANCING USES</b>				
Transfers out	(38,626,784)	(36,573,447)	(36,573,447)	-
Total other financing uses	<u>(38,626,784)</u>	<u>(36,573,447)</u>	<u>(36,573,447)</u>	<u>-</u>
Net change in fund balances	(29,172,382)	(25,360,774)	(15,362,013)	9,998,761
Fund balances, July 1, 2011	56,352,579	56,352,579	56,352,579	-
Fund balances, June 30, 2012	<u>\$ 27,180,197</u>	<u>\$ 30,991,805</u>	<u>\$ 40,990,566</u>	<u>\$ 9,998,761</u>

**District School Board of Volusia County, Florida**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -**  
**Certificates of Participation - Capital Projects Fund**  
**For the Fiscal Year Ended June 30, 2012**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Local sources:				
Interest income	\$ -	\$ 5,738	\$ 5,738	\$ -
Total local sources	-	5,738	5,738	-
Total revenues	-	5,738	5,738	-
<b>EXPENDITURES</b>				
Current:				
Facilities services - non-capitalized	411,428	487,912	394,175	93,737
Capital Outlay:				
Facilities acquisition and construction	13,636,494	13,433,869	11,181,155	2,252,714
Other capital outlay	793,498	761,126	457,291	303,835
Total expenditures	14,841,420	14,682,907	12,032,621	2,650,286
Deficiency of revenues under expenditures	(14,841,420)	(14,677,169)	(12,026,883)	2,650,286
<b>OTHER FINANCING USES</b>				
Transfers out	-	(117,823)	(117,823)	-
Total other financing uses	-	(117,823)	(117,823)	-
Net change in fund balances	(14,841,420)	(14,794,992)	(12,144,706)	2,650,286
Fund balances, July 1, 2011	14,841,420	14,841,420	14,841,420	-
Fund balances, June 30, 2012	\$ -	\$ 46,428	\$ 2,696,714	\$ 2,650,286

**District School Board of Volusia County, Florida**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -**  
**Capital Outlay and Debt Service - Capital Projects Fund**  
**For the Fiscal Year Ended June 30, 2012**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
State sources:				
CO&DS distributed	\$ 300,000	\$ 331,646	\$ 331,646	\$ -
Interest on undistributed CO&DS	5,000	25,886	25,886	-
Total State sources	<u>305,000</u>	<u>357,532</u>	<u>357,532</u>	<u>-</u>
Total revenues	<u>305,000</u>	<u>357,532</u>	<u>357,532</u>	<u>-</u>
<b>EXPENDITURES</b>				
Debt Service:				
Interest and fiscal charges	-	855	855	-
Capital Outlay:				
Facilities acquisition and construction	-	363,930	363,930	-
Total expenditures	<u>-</u>	<u>364,785</u>	<u>364,785</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>305,000</u>	<u>(7,253)</u>	<u>(7,253)</u>	<u>-</u>
Net change in fund balances	<u>305,000</u>	<u>(7,253)</u>	<u>(7,253)</u>	<u>-</u>
Fund balances, July 1, 2011	64,631	64,631	64,631	-
Fund balances, June 30, 2012	<u>\$ 369,631</u>	<u>\$ 57,378</u>	<u>\$ 57,378</u>	<u>\$ -</u>

**District School Board of Volusia County, Florida**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -**  
**Sale of Property - Capital Projects Fund**  
**For the Fiscal Year Ended June 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
State sources:				
Other State sources	\$ -	\$ 102,161	\$ 102,161	\$ -
Total State sources	-	102,161	102,161	-
Local sources:				
Interest income	-	6,614	6,614	-
Other local sources	-	6,256	6,256	-
Total local sources	-	12,870	12,870	-
Total revenues	-	115,031	115,031	-
<b>EXPENDITURES</b>				
Current:				
Facilities services - non-capitalized	-	121,301	99,471	21,830
Capital Outlay:				
Facilities acquisition and construction	40,649	907,689	259,193	648,496
Total expenditures	40,649	1,028,990	358,664	670,326
Deficiency of revenues under expenditures	(40,649)	(913,959)	(243,633)	670,326
<b>OTHER FINANCING SOURCES</b>				
Proceeds from sale of capital assets	-	1,599,965	1,599,965	-
Total other financing sources	-	1,599,965	1,599,965	-
Net change in fund balances	(40,649)	686,006	1,356,332	670,326
Fund balances, July 1, 2011	2,121,911	2,121,911	2,121,911	-
Fund balances, June 30, 2012	<u>\$ 2,081,262</u>	<u>\$ 2,807,917</u>	<u>\$ 3,478,243</u>	<u>\$ 670,326</u>

**District School Board of Volusia County, Florida**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -**  
**Impact Fees - Capital Projects Fund**  
**For the Fiscal Year Ended June 30, 2012**

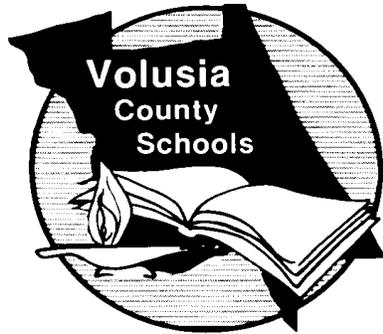
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Local sources:				
Impact fees	\$ 3,000,000	\$ 4,892,107	\$ 4,892,107	\$ -
Interest income	-	18,500	18,500	-
Total local sources	<u>3,000,000</u>	<u>4,910,607</u>	<u>4,910,607</u>	<u>-</u>
Total revenues	<u>3,000,000</u>	<u>4,910,607</u>	<u>4,910,607</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
Facilities services - non-capitalized	230,669	194,200	20,141	174,059
Capital Outlay:				
Facilities acquisition and construction	3,211,021	3,137,168	3,012,856	124,312
Other capital outlay	38,800	67,632	41,692	25,940
Total expenditures	<u>3,480,490</u>	<u>3,399,000</u>	<u>3,074,689</u>	<u>324,311</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>(480,490)</u>	<u>1,511,607</u>	<u>1,835,918</u>	<u>324,311</u>
<b>OTHER FINANCING USES</b>				
Transfers out	(2,681,218)	(2,664,251)	(2,664,251)	-
Total other financing uses	<u>(2,681,218)</u>	<u>(2,664,251)</u>	<u>(2,664,251)</u>	<u>-</u>
Net change in fund balances	(3,161,708)	(1,152,644)	(828,333)	324,311
Fund balances, July 1, 2011	11,019,278	11,019,278	11,019,278	-
Fund balances, June 30, 2012	<u>\$ 7,857,570</u>	<u>\$ 9,866,634</u>	<u>\$ 10,190,945</u>	<u>\$ 324,311</u>

**District School Board of Volusia County, Florida**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -**  
**Local Sales Tax - Capital Projects Fund**  
**For the Fiscal Year Ended June 30, 2012**

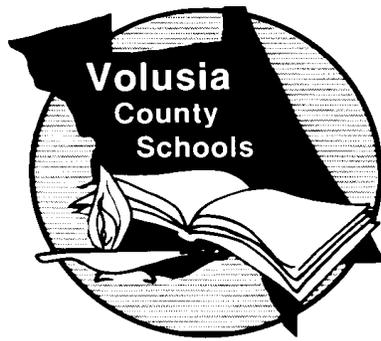
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Local sources:				
Local sales tax	\$ 29,290,000	\$ 30,526,725	\$ 30,526,725	\$ -
Interest income	-	4,301	4,301	-
Total local sources	<u>29,290,000</u>	<u>30,531,026</u>	<u>30,531,026</u>	<u>-</u>
Total revenues	<u>29,290,000</u>	<u>30,531,026</u>	<u>30,531,026</u>	<u>-</u>
<b>EXPENDITURES</b>				
Capital Outlay:				
Facilities acquisition and construction	49,144	-	-	-
Total expenditures	<u>49,144</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>29,240,856</u>	<u>30,531,026</u>	<u>30,531,026</u>	<u>-</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(27,800,399)</u>	<u>(30,710,607)</u>	<u>(30,710,607)</u>	<u>-</u>
Total other financing uses	<u>(27,800,399)</u>	<u>(30,710,607)</u>	<u>(30,710,607)</u>	<u>-</u>
Net change in fund balances	1,440,457	(179,581)	(179,581)	-
Fund balances, July 1, 2011	8,094,444	8,094,444	8,094,444	-
Fund balances, June 30, 2012	<u>\$ 9,534,901</u>	<u>\$ 7,914,863</u>	<u>\$ 7,914,863</u>	<u>\$ -</u>

**District School Board of Volusia County, Florida**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -**  
**Charter Schools' Capital Outlay - Capital Projects Fund**  
**For the Fiscal Year Ended June 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
State sources:				
Charter school capital outlay funding	\$ -	\$ 420,661	\$ 420,661	\$ -
Total State sources	-	420,661	420,661	-
Total revenues	-	420,661	420,661	-
Excess of revenues over expenditures	-	420,661	420,661	-
<b>OTHER FINANCING USES</b>				
Transfers out	-	(420,661)	(420,661)	-
Total other financing uses	-	(420,661)	(420,661)	-
Net change in fund balances	-	-	-	-
Fund balances, July 1, 2011	-	-	-	-
Fund balances, June 30, 2012	\$ -	\$ -	\$ -	\$ -



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# Internal Service Funds

# Internal Service Funds

Internal Service Funds are used to account for the financing of goods and services provided by one department to other departments within the school district on a cost reimbursement basis.

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

**Property Insurance Fund** - Used to account for the financial activities of the District's property insurance coverages.

**General Liability Fund** - Used to account for the financial activities of the District's self-insured general liability coverages.

**Fleet Insurance Fund** - Used to account for the financial activities of the District's self-insured fleet coverages.

**District School Board of Volusia County, Florida**  
**Combining Statement of Net Position -**  
**Internal Service Funds**  
**June 30, 2012**

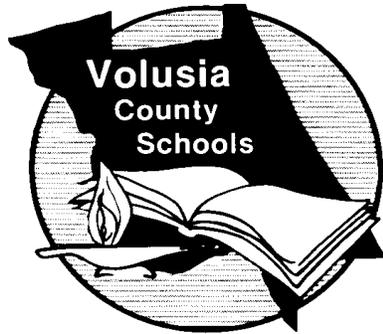
	<u>Workers'</u> <u>Compensation</u>	<u>Property</u> <u>Insurance</u>	<u>General</u> <u>Liability</u>	<u>Fleet</u> <u>Insurance</u>	<u>Total</u> <u>Internal</u> <u>Service</u> <u>Funds</u>
<b>ASSETS</b>					
Current assets:					
Investments	\$ 4,182,289	\$ 5,094,037	\$ 2,251,407	\$ 1,054,913	\$ 12,582,646
Accounts receivable	15,063	-	-	-	15,063
Interest receivable	11,032	8,428	4,522	1,917	25,899
Total current assets	<u>4,208,384</u>	<u>5,102,465</u>	<u>2,255,929</u>	<u>1,056,830</u>	<u>12,623,608</u>
Total assets	<u>4,208,384</u>	<u>5,102,465</u>	<u>2,255,929</u>	<u>1,056,830</u>	<u>12,623,608</u>
<b>LIABILITIES</b>					
Current liabilities:					
Salaries and benefits payable	\$ 557	\$ -	\$ -	\$ -	\$ 557
Accounts payable	426	326	175	74	1,001
Estimated insurance claims payable	1,470,448	-	100,535	25,909	1,596,892
Noncurrent liabilities:					
Estimated liability for long-term claims	2,170,925	-	462,179	30,847	2,663,951
Total noncurrent liabilities	<u>3,642,356</u>	<u>326</u>	<u>562,889</u>	<u>56,830</u>	<u>4,262,401</u>
Total liabilities	<u>3,642,356</u>	<u>326</u>	<u>562,889</u>	<u>56,830</u>	<u>4,262,401</u>
<b>NET POSITION</b>					
Unrestricted	566,028	5,102,139	1,693,040	1,000,000	8,361,207
Total net position	<u>\$ 566,028</u>	<u>\$ 5,102,139</u>	<u>\$ 1,693,040</u>	<u>\$ 1,000,000</u>	<u>\$ 8,361,207</u>

**District School Board of Volusia County, Florida**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position -**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2012**

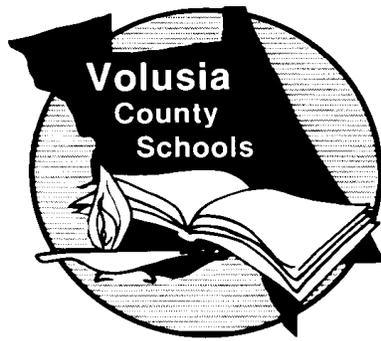
	<b>Workers' Compensation</b>	<b>Property Insurance</b>	<b>General Liability</b>	<b>Fleet Insurance</b>	<b>Total Internal Service Funds</b>
<b>OPERATING REVENUES</b>					
Premium revenue	\$ 1,665,626	\$ 2,945,992	\$ 371,453	\$ 189,745	\$ 5,172,816
Total operating revenues	<u>1,665,626</u>	<u>2,945,992</u>	<u>371,453</u>	<u>189,745</u>	<u>5,172,816</u>
<b>OPERATING EXPENSES</b>					
Salaries	60,237	-	-	1,981	62,218
Employee benefits	14,709	-	-	-	14,709
Purchased services	608,049	2,950,373	282,036	130,158	3,970,616
Materials and supplies	81	-	-	4,520	4,601
Insurance claims and related costs	985,076	-	90,797	53,807	1,129,680
Total operating expenses	<u>1,668,152</u>	<u>2,950,373</u>	<u>372,833</u>	<u>190,466</u>	<u>5,181,824</u>
Operating loss	<u>(2,526)</u>	<u>(4,381)</u>	<u>(1,380)</u>	<u>(721)</u>	<u>(9,008)</u>
<b>NONOPERATING REVENUES</b>					
Interest	2,526	4,381	1,380	721	9,008
Total nonoperating revenues	<u>2,526</u>	<u>4,381</u>	<u>1,380</u>	<u>721</u>	<u>9,008</u>
Change in net position	-	-	-	-	-
Net position- July 1, 2011	566,028	5,102,139	1,693,040	1,000,000	8,361,207
Net position - June 30, 2012	<u>\$ 566,028</u>	<u>\$ 5,102,139</u>	<u>\$ 1,693,040</u>	<u>\$ 1,000,000</u>	<u>\$ 8,361,207</u>

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

	<u>Workers'</u> <u>Compensation</u>	<u>Property</u> <u>Insurance</u>	<u>General</u> <u>Liability</u>	<u>Fleet</u> <u>Insurance</u>	<u>Total</u> <u>Internal</u> <u>Service</u> <u>Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from premiums	\$ 1,665,626	\$ 2,945,992	\$ 371,453	\$ 189,745	\$ 5,172,816
Payments to suppliers	(622,958)	(2,950,196)	(281,946)	(134,647)	(3,989,747)
Payments to employees	(74,896)	-	-	(1,981)	(76,877)
Payments for insurance claims	(1,395,883)	-	(278,688)	(123,242)	(1,797,813)
Net cash used by operating activities	<u>(428,111)</u>	<u>(4,204)</u>	<u>(189,181)</u>	<u>(70,125)</u>	<u>(691,621)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from maturities of investments	425,585	-	187,801	69,404	682,790
Purchase of investments	-	(177)	-	-	(177)
Interest	2,526	4,381	1,380	721	9,008
Net cash provided by investing activities	<u>428,111</u>	<u>4,204</u>	<u>189,181</u>	<u>70,125</u>	<u>691,621</u>
Net increase in cash and cash equivalents	-	-	-	-	-
Cash and cash equivalents - July 1, 2011	-	-	-	-	-
Cash and cash equivalents - June 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Reconciliation of operating loss to net cash used used by operating activities:</b>					
Operating loss	\$ (2,526)	\$ (4,381)	\$ (1,380)	\$ (721)	\$ (9,008)
Adjustments to reconcile operating loss to net cash used by operating activities:					
Increase in accounts receivable	(15,063)	-	-	-	(15,063)
Increase in salaries and benefits payable	51	-	-	-	51
Increase in accounts payable	234	177	90	31	532
Decrease in estimated insurance claims payable	(410,807)	-	(187,891)	(69,435)	(668,133)
Net cash used by operating activities	<u>\$ (428,111)</u>	<u>\$ (4,204)</u>	<u>\$ (189,181)</u>	<u>\$ (70,125)</u>	<u>\$ (691,621)</u>
<b>Noncash investing activities:</b>					
Net decrease in the fair value of investments	<u>\$ (5,819)</u>	<u>\$ (4,382)</u>	<u>\$ (2,337)</u>	<u>\$ (901)</u>	<u>\$ (13,439)</u>



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# Fiduciary Funds

# Fiduciary Funds

Fiduciary Funds are used to report resources held by a governmental unit in a trustee or agency capacity for others and therefore, cannot be used to support the government's own programs.

**Private-Purpose Trust Funds** - Used to account for the resources of the District's trust and endowment funds for DeLand High, Spruce Creek High, Seabreeze High, and Samsula Scholars.

**Agency Funds** - Used to account for resources of the school internal funds which are used to administer monies collected at the schools for student, athletic, class, and club activities and to account for resources that are held for a voluntary employee benefits program.

**District School Board of Volusia County, Florida  
Combining Statement of Fiduciary Net Position -  
Private-Purpose Trust Funds  
June 30, 2012**

	<u>DeLand High</u>	<u>Spruce Creek High</u>	<u>Seabreeze High</u>	<u>Samsula Scholars</u>	<u>Total Private-Purpose Trust Funds</u>
<b>ASSETS</b>					
Investments	\$ 1,703	\$ 27,714	\$ 762,249	\$ 32,606	\$ 824,272
Total assets	<u>1,703</u>	<u>27,714</u>	<u>762,249</u>	<u>32,606</u>	<u>824,272</u>
<b>NET POSITION</b>					
Assets held in trust for scholarships and other purposes	<u>\$ 1,703</u>	<u>\$ 27,714</u>	<u>\$ 762,249</u>	<u>\$ 32,606</u>	<u>\$ 824,272</u>

**District School Board of Volusia County, Florida**  
**Combining Statement of Changes in Fiduciary Net Position -**  
**Private-Purpose Trust Funds**  
**For the Fiscal Year Ended June 30, 2012**

	<u>DeLand High</u>	<u>Spruce Creek High</u>	<u>Seabreeze High</u>	<u>Samsula Scholars</u>	<u>Total Private-Purpose Trust Funds</u>
<b>ADDITIONS</b>					
Interest earnings	\$ 4	\$ 44	\$ 1,975	\$ 52	\$ 2,075
<b>DEDUCTIONS</b>					
Scholarship payments	1,000	-	450	2,000	3,450
Instructional media	-	-	448	-	448
Total deductions	<u>1,000</u>	<u>-</u>	<u>898</u>	<u>2,000</u>	<u>3,898</u>
Change in net position	(996)	44	1,077	(1,948)	(1,823)
Net position - July 1, 2011	<u>2,699</u>	<u>27,670</u>	<u>761,172</u>	<u>34,554</u>	<u>826,095</u>
Net position - June 30, 2012	<u><u>\$ 1,703</u></u>	<u><u>\$ 27,714</u></u>	<u><u>\$ 762,249</u></u>	<u><u>\$ 32,606</u></u>	<u><u>\$ 824,272</u></u>

**District School Board of Volusia County, Florida**  
**Schedule of Assets and Liabilities -**  
**Agency Funds**  
**June 30, 2012**

	<b>School Internal Funds</b>	<b>Employee Benefits Program</b>	<b>Total Agency Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,466,546	\$ -	\$ 2,466,546
Investments	3,279,138	383,753	3,662,891
Total assets	\$ 5,745,684	\$ 383,753	\$ 6,129,437
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 383,753	\$ 383,753
Deposits held for others	5,745,684	-	5,745,684
Total liabilities	\$ 5,745,684	\$ 383,753	\$ 6,129,437

**District School Board of Volusia County, Florida**  
**Schedule of Changes in Assets and Liabilities -**  
**Agency Funds**  
**For the Fiscal Year Ended June 30, 2012**

**SCHOOL INTERNAL FUNDS**

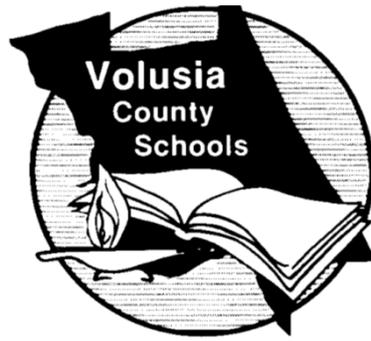
	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2012</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,290,247	\$ 11,566,990	\$ 11,390,691	\$ 2,466,546
Investments	3,509,772	-	230,634	3,279,138
Total assets	<u>\$ 5,800,019</u>	<u>\$ 11,566,990</u>	<u>\$ 11,621,325</u>	<u>\$ 5,745,684</u>
<b>LIABILITIES</b>				
Deposits held for others	\$ 5,800,019	\$ 11,566,990	\$ 11,621,325	\$ 5,745,684
Total liabilities	<u>\$ 5,800,019</u>	<u>\$ 11,566,990</u>	<u>\$ 11,621,325</u>	<u>\$ 5,745,684</u>

**EMPLOYEE BENEFITS PROGRAM**

	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2012</u>
<b>ASSETS</b>				
Investments	\$ 530,449	\$ 37,800	\$ 184,496	\$ 383,753
Total assets	<u>\$ 530,449</u>	<u>\$ 37,800</u>	<u>\$ 184,496</u>	<u>\$ 383,753</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 530,449	\$ 37,800	\$ 184,496	\$ 383,753
Total liabilities	<u>\$ 530,449</u>	<u>\$ 37,800</u>	<u>\$ 184,496</u>	<u>\$ 383,753</u>

**TOTAL AGENCY FUNDS**

	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2012</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,290,247	\$ 11,566,990	\$ 11,390,691	\$ 2,466,546
Investments	4,040,221	37,800	415,130	3,662,891
Total assets	<u>\$ 6,330,468</u>	<u>\$ 11,604,790</u>	<u>\$ 11,805,821</u>	<u>\$ 6,129,437</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 530,449	\$ 37,800	\$ 184,496	\$ 383,753
Deposits held for others	5,800,019	11,566,990	11,621,325	5,745,684
Total liabilities	<u>\$ 6,330,468</u>	<u>\$ 11,604,790</u>	<u>\$ 11,805,821</u>	<u>\$ 6,129,437</u>



Nonmajor Discretely Presented  
**Component Units**



## **Nonmajor Discretely Presented Component Units**

The component units columns in the basic financial statements include the financial data of the District's nonmajor discretely presented component units.

**Reading Edge Academy, Inc., Samsula Academy, The Chiles Academy, Inc., Richard Milburn Academy of Volusia County, Volusia Elementary Charter School, Inc. d/b/a Boston Avenue Charter School (Volusia Elementary), Ivy Hawn Charter School of the Arts, Burns Science and Technology Charter School, Inc., and Reading Star Academy of Excellence, Inc., Charter Schools** - are separate not for profit corporations organized pursuant to Chapter 617, Florida Statutes, the Florida Not For Profit Corporation Act, and Section 1002.33, Florida Statutes. The charter schools operate under charters approved by their sponsor, the Board, and are considered to be component units of the District since they are fiscally dependent on the District and create a financial burden on the District.

**Futures, Inc.** - 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, and administer property and to make expenditures for the benefit of the District. Section 1001.453, Florida Statutes, requires Futures to be authorized and approved by the District. It is considered to be a component unit of the District since the District must approve all members of Futures' Board and the District has the ability to impose its will on the organization. It is considered to be a discretely presented component unit, because the two boards are not the same and Futures does not provide services entirely or nearly entirely to the District.

**District School Board of Volusia County, Florida  
Combining Schedule of Net Position -  
Nonmajor Discretely Presented Component Units  
June 30, 2012**

	<b>Charter Schools</b>			
	<b>Reading Edge Academy, Inc.</b>	<b>Samsula Academy</b>	<b>The Chiles Academy, Inc.</b>	<b>Richard Milburn Academy of Volusia County</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 508,180	\$ 55,904	\$ 115,563	\$ 198,171
Investments	-	-	-	-
Accounts receivable	2,641	6,823	16,768	102,112
Due from other agencies	-	-	-	248,367
Inventories	4,270	3,308	4,483	-
Prepaid items	2,658	215	4,644	-
Deferred charges	20,848	-	-	-
Other assets	23,000	7,250	17,845	37,969
Capital assets:				
Land	503,616	200,000	-	-
Leasehold improvements	-	-	60,584	9,150
Buildings and fixed equipment, net	3,991,566	1,390,885	-	-
Furniture, fixtures and equipment, net	95,527	19,282	33,918	10,544
Motor vehicles, net	1,327	-	-	-
Computer software, net	-	-	7,228	-
Total assets	<u>5,153,633</u>	<u>1,683,667</u>	<u>261,033</u>	<u>606,313</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>LIABILITIES</b>				
Salaries and benefits payable	-	-	-	-
Accounts payable	12,346	8,471	8,314	368,468
Due to other agencies	-	-	-	-
Accrued liabilities	1,992	1,841	-	-
Accrued interest payable	7,757	-	-	-
Long-term liabilities:				
Portion due within one year:				
Notes payable	80,782	-	-	-
Portion due in more than one year:				
Notes payable	2,569,243	-	-	-
Compensated absences payable	31,402	11,741	-	-
Total liabilities	<u>2,703,522</u>	<u>22,053</u>	<u>8,314</u>	<u>368,468</u>
<b>NET POSITION</b>				
Net investment in capital assets	1,942,011	1,610,167	101,730	19,694
Restricted for:				
Capital projects	-	-	7,813	142,114
Other purposes	-	-	9,000	-
Unrestricted (deficit)	508,100	51,447	134,176	76,037
<b>Total net position (deficit)</b>	<b><u>\$ 2,450,111</u></b>	<b><u>\$ 1,661,614</u></b>	<b><u>\$ 252,719</u></b>	<b><u>\$ 237,845</u></b>

**Charter Schools**

<b>Volusia Elementary Charter School, Inc.</b>	<b>Ivy Hawn Charter School of the Arts</b>	<b>Burns Science and Technology Charter School, Inc.</b>	<b>Reading Star Academy of Excellence, Inc.</b>	<b>Futures, Inc.</b>	<b>Total Component Units</b>
\$ 315,509	\$ 7,465	\$ 46,622	39,727	\$ 679,860	\$ 1,967,001
-	-	-	-	227,610	227,610
-	-	13,356	-	26,881	168,581
6,724	-	-	25,000	-	280,091
-	-	-	-	-	12,061
-	4,475	4,283	-	451,384	467,659
-	-	-	-	-	20,848
11,760	-	19,216	1,500	12,450	130,990
-	-	-	-	-	703,616
196,897	5,733	257,678	4,000	-	534,042
-	-	-	-	-	5,382,451
51,465	128,467	153,313	-	-	492,516
26,077	-	-	4,215	-	31,619
2,184	-	-	-	-	9,412
<u>610,616</u>	<u>146,140</u>	<u>494,468</u>	<u>74,442</u>	<u>1,398,185</u>	<u>10,428,497</u>
-	35,979	-	-	-	35,979
93,736	5,441	91,059	60,366	2,297	650,498
-	-	-	22,124	-	22,124
-	-	-	-	-	3,833
-	-	-	-	-	7,757
-	-	-	-	-	80,782
-	-	85,600	-	-	2,654,843
-	-	-	-	-	43,143
<u>93,736</u>	<u>41,420</u>	<u>176,659</u>	<u>82,490</u>	<u>2,297</u>	<u>3,498,959</u>
276,623	134,200	325,391	8,215	-	4,418,031
-	-	-	-	-	149,927
-	-	20,000	-	596,696	625,696
240,257	(29,480)	(27,582)	(16,263)	799,192	1,735,884
<u>\$ 516,880</u>	<u>\$ 104,720</u>	<u>\$ 317,809</u>	<u>\$ (8,048)</u>	<u>\$ 1,395,888</u>	<u>\$ 6,929,538</u>

**District School Board of Volusia County, Florida  
Combining Schedule of Activities -  
Nonmajor Discretely Presented Component Units  
For the Fiscal Year Ended June 30, 2012**

FUNCTIONS	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Charter schools:</b>					
Instruction	\$ 6,790,055	\$ -	\$ 626,222	\$ 118,601	\$ (6,045,232)
Pupil personnel services	233,707	-	27,733	-	(205,974)
Instruction and curriculum development services	66,703	-	2,885	-	(63,818)
Instructional staff training services	38,050	-	12,412	-	(25,638)
Board	223,197	-	-	-	(223,197)
General administration	771,318	-	-	-	(771,318)
School administration	1,643,502	-	80,046	-	(1,563,456)
Facilities services - non-capitalized	382,857	-	22,545	44,555	(315,757)
Fiscal services	806,703	-	55,420	-	(751,283)
Food services	712,505	45,649	299,708	-	(367,148)
Central services	504	-	-	-	(504)
Pupil transportation services	384,171	-	-	-	(384,171)
Operation of plant	1,318,859	22,784	50,033	101,233	(1,144,809)
Maintenance of plant	76,326	-	-	-	(76,326)
Community services	553,611	695,951	62,572	-	204,912
Interest on long-term debt	177,781	-	-	-	(177,781)
Depreciation expense	90,161	-	-	-	(90,161)
Total charter schools	<u>\$ 14,270,010</u>	<u>\$ 764,384</u>	<u>\$ 1,239,576</u>	<u>\$ 264,389</u>	<u>(12,001,661)</u>
<b>Futures, Inc.:</b>					
Community services	466,173	19,563	454,584	-	7,974
Total Component Units	<u>\$ 14,736,183</u>	<u>\$ 783,947</u>	<u>\$ 1,694,160</u>	<u>\$ 264,389</u>	<u>\$ (11,993,687)</u>
General revenues:					
Grants and contributions not restricted to specific programs					12,202,104
Investment earnings					4,210
Miscellaneous					65,008
Total general revenues					<u>12,271,322</u>
Change in net position					277,635
Net position - July 1, 2011					6,697,033
Adjustment to beginning net position					(45,130)
Net position - June 30, 2012					<u>\$ 6,929,538</u>

**District School Board of Volusia County, Florida**  
**Schedule of Activities - Nonmajor Discretely Presented Component Units -**  
**Reading Edge Academy, Inc.**  
**For the Fiscal Year Ended June 30, 2012**

<b>FUNCTIONS</b>	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expense) Revenue and Changes in Net Position</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	
<b>Charter school activities:</b>					
Instruction	\$ 1,234,874	\$ -	\$ -	\$ -	\$ (1,234,874)
General administration	24,518	-	-	-	(24,518)
School administration	312,327	-	-	-	(312,327)
Fiscal services	133,460	-	-	-	(133,460)
Food services	148,501	-	-	-	(148,501)
Pupil transportation services	19,411	-	-	-	(19,411)
Operation of plant	131,960	-	-	-	(131,960)
Community services	67,605	252,071	-	-	184,466
Interest on long-term debt	177,781	-	-	-	(177,781)
<b>Total charter school</b>	<b>\$ 2,250,437</b>	<b>\$ 252,071</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(1,998,366)</b>

General revenues:	
Grants and contributions not restricted to specific programs	1,851,465
Miscellaneous	(2,866)
Total general revenues	<u>1,848,599</u>
Change in net position	(149,767)
Net position - July 1, 2011	<u>2,599,878</u>
Net position - June 30, 2012	<u>\$ 2,450,111</u>

**District School Board of Volusia County, Florida**  
**Schedule of Activities - Nonmajor Discretely Presented Component Units -**  
**Samsula Academy**  
**For the Fiscal Year Ended June 30, 2012**

<b>FUNCTIONS</b>	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Net (Expense) Revenue and Changes in Net Position</b>
<b>Charter school activities:</b>					
Instruction	\$ 846,930	\$ -	\$ -	\$ -	\$ (846,930)
General administration	19,573	-	-	-	(19,573)
School administration	192,205	-	-	-	(192,205)
Facilities services - non-capitalized	820	-	-	-	(820)
Fiscal services	32,857	-	-	-	(32,857)
Food services	108,798	-	-	-	(108,798)
Pupil transportation services	27,666	-	-	-	(27,666)
Operation of plant	139,770	-	-	-	(139,770)
Community services	61,000	174,614	-	-	113,614
Total charter school	<u>\$ 1,429,619</u>	<u>\$ 174,614</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(1,255,005)</u>

General revenues:

Grants and contributions not restricted to  
specific programs

1,162,252

Total general revenues

1,162,252

Change in net position

(92,753)

Net position - July 1, 2011

1,754,367

Net position - June 30, 2012

\$ 1,661,614

**District School Board of Volusia County, Florida**  
**Schedule of Activities - Nonmajor Discretely Presented Component Units -**  
**The Chiles Academy, Inc.**  
**For the Fiscal Year Ended June 30, 2012**

<b>FUNCTIONS</b>	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Net (Expense) Revenue and Changes in Net Position</b>
<b>Charter school activities:</b>					
Instruction	\$ 741,269	\$ -	\$ 257,434	\$ -	\$ (483,835)
Pupil personnel services	110,643	-	15,788	-	(94,855)
Instruction and curriculum development services	3,027	-	2,885	-	(142)
Instructional staff training services	27,985	-	12,412	-	(15,573)
General administration	3,230	-	-	-	(3,230)
School administration	194,560	-	69,261	-	(125,299)
Fiscal services	94,324	-	33,744	-	(60,580)
Food services	213,765	13,176	134,349	-	(66,240)
Pupil transportation services	48,807	-	-	-	(48,807)
Operation of plant	169,932	22,784	50,033	-	(97,115)
Maintenance of plant	8,949	-	-	-	(8,949)
Community services	236,315	191,847	62,572	-	18,104
Depreciation expense	11,797	-	-	-	(11,797)
Total charter school	<u>\$ 1,864,603</u>	<u>\$ 227,807</u>	<u>\$ 638,478</u>	<u>\$ -</u>	<u>(998,318)</u>

General revenues:	
Grants and contributions not restricted to specific programs	990,506
Miscellaneous	2,528
Total general revenues	<u>993,034</u>
Change in net position	(5,284)
Net position - July 1, 2011	<u>258,003</u>
Net position - June 30, 2012	<u>\$ 252,719</u>

**District School Board of Volusia County, Florida**  
**Schedule of Activities - Nonmajor Discretely Presented Component Units -**  
**Richard Milburn Academy of Volusia County**  
**For the Fiscal Year Ended June 30, 2012**

<b>FUNCTIONS</b>	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expense) Revenue and Changes in Net Position</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	
<b>Charter school activities:</b>					
Instruction	\$ 894,733	\$ -	\$ 51,919	\$ -	\$ (842,814)
Pupil personnel services	66,594	-	11,945	-	(54,649)
Instruction and curriculum development services	3,090	-	-	-	(3,090)
Instructional staff training services	2,500	-	-	-	(2,500)
Board	41,705	-	-	-	(41,705)
General administration	188,797	-	-	-	(188,797)
School administration	337,304	-	-	-	(337,304)
Fiscal services	335,548	-	-	-	(335,548)
Food services	2,613	-	-	-	(2,613)
Central services	504	-	-	-	(504)
Operation of plant	424,878	-	-	-	(424,878)
Maintenance of plant	1,276	-	-	-	(1,276)
<b>Total charter school</b>	<b>\$ 2,299,542</b>	<b>\$ -</b>	<b>\$ 63,864</b>	<b>\$ -</b>	<b>(2,235,678)</b>

General revenues:

Grants and contributions not restricted to specific programs	2,176,806
Miscellaneous	48,692
Total general revenues	<u>2,225,498</u>
Change in net position	(10,180)
Net position - July 1, 2011	<u>248,025</u>
Net position - June 30, 2012	<u>\$ 237,845</u>

**District School Board of Volusia County, Florida**  
**Schedule of Activities - Nonmajor Discretely Presented Component Units -**  
**Volusia Elementary Charter School, Inc. d/b/a Boston Avenue Charter School (Volusia Elementary)**  
**For the Fiscal Year Ended June 30, 2012**

<b>FUNCTIONS</b>	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expense) Revenue and Changes in Net Position</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	
<b>Charter school activities:</b>					
Instruction	\$ 807,918	\$ -	\$ 1,472	\$ -	\$ (806,446)
Instructional staff training services	7,565	-	-	-	(7,565)
Board	80,726	-	-	-	(80,726)
General administration	403,785	-	-	-	(403,785)
School administration	192,272	-	-	-	(192,272)
Facilities services - non-capitalized	20,624	-	-	-	(20,624)
Fiscal services	54,866	-	-	-	(54,866)
Food services	193,844	17,917	165,359	-	(10,568)
Pupil transportation services	124,358	-	-	-	(124,358)
Operation of plant	181,707	-	-	101,233	(80,474)
Maintenance of plant	7,250	-	-	-	(7,250)
Community services	32,383	-	-	-	(32,383)
<b>Total charter school</b>	<b><u>\$ 2,107,298</u></b>	<b><u>\$ 17,917</u></b>	<b><u>\$ 166,831</u></b>	<b><u>\$ 101,233</u></b>	<b><u>(1,821,317)</u></b>

General revenues:

Grants and contributions not restricted to specific programs	1,885,141
Total general revenues	<u>1,885,141</u>
Change in net position	63,824
Net position - July 1, 2011	453,056
Net position - June 30, 2012	<u>\$ 516,880</u>

**District School Board of Volusia County, Florida**  
**Schedule of Activities - Nonmajor Discretely Presented Component Units -**  
**Ivy Hawn Charter School of the Arts**  
**For the Fiscal Year Ended June 30, 2012**

<b>FUNCTIONS</b>	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expense) Revenue and Changes in Net Position</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	
<b>Charter school activities:</b>					
Instruction	\$ 975,176	\$ -	\$ 241,670	\$ -	\$ (733,506)
Board	96,999	-	-	-	(96,999)
General administration	67,577	-	-	-	(67,577)
School administration	166,882	-	10,785	-	(156,097)
Facilities services - non-capitalized	201,733	-	22,545	-	(179,188)
Fiscal services	59,346	-	-	-	(59,346)
Food services	18,019	1,161	-	-	(16,858)
Pupil transportation services	69,467	-	-	-	(69,467)
Operation of plant	142,207	-	-	-	(142,207)
Maintenance of plant	25,670	-	-	-	(25,670)
Community services	95,135	-	-	-	(95,135)
Depreciation expense	26,503	-	-	-	(26,503)
Total charter school	<u>\$ 1,944,714</u>	<u>\$ 1,161</u>	<u>\$ 275,000</u>	<u>\$ -</u>	<u>(1,668,553)</u>
General revenues:					
Grants and contributions not restricted to specific programs					1,804,011
Total general revenues					<u>1,804,011</u>
Change in net position					135,458
Net position - July 1, 2011					-
Adjustment to beginning net position					(30,738)
Net position - June 30, 2012					<u>\$ 104,720</u>

**District School Board of Volusia County, Florida**  
**Schedule of Activities - Nonmajor Discretely Presented Component Units -**  
**Burns Science and Technology Charter School, Inc.**  
**For the Fiscal Year Ended June 30, 2012**

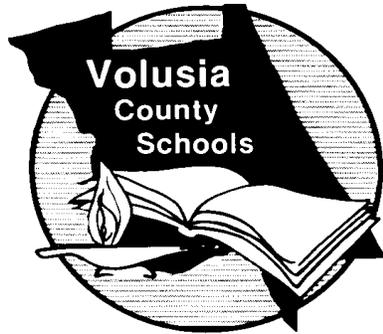
<b>FUNCTIONS</b>	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expense) Revenue and Changes in Net Position</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	
<b>Charter school activities:</b>					
Instruction	\$ 835,106	\$ -	\$ 73,727	\$ 118,601	\$ (642,778)
Pupil personnel services	56,470	-	-	-	(56,470)
General administration	63,838	-	-	-	(63,838)
School administration	178,581	-	-	-	(178,581)
Facilities services - non-capitalized	51,549	-	-	44,555	(6,994)
Fiscal services	73,513	-	21,676	-	(51,837)
Food services	20,488	13,395	-	-	(7,093)
Pupil transportation services	72,670	-	-	-	(72,670)
Operation of plant	87,585	-	-	-	(87,585)
Maintenance of plant	31,184	-	-	-	(31,184)
Community services	61,173	77,419	-	-	16,246
Depreciation expense	51,861	-	-	-	(51,861)
<b>Total charter school</b>	<b><u>\$ 1,584,018</u></b>	<b><u>\$ 90,814</u></b>	<b><u>\$ 95,403</u></b>	<b><u>\$ 163,156</u></b>	<b><u>(1,234,645)</u></b>
General revenues:					
Grants and contributions not restricted to specific programs					
					1,557,265
Miscellaneous					
					9,581
					<u>1,566,846</u>
Change in net position					
					332,201
Net position - July 1, 2011					
					-
Adjustment to beginning net position					
					(14,392)
Net position - June 30, 2012					
					<u>\$ 317,809</u>

**District School Board of Volusia County, Florida**  
**Schedule of Activities - Nonmajor Discretely Presented Component Units -**  
**Reading Star Academy of Excellence, Inc.**  
**For the Fiscal Year Ended June 30, 2012**

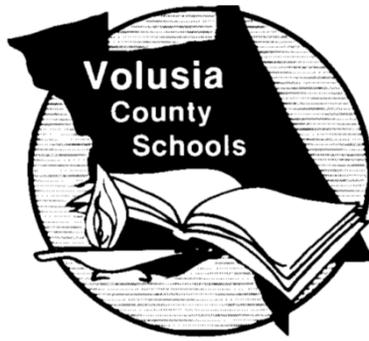
<b>FUNCTIONS</b>	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expense) Revenue and Changes in Net Position</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	
<b>Charter school activities:</b>					
Instruction	\$ 454,049	\$ -	\$ -	\$ -	\$ (454,049)
Instruction and curriculum development services	60,586	-	-	-	(60,586)
Board	3,767	-	-	-	(3,767)
School administration	69,371	-	-	-	(69,371)
Facilities services - non-capitalized	108,131	-	-	-	(108,131)
Fiscal services	22,789	-	-	-	(22,789)
Food services	6,477	-	-	-	(6,477)
Pupil transportation services	21,792	-	-	-	(21,792)
Operation of plant	40,820	-	-	-	(40,820)
Maintenance of plant	1,997	-	-	-	(1,997)
<b>Total charter school</b>	<b>\$ 789,779</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(789,779)</b>
General revenues:					
					774,658
					7,073
					<u>781,731</u>
					(8,048)
					-
					<u>\$ (8,048)</u>

**District School Board of Volusia County, Florida**  
**Schedule of Activities - Nonmajor Discretely Presented Component Unit -**  
**Futures, Inc.**  
**For the Fiscal Year Ended June 30, 2012**

<u>FUNCTIONS</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
<b>Direct-support organization activities:</b>				
Community services	\$ 466,173	\$ 19,563	\$ 454,584	\$ 7,974
Total direct-support organization	<u>\$ 466,173</u>	<u>\$ 19,563</u>	<u>\$ 454,584</u>	<u>7,974</u>
		General revenues:		
			Investment earnings	4,210
			Total general revenues	<u>4,210</u>
			Change in net position	12,184
			Net position - July 1, 2011	1,383,704
			Net position - June 30, 2012	<u>\$ 1,395,888</u>



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## Statistical Section

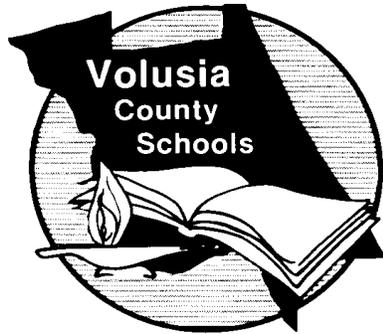


## Statistical Section

This part of the District'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.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	<b>101</b>
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<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	<b>126</b>
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**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

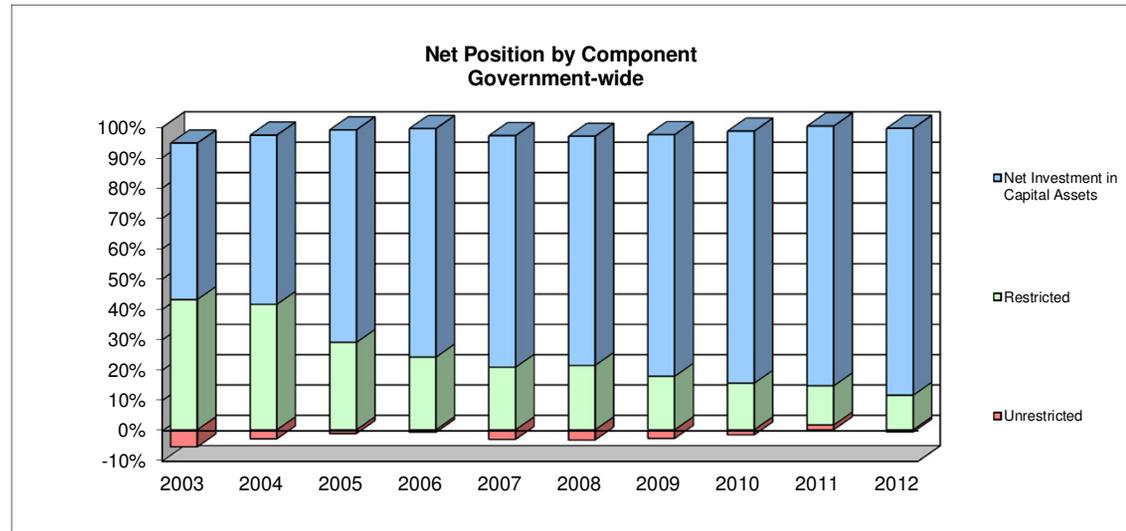


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**District School Board of Volusia County, Florida**  
**Net Position by Component - Government-wide**  
**Last Ten Fiscal Years**  
 (Accrual Basis of Accounting)  
 (Unaudited)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Primary government:</b>										
Governmental activities:										
Net investment in capital assets	\$ 284,828,249	\$ 328,401,965	\$ 453,024,671	\$ 534,830,900	\$ 619,743,483	\$ 662,439,492	\$ 707,233,274	\$ 726,782,031	\$ 734,140,933	\$ 733,957,739
Restricted	237,120,361	243,348,041	186,139,004	170,067,232	167,353,947	186,113,892	156,350,990	133,946,657	110,556,480	94,921,529
Unrestricted	(31,033,641)	(17,474,191)	(7,903,399)	(5,767,367)	(25,499,290)	(29,443,574)	(25,131,781)	(14,566,442)	13,409,689	(5,996,529)
Total governmental activities net position	<u>\$ 490,914,969</u>	<u>\$ 554,275,815</u>	<u>\$ 631,260,276</u>	<u>\$ 699,130,765</u>	<u>\$ 761,598,140</u>	<u>\$ 819,109,810</u>	<u>\$ 838,452,483</u>	<u>\$ 846,162,246</u>	<u>\$ 858,107,102</u>	<u>\$ 822,882,739</u>

Source: District records



**District School Board of Volusia County, Florida**  
**Changes in Net Position - Government-wide**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**  
**(Unaudited)**

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Expenses</b>										
Governmental activities:										
Instruction	\$ 227,594,168	\$ 240,157,073	\$ 257,929,426	\$ 288,187,757	\$ 322,497,809	\$ 326,228,760	\$ 298,373,524	\$ 295,983,159	\$ 297,441,097	291,064,900
Pupil personnel services	19,938,915	20,150,550	21,124,508	23,169,573	26,248,325	26,914,771	25,522,584	28,595,805	24,692,342	21,530,239
Instructional media services	6,666,347	6,695,041	6,971,563	7,343,328	7,554,889	7,510,062	6,752,611	7,581,732	6,776,769	6,627,166
Instruction and curriculum development services	10,337,293	11,284,651	11,568,095	13,933,703	15,661,385	16,550,344	14,448,263	19,229,290	17,602,486	16,733,853
Instructional staff training services	4,783,473	4,894,301	7,001,523	8,839,340	8,839,892	5,900,382	4,786,267	5,559,960	4,756,052	3,819,069
Instruction related technology (a)	-	-	-	4,102,673	3,081,083	3,855,695	3,970,619	4,028,676	4,163,784	4,899,708
Board of education	365,919	366,791	466,004	519,889	447,349	714,623	667,477	570,094	799,763	745,562
General administration	2,930,750	3,632,266	4,030,529	3,394,346	3,675,637	3,276,095	3,005,115	4,757,016	3,875,616	2,924,365
School administration	30,844,455	31,261,978	32,892,990	36,934,562	40,476,781	39,437,633	39,120,584	38,496,856	36,505,849	34,671,162
Facilities services - non-capitalized	3,015,564	8,968,360	12,428,485	12,729,032	15,772,257	12,367,400	11,847,866	7,952,299	8,021,594	5,721,489
Fiscal services	2,495,708	2,374,602	2,473,857	2,711,616	3,071,588	3,031,626	2,875,952	2,802,078	2,706,882	2,489,673
Food services	18,879,572	19,074,392	20,888,480	21,985,268	23,438,412	25,819,083	23,086,186	22,798,479	22,396,205	23,493,765
Central services	11,237,929	11,281,131	12,029,958	5,536,321	6,495,756	7,178,652	5,103,596	5,553,004	5,587,469	6,390,653
Pupil transportation services	12,654,270	13,208,364	15,045,108	16,837,763	18,166,751	19,099,121	16,708,807	16,878,756	16,300,770	15,930,975
Operation of plant	29,953,234	30,972,833	32,543,373	37,472,736	44,983,769	43,273,381	42,508,764	43,054,229	41,657,376	40,640,438
Maintenance of plant	10,807,896	10,857,862	13,813,228	14,153,260	15,530,492	16,514,878	14,377,537	14,817,824	13,935,290	14,152,879
Administrative technology services (a)	-	-	-	3,862,846	5,855,638	5,365,149	5,466,861	5,566,867	5,168,871	4,948,558
Community services	1,914,220	1,754,829	1,668,177	1,612,862	4,660,131	5,051,357	5,117,929	4,920,377	4,574,728	4,508,252
Interest on long-term debt	14,703,119	12,666,965	14,355,846	19,501,861	25,304,753	29,004,391	28,189,824	24,569,386	22,293,945	20,363,353
Unallocated depreciation expense	29,541,447	31,441,677	29,077,484	32,275,209	36,275,249	46,509,697	46,813,575	50,022,091	50,799,821	50,843,331
<b>Total primary government expenses</b>	<b>438,664,279</b>	<b>461,043,666</b>	<b>496,308,634</b>	<b>555,103,945</b>	<b>628,037,946</b>	<b>643,603,100</b>	<b>598,743,941</b>	<b>603,737,978</b>	<b>590,056,709</b>	<b>572,499,390</b>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services										
Instruction	3,983,765	2,709,105	3,086,130	3,389,212	-	-	-	-	-	-
Food services	8,304,707	8,552,228	7,687,361	8,680,020	8,588,773	8,311,879	8,274,426	7,326,776	6,633,649	6,092,067
Pupil transportation services	-	699,998	-	-	-	-	-	-	-	-
Community services	1,225,217	-	854,693	991,659	4,341,097	5,109,709	4,954,119	4,976,587	4,753,015	4,762,668
Operating grants and contributions	23,757,919	22,182,865	30,888,569	31,124,132	30,666,253	31,131,213	29,381,645	18,511,651	20,796,827	19,116,610
Capital grants and contributions	11,766,955	12,277,013	27,521,165	17,184,270	38,887,502	31,788,955	10,161,294	7,687,602	5,866,973	7,629,499
<b>Total primary government program revenues</b>	<b>49,038,563</b>	<b>46,421,209</b>	<b>70,037,918</b>	<b>61,369,293</b>	<b>82,483,625</b>	<b>76,341,756</b>	<b>52,771,484</b>	<b>38,502,616</b>	<b>38,050,464</b>	<b>37,600,844</b>
<b>Total primary government net expense</b>	<b>(389,625,716)</b>	<b>(414,622,457)</b>	<b>(426,270,716)</b>	<b>(493,734,652)</b>	<b>(545,554,321)</b>	<b>(567,261,344)</b>	<b>(545,972,457)</b>	<b>(565,235,362)</b>	<b>(552,006,245)</b>	<b>(534,898,546)</b>

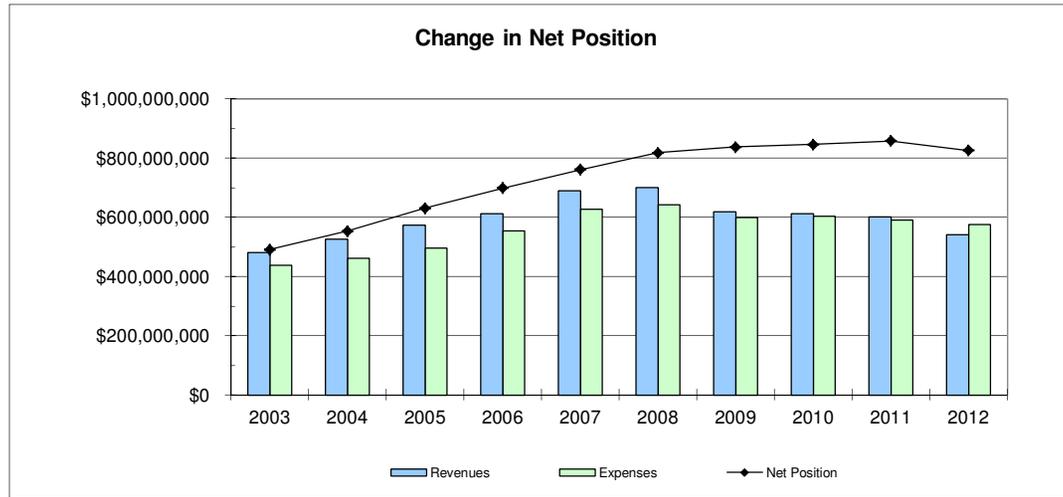
**General Revenues and Other Changes in Net Position**

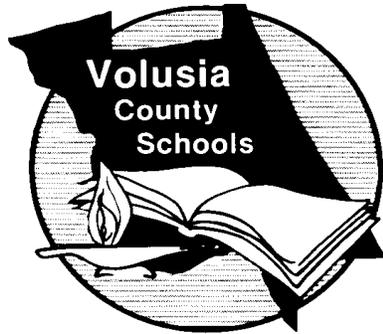
Governmental activities:

Property taxes:											
Levied for operational purposes	118,508,547	131,394,434	147,307,956	172,453,066	210,137,155	217,062,977	220,261,301	204,979,478	191,318,536	170,047,047	
Levied for debt service	9,707,724	9,980,321	10,320,982	9,434,299	32,424	9,178	-	-	-	-	
Levied for capital projects	37,154,597	42,184,063	48,357,584	58,101,772	73,914,902	79,398,963	67,596,252	48,988,701	42,854,140	38,827,686	
Local sales tax	30,747,285	34,135,494	34,774,547	37,737,410	35,956,023	33,948,264	30,299,663	29,781,220	29,883,829	30,526,725	
Unrestricted grants and contributions	225,760,225	244,739,157	249,925,667	254,397,184	258,468,840	264,588,398	232,196,984	278,116,363	292,423,998	254,143,163	
Investment earnings	4,978,893	4,021,869	6,320,351	12,375,391	22,416,645	19,927,969	8,468,708	2,346,711	609,669	286,316	
Miscellaneous	5,540,371	14,157,425	6,248,090	7,106,019	7,095,707	9,837,265	6,492,222	8,732,652	6,860,929	9,339,354	
<b>Total primary government</b>	<b>432,397,642</b>	<b>480,612,763</b>	<b>503,255,177</b>	<b>551,605,141</b>	<b>608,021,696</b>	<b>624,773,014</b>	<b>565,315,130</b>	<b>572,945,125</b>	<b>563,951,101</b>	<b>503,170,291</b>	
<b>Change in Net Position</b>	<b>42,771,926</b>	<b>65,990,306</b>	<b>76,984,461</b>	<b>57,870,489</b>	<b>62,467,375</b>	<b>57,511,670</b>	<b>19,342,673</b>	<b>7,709,763</b>	<b>11,944,856</b>	<b>(31,728,255)</b>	
Adjustment to beginning net position	-	-	-	10,000,000	-	-	-	-	-	(3,496,108)	
<b>Total primary government</b>	<b>\$ 42,771,926</b>	<b>\$ 65,990,306</b>	<b>\$ 76,984,461</b>	<b>\$ 67,870,489</b>	<b>\$ 62,467,375</b>	<b>\$ 57,511,670</b>	<b>\$ 19,342,673</b>	<b>\$ 7,709,763</b>	<b>\$ 11,944,856</b>	<b>\$ (35,224,363)</b>	

(a) In the fiscal year ending June 30, 2006, two new functional expense classifications were established to report technology expenses previously reported in other functional categories.

Source: District records





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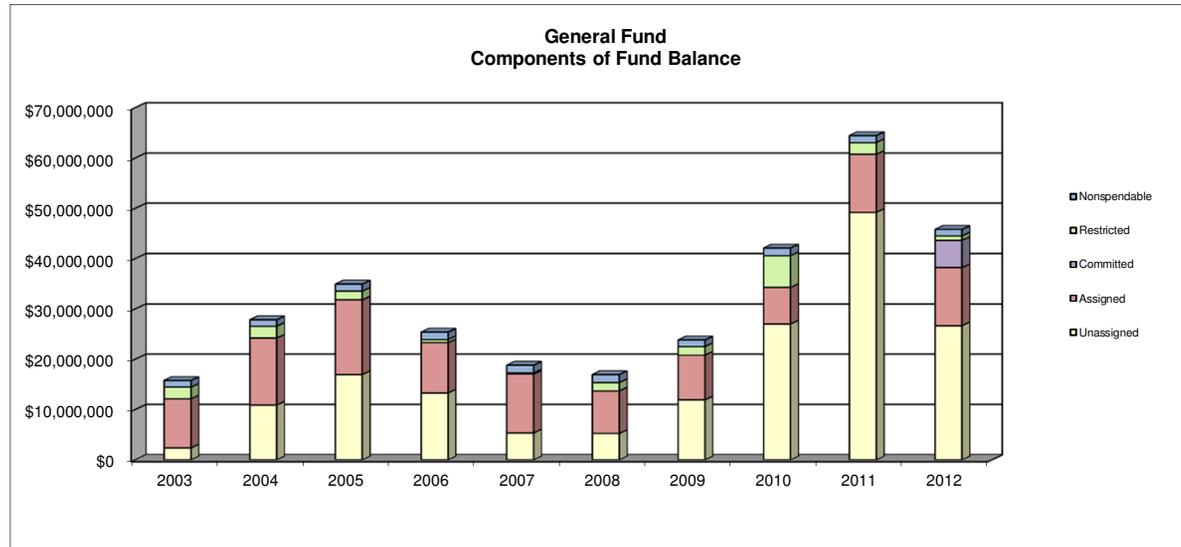
**District School Board of Volusia County, Florida**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
 (Modified Accrual Basis of Accounting)  
 (Unaudited)

	Fiscal Year									
	Restated * 2003	Restated * 2004	Restated * 2005	Restated * 2006	Restated * 2007	Restated * 2008	Restated * 2009	2010	2011	2012
<b>General Fund</b>										
Fund Balances:										
Nonspendable	\$ 1,336,882	\$ 1,283,304	\$ 1,396,388	\$ 1,464,863	\$ 1,528,053	\$ 1,581,808	\$ 1,301,033	\$ 1,520,218	\$ 1,388,556	\$ 1,289,062
Spendable:										
Restricted	2,302,355	2,345,356	1,734,620	616,443	231,824	1,662,949	1,699,856	6,311,986	2,321,758	899,163
Committed	-	-	-	-	-	-	-	-	-	5,410,429
Assigned	13,315,790	14,845,180	9,998,480	11,702,081	8,451,067	8,879,882	7,265,663	11,547,648	11,542,671	11,925,441
Unassigned	2,406,917	10,928,779	16,997,183	13,326,836	5,376,408	5,289,000	11,968,210	27,045,582	49,232,328	26,696,378
<b>Total General Fund</b>	<u>\$ 19,361,944</u>	<u>\$ 29,402,619</u>	<u>\$ 30,126,671</u>	<u>\$ 27,110,223</u>	<u>\$ 15,587,352</u>	<u>\$ 17,413,639</u>	<u>\$ 22,234,762</u>	<u>\$ 46,425,434</u>	<u>\$ 64,485,313</u>	<u>\$ 46,220,473</u>
<b>All Other Governmental Funds</b>										
Fund Balances:										
Nonspendable	\$ 1,447,284	\$ 1,587,206	\$ 1,829,153	\$ 2,702,002	\$ 2,592,729	\$ 2,092,183	\$ 1,767,481	\$ 1,775,105	\$ 1,859,599	\$ 2,437,016
Spendable:										
Restricted	229,884,328	234,806,600	267,973,442	394,891,717	420,129,837	362,134,126	266,459,932	156,471,073	115,420,028	93,919,608
Assigned	2,967,145	3,722,336	2,683,933	2,909,399	1,572,027	1,741,756	1,851,032	2,108,298	2,121,911	-
<b>Total all other governmental funds</b>	<u>\$ 234,298,757</u>	<u>\$ 240,116,142</u>	<u>\$ 272,486,528</u>	<u>\$ 400,503,118</u>	<u>\$ 424,294,593</u>	<u>\$ 365,968,065</u>	<u>\$ 270,078,445</u>	<u>\$ 160,354,476</u>	<u>\$ 119,401,538</u>	<u>\$ 96,356,624</u>

Note:

\* The District implemented GASB 54 for the fiscal year ended June 30, 2010. The fund balances from the prior fiscal years were restated for comparison purposes.

Source: District records



**District School Board of Volusia County, Florida**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**  
**(Unaudited)**

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>										
<b>Federal sources:</b>										
Federal direct	\$ 1,395,307	\$ 239,128	\$ 978,924	\$ 606,482	\$ 623,162	\$ 396,534	\$ 416,005	\$ 745,638	\$ 771,718	\$ 765,161
Other Federal grants	29,423,383	37,709,400	35,381,608	36,907,293	38,736,594	37,677,314	37,602,822	80,233,229	86,656,242	45,058,921
Food services	10,877,241	11,580,478	13,004,670	13,013,357	13,466,044	14,397,459	15,269,372	16,912,474	17,844,215	18,764,344
Total Federal sources	41,695,931	49,529,006	49,365,202	50,527,132	52,825,800	52,471,307	53,288,199	97,891,341	105,272,175	64,588,426
<b>State sources:</b>										
Florida education finance program	175,296,247	177,191,959	171,131,377	161,012,577	148,629,296	143,589,001	115,155,112	127,316,297	134,059,374	138,706,251
Categorical educational programs	23,082,791	35,637,333	47,742,332	60,911,160	76,287,419	88,210,563	87,065,364	68,128,224	69,156,413	67,907,677
Discretionary lottery funds	4,471,775	3,025,560	3,525,608	3,099,587	2,547,490	3,046,139	1,511,940	170,592	224,876	194,772
Public education capital outlay	5,251,919	5,113,210	4,577,767	5,721,539	8,395,562	9,126,330	4,049,200	953,879	2,589,048	-
Capital outlay and debt service	2,375,318	2,410,354	2,483,709	2,516,052	2,523,822	2,494,925	2,357,301	2,319,036	2,318,904	2,316,950
Mobile home license tax	528,954	540,588	567,343	557,211	535,064	512,796	565,904	525,372	524,593	520,427
Food services	353,006	351,328	342,041	342,115	369,561	362,407	370,163	352,971	347,836	350,143
Classrooms first program	-	-	-	-	-	-	-	-	-	-
School infrastructure thrift program	-	-	-	-	-	-	-	-	-	-
Effort index	-	-	-	-	-	-	-	-	-	-
Classrooms for kids	-	4,670,960	11,241,124	1,867,621	17,488,878	10,107,881	-	-	-	-
Charter school capital outlay funding	100,296	82,488	73,427	77,810	136,791	132,278	390,295	405,110	334,839	420,661
State grants and other State sources	2,251,451	646,249	2,036,972	2,852,594	3,346,195	3,174,280	1,015,677	1,062,118	1,037,831	989,953
Total State sources	213,711,757	229,670,029	243,721,700	238,958,266	260,260,078	260,756,600	212,480,956	201,233,599	210,593,714	211,406,834
<b>Local sources:</b>										
Ad valorem taxes	165,370,868	183,558,818	205,986,522	239,989,137	284,084,481	296,471,118	287,857,553	253,968,179	234,172,676	208,874,733
Local sales tax	30,747,285	34,135,494	34,774,547	37,737,410	35,956,023	33,948,264	30,299,663	29,781,220	29,883,829	30,526,725
Food service sales	7,857,290	8,053,476	7,711,022	8,680,020	8,592,385	8,313,123	8,274,426	7,326,777	6,633,649	6,094,271
Interest income and other	4,978,893	4,021,871	6,320,351	12,378,595	22,416,645	19,927,969	8,470,343	2,346,711	609,668	286,316
Local grants and other local sources	16,730,640	18,065,278	23,258,425	20,298,179	24,662,057	28,031,452	14,539,473	17,668,841	14,567,968	17,457,575
Total local sources	225,684,976	247,834,937	278,050,867	319,083,341	375,711,591	386,691,926	349,441,458	311,091,728	285,867,790	263,239,620
<b>Total revenues</b>	<b>\$ 481,092,664</b>	<b>\$ 527,033,972</b>	<b>\$ 571,137,769</b>	<b>\$ 608,568,739</b>	<b>\$ 688,797,469</b>	<b>\$ 699,919,833</b>	<b>\$ 615,210,613</b>	<b>\$ 610,216,668</b>	<b>\$ 601,733,679</b>	<b>\$ 539,234,880</b>

**Expenditures**

**Current:**

Instruction	\$ 226,722,204	\$ 241,406,105	\$ 259,772,444	\$ 284,772,006	\$ 318,681,634	\$ 323,606,180	\$ 295,253,902	\$ 290,923,820	\$ 300,312,990	289,320,241
Pupil personnel services	19,862,525	20,313,235	21,275,453	22,894,954	25,937,723	26,716,097	25,281,008	28,137,963	24,960,354	21,419,441
Instructional media services	6,640,807	6,749,093	7,021,378	7,256,291	7,465,491	7,449,204	6,677,055	7,447,687	6,834,659	6,585,708
Instruction and curriculum development services	10,297,689	11,375,758	11,650,755	13,768,554	15,476,061	16,474,338	14,365,621	18,951,337	17,820,078	16,699,603
Instructional staff training services	4,765,146	4,933,815	7,051,552	8,734,572	8,735,288	5,880,891	4,767,226	5,483,713	4,821,253	3,817,296
Instruction related technology	-	-	-	4,054,046	3,044,624	3,829,838	3,934,306	3,961,842	4,207,213	4,884,830
Board of education	364,517	369,752	469,334	513,727	442,055	711,009	663,236	561,211	809,535	744,079
General administration	2,919,522	3,661,591	4,059,329	3,354,107	3,632,143	3,259,092	2,985,846	4,687,782	3,924,835	2,917,392
School administration	30,726,283	31,514,372	33,128,027	36,496,795	39,997,812	39,111,109	38,692,279	37,821,537	36,821,519	34,439,101
Facilities services - non-capitalized	2,998,902	9,040,766	12,517,293	12,578,161	15,585,621	12,364,934	11,645,499	7,824,107	8,138,113	5,729,393
Fiscal services	2,486,146	2,393,773	2,491,534	2,679,477	3,035,241	3,007,082	2,845,410	2,752,829	2,730,060	2,472,566
Food services	18,811,451	19,228,389	21,037,739	21,724,687	23,161,061	25,692,680	22,947,623	22,452,464	22,659,554	23,441,712
Central services	11,194,874	11,372,209	12,115,918	5,470,702	6,418,891	7,129,390	6,241,962	5,889,957	5,643,038	6,365,540
Pupil transportation services	12,605,789	13,293,666	15,152,613	16,638,193	17,951,781	18,966,061	16,556,788	16,598,168	16,463,454	15,856,153
Operation of plant	29,838,477	31,222,892	32,775,912	37,028,590	42,560,796	43,056,783	42,251,740	42,399,942	42,143,179	40,536,873
Maintenance of plant	10,766,489	10,945,523	13,911,930	13,985,508	15,346,717	16,399,767	14,242,289	14,568,756	14,070,169	14,085,224
Administrative technology services	-	-	-	3,817,062	5,786,347	5,329,339	5,418,100	5,474,410	5,218,378	4,922,997
Community services	1,906,886	1,768,997	1,680,097	1,593,746	4,604,987	5,018,944	5,077,491	4,840,773	4,623,108	4,490,584
<b>Debt Service:</b>										
Principal	18,984,691	24,896,362	25,832,454	30,220,700	34,835,000	26,335,000	27,305,000	28,885,000	30,110,000	31,360,000
Interest and fiscal charges	15,379,008	14,549,585	17,333,601	23,768,678	27,806,218	29,111,606	29,513,476	25,442,385	23,928,131	22,299,852
<b>Capital Outlay:</b>										
Facilities acquisition and construction	62,603,738	107,806,730	112,379,299	122,072,587	142,807,196	126,551,283	115,313,949	66,174,374	38,757,929	23,808,336
Other capital outlay	12,560,884	6,850,276	14,881,799	14,384,441	15,437,113	11,536,499	12,292,430	7,149,720	9,671,432	6,704,162
<b>Total expenditures</b>	<b>502,436,028</b>	<b>573,692,889</b>	<b>626,538,461</b>	<b>687,807,584</b>	<b>778,749,800</b>	<b>757,537,126</b>	<b>704,272,236</b>	<b>648,429,777</b>	<b>624,668,981</b>	<b>582,901,083</b>

Excess (deficiency) of revenues over (under) expenditures	(21,343,364)	(46,658,917)	(55,400,692)	(79,238,845)	(89,952,331)	(57,617,293)	(89,061,623)	(38,213,109)	(22,935,302)	(43,666,203)
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**Other Financing Sources (Uses)**

Notes payable	-	-	-	-	-	-	-	-	-	-
Bonds payable	-	58,379,412	-	59,125,000	-	-	-	-	-	-
Certificates of participation	-	-	39,010,000	135,175,000	97,975,000	-	-	-	-	-
Refunding certificates of participation	-	-	73,910,000	-	-	-	-	-	-	-
Refunding bonds issued	-	-	-	13,575,000	-	-	-	1,390,000	-	39,425,000
Payment to refunding bonds escrow agent	-	-	(28,255,935)	(14,845,313)	-	-	-	(50,124,381)	-	(42,356,714)
Premiums on long-term debt issued	-	4,079,106	6,213,761	8,126,568	3,616,923	-	-	125,602	-	3,628,829
Inception of capital lease	-	-	635,700	-	-	-	-	-	-	-
Proceeds from sale of capital assets	160,289	58,459	456,010	315,000	354,652	445,120	666,901	938,591	33,565	1,657,210
Loss recoveries	-	-	1,525,594	2,767,732	274,360	671,932	326,225	350,000	8,678	2,124
Transfers in	39,691,600	39,486,771	41,366,599	53,822,417	64,310,901	65,988,949	70,813,365	71,273,913	68,161,609	70,486,789
Transfers out	(39,591,600)	(39,486,771)	(46,366,599)	(53,822,417)	(64,310,901)	(65,988,949)	(73,813,365)	(71,273,913)	(68,161,609)	(70,486,789)
<b>Total other financing sources (uses)</b>	<b>260,289</b>	<b>62,516,977</b>	<b>88,495,130</b>	<b>204,238,987</b>	<b>102,220,935</b>	<b>1,117,052</b>	<b>(2,006,874)</b>	<b>(47,320,188)</b>	<b>42,243</b>	<b>2,356,449</b>
Net change in fund balance	(21,083,075)	15,858,060	33,094,438	125,000,142	12,268,604	(56,500,241)	(91,068,497)	(85,533,297)	(22,893,059)	(41,309,754)
Fund balance, beginning	274,743,776	253,660,701	269,518,761	302,613,199	427,613,341	439,881,945	383,381,704	292,313,207	206,779,910	183,886,851
Fund balance, ending	\$ 253,660,701	\$ 269,518,761	\$ 302,613,199	\$ 427,613,341	\$ 439,881,945	\$ 383,381,704	\$ 292,313,207	\$ 206,779,910	\$ 183,886,851	\$ 142,577,097

Debt service as a percentage of noncapital expenditures	8.0%	8.6%	8.6%	9.8%	10.1%	9.0%	9.9%	9.4%	9.4%	9.7%
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Source: District records

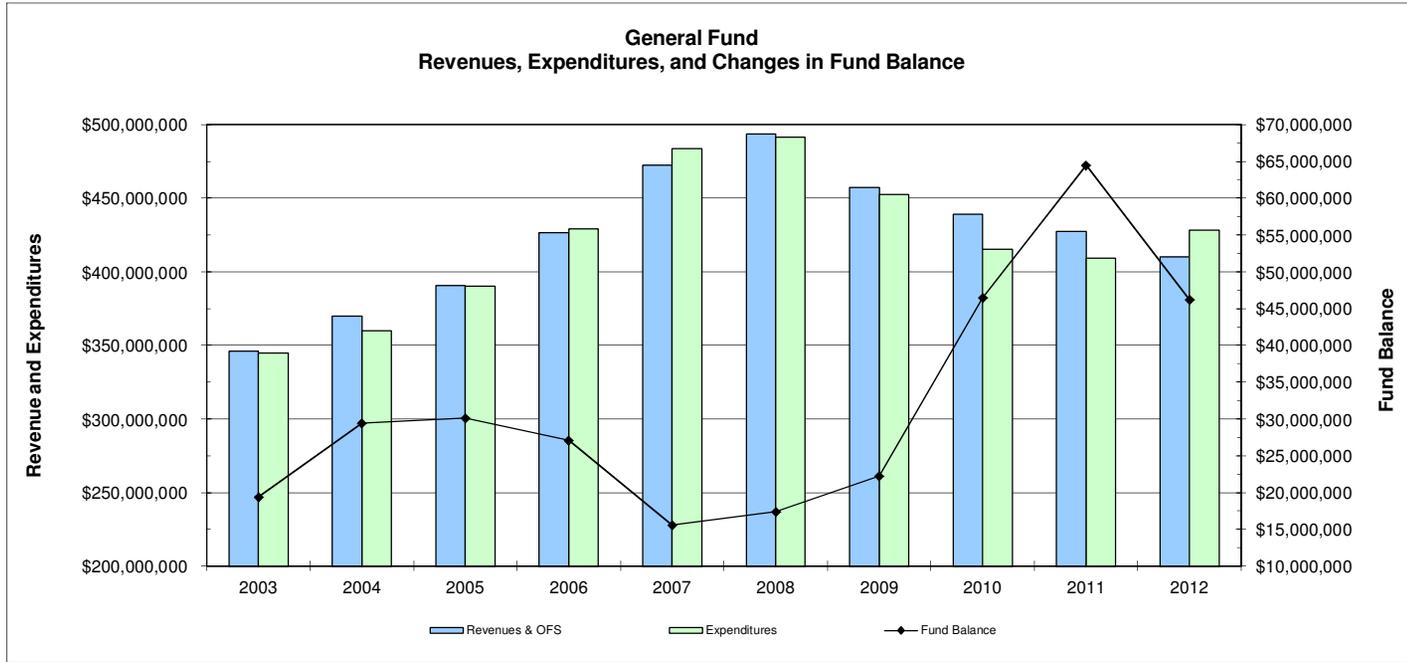
**District School Board of Volusia County, Florida**  
**Summary of Revenues and Expenditures (by Major Object) and Changes in Fund Balance -**  
**General Fund**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**  
**(Unaudited)**

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Federal sources:</b>										
Federal direct	\$ 193,389	\$ 239,128	\$ 236,903	\$ 277,674	\$ 293,716	\$ 386,899	\$ 416,005	\$ 419,952	\$ 447,912	492,607
Other Federal grants	817,704	1,349,252	931,263	1,533,963	1,972,731	1,971,257	2,164,248	3,097,023	2,434,723	2,510,606
Total Federal sources	<u>1,011,093</u>	<u>1,588,380</u>	<u>1,168,166</u>	<u>1,811,637</u>	<u>2,266,447</u>	<u>2,358,156</u>	<u>2,580,253</u>	<u>3,516,975</u>	<u>2,882,635</u>	<u>3,003,213</u>
<b>State sources:</b>										
Florida education finance program	175,296,247	177,191,959	171,131,377	161,012,577	148,629,296	143,589,001	115,155,112	127,316,297	134,059,374	138,706,251
Categoricals	23,082,791	35,637,333	47,742,332	60,911,160	76,287,419	88,210,564	87,065,364	68,128,224	69,156,413	67,907,677
Discretionary lottery funds	4,471,775	3,025,560	3,525,608	3,099,587	2,547,490	3,046,139	1,511,940	170,592	224,876	194,772
Capital Outlay and Debt Service	34,896	35,709	36,740	37,017	36,726	36,502	34,785	34,366	34,366	34,366
Mobile Home License Tax	528,954	540,588	567,343	557,211	535,064	512,796	565,904	525,372	524,593	520,427
State grants and other State sources	<u>2,128,620</u>	<u>545,476</u>	<u>1,950,581</u>	<u>2,744,542</u>	<u>3,230,496</u>	<u>3,056,860</u>	<u>905,669</u>	<u>957,668</u>	<u>955,478</u>	<u>882,413</u>
Total State sources	<u>205,543,283</u>	<u>216,976,625</u>	<u>224,953,981</u>	<u>228,362,094</u>	<u>231,266,491</u>	<u>238,451,862</u>	<u>205,238,774</u>	<u>197,132,519</u>	<u>204,955,100</u>	<u>208,245,906</u>
<b>Local sources:</b>										
Ad valorem taxes	118,508,547	131,394,434	147,307,956	172,453,066	210,148,693	217,077,522	220,261,301	204,979,478	191,318,536	170,047,047
Interest income	624,518	645,103	1,331,794	2,593,466	3,180,676	4,154,175	1,757,708	1,179,853	267,938	130,975
Local grants and other local sources	<u>8,612,733</u>	<u>8,147,544</u>	<u>8,517,978</u>	<u>8,656,310</u>	<u>9,681,945</u>	<u>14,361,400</u>	<u>10,719,874</u>	<u>12,599,163</u>	<u>11,282,095</u>	<u>12,529,558</u>
Total local sources	<u>127,745,798</u>	<u>140,187,081</u>	<u>157,157,728</u>	<u>183,702,842</u>	<u>223,011,314</u>	<u>235,593,097</u>	<u>232,738,883</u>	<u>218,758,494</u>	<u>202,868,569</u>	<u>182,707,580</u>
<b>Total revenues</b>	<u>334,300,174</u>	<u>358,752,086</u>	<u>383,279,875</u>	<u>413,876,573</u>	<u>456,544,252</u>	<u>476,403,115</u>	<u>440,557,910</u>	<u>419,407,988</u>	<u>410,706,304</u>	<u>393,956,699</u>

**Expenditures: (by object)**

Salaries	236,551,648	243,922,842	262,600,281	288,197,715	319,082,588	324,395,109	294,315,744	267,867,607	253,753,824	277,234,394
Employee Benefits	60,423,402	68,252,486	73,040,733	81,608,024	97,524,588	101,192,922	94,580,845	90,124,480	92,767,100	82,197,393
Purchased Services	20,320,928	20,202,723	22,570,438	24,576,460	28,807,862	28,143,275	29,013,330	29,265,369	29,617,364	34,054,233
Energy Services	8,894,687	9,658,643	10,672,096	13,480,448	15,408,200	15,999,810	14,360,729	13,272,839	13,778,706	13,236,703
Material and Supplies	12,055,092	11,823,202	14,341,342	14,427,880	15,023,624	14,764,697	12,773,361	8,069,811	11,993,674	14,066,841
Capital Outlay	1,397,228	1,334,263	2,298,578	1,608,353	1,578,945	1,105,556	1,570,475	586,738	828,269	1,244,726
Other Expenditures	5,256,492	4,639,383	4,548,046	5,465,514	6,311,910	5,983,774	5,965,326	5,906,717	6,507,455	6,207,739
<b>Total expenditures</b>	<b>344,899,477</b>	<b>359,833,542</b>	<b>390,071,514</b>	<b>429,364,394</b>	<b>483,737,717</b>	<b>491,585,143</b>	<b>452,579,810</b>	<b>415,093,561</b>	<b>409,246,392</b>	<b>428,242,029</b>
Excess (deficiency) of revenues over (under) expenditures	(10,599,303)	(1,081,456)	(6,791,639)	(15,487,821)	(27,193,465)	(15,182,028)	(12,021,900)	4,314,427	1,459,912	(34,285,330)
Other financing sources (OFS), net	11,908,499	11,122,131	7,515,691	12,471,373	15,670,594	17,008,315	16,843,023	19,876,245	16,599,967	16,020,490
Excess (deficiency) of revenues and other sources over/(under) expenditures and other uses	1,309,196	10,040,675	724,052	(3,016,448)	(11,522,871)	1,826,287	4,821,123	24,190,672	18,059,879	(18,264,840)
Beginning fund balance	18,052,748	19,361,944	29,402,619	30,126,671	27,110,223	15,587,352	17,413,639	22,234,762	46,425,434	64,485,313
<b>Ending fund balance</b>	<b>\$ 19,361,944</b>	<b>\$ 29,402,619</b>	<b>\$ 30,126,671</b>	<b>\$ 27,110,223</b>	<b>\$ 15,587,352</b>	<b>\$ 17,413,639</b>	<b>\$ 22,234,762</b>	<b>\$ 46,425,434</b>	<b>\$ 64,485,313</b>	<b>\$ 46,220,473</b>

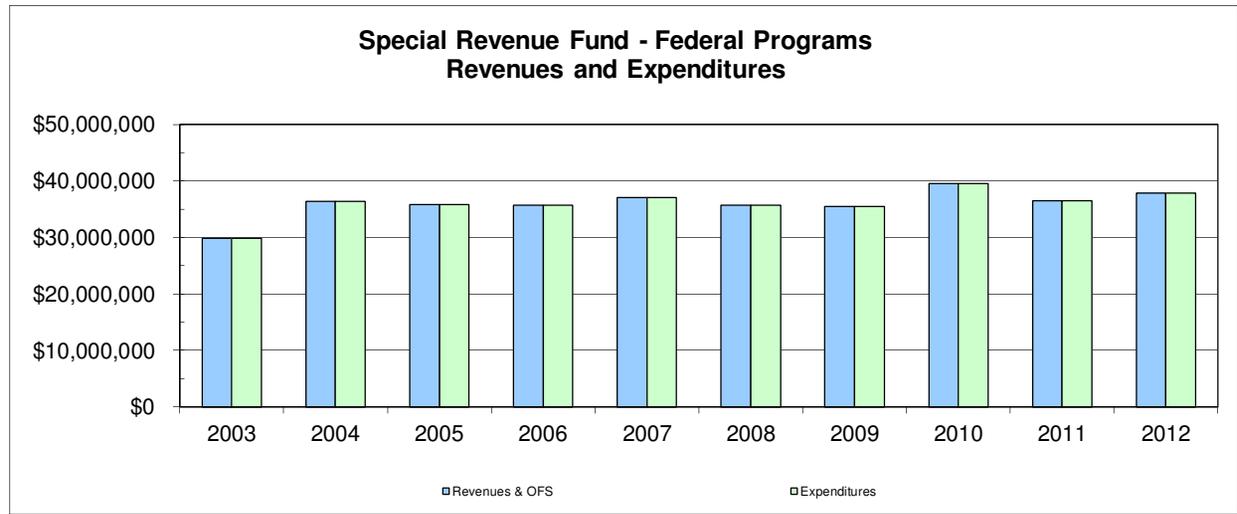
Source: District records



**District School Board of Volusia County, Florida**  
**Summary of Revenues and Expenditures (by Major Object) and Changes in Fund Balance -**  
**Contracted Federal Programs - Special Revenue Fund**  
**Last Ten Fiscal Years**  
 (Modified Accrual Basis of Accounting)  
 (Unaudited)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Federal sources:</b>										
Federal direct	\$ 1,201,918	\$ -	\$ 742,021	\$ 328,808	\$ 329,446	\$ 9,635	\$ -	\$ 325,686	\$ 323,806	\$ 272,554
Other Federal grants	28,605,679	36,360,148	34,450,345	35,373,330	36,763,863	35,706,057	35,438,574	39,234,772	36,151,062	37,614,044
Total Federal sources	29,807,597	36,360,148	35,192,366	35,702,138	37,093,309	35,715,692	35,438,574	39,560,458	36,474,868	37,886,598
<b>Total revenues</b>	29,807,597	36,360,148	35,192,366	35,702,138	37,093,309	35,715,692	35,438,574	39,560,458	36,474,868	37,886,598
<b>Expenditures: (by object)</b>										
Salaries	16,307,803	19,040,022	19,782,737	20,245,125	21,617,249	21,115,588	21,139,471	22,227,402	20,603,184	21,229,381
Employee Benefits	4,053,751	5,139,723	5,283,160	5,376,460	6,145,698	5,986,641	5,934,315	6,627,088	6,205,077	5,233,344
Purchased Services	3,353,306	3,801,516	3,574,909	4,421,211	5,600,147	4,821,051	5,171,420	6,776,635	6,139,180	7,332,577
Energy Services	5,321	6,836	5,535	4,945	6,197	15,439	8,562	3,049	2,244	15,667
Material and Supplies	2,451,006	2,365,753	2,222,667	2,194,212	1,330,029	1,368,600	1,011,583	1,095,870	989,722	1,419,721
Capital Outlay	1,282,679	3,526,697	2,197,162	778,488	568,212	321,640	300,635	500,195	437,093	620,710
Other expenditures	2,353,731	2,479,601	2,761,896	2,681,697	1,825,777	2,086,733	1,872,588	2,330,219	2,098,368	2,035,198
<b>Total expenditures</b>	29,807,597	36,360,148	35,828,066	35,702,138	37,093,309	35,715,692	35,438,574	39,560,458	36,474,868	37,886,598
Deficiency of revenues under expenditures	-	-	(635,700)	-	-	-	-	-	-	-
Other financing sources (OFS), net	-	-	635,700	-	-	-	-	-	-	-
Excess (deficiencies) of revenues and other sources over/(under) expenditures and other uses	-	-	-	-	-	-	-	-	-	-
Beginning fund balance	-	-	-	-	-	-	-	-	-	-
<b>Ending fund balance</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Source: District records



**District School Board of Volusia County, Florida**  
**Summary of Revenues and Expenditures (by Major Object) and Changes in Fund Balance -**  
**American Recovery and Reinvestment Act (ARRA) Economic Stimulus Funds - Special Revenue Fund**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**  
**(Unaudited)**

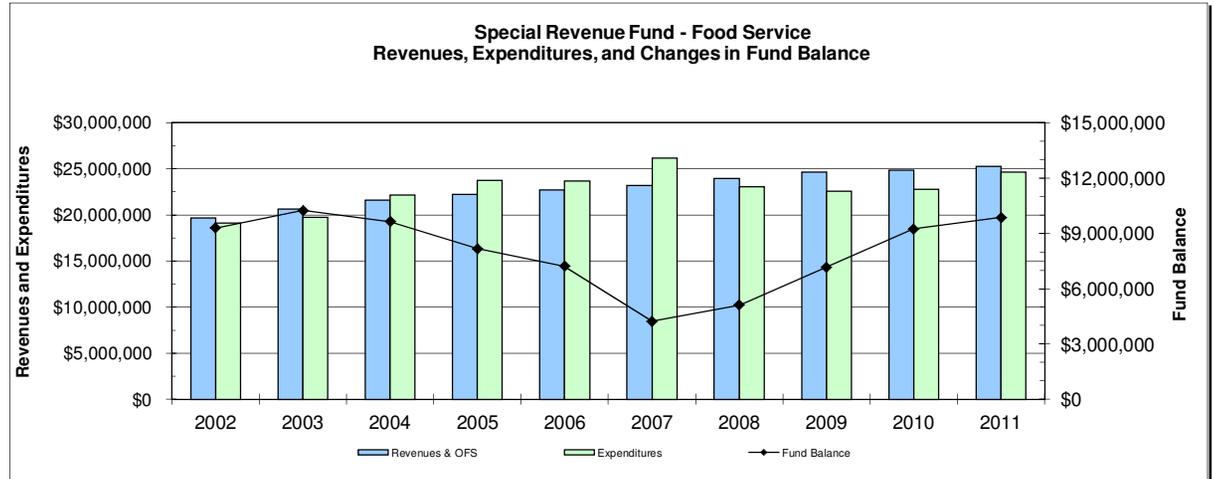
	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010 (1)	2011	2012
<b>Federal sources:</b>										
Federal through State:										
State Fiscal Stabilization Funds - K-12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,672,418	\$ 19,558,036	\$ -
Individuals with Disabilities Education Act (IDEA)	-	-	-	-	-	-	-	7,632,332	7,112,763	295,571
Elementary and Secondary Education Act, Title I	-	-	-	-	-	-	-	7,837,593	7,008,488	421,250
Race to the Top Incentive Grants	-	-	-	-	-	-	-	-	1,015,333	3,962,891
Education Jobs Act	-	-	-	-	-	-	-	-	12,436,516	183,785
Other Federal through State	-	-	-	-	-	-	-	1,759,091	939,321	70,774
Total Federal sources	-	-	-	-	-	-	-	37,901,434	48,070,457	4,934,271
<b>Total revenues</b>	-	-	-	-	-	-	-	37,901,434	48,070,457	4,934,271
<b>Expenditures: (by object)</b>										
Salaries	-	-	-	-	-	-	-	26,033,600	32,184,499	911,175
Employee Benefits	-	-	-	-	-	-	-	8,124,283	10,760,033	227,463
Purchased Services	-	-	-	-	-	-	-	1,395,036	1,809,156	2,833,507
Energy Services	-	-	-	-	-	-	-	9,404	14,275	1,136
Material and Supplies	-	-	-	-	-	-	-	504,544	517,307	338,360
Capital Outlay	-	-	-	-	-	-	-	149,820	1,124,072	373,238
Other expenditures	-	-	-	-	-	-	-	1,684,747	1,661,115	249,392
<b>Total expenditures</b>	-	-	-	-	-	-	-	37,901,434	48,070,457	4,934,271
Deficiency of revenues under expenditures	-	-	-	-	-	-	-	-	-	-
Other financing sources (OFS), net	-	-	-	-	-	-	-	-	-	-
Excess (deficiencies) of revenues and other sources over/(under) expenditures and other uses	-	-	-	-	-	-	-	-	-	-
Beginning fund balance	-	-	-	-	-	-	-	-	-	-
<b>Ending fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>							

(1) Fiscal year ending June 30, 2010 was the first year the District received ARRA Economic Stimulus Funds.

**District School Board of Volusia County, Florida**  
**Summary of Revenues and Expenditures (by Major Object) and Changes in Fund Balances -**  
**Food Service - Special Revenue Fund**  
**Last Ten Fiscal Years**  
 (Modified Accrual Basis of Accounting)  
 (Unaudited)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Federal sources:</b>										
Federal Direct	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
National School Lunch Act	9,230,160	9,823,863	11,088,031	11,037,592	11,581,206	12,537,272	13,496,814	15,183,409	16,227,733	16,926,114
U S D A donated commodities	1,325,631	1,390,944	1,570,255	1,557,977	1,369,881	1,433,517	1,527,981	1,287,042	1,189,369	1,465,465
Other	321,450	365,671	346,384	417,788	514,957	426,670	244,577	442,023	427,113	372,765
<b>Total Federal sources</b>	<b>10,877,241</b>	<b>11,580,478</b>	<b>13,004,670</b>	<b>13,013,357</b>	<b>13,466,044</b>	<b>14,397,459</b>	<b>15,269,372</b>	<b>16,912,474</b>	<b>17,844,215</b>	<b>18,764,344</b>
<b>State sources:</b>										
Food service supplements and other	361,876	351,328	342,041	342,115	369,561	362,407	370,163	352,971	347,836	355,522
<b>Total State sources</b>	<b>361,876</b>	<b>351,328</b>	<b>342,041</b>	<b>342,115</b>	<b>369,561</b>	<b>362,407</b>	<b>370,163</b>	<b>352,971</b>	<b>347,836</b>	<b>355,522</b>
<b>Local sources:</b>										
Food service sales	8,325,364	8,580,715	7,711,022	8,680,020	8,588,774	8,311,879	8,274,426	7,326,777	6,633,649	6,094,271
Interest income and other	109,747	130,846	175,809	162,134	248,174	78,636	12,795	18,214	15,968	10,266
<b>Total local sources</b>	<b>8,435,111</b>	<b>8,711,561</b>	<b>7,886,831</b>	<b>8,842,154</b>	<b>8,836,948</b>	<b>8,390,515</b>	<b>8,287,221</b>	<b>7,344,991</b>	<b>6,649,617</b>	<b>6,104,537</b>
<b>Total revenues</b>	<b>19,674,228</b>	<b>20,643,367</b>	<b>21,233,542</b>	<b>22,197,626</b>	<b>22,672,553</b>	<b>23,150,381</b>	<b>23,926,756</b>	<b>24,610,436</b>	<b>24,841,668</b>	<b>25,224,403</b>
<b>Expenditures: (by object)</b>										
Salaries	6,732,236	7,082,409	7,698,012	7,820,043	8,433,202	8,840,991	7,660,435	7,503,284	7,276,833	7,394,362
Employee Benefits	2,808,870	3,218,243	3,428,315	3,779,940	4,277,459	4,789,422	4,381,577	4,507,046	4,530,687	4,189,955
Purchased Services	776,412	752,833	795,948	707,022	790,928	1,113,144	840,360	854,779	824,078	981,224
Energy Services	64,490	69,858	76,498	90,397	99,781	102,207	105,910	92,725	101,201	100,700
Material and Supplies	7,826,693	7,313,436	7,595,629	8,476,973	8,763,532	9,963,537	9,227,392	8,750,485	9,088,518	9,769,437
Capital Outlay	405,658	618,474	1,820,130	2,212,246	686,307	676,777	146,748	139,913	244,046	1,457,695
Other expenditures	516,336	640,338	755,317	613,399	580,603	657,345	686,846	718,880	703,641	715,008
<b>Total expenditures</b>	<b>19,130,695</b>	<b>19,695,591</b>	<b>22,169,849</b>	<b>23,700,020</b>	<b>23,631,812</b>	<b>26,143,423</b>	<b>23,049,268</b>	<b>22,567,112</b>	<b>22,769,004</b>	<b>24,608,381</b>
Excess/(Deficiency) of revenues over/(under) expenditures	543,533	947,776	(936,307)	(1,502,394)	(959,259)	(2,993,042)	877,488	2,043,324	2,072,664	616,022
Other financing sources (OFS), net	13,507	13,460	323,960	33,714	13,439	13,598	6,955	-	-	3,000
Excess (deficiency) of revenues and other sources over/(under) expenditures and other uses	557,040	961,236	(612,347)	(1,468,680)	(945,820)	(2,979,444)	884,443	2,043,324	2,072,664	619,022
Beginning fund balance	8,722,574	9,279,614	10,240,850	9,628,503	8,159,823	7,214,003	4,234,559	5,119,002	7,162,326	9,234,990
<b>Ending fund balance</b>	<b>\$ 9,279,614</b>	<b>\$ 10,240,850</b>	<b>\$ 9,628,503</b>	<b>\$ 8,159,823</b>	<b>\$ 7,214,003</b>	<b>\$ 4,234,559</b>	<b>\$ 5,119,002</b>	<b>\$ 7,162,326</b>	<b>\$ 9,234,990</b>	<b>\$ 9,854,012</b>

Source: District records



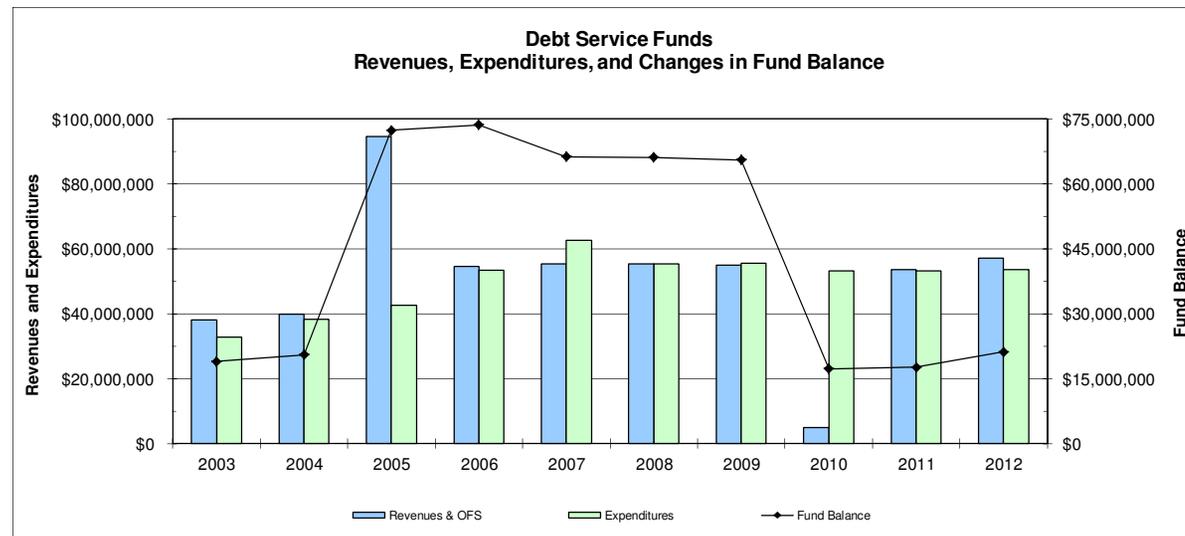
**District School Board of Volusia County, Florida**  
**Summary of Revenues and Expenditures (by Major Object) and Changes in Fund Balances -**  
**Debt Service Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**  
**(Unaudited)**

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>State sources:</b>										
CO&DS withheld for SBE/COBI bonds	\$ 2,005,000	\$ 2,054,986	\$ 2,043,049	\$ 2,045,260	\$ 1,990,350	\$ 1,989,012	\$ 1,967,429	\$ 1,958,867	\$ 1,944,130	\$ 1,925,052
SBE/COBI bond interest	4,576	4,385	4,303	16,031	15,054	17,551	586	1,142	281	-
Total State sources	<u>2,009,576</u>	<u>2,059,371</u>	<u>2,047,352</u>	<u>2,061,291</u>	<u>2,005,404</u>	<u>2,006,563</u>	<u>1,968,015</u>	<u>1,960,009</u>	<u>1,944,411</u>	<u>1,925,052</u>
<b>Local sources:</b>										
Ad valorem taxes	9,707,724	9,980,321	10,320,982	9,434,299	32,424 <sup>(b)</sup>	9,178	-	-	-	-
Interest income and other	187,987	221,697	1,312,935	904,357	4,108,075	4,185,999	1,351,878	22,418	16,068	15,780
Other local sources	825	-	-	-	-	-	-	-	-	-
Total local sources	<u>9,896,536</u>	<u>10,202,018</u>	<u>11,633,917</u>	<u>10,338,656</u>	<u>4,140,499</u>	<u>4,195,177</u>	<u>1,351,878</u>	<u>22,418</u>	<u>16,068</u>	<u>15,780</u>
<b>Total revenues</b>	<u>11,906,112</u>	<u>12,261,389</u>	<u>13,681,269</u>	<u>12,399,947</u>	<u>6,145,903</u>	<u>6,201,740</u>	<u>3,319,893</u>	<u>1,982,427</u>	<u>1,960,479</u>	<u>1,940,832</u>
<b>Expenditures: (by object)</b>										
Debt service:										
Principal	17,490,428	23,812,191	25,360,000	29,585,000	34,835,000	26,335,000	27,305,000	28,885,000	30,110,000	31,360,000
Interest and fiscal charges	15,223,630	14,519,995	17,313,309	23,728,844	27,804,895	29,062,071	28,140,292	24,382,958	23,069,380	22,298,997
<b>Total expenditures</b>	<u>32,714,058</u>	<u>38,332,186</u>	<u>42,673,309</u>	<u>53,313,844</u>	<u>62,639,895</u>	<u>55,397,071</u>	<u>55,445,292</u>	<u>53,267,958</u>	<u>53,179,380</u>	<u>53,658,997</u>
Deficiency of revenues under expenditures	<u>(20,807,946)</u>	<u>(26,070,797)</u>	<u>(28,992,040)</u>	<u>(40,913,897)</u>	<u>(56,493,992)</u>	<u>(49,195,331)</u>	<u>(52,125,399)</u>	<u>(51,285,531)</u>	<u>(51,218,901)</u>	<u>(51,718,165)</u>
Other financing sources (OFS), net	<u>26,084,822</u>	<u>27,626,603</u>	<u>80,869,258</u> <sup>(a)</sup>	<u>42,151,345</u>	<u>49,115,032</u>	<u>49,083,346</u>	<u>51,532,893</u>	<u>3,043,190</u> <sup>(a)</sup>	<u>51,603,885</u>	<u>55,219,783</u>
Excess (deficiency) of revenues and other sources over/(under) expenditures and other uses	5,276,876	1,555,806	51,877,218	1,237,448	(7,378,960)	(111,985)	(592,506)	(48,242,341)	384,984	3,501,618
Beginning fund balances	<u>13,665,745</u>	<u>18,942,621</u>	<u>20,498,427</u>	<u>72,375,645</u>	<u>73,613,093</u>	<u>66,234,133</u>	<u>66,122,148</u>	<u>65,529,642</u>	<u>17,287,301</u>	<u>17,672,285</u>
<b>Ending fund balances</b>	<u>\$ 18,942,621</u>	<u>\$ 20,498,427</u>	<u>\$ 72,375,645</u>	<u>\$ 73,613,093</u>	<u>\$ 66,234,133</u>	<u>\$ 66,122,148</u>	<u>\$ 65,529,642</u>	<u>\$ 17,287,301</u>	<u>\$ 17,672,285</u>	<u>\$ 21,173,903</u>

<sup>(a)</sup> On March 10, 2005, the District issued crossover refunding Certificates of Participation, Series 2005B, in the amount of \$47,180,000. The crossover refunding occurred on August 1, 2009.

<sup>(b)</sup> Final payment on the General Obligation Bond was made on August 1, 2006.

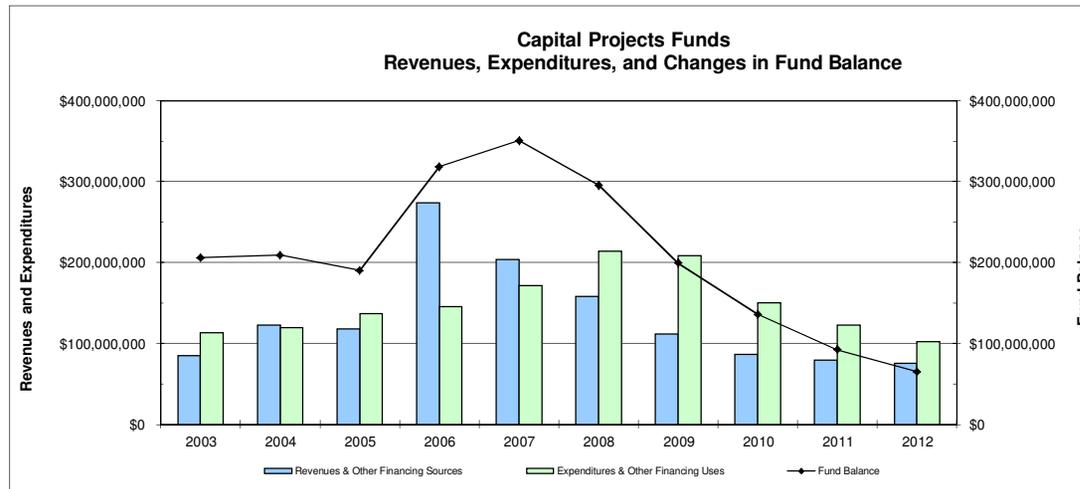
Source: District records



**District School Board of Volusia County, Florida**  
**Summary of Revenues and Expenditures (by Major Object) and Changes in Fund Balances -**  
**Capital Projects Funds**  
**Last Ten Fiscal Years**  
 (Modified Accrual Basis of Accounting)  
 (Unaudited)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>State sources:</b>										
CO&DS distributed to district	\$ 286,512	\$ 292,487	\$ 369,562	\$ 385,554	\$ 421,331	\$ 395,223	\$ 329,530	\$ 297,831	\$ 312,568	\$ 331,646
Interest on undistributed CO&DS	44,335	22,789	30,055	32,190	60,361	56,636	24,971	26,830	27,559	25,886
Public Education Capital Outlay	5,251,919	5,113,210	4,577,767	5,721,539	8,395,562	9,126,330	4,049,200	953,879	2,589,048	-
Classrooms first program	-	-	-	-	-	-	-	-	-	-
School infrastructure thrift	-	-	-	-	-	-	-	-	-	-
Class size reduction	-	4,670,960	11,241,124	1,867,621	17,488,878	10,107,881	-	-	-	-
Effort index grant	-	-	-	-	-	-	-	-	-	-
Charter school capital outlay funding	100,296	82,488	73,427	77,810	136,791	132,278	390,295	405,110	334,839	420,661
Other State sources	113,960	100,771	86,391	108,052	115,699	117,420	110,008	104,450	82,353	102,161
<b>Total State sources</b>	<b>5,797,022</b>	<b>10,282,705</b>	<b>16,378,326</b>	<b>8,192,766</b>	<b>26,618,622</b>	<b>19,935,768</b>	<b>4,904,004</b>	<b>1,788,100</b>	<b>3,346,367</b>	<b>880,354</b>
<b>Local sources:</b>										
Ad valorem taxes	37,154,597	42,184,063	48,357,584	58,101,772	73,918,961	79,404,284	67,599,348	48,988,701	42,854,140	38,827,686
Sales tax	30,747,285	34,135,494	34,774,547	37,737,410	35,956,023	33,948,264	30,299,663	29,781,220	29,883,829	30,526,725
Interest income and other	4,056,641	3,024,225	3,499,816	8,711,023	14,883,331	11,510,403	5,347,962	1,127,524	311,234	129,295
Impact fees	5,877,411	8,256,841	13,722,905	10,452,455	14,662,357	13,608,727	3,779,704	4,840,676	3,213,229	4,892,107
Contribution	1,250,000	416,666	416,666	416,666	-	-	-	-	-	-
Local grants and other local sources	521,597	716,988	600,873	780,363	302,158	41,459	36,799	227,704	71,104	35,910
<b>Total local sources</b>	<b>79,607,531</b>	<b>88,734,277</b>	<b>101,372,391</b>	<b>116,199,689</b>	<b>139,722,830</b>	<b>138,513,137</b>	<b>107,063,476</b>	<b>84,965,825</b>	<b>76,333,536</b>	<b>74,411,723</b>
<b>Total revenues</b>	<b>85,404,553</b>	<b>99,016,982</b>	<b>117,750,717</b>	<b>124,392,455</b>	<b>166,341,452</b>	<b>158,448,905</b>	<b>111,967,480</b>	<b>86,753,925</b>	<b>79,679,903</b>	<b>75,292,077</b>
<b>Expenditures: (by object)</b>										
Capital Outlay										
Library books	12,504	72,315	174,716	469,601	172,693	351,478	89,210	224,201	29	141,880
Audio visual materials	3,702	21,384	31,770	99,599	71,483	201,706	334,032	123,773	255,702	77,174
Buildings and fixed equipment	32,954,758	59,576,859	62,543,427	80,794,147	104,916,867	90,182,821	78,418,224	41,696,420	30,571,342	14,570,389
Furniture, fixtures, and equipment	8,626,214	14,388,824	17,922,772	13,314,589	18,717,198	12,838,913	15,714,906	9,780,120	14,107,526	8,119,423
Motor vehicles	3,097,913	3,675,665	5,044,651	4,498,042	5,440,798	5,165,325	3,221,560	-	40,701	20,202
Land	4,385,479	3,531,905	9,415,481	6,965,387	1,603,444	237,454	202,436	617,612	-	-
Improvements other than buildings	3,931,701	4,822,451	8,378,969	11,077,559	6,354,182	14,781,022	15,968,740	13,539,009	2,915,523	1,297,527
Remodeling and renovations	21,315,621	31,865,736	31,692,317	27,657,705	32,090,156	24,267,829	23,389,723	12,531,166	6,329,994	8,953,464
Computer software	1,556,309	1,515,037	591,620	849,452	2,278,923	668,093	419,274	1,525,756	706,812	389,893
Debt service	-	1,246	-	1,107	1,323	1,156	1,187	1,197	1,251	855
<b>Total expenditures</b>	<b>75,884,201</b>	<b>119,471,422</b>	<b>135,795,723</b>	<b>145,727,188</b>	<b>171,647,067</b>	<b>148,695,797</b>	<b>137,759,292</b>	<b>80,039,254</b>	<b>54,928,880</b>	<b>33,570,807</b>
Excess (deficiency) of revenues over/(under) expenditures	9,520,352	(20,454,440)	(18,045,006)	(21,334,733)	(5,305,615)	9,753,108	(25,791,812)	6,714,671	24,751,023	41,721,270
Other financing sources (uses), net	(37,746,539)	23,754,783	(849,479)	149,582,555	37,421,870	(64,988,207)	(70,389,745)	(70,239,623)	(68,161,609)	(68,886,824)
Excess (deficiency) of revenues and other sources over/(under) expenditures and other uses	(28,226,187)	3,300,343	(18,894,485)	128,247,822	32,116,255	(55,235,099)	(96,181,557)	(63,524,952)	(43,410,586)	(27,165,554)
Beginning fund balances	234,302,709	206,076,522	209,376,865	190,482,380	318,730,202	350,846,457	295,611,358	199,429,801	135,904,849	92,494,263
<b>Ending fund balances</b>	<b>\$ 206,076,522</b>	<b>\$ 209,376,865</b>	<b>\$ 190,482,380</b>	<b>\$ 318,730,202</b>	<b>\$ 350,846,457</b>	<b>\$ 295,611,358</b>	<b>\$ 199,429,801</b>	<b>\$ 135,904,849</b>	<b>\$ 92,494,263</b>	<b>\$ 65,328,709</b>

Source: District records

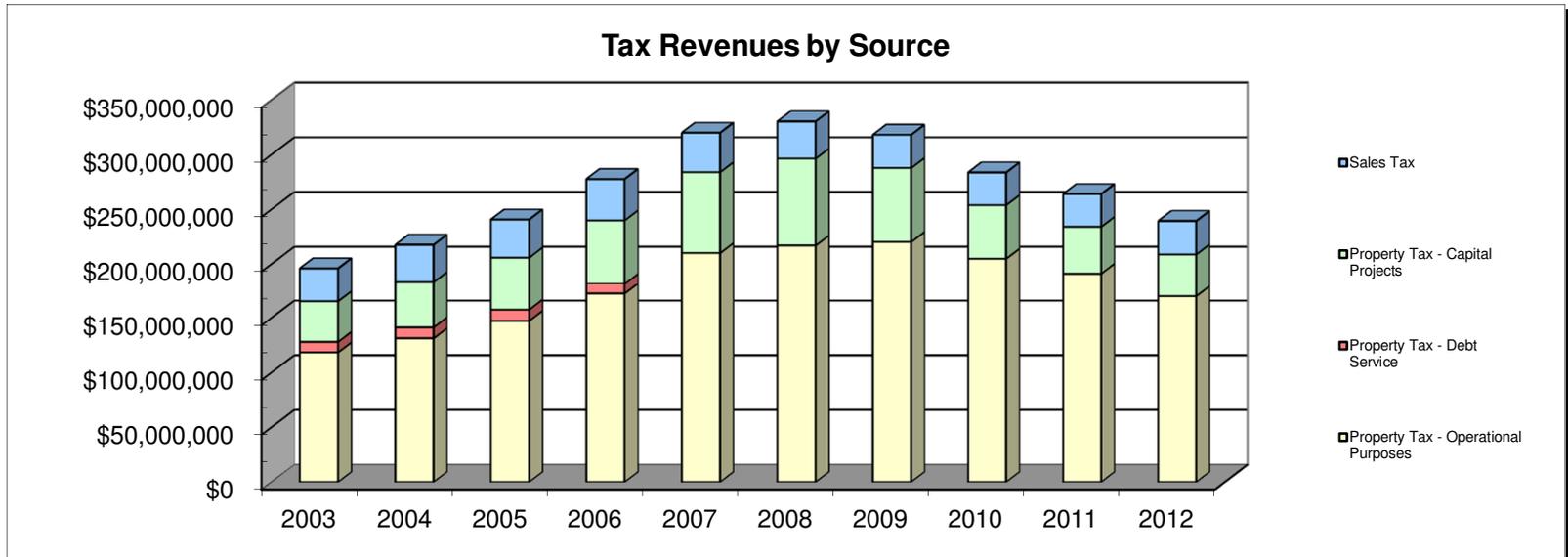


**District School Board of Volusia County, Florida**  
**General Governmental Tax Revenues by Source**  
**Last Ten Fiscal Years**  
 (Modified Accrual Basis of Accounting)  
 (Unaudited)

Fiscal Year	Property Tax			Sales Tax	Total
	Operational Purposes	Debt Service	Capital Projects		
2003	\$ 118,508,547	\$ 9,707,724	\$ 37,154,597	\$ 30,747,285	\$ 196,118,153
2004	131,394,434	9,980,321	42,184,063	34,135,494	217,694,312
2005	147,307,956	10,320,982	48,357,584	34,774,547	240,761,069
2006	172,453,066	9,434,299	58,101,772	37,737,410	277,726,547
2007	210,137,155	32,424 <sup>(a)</sup>	73,914,902	35,956,023	320,040,504
2008	217,062,977	9,178	79,398,963	33,948,264	330,419,382
2009	220,261,301	-	67,596,252	30,299,663	318,157,216
2010	204,979,478	-	48,988,701	29,781,220	283,749,399
2011	191,318,536	-	42,854,140	29,883,829	264,056,505
2012	170,047,047	-	38,827,686	30,526,725	239,401,458

<sup>(a)</sup> Final payment on the General Obligation Bond was made on August 1, 2006.

Source: District records



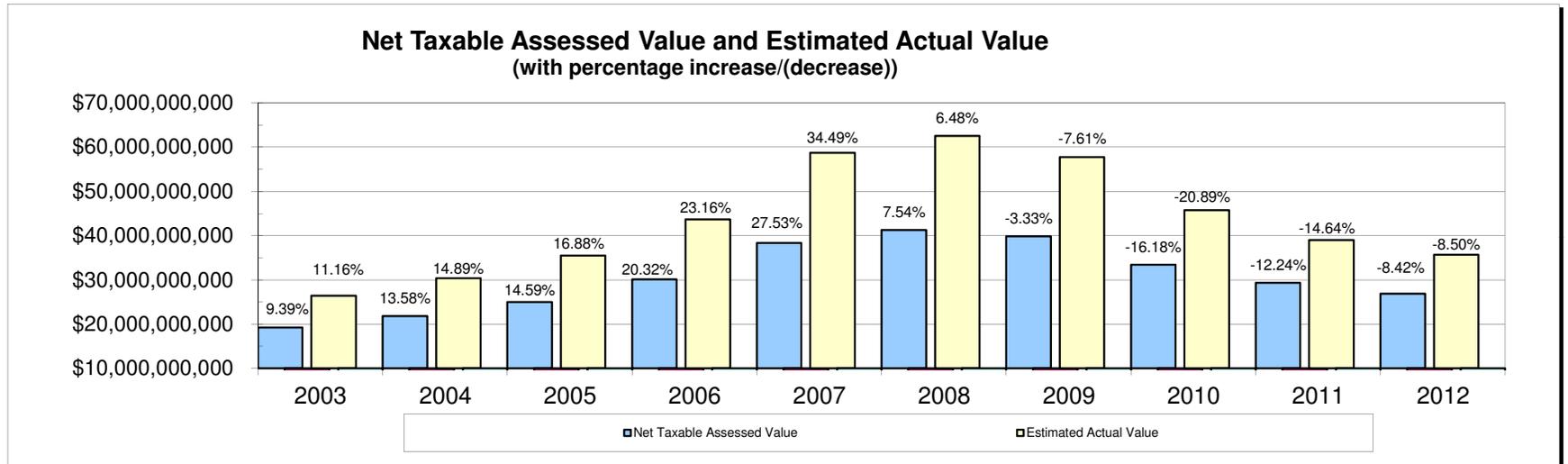
**District School Board of Volusia County, Florida**  
**Assessed and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year	Estimated Actual Value				Net Taxable Assessed Value	Assessed Value as a percentage of Actual Value	Direct Tax Rate <sup>(a)</sup>
	Real Property	Personal Property	Centrally Assessed Property	Total			
2003	\$ 24,417,226,127	\$ 1,957,650,684	\$ 33,852,363	\$ 26,408,729,174	\$ 19,204,053,675	72.72%	8.899
2004	28,045,286,601	2,253,282,007	41,430,814	30,339,999,422	21,812,579,151	71.89%	8.699
2005	32,848,427,751	2,569,352,100	44,757,397	35,462,537,248	24,995,770,922	70.49%	8.517
2006	40,950,203,731	2,687,197,220	38,987,947	43,676,388,898	30,073,908,112	68.86%	8.259
2007	55,873,967,198	2,824,246,237	42,622,990	58,740,836,425	38,353,888,285	65.29%	7.685
2008	59,551,507,024	2,950,223,431	48,157,003	62,549,887,458	41,247,558,469	65.94%	7.467
2009	54,604,763,576	3,121,575,534	60,794,680	57,787,133,790	39,872,969,741	69.00%	7.459
2010	42,628,835,879	3,039,004,503	49,409,346	45,717,249,728	33,419,579,301	73.10%	7.805
2011	35,993,959,513	2,988,529,982	41,005,429	39,023,494,924	29,330,354,760	75.16%	8.237
2012	32,734,084,855	2,926,719,941	47,616,812	35,708,421,608	26,859,774,090	75.22%	8.063

Note: Assessed Values are net Taxable Values after deducting allowable statutory exemptions.

(a) Per \$1,000 of assessed value

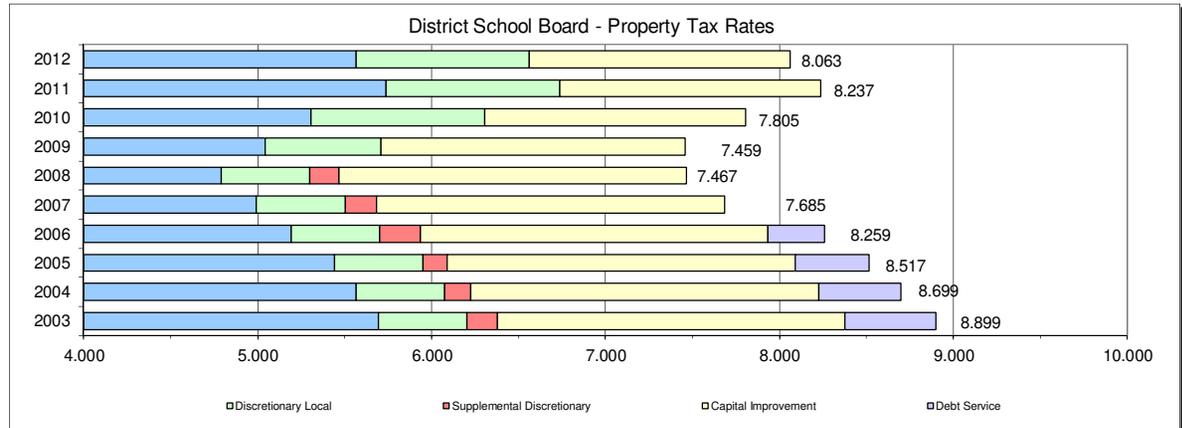
Source: Volusia County Property Appraiser



**District School Board of Volusia County, Florida**  
**Property Tax Rates -**  
**Direct and Overlapping Governments**  
**Last Ten Fiscal Years**  
**(per \$1,000 of Taxable Valuation)**  
**(Unaudited)**

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
District School Board:										
Local Required Effort	5.69500	5.56500	5.44100	5.19300	4.99300	4.79100	5.04500	5.30700	5.7390	5.5650
Discretionary Local	0.51000	0.51000	0.51000	0.51000	0.51000	0.51000	0.66400	0.99800	0.9980	0.9980
Supplemental Discretionary	0.17300	0.15200	0.14000	0.23200	0.18200	0.16600	0.00000	0.00000	0.0000	0.0000
Capital Improvement	2.00000	2.00000	2.00000	2.00000	2.00000	2.00000	1.75000	1.50000	1.5000	1.5000
Debt Service	0.52100	0.47200	0.42600	0.32400	0.00000	0.00000	0.00000	0.00000	0.0000	0.0000
<b>Total District School Board</b>	<b>8.89900</b>	<b>8.69900</b>	<b>8.51700</b>	<b>8.25900</b>	<b>7.68500</b>	<b>7.46700</b>	<b>7.45900</b>	<b>7.80500</b>	<b>8.2370</b>	<b>8.0630</b>
St. Johns River Water Management	0.46200	0.46200	0.46200	0.46200	0.46200	0.41580	0.41580	0.41580	0.4158	0.3313
Florida Inland Navigation District	0.03850	0.03850	0.03850	0.03850	0.03850	0.03450	0.03450	0.03450	0.0345	0.0345
County of Volusia	6.60400	6.60400	6.60400	6.29400	5.13330	4.70334	5.40373	6.37434	6.3025	6.7791
Municipalities:										
Daytona Beach	6.79389	6.70279	7.11333	7.08746	6.29458	5.46952	5.73347	5.79829	6.7467	6.7396
Daytona Beach Shores	3.68231	4.08231	4.08231	3.83700	3.83700	4.02230	4.97985	6.39720	7.8220	8.6900
Ormond Beach	3.33842	3.33842	3.89438	4.15316	3.88240	3.44350	3.80968	3.80968	3.8096	4.2014
Holly Hill	4.50000	4.08002	4.08002	4.08002	4.08000	3.68177	4.88720	5.72580	6.5595	6.9500
South Daytona	4.63900	4.63900	5.65000	5.54659	4.80000	4.24930	4.92003	5.77810	5.9000	5.9000
Deltona	4.19800	4.19800	4.19800	4.15000	4.01451	3.28370	4.15329	5.43755	6.3776	8.2995
Port Orange	4.57562	4.37904	4.86479	4.85850	5.08508	4.41780	5.02140	5.10020	5.5109	5.5145
New Smyrna Beach	5.10000	5.10000	5.10000	4.81189	3.74303	3.47811	3.51304	3.99990	4.0740	4.1011
Edgewater	6.95000	6.95000	6.45000	6.51000	5.73170	5.22710	5.93304	6.39820	6.6385	6.5304
Ponce Inlet	4.77800	4.57800	4.57800	4.37800	4.09500	3.74400	4.17500	4.03000	4.4555	4.7618
Oak Hill	4.33500	4.68590	5.26790	5.26790	5.06260	4.74950	4.57400	5.79900	6.4579	6.3927
Pierson	5.00000	4.70124	4.34024	3.80904	3.06694	2.83586	3.60575	4.80240	5.3414	5.8000
DeLand	6.40500	6.46900	6.46900	6.03770	5.78770	4.75549	5.25118	6.23940	6.2846	6.9575
Orange City	5.21700	4.87506	4.87508	4.87506	4.87506	4.38237	4.48000	5.19530	6.3445	7.0757
Lake Helen	5.20000	5.20000	5.20000	5.20000	5.20000	4.20000	4.20000	5.21800	5.2180	5.9870
Debary	2.50746	2.50746	2.50746	2.50746	3.00000	2.57279	2.57279	2.57279	2.8707	2.9900
Unincorporated Areas:										
Municipal Service District	1.69100	1.69100	1.69100	1.69100	1.00880	1.21825	1.40228	1.87829	1.8610	2.0155
Special Other Districts:										
Independent	7.24449	7.42000	8.15000	7.90000	7.22810	6.93068	7.57018	8.59370	8.3318	8.4364
Dependent	2.84620	3.22100	3.71780	3.58730	3.27330	3.04139	3.50185	3.98568	3.9487	3.9487

Source: Volusia County Finance Department



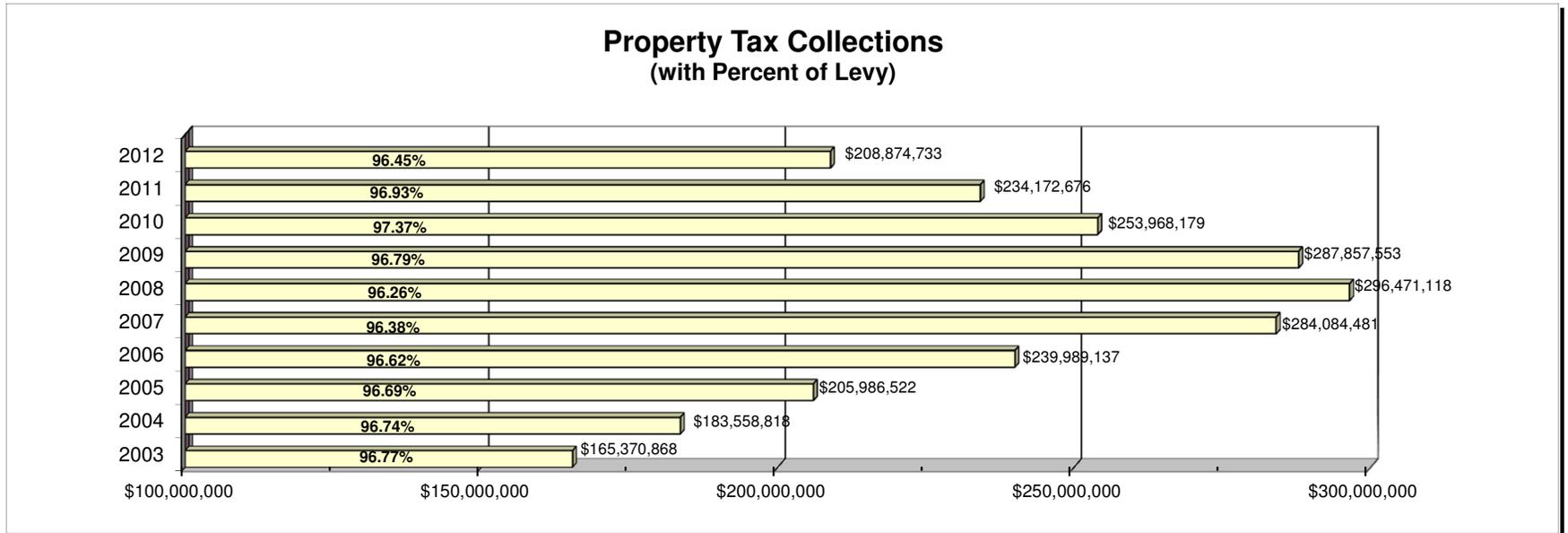
**District School Board of Volusia County, Florida  
Principal Property Tax Payers  
Current Year and Nine Years Ago  
(Unaudited)**

Taxpayer	Type of Business	Fiscal Year					
		2011-2012		2002-2003			
		2011 Taxable Value	Rank	Percent of Total Taxable Value	2002 Taxable Value	Rank	Percent of Total Taxable Value
Florida Power and Light Co.	Electric Utility	\$ 868,773,137	1	3.24%	\$ 263,798,080	1	1.37%
Florida Power Corporation	Electric Utility	240,487,891	2	0.90%	193,574,692	2	1.01%
BellSouth Telecommunication, Inc.	Telephone	110,054,642	3	0.41%	181,283,931	3	0.94%
Bright House Networks, LLC	Entertainment/Cablevision	82,180,692	4	0.31%	-		-
Covidien, Ltd.	Manufacturing	71,436,868	5	0.27%	-		-
Wal Mart Stores East, LP	Retail Sales	69,995,709	6	0.26%	48,847,965	8	0.25%
Ocean Walk II Condo Assoc.	Timeshare Investments	58,750,005	7	0.22%	-		-
International Speedway Corp.	Recreation	52,801,505	8	0.20%	57,337,959	6	0.30%
Volusia Mall, LLC	Retail Sales/Mall	48,345,206	9	0.18%	-		-
Gepa Hotel Owner DB, LLC	Real Estate Development	46,935,098	10	0.18%	-		-
Twain Subsidiary LLD	Entertainment/Cablevision	-		-	65,978,803	4	0.34%
Bray & Gillespie	Timeshare Investments	-		-	58,643,824	5	0.31%
Highway 92, LLC	Retail Sales/Mall	-		-	52,157,242	7	0.27%
Tyco Healthcare Group LP	Medical Supply Manufacturer	-		-	39,973,720	9	0.21%
Florida Water Services Company	Utility	-		-	23,843,600	10	0.12%
All Other		25,160,887,577		93.83%	18,202,039,487		94.87%
Total		<u>\$ 26,810,648,330</u>		<u>100.00%</u>	<u>\$ 19,187,479,303</u>		<u>100.00%</u>

**District School Board of Volusia County, Florida  
Property Tax Levies and Collections  
Last Ten Fiscal Years  
(Unaudited)**

Fiscal Year	Total Tax Levy	Collected to End of Tax Year			Collected in Fiscal Year	
		Current Tax Collections	Percent of Levy	Delinquent Collections	Total Collections	Percent of Levy
2003	\$ 170,896,874	\$ 164,314,913	96.08%	\$ 1,055,955	\$ 165,370,868	96.77%
2004	189,747,625	182,469,968	96.16%	1,088,850	183,558,818	96.74%
2005	213,028,390	204,916,363	96.19%	1,070,159	205,986,522	96.69%
2006	248,380,407	239,054,613	96.25%	934,524	239,989,137	96.62%
2007	294,749,632	283,541,002	96.20%	543,479	284,084,481	96.38%
2008	307,995,520	296,033,719	96.12%	437,399	296,471,118	96.26%
2009	297,412,481	285,800,043	96.10%	2,057,510	287,857,553	96.79%
2010	260,839,816	251,851,164	96.55%	2,117,015	253,968,179	97.37%
2011	241,594,132	232,965,649	96.43%	1,207,027	234,172,676	96.93%
2012	216,570,359	207,880,208	95.99%	994,525	208,874,733	96.45%

Source: District records



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

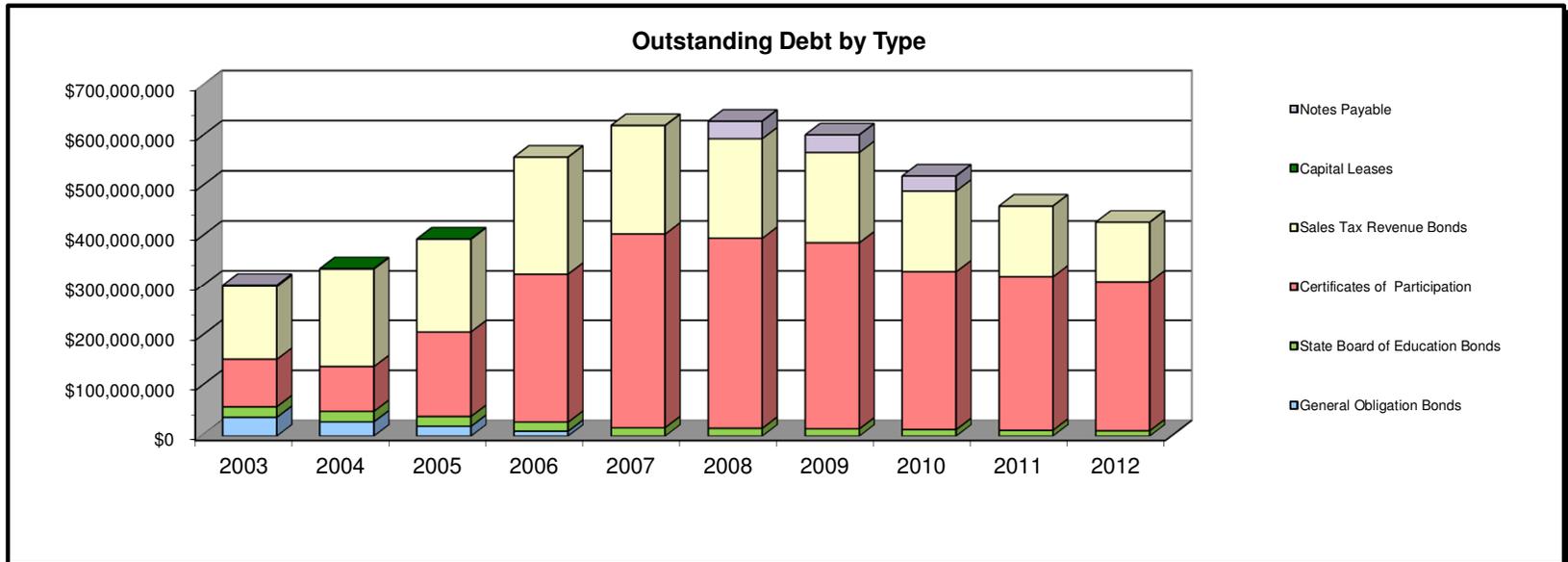
Fiscal Year	Governmental Activities <sup>(A)</sup>						Total Primary Government Debt Outstanding	Percentage of Personal Income <sup>(B)</sup>	Per Capita <sup>(C)</sup>
	General Obligation Bonds	State Board of Education Bonds	Certificates of Participation	Sales Tax Revenue Bonds	Capital Leases	Notes Payable			
2003	\$ 37,460,455	\$ 21,210,000	\$ 94,695,000	\$ 146,845,000	\$ 1,335,570	\$ 897,191	\$ 302,443,216	2.66%	\$ 642
2004	28,621,970	20,775,000	89,305,000	196,650,000	472,454	-	335,824,424	2.87%	693
2005	19,423,485	19,735,000	168,850,000	186,835,000	635,700	-	395,479,185	3.16%	800
2006	9,780,000	18,045,000	297,430,000	233,450,000	-	-	558,705,000	4.19%	1,106
2007	-	16,890,000	388,380,000	216,575,000	-	-	621,845,000	4.20%	1,224
2008	-	15,685,000	381,045,000	198,780,000	-	35,000,000	630,510,000	4.08%	1,236
2009	-	14,445,000	373,375,000	180,385,000	-	35,000,000	603,205,000	3.91%	1,186
2010	-	13,035,000	316,770,000	161,260,000	-	30,000,000	521,065,000	3.34%	1,029
2011	-	11,700,000	307,940,000	141,315,000	-	-	460,955,000	2.82%	932
2012	-	10,635,000	298,740,000	119,310,000	-	-	428,685,000	2.69%	866

Source:

(A) District records

(B) Total Primary Government Debt Outstanding divided by Personal Income from Page 126.

(C) Total Primary Government Debt Outstanding divided by Population from Page 126.



**District School Board of Volusia, County, Florida**  
**Ratio of Net General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**  
(Unaudited)

<b>Fiscal Year</b>	<b>Population <sup>(1)</sup></b>	<b>Net Taxable Assessed Value <sup>(2)</sup></b>	<b>Gross Bonded Debt <sup>(3)</sup></b>	<b>Less Debt Service Funds <sup>(4)</sup></b>	<b>Net Bonded Debt</b>	<b>Ratio of Net General Bonded Debt to Assessed Value</b>	<b>Net Bonded Debt Per Capita</b>
2003	470,770	\$ 19,204,053,675	\$ 37,460,455	\$ 10,759,784	\$ 26,700,671	0.139%	\$ 57
2004	484,261	21,812,579,151	28,621,970	10,569,734	18,052,236	0.083%	37
2005	494,649	24,995,770,922	19,423,485	10,785,306	8,638,179	0.035%	17
2006	504,963	30,073,908,112	9,780,000	9,780,000	-	0.000%	-
2007	508,227	38,353,888,285	-	(a)	-	0.000%	-
2008	510,109	41,247,558,469	-	-	-	0.000%	-
2009	508,764	39,872,969,741	-	-	-	0.000%	-
2010	506,528	33,419,579,301	-	-	-	0.000%	-
2011	494,593	29,330,354,760	-	-	-	0.000%	-
2012	494,804	26,859,774,090	-	-	-	0.000%	-

(a) Final bond payment made August 1, 2006

Sources:

- (1) Florida Research & Economic Database
- (2) Volusia County Property Appraiser
- (3) Includes General Obligation Bonds only
- (4) Reserved for Debt Service - General Obligation Bonds only

**District School Board of Volusia County, Florida**  
**Ratio of Annual Debt Service Expenditures**  
**For General Obligation Bonded Debt**  
**To Total General Governmental Non-Capital Expenditures**  
**Last Ten Fiscal Years**  
(Unaudited)

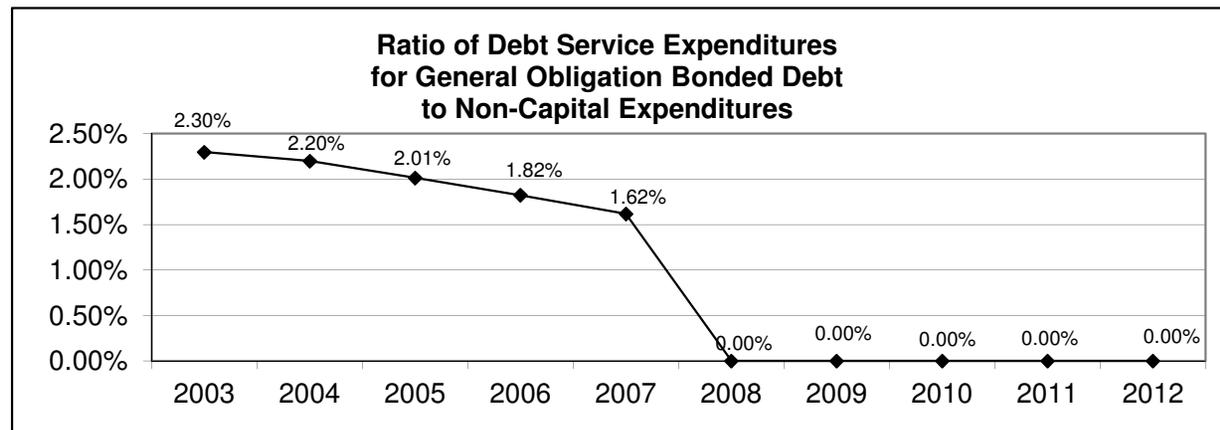
Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Non-Capital Expenditures <sup>(1)</sup>	Ratio of Debt Service to General Governmental Non-Capital Expenditures
2003	\$ 7,910,000	\$ 1,898,350	\$ 9,808,350 <sup>(2)</sup>	\$ 427,271,406	2.30%
2004	8,510,000	1,579,088	10,089,088	459,035,883	2.20%
2005	8,870,000	1,176,500	10,046,500	499,277,363	2.01%
2006	9,315,000	721,875	10,036,875	551,350,556	1.82%
2007	9,780,000 <sup>(3)</sup>	244,500	10,024,500	620,505,491	1.62%
2008	-	-	-	619,449,344	0.00%
2009	-	-	-	576,665,857	0.00%
2010	-	-	-	575,105,683	0.00%
2011	-	-	-	576,239,620	0.00%
2012	-	-	-	552,388,585	0.00%

<sup>(1)</sup> Includes general, special revenue, debt service, and capital projects funds of the Primary Government, excluding capital expenditures.

<sup>(2)</sup> Debt service amount reduced in FY 2002-03 due to a refunding transaction.

<sup>(3)</sup> Final payment on the General Obligation Bond was made on August 1, 2006.

Source: District records



**District School Board of Volusia County, Florida**  
**Direct and Overlapping Governmental Activities Debt**  
**June 30, 2012**  
(Unaudited)

<u>Jurisdiction</u>	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Direct Debt</u>		<u>Direct and Overlapping Debt</u>	
		<u>Percentage Applicable to School Board of Volusia County</u>	<u>Amount Applicable to School Board of Volusia County</u>	<u>Percentage Applicable to County of Volusia</u>	<u>Amount Applicable to County of Volusia</u>
School District of Volusia County	\$ -	100%	\$ -	100%	\$ -
County of Volusia	27,750,000	0%	-	100%	27,750,000
City of Daytona Beach	19,315,000	0%	-	100%	19,315,000
City of Daytona Beach Shores	25,531,000	0%	-	100%	25,531,000
City of DeLand	2,637,715	0%	-	100%	2,637,715
City of Edgewater	395,000	0%	-	100%	395,000
City of New Smyrna Beach	13,825,000	0%	-	100%	13,825,000
City of Ormond Beach	7,915,000	0%	-	100%	7,915,000
City of Port Orange	15,755,000	0%	-	100%	15,755,000
<b>Totals</b>	<u><u>\$ 113,123,715</u></u>		<u><u>\$ -</u></u>		<u><u>\$ 113,123,715</u></u>

Source: County of Volusia Comprehensive Annual Financial Report for the year ended September 30, 2011 and District records.

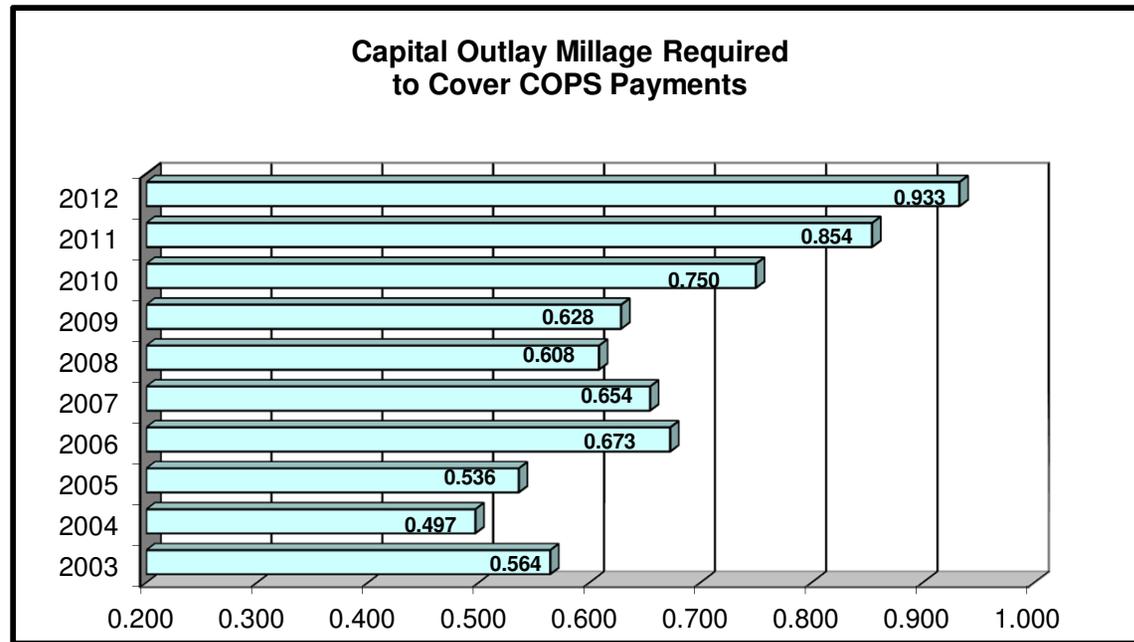
**District School Board of Volusia County, Florida**  
**Anticipated Capital Outlay Millage Levy**  
**Required to Cover Certificates of Participation Payments**  
**Last Ten Fiscal Years**  
**(Unaudited)**

<b>Fiscal Year</b>	<b>Net Taxable Assessed Value</b>	<b>Total Annual Lease Payment</b>	<b>Amount Held in Escrow for Payment <sup>(2)</sup></b>	<b>Net Annual Lease Payment</b>	<b>Millage Levy to Provide 1.00 x Coverage <sup>(1)</sup></b>
2003	\$ 19,204,053,675	\$ 10,295,110	\$ -	\$ 10,295,110	0.564 Mills
2004	21,812,579,151	10,294,317	-	10,294,317	0.497 Mills
2005	24,995,770,922	14,861,896	2,133,944	12,727,952	0.536 Mills
2006	30,073,908,112	21,347,781	2,133,944	19,213,837	0.673 Mills
2007	38,353,888,285	25,975,634	2,133,944	23,841,690	0.654 Mills
2008	41,247,558,469	25,970,254	2,133,944	23,836,310	0.608 Mills
2009	39,872,969,741	24,865,461	1,066,972	23,798,489	0.628 Mills
2010	33,419,579,301	23,803,001	-	23,803,001	0.750 Mills
2011	29,330,354,760	23,800,751	-	23,800,751	0.854 Mills
2012	26,859,774,090	23,798,246	-	23,798,246	0.933 Mills

- <sup>(1)</sup> Millage rate calculated using 95% of the taxable assessed valuation.
- <sup>(2)</sup> The funds for the payment on the 2005B crossover refunding COPs were held in escrow and were not funded with tax receipts.

NOTE: Capital Lease arrangements financed by Certificates of Participation are not considered general obligation debt as no specific property tax levy has been pledged.

Source: District records



**District School Board of Volusia County, Florida**  
**Calculation of Legal Debt Margin**  
**Last Ten Fiscal Years**  
(Unaudited)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Assessed Value	\$ 19,204,053,675	\$ 21,812,579,151	\$ 24,995,770,922	\$ 30,073,908,112	\$ 38,353,888,285	\$ 41,247,558,469	\$ 39,872,969,741	\$ 33,419,579,301	\$ 29,330,354,760	\$ 26,859,774,090
Debt Limit: 10% of Assessed Value	\$ 1,920,405,368	\$ 2,181,257,915	\$ 2,499,577,092	\$ 3,007,390,811	\$ 3,835,388,829	\$ 4,124,755,847	\$ 3,987,296,974	\$ 3,341,957,930	\$ 2,933,035,476	\$ 2,685,977,409
Bond Payable	\$ 37,460,455	\$ 28,621,970	\$ 19,423,485	\$ 9,780,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less:										
Amount Available for Debt Service	10,759,784	10,569,734	10,785,306	9,780,000	-	-	-	-	-	-
Total Net Debt Applicable to Limit	26,700,671	18,052,236	8,638,179	-	-	-	-	-	-	-
Legal Debt Margin	\$ 1,893,704,697	\$ 2,163,205,679	\$ 2,490,938,913	\$ 3,007,390,811	\$ 3,835,388,829	\$ 4,124,755,847	\$ 3,987,296,974	\$ 3,341,957,930	\$ 2,933,035,476	\$ 2,685,977,409
Total Debt Applicable to the Debt										
Limit as a Percentage of Debt Limit	1.39%	0.83%	0.35%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Note: Rule 6A-1.037(2), State Board of Education, Florida Administrative Code, establishes a limit of 10 percent on the nonexempt assessed valuation of the district. Rule repealed April 18, 2006.

Source: District records

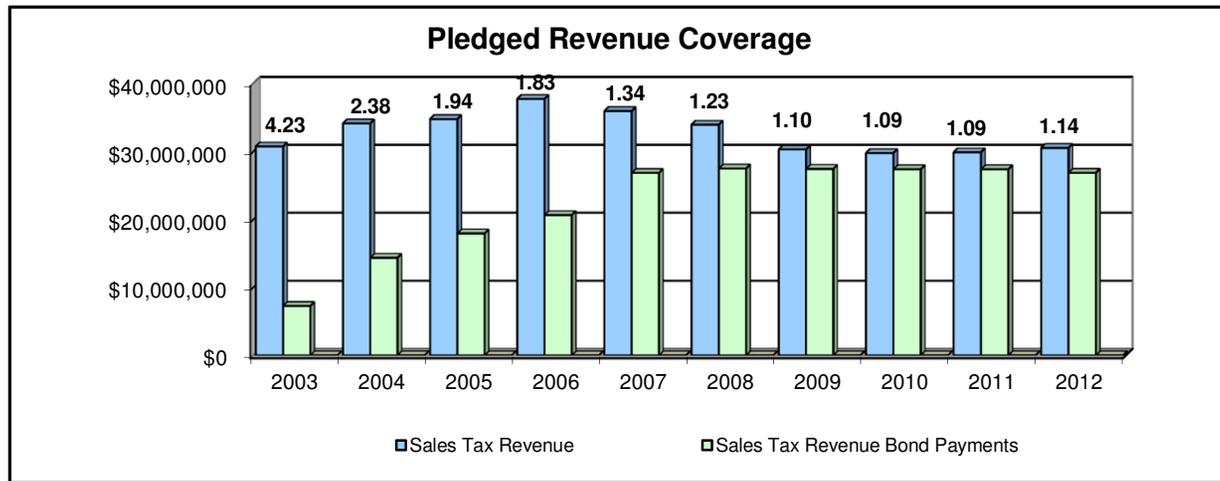
**District School Board of Volusia County, Florida**  
**Pledged Revenue Coverage**  
**Last Ten Fiscal Years**  
(Unaudited)

**Sales Tax Revenue Bonds**

Fiscal Year	Sales Tax Revenue	Debt Service		Coverage <sup>(a)</sup>
		Principal	Interest	
2003	30,747,285	\$ -	\$ 7,265,674	4.23
2004	34,135,494	8,020,000	6,338,608	2.38
2005	34,774,547	9,815,000	8,124,705	1.94
2006	37,737,410	12,510,000	8,128,240	1.83
2007	35,956,023	16,875,000	9,969,663	1.34
2008	33,948,264	17,795,000	9,705,528	1.23
2009	30,299,663	18,395,000	9,040,020	1.10
2010	29,781,220	19,125,000	8,266,035	1.09
2011	29,883,829	19,945,000	7,437,516	1.09
2012	30,526,725	20,780,000	6,083,080	1.14

<sup>(a)</sup> The additional bonds test requires 1.25 coverage. Currently, the District has no legal capacity for additional bonds.

Source: District records



**District School Board of Volusia County, Florida**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**  
(Unaudited)

<b>Fiscal Year</b>	<b>Population <sup>(1)</sup></b>	<b>Personal Income <sup>(2)</sup></b> <i>(thousands of dollars)</i>	<b>Per Capita Personal Income <sup>(5)</sup></b>	<b>Unemployment Rate (Percent) <sup>(4)</sup></b>	<b>Student Enrollment <sup>(3)</sup></b>	<b>Government-wide Governmental Activities Expense</b>	<b>Cost per Student <sup>(6)</sup></b>
2003	470,770	\$ 11,356,533	\$ 24,123	5.1%	62,577	\$ 438,664,279	\$ 7,010
2004	484,261	11,719,100	24,200	4.3%	63,796	461,043,666	7,227
2005	494,649	12,509,255	25,289	3.8%	65,044	496,308,634	7,630
2006	504,963	13,335,000	26,408	3.1%	65,407	555,103,945	8,487
2007	508,227	14,789,000	29,099	3.9%	65,767	628,037,946	9,549
2008	510,109	15,465,223	30,317	6.2%	64,696	643,603,100	9,948
2009	508,764	15,416,739	30,302	11.3%	63,271	598,743,941	9,463
2010	506,528	15,610,183	30,818	12.1%	62,416	603,737,978	9,673
2011	494,593	16,373,000	33,104	11.0%	61,684	590,056,709	9,566
2012	494,804	15,933,933	32,203	9.1%	61,636	572,499,390	9,288

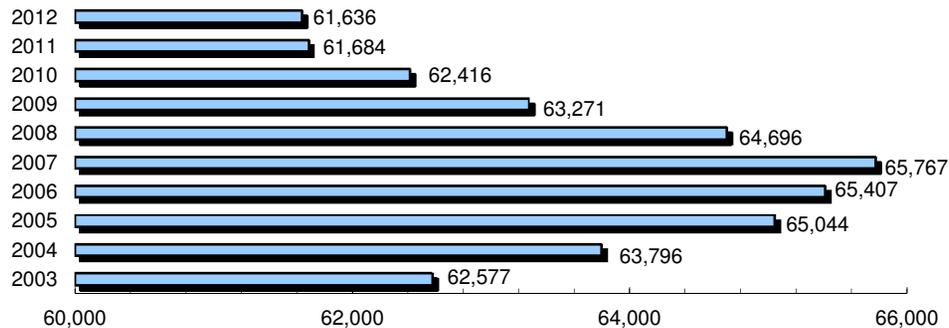
Sources:

- (1) Florida Research & Economic Database (2003-2010); US Census Bureau (2011-2012)
- (2) United States Department of Commerce, Bureau of Economic and Business Research
- (3) District records (20 day Membership Report)
- (4) Florida Research & Economic Database (2003-2010); FloridaJobs.org (2011-2012)

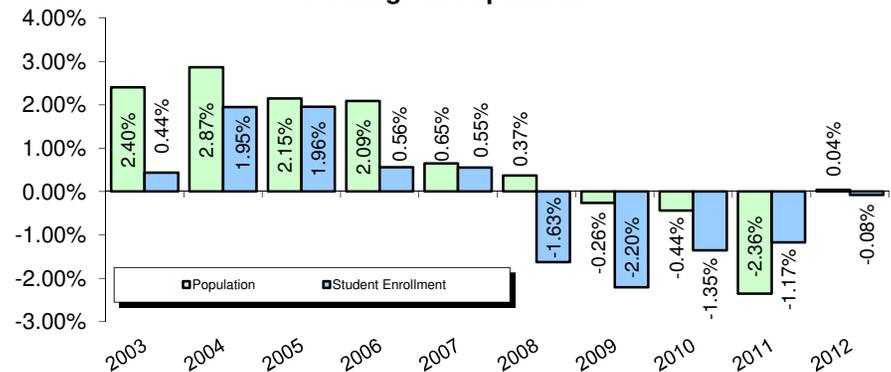
Notes:

- (5) Calculated by dividing Personal Income by the Population
- (6) Calculated by dividing Government-wide Governmental Activities Expense by Student Enrollment

**Student Enrollment**



**% Change in Student Enrollment Compared to % Change in Population**



**District School Board of Volusia County, Florida  
Principal Employers  
Current Year and Nine Years Ago  
(Unaudited)**

<u>Employer</u>	<u>2012 <sup>(a)(b)</sup></u>			<u>Employer</u>	<u>2003 <sup>(b)</sup></u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>		<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Volusia County School Board	7,929	1	3.13%	Volusia County School Board	8,341	1	3.88%
Florida Hospital - All Divisions	4,248	2	1.68%	Halifax Community Health System	5,062	2	2.35%
Halifax Health	3,957	3	1.56%	County of Volusia	3,510	3	1.63%
Wal-Mart Stores Incorporated	3,160	4	1.25%	Publix Supermarkets Incorporated	2,796	4	1.30%
County of Volusia	3,100	5	1.22%	Embry Riddle Aeronautical University	2,189	5	1.02%
Publix Supermarkets Incorporated	2,486	6	0.98%	Memorial Health Systems	1,398	6	0.65%
State of Florida	2,361	7	0.93%	City of Daytona Beach	1,126	7	0.52%
Daytona State College	1,797	8	0.71%	Daytona Beach Community College	899	8	0.42%
U.S. Government	1,422	9	0.56%	Tyco Healthcare Kendall Products	770	9	0.36%
Embry Riddle Aeronautical University	1,176	10	0.46%	United States Post Office	733	10	0.34%
	<u>31,636</u>		<u>12.48%</u>		<u>26,824</u>		<u>12.47%</u>
Estimated total workforce	253,550			Estimated total workforce	215,045		

Sources:

<sup>(a)</sup> County of Volusia, Department of Economic Development and District records.

<sup>(b)</sup> County of Volusia, Comprehensive Annual Financial Report for the year ended September 30, 2011.

**District School Board of Volusia County, Florida  
Number of Personnel  
Last Ten Fiscal Years  
(Unaudited)**

<b>Fiscal Year</b>	<b>(1) Instructional</b>	<b>(2) Administrative</b>	<b>(3) Support Services</b>	<b>Total</b>	<b>(4) Ratio of Students to Instructional Personnel</b>	<b>(5) Ratio of Instructional Personnel to School Level Administrators</b>
2003	4,347	278	3,716	8,341	14.40	20.90
2004	4,306	281	3,660	8,247	14.82	20.70
2005	4,586	258	3,735	8,579	14.18	23.89
2006	4,789	280	3,952	9,021	13.66	22.70
2007	5,154	294	4,113	9,561	12.76	23.97
2008	4,914	294	3,681	8,889	13.17	23.51
2009	4,513	291	3,469	8,273	14.02	21.29
2010	4,461	278	3,341	8,080	13.99	21.76
2011	4,469	270	3,232	7,971	13.80	23.65
2012	4,454	276	3,199	7,929	13.84	22.72

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(1) Classroom Teachers, Exceptional Education Teachers, Other Teachers, Guidance, Social Workers, Psychologists, Media Specialists, Other Professional Staff

(2) Principals, Assistant Principals, Superintendent, Assistant Superintendents,

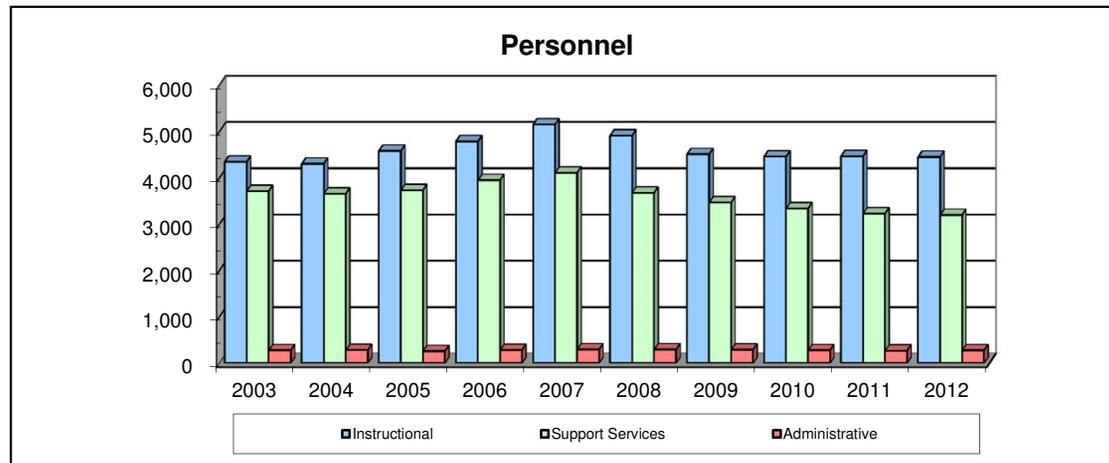
Curriculum Coordinators, Supervisors of Instruction, Community Education Coordinators (In FY12: School Level = 196; District Level = 80)

(3) Other Professional Staff, Paraprofessionals, Technicians, Clerical, Custodial, Maintenance, etc.

(4) Calculated using student enrollment data on page 126.

(5) Calculated using school level administrators.

Source: District records



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

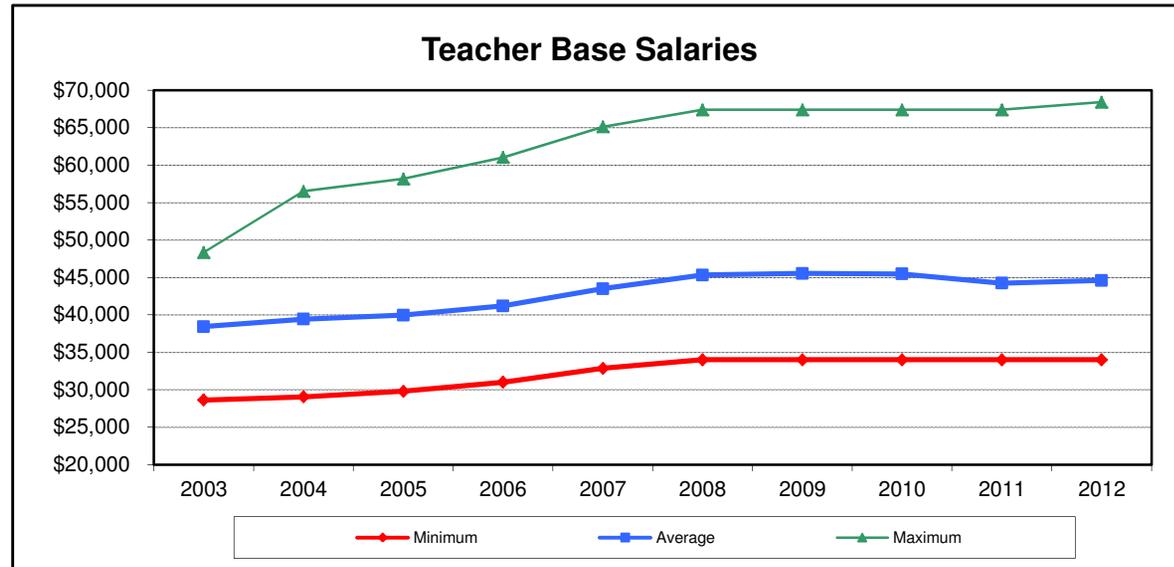
<b>Fiscal Year</b>	<b>Minimum Salary <sup>(1)</sup></b>	<b>Maximum Salary <sup>(2)</sup></b>	<b>Average Salary <sup>(3)</sup></b>
2003	\$ 28,630	\$ 48,332	\$ 38,422
2004	29,050	56,490	39,436
2005	29,790	58,156	39,967
2006	31,000	61,035	41,186
2007	32,860	65,115	43,485
2008	34,010	67,393	45,325
2009	34,010	67,393	45,529
2010	34,010	67,393	45,464
2011	34,010	67,393	44,234
2012	34,010	68,404	44,585

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Note: Salaries are for 10 month teachers.

- (1) Bachelor's degree
- (2) Doctorate degree
- (3) All degrees

Source: District records



**District School Board of Volusia County, Florida**  
**Food Service Operating Data**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Days meals were served	180	180	171	180	179	180	180	180	180	180
Average number of free and reduced meals served daily	18,804	19,426	22,674	19,708	19,921	20,792	22,442	24,688	25,629	26,128
Percentage of free and reduced students in the lunch program	40%	40%	42%	44%	43%	45%	49%	55%	57%	59%
Number of free and reduced lunches served	3,384,786	3,496,718	3,877,337	3,547,523	3,565,774	3,742,642	4,039,584	4,443,850	4,613,138	4,703,059
Average daily total lunch subsidy received (paid free/reduced)	\$ 41,360	\$ 43,855	\$ 52,304	\$ 47,342	\$ 47,497	\$ 53,187	\$ 59,831	\$ 67,592	\$ 71,130	\$ 73,632
Total federal lunch subsidy received	\$ 7,444,886	\$ 7,893,913	\$ 8,943,929	\$ 8,521,512	\$ 8,858,570	\$ 9,573,728	\$ 10,769,592	\$ 12,166,508	\$ 12,803,391	\$ 13,371,905
Average number of lunches served daily	28,659	29,905	32,410	31,499	31,944	33,159	32,718	33,924	33,681	33,458
Total lunches served	5,158,579	5,382,986	5,542,064	5,669,796	5,717,992	5,968,618	5,889,265	6,106,392	6,062,535	6,022,386
Average number of full-paid lunches served daily	9,854	10,479	9,735	11,790	12,024	12,367	10,276	9,236	8,052	7,330
Number of full-paid lunches served	1,773,793	1,886,278	1,664,727	2,122,273	2,152,218	2,225,976	1,849,681	1,662,542	1,449,397	1,319,327
Average daily total revenue	\$ 109,376	\$ 113,234	\$ 126,067	\$ 123,507	\$ 113,301	\$ 128,613	\$ 132,926	\$ 136,725	\$ 138,009	\$ 140,136
Total revenue	\$19,687,734	\$ 20,382,090	\$ 21,557,503	\$ 22,197,626	\$ 20,280,822	\$ 23,150,380	\$ 23,926,756	\$ 24,610,436	\$ 24,841,668	\$ 25,224,403
Average daily total cost	\$ 106,282	\$ 109,420	\$ 135,413	\$ 131,667	\$ 135,929	\$ 150,302	\$ 128,051	\$ 125,373	\$ 124,056	\$ 136,713
Total cost	\$19,130,695	\$ 19,695,591	\$ 23,155,672	\$ 23,700,020	\$ 24,331,315	\$ 27,054,414	\$ 23,049,268	\$ 22,567,112	\$ 22,330,114	\$ 24,608,381
Included in total cost:										
Capital outlay	\$ 405,658	\$ 501,866	\$ 1,730,704	\$ 1,975,333	\$ 713,541	\$ 1,087,224	\$ 101,645	\$ 114,648	\$ 209,393	\$ 1,359,535
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lunch reimbursement rates:										
Free	\$2.14-\$2.16	\$2.19-\$2.21	\$2.24-\$2.26	\$2.32-\$2.34	\$2.40-\$2.42	\$2.47-\$2.49	\$ 2.59	\$ 2.70	\$ 2.70	\$ 2.79
Reduced	\$1.74-\$1.76	\$1.79-\$1.81	\$1.84-\$1.86	\$1.92-\$1.94	\$2.00-\$2.02	\$2.07-\$2.09	\$ 2.19	\$ 2.30	\$ 2.30	\$ 2.39
Paid	\$.20-\$2.22	\$.21-\$2.23	\$.21-\$2.23	\$.22-\$2.24	\$.23-\$2.25	\$.23-\$2.25	\$ 0.26	\$ 0.27	\$ 0.27	\$ 0.28
Lunch prices:										
Elementary	\$ 1.35	\$ 1.35	\$ 1.35	\$ 1.35	\$ 1.35	\$ 1.35	\$ 1.75	\$ 1.75	\$ 1.75	\$ 2.00
Middle	\$ 1.45	\$ 1.45	\$ 1.45	\$ 1.45	\$ 1.45	\$ 1.45	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00
High	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.25
Breakfast prices:	\$ 0.75	\$ 0.75	\$ 0.75	\$ 0.75	(a)	(a)	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00

(a) The price of breakfast in FY 2007 and FY 2008 was \$0.75; however, breakfast was provided at no charge.

Source: District records

**District School Board of Volusia County, Florida**  
**Transportation Performance Indicators**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Performance Measures	Current Benchmark	District Statistics - Fiscal Year									
		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Total annual transportation cost per student	\$571.50 - \$698.50	\$507	\$596	\$536	\$516	\$689	\$767	\$664	\$638	\$641	\$623
Total annual transportation cost per special education student	\$1,500 - \$3,000	\$1,505	\$1,612	\$1,904	\$1,890	\$1,726	\$3,056	\$2,822	\$2,156	\$2,466	\$3,191
Average total cost per mile	\$4.50 - \$5.50	\$2.41	\$2.74	\$2.91	\$3.98	\$3.37	\$3.63	\$3.88	\$3.68	\$3.58	\$3.56
Percent of District budget spent on student transportation	4% - 5%	3.6%	3.6%	3.8%	3.2%	3.6%	3.8%	3.6%	3.7%	3.3%	3.6%
Average buses used to transport 100 students	0.95 - 1.10	1.02	0.95	1.01	1.02	0.99	0.96	1.05	1.06	1.04	1.08
Span of control: buses managed by transportation supervisor	75 - 100	78	61.5	64.25	44	45.3	44.7	39.2	47	39	38
Spare bus ratio (by District)	10% - 12%	16%	21%	15%	14%	14%	17%	26%	22%	20%	22%
Average school bus fleet age (years)	6.5	6.7	6	5.1	4.2	3.8	3.3	3.4	4.4	5.4	6.4
Average school bus fleet age (meter miles)	65,000	125,618	113,624	98,034	84,167	76,575	68,039	67,419	80,409	93,958	106,258
Annual maintenance and repair cost per vehicle equivalent	\$800 - \$1,100	\$620	\$778	\$734	\$809	\$766	\$828	\$712	\$716	\$872	\$885
Average vehicle equivalent units maintained by each	90 - 100	82	81	82	82	85	83.5	83.7	79	79	79
Annual parts consumption per vehicle equivalent unit	\$200 - \$300	\$221	\$331	\$372	\$406	\$403	\$425	\$349	\$383	\$425	\$424
Average parts inventory value per vehicle equivalent unit	\$75 - \$150	\$143	\$122	\$111	\$120	\$98	\$111	\$86	\$96	\$98	\$95
Annual parts inventory turnover rate	4 - 8	3.3	4.8	3.4	3.4	4.1	3.9	4.1	4	4.3	4.5
Span of control: technicians to maintenance supervisors	8-10 to 1	7.0 to 1	7.5 to 1	7.5 to 1	7.5 to 1	7.8 to 1	7.8 to 1	7.5 to 1	7.5 to 1	11.1 to 1	11 to 1
Span of control: technicians to fleet parts personnel	8-10 to 1	6.0 to 1	6.5 to 1	6.5 to 1	6.5 to 1	6.8 to 1	6.8 to 1	6.5 to 1	6.5 to 1	6.5 to 1	8.6 to 1

Source: District records

**District School Board of Volusia County, Florida**  
**Schedule of Insurance in Force**  
**as of June 30, 2012**  
**(Unaudited)**

Coverage Type	Name of Company	Policy Number	Coverage		Coverage Details	Limit of Coverage	Annual Premium	
			From	To				
Boiler & Machinery	Travelers Insurance Company	M5J-BM21-6020X789-TIL-11	7/1/2011	7/1/2012	Comprehensive covering boilers, pressure vessels & electrical machines including A/C and refrigeration	Limit per breakdown \$100,000,000 Deductible \$50,000 Water damage, ammonia contamination, hazardous substance \$500,000	\$	23,504
Employee Crime Bond	Westfield Companies	CBP 5 259 162	7/1/2011	7/1/2012	Covered property (money, securities) resulting directly from covered cause of loss (employee dishonesty)	Public employee theft \$250,000 Deductible \$1,000 Forgery or alteration \$1,000,000 Deductible \$1,000 \$750,000 excess for Directors of Finance, Payroll, & Purchasing	\$	4,466 45 SC
Catastrophic Sports Insurance	Mutual of Omaha	SB20CC-079324	7/1/2011	7/1/2012	All school activities and sports including interscholastic football	\$5,000,000 maximum medical \$25,000 deductible	\$	26,805
Fleet Insurance	Preferred Governmental Insurance Trust	PX FL 40645064 10-09	7/1/2011	7/1/2012	Coverage for all District owned vehicles including buses, vans and automobiles	*SIR \$100,000 per claimant SIR \$200,000 per occurrence \$1,000,000 Coverage (aggregate) *SIR \$200,000/\$300,000 10/1/2011	\$	82,319
Flood Insurance	Fidelity National	Various	9/13/2011 4/18/2012 5/19/2012	9/13/2012 4/18/2013 5/19/2013	Flood coverage for various locations	Coverage on each building and content vary with each building based on building value and content	\$	142,849
Property Insurance	Lexington	37068846	5/1/2011	5/1/2012	Primary layer - \$25,000,000	Buldings & contents, earthquake, extra expense, valuable papers, auto physical damage while parked. SIR 5% of the total value of loss at each location, \$1M min - \$7M max per occurrence (named storm - wind deductible) \$100,000 AOP	\$	1,963,354 53,050 SC
	Landmark	LHD367043	5/1/2011	5/1/2012	Second layer - \$100,000,000	Flood-5% of the TIV at each location Subject to \$500,000 minimum per occurrence TIV per schedule is \$1,674,160,535	\$	123,302 3,369 SC
	Landmark	LHD367044	5/1/2011	5/1/2012	Wind-first \$5M of \$25M	Total Coverage: \$50M wind; \$125M Excess of wind	\$	121,640 3,323 SC
	Westchester	D36053446004	5/1/2011	5/1/2012	Wind-next \$10M of \$25M		\$	260,000 7,059 SC
	Aspen	PX5210411	5/1/2011	5/1/2012	Wind-next \$5M of \$25M		\$	134,400 3,668 SC
	Axis	EAF759785-11	5/1/2011	5/1/2012	Wind-next \$2.5M of \$25M		\$	64,000 1,767 SC
	Essex	ESP7147	5/1/2011	5/1/2012	Wind-next \$2.5M of \$25M		\$	64,000 1,767 SC
Student Accident	National Union Fire	SRG9492334	8/1/2011	8/1/2012	Voluntary student accident insurance	Varies based on coverage elected		Varies based on coverage elected
Excess Workers' Comp	Preferred Governmental Insurance Trust	PX FL 40645064 10-09	7/1/2011	7/1/2012	Provides coverage for excessive claims expense	Retention \$350,000 Each accident/disease \$1,000,000 Coverage \$1,000,000	\$	328,370
Pollution Liability	Commerce & Industry Insurance	FPL7508698	1/8/2012	1/8/2013	Covers loss, corrective action and clean up cost	\$1,000,000 each incident \$10,000,000 each aggregate \$25,000 deductible	\$	11,147
General Liability	Preferred Governmental Insurance Trust	PX FL 40645064 10-09	7/1/2011	7/1/2012	Coverage for excess claims	SIR \$100,000/\$200,000 \$2,000,000 aggregate	\$	85,641

SC = Fees/Surcharge

Source: District records

**District School Board of Volusia County, Florida**  
**School Building Information**  
**Last Ten Fiscal Years**  
(Unaudited)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>ELEMENTARY SCHOOLS</b>										
Blue Lake (1983)										
Square Feet	89,170	89,170	89,890	89,890	89,890	89,890	89,890	98,030	98,030	97,329
Capacity	851	699	664	703	703	703	703	838	835	835
Enrollment	596	549	568	644	585	621	615	604	576	611
Bonner (1926)										
Square Feet	61,647	62,091	62,091	61,365	61,365	55,839	55,839	55,839	55,839	55,839
Capacity	609	594	589	650	650	650	(a)	(a)	(a)	(a)
Enrollment	501	468	450	425	362	360	(a)	(a)	(a)	(a)
Burns-Oak Hill (1960)										
Square Feet	33,203	33,721	33,721	35,449	35,449	35,449	35,449	(b)	(b)	(b)
Capacity	306	250	249	316	338	316	316	(b)	(b)	(b)
Enrollment	188	177	186	212	231	192	192	(b)	(b)	(b)
Champion (2009)										
Square Feet	-	-	-	-	-	-	94,229	94,229	95,041	96,115
Capacity	-	-	-	-	-	-	736	739	757	757
Enrollment	-	-	-	-	-	-	488	483	565	584
Chisholm (1954)										
Square Feet	58,412	58,718	58,572	58,572	70,261	69,137	69,137	68,417	68,525	68,696
Capacity	406	408	400	453	591	591	591	573	573	573
Enrollment	409	433	430	406	380	413	402	367	372	363
Citrus Grove (2010)										
Square Feet	-	-	-	-	-	-	-	-	98,842	98,842
Capacity	-	-	-	-	-	-	-	-	765	764
Enrollment	-	-	-	-	-	-	-	-	655	760
Coronado (1961)										
Square Feet	39,746	39,304	40,888	41,456	44,499	43,635	42,915	42,051	42,091	46,906
Capacity	333	299	297	374	392	370	348	326	326	326
Enrollment	339	345	338	319	309	258	282	298	303	272
Cypress Creek (2007)										
Square Feet	-	-	-	-	94,346	94,346	97,946	97,946	99,035	99,035
Capacity	-	-	-	-	742	739	739	739	754	754
Enrollment	-	-	-	-	630	729	715	741	757	762
DeBary (1995)										
Square Feet	102,020	102,020	103,880	103,880	107,480	107,480	115,837	115,837	116,087	116,087
Capacity	776	716	706	791	791	791	877	877	895	895
Enrollment	980	1,033	1,114	1,154	779	793	810	836	775	774
Deltona Lakes (1980)										
Square Feet	107,500	113,570	115,298	115,298	128,752	127,024	125,296	126,160	121,466	122,674
Capacity	939	914	901	1,004	1,186	1,142	1,098	1,116	1,010	992
Enrollment	962	1,000	1,021	1,011	993	870	823	774	763	762
Discovery (1987)										
Square Feet	107,008	111,368	112,088	112,088	124,864	124,065	124,065	122,726	125,846	124,008
Capacity	770	702	692	729	911	845	867	867	955	955
Enrollment	837	850	847	866	841	798	735	711	643	667
Edgewater (1965)										
Square Feet	77,850	78,155	78,155	79,883	79,559	78,695	80,718	80,718	80,758	79,797
Capacity	877	765	762	795	795	773	751	751	751	751
Enrollment	701	679	643	638	646	665	637	655	609	570
Enterprise (1929)										
Square Feet	68,997	70,101	72,273	72,273	78,672	83,022	83,022	77,979	83,406	82,266
Capacity	610	552	547	639	771	771	771	771	803	803
Enrollment	583	604	660	676	659	642	599	616	561	564
Forest Lake (1995)										
Square Feet	98,358	98,358	98,358	98,358	98,358	98,358	111,768	106,192	106,192	106,676
Capacity	771	620	614	677	677	677	871	733	733	733
Enrollment	790	817	720	726	712	704	703	717	731	725

(a) School leased to charter school.  
(b) School sold.

Source: District records

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of renovations and additions.

**District School Board of Volusia County, Florida**  
**School Building Information**  
**Last Ten Fiscal Years**  
(Unaudited)

ELEMENTARY SCHOOLS (cont'd)	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Freedom (2001)										
Square Feet	92,457	92,457	92,457	92,457	104,141	104,141	104,141	109,221	109,559	109,559
Capacity	727	545	518	600	782	782	782	826	826	826
Enrollment	551	619	682	739	790	800	867	878	718	643
Friendship (1992)										
Square Feet	97,214	100,444	100,444	101,174	101,894	96,422	93,542	92,822	93,062	93,546
Capacity	881	848	830	876	898	766	681	659	659	659
Enrollment	886	868	799	768	753	537	495	494	458	460
Holly Hill (1982)										
Square Feet	91,591	91,652	91,652	91,652	92,516	91,125	90,261	90,261	(i)	(i)
Capacity	819	671	664	675	675	657	657	657	(i)	(i)
Enrollment	740	702	655	648	568	579	559	515	(i)	(i)
Horizon (1989)										
Square Feet	94,284	94,584	94,584	98,904	98,904	104,762	100,442	99,642	105,379	104,089
Capacity	872	699	690	817	945	945	835	835	857	857
Enrollment	843	814	879	918	880	933	657	628	592	615
Hurst (1960)										
Square Feet	75,167	74,908	74,908	74,908	74,908	74,908	70,085	70,085	70,085	70,085
Capacity	754	706	701	731	731	731	(c)	(c)	(c)	(c)
Enrollment	510	482	454	433	480	465	(c)	(c)	(c)	(c)
Indian River (1989)										
Square Feet	88,757	88,757	90,485	92,213	95,093	95,093	108,673	108,673	105,217	110,385
Capacity	745	559	558	634	722	722	948	948	860	860
Enrollment	711	707	708	722	679	684	816	778	648	654
Longstreet (1954)										
Square Feet	56,877	56,859	56,859	58,299	58,299	63,549	60,669	60,669	60,497	60,120
Capacity	602	522	518	576	576	576	536	536	536	536
Enrollment	429	395	439	419	383	343	350	379	399	402
Manatee Cove (2006)										
Square Feet	-	-	-	-	99,775	101,227	102,888	107,244	110,541	110,206
Capacity	-	-	-	-	750	794	818	950	950	950
Enrollment	-	-	-	-	786	838	859	859	791	747
Marks (1953)										
Square Feet	71,758	74,958	77,118	78,558	82,449	84,117	83,313	83,313	74,625	73,985
Capacity	845	738	727	939	1,009	1,009	987	987	731	735
Enrollment	822	872	876	914	942	890	833	780	519	522
McInnis (1940)										
Square Feet	54,370	56,308	56,308	57,034	66,181	69,637	69,637	69,637	65,833	66,972
Capacity	608	500	495	537	603	647	647	647	636	636
Enrollment	446	460	458	469	449	450	428	412	397	392
Orange City (1926)										
Square Feet	71,856	74,760	76,200	76,200	76,200	76,200	78,840	78,840	77,394	77,175
Capacity	809	682	671	775	775	775	775	775	783	805
Enrollment	745	797	799	865	639	614	614	594	599	603
Ormond Beach (1910)										
Square Feet	39,699	39,721	40,585	40,585	41,305	41,305	44,905	44,905	45,058	45,136
Capacity	325	324	321	370	392	392	392	392	426	426
Enrollment	303	323	320	337	342	348	324	301	307	261
Ortona (1952)										
Square Feet	39,114	40,394	40,394	42,112	41,850	41,850	41,850	41,850	40,326	39,841
Capacity	346	276	274	330	330	330	330	330	330	330
Enrollment	286	274	288	261	319	294	253	240	227	221
Osceola (1954)										
Square Feet	63,062	63,476	63,476	63,476	65,204	64,484	64,484	64,484	62,237	62,237
Capacity	540	502	498	507	573	555	555	555	555	555
Enrollment	505	477	420	433	450	453	453	461	459	463

(Continued on page 135)

(c) School replaced by Champion Elementary.  
Currently used as an ancillary site.  
(i) School site is a K-8 facility, and is listed under  
Middle Schools as Holly Hill K-8.

Source: District records

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of renovations and additions.

**District School Board of Volusia County, Florida**  
**School Building Information**  
**Last Ten Fiscal Years**  
(Unaudited)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b><u>ELEMENTARY SCHOOLS (cont'd)</u></b>										
Osteen (1983)										
Square Feet	78,699	80,271	80,997	80,997	95,371	95,371	95,371	95,371	99,094	99,094
Capacity	704	613	608	631	764	764	764	764	764	764
Enrollment	701	736	789	809	758	600	623	591	587	514
Palm Terrace (1991)										
Square Feet	107,555	107,555	108,485	110,213	112,373	115,509	115,474	115,474	118,569	117,405
Capacity	1,048	806	804	854	920	975	975	975	1,008	1,008
Enrollment	680	677	697	702	519	794	786	789	500	549
Pathways (1998)										
Square Feet	93,133	93,133	94,997	94,997	109,302	108,438	108,438	108,438	112,038	112,740
Capacity	727	554	553	575	747	725	725	725	725	725
Enrollment	574	629	616	626	658	649	613	591	610	698
Pierson (1925)										
Square Feet	70,514	70,768	71,488	71,488	79,693	83,323	83,323	83,323	80,540	80,592
Capacity	650	532	523	558	606	694	694	694	838	882
Enrollment	472	449	454	449	495	580	583	542	578	555
Pine Trail (1982)										
Square Feet	100,627	102,115	105,811	105,811	117,940	117,940	116,296	116,296	116,056	114,089
Capacity	793	666	661	761	951	951	911	911	918	918
Enrollment	732	796	807	813	792	751	754	792	807	699
Port Orange (1925)										
Square Feet	43,258	45,296	46,160	46,160	44,954	44,954	44,090	44,090	43,523	44,699
Capacity	456	432	427	456	438	438	416	416	454	498
Enrollment	460	481	493	470	398	382	372	351	408	415
Pride (2007)										
Square Feet	-	-	-	-	-	98,653	98,653	98,653	98,653	98,653
Capacity	-	-	-	-	-	761	765	765	765	765
Enrollment	-	-	-	-	-	600	649	558	537	523
Read-Pattillo (1958)										
Square Feet	63,002	63,064	63,064	63,064	64,504	66,914	66,914	66,914	66,638	66,638
Capacity	612	522	519	528	573	573	573	573	625	625
Enrollment	522	479	483	476	492	452	470	435	428	429
Samsula (1925)										
Square Feet	27,766	27,766	30,140	30,140	31,589	31,583	(d)	-	-	-
Capacity	256	196	194	254	298	598	(d)	-	-	-
Enrollment	252	247	254	280	215	213	(d)	-	-	-
Seville (1915)										
Square Feet	21,331	23,023	24,751	24,751	24,751	18,587	(e)	-	-	-
Capacity	90	88	84	144	144	144	(e)	-	-	-
Enrollment	121	126	119	121	110	118	(e)	-	-	-
Small (1953)										
Square Feet	65,228	66,081	66,801	68,529	68,529	68,529	72,129	71,395	73,976	74,254
Capacity	661	598	590	664	664	664	664	664	738	738
Enrollment	483	468	494	408	473	484	479	376	355	426
South Daytona (1963)										
Square Feet	86,278	87,212	89,666	89,666	122,310	106,580	106,580	106,580	107,540	107,540
Capacity	925	751	737	865	978	978	978	978	978	978
Enrollment	880	884	880	864	737	755	864	888	906	796

(d) School donated to charter school.

(e) School sold.

Source: District records

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of renovations and additions.

**District School Board of Volusia County, Florida**  
**School Building Information**  
**Last Ten Fiscal Years**  
(Unaudited)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>ELEMENTARY SCHOOLS (cont'd)</b>										
Spirit (2004)										
Square Feet	-	-	92,457	92,457	105,139	105,139	105,139	108,739	109,099	116,714
Capacity	-	-	518	600	988	988	988	988	988	988
Enrollment	-	-	638	750	887	878	820	782	724	658
Spruce Creek (1979)										
Square Feet	94,615	94,615	98,438	101,318	117,756	113,436	113,436	113,436	113,436	111,504
Capacity	732	636	634	795	1,021	889	889	889	889	871
Enrollment	718	775	826	793	676	647	724	724	723	659
Starke (1956)										
Square Feet	65,617	65,581	65,581	65,581	65,581	65,541	64,861	64,861	69,126	69,126
Capacity	591	569	563	573	573	573	555	555	555	555
Enrollment	423	438	388	392	410	424	392	395	363	367
Sugar Mill (1982)										
Square Feet	103,526	103,514	103,514	106,394	107,834	107,834	107,834	108,359	108,999	110,111
Capacity	791	651	648	747	791	791	791	791	821	819
Enrollment	857	849	857	800	723	699	678	626	625	610
Sunrise (1992)										
Square Feet	99,826	102,390	105,414	107,574	107,430	107,286	100,806	109,321	108,353	110,662
Capacity	819	726	716	893	893	871	703	831	819	819
Enrollment	836	897	909	978	943	688	608	608	572	535
Sweetwater (1992)										
Square Feet	87,824	89,936	92,528	92,528	82,016	82,016	94,109	94,109	94,109	94,274
Capacity	789	752	740	825	587	543	725	725	725	725
Enrollment	979	1,013	975	968	556	541	649	674	658	602
Timbercrest (1989)										
Square Feet	103,683	109,206	109,206	106,326	116,078	116,078	115,358	117,565	118,402	119,213
Capacity	888	916	895	876	1,058	1,058	1,036	1,036	1,040	930
Enrollment	1,107	1,128	856	854	928	870	877	871	774	758
Tomoka (1967)										
Square Feet	86,387	86,907	88,347	90,075	94,007	93,271	93,997	92,269	92,601	91,062
Capacity	1,022	856	845	990	1,100	1,082	1,104	1,060	1,084	1,062
Enrollment	938	901	907	892	815	759	773	746	730	715
Volusia Pines (1995)										
Square Feet	80,502	86,907	93,966	97,278	97,998	98,724	102,324	102,324	102,324	102,324
Capacity	525	422	521	651	673	695	695	695	695	695
Enrollment	537	546	681	712	710	692	663	662	626	596
Westside (1966)										
Square Feet	72,841	74,519	74,519	75,239	75,659	78,159	78,159	77,439	79,470	78,889
Capacity	705	536	533	579	579	579	579	623	685	685
Enrollment	465	430	471	487	448	434	397	392	493	481
Woodward (1966)										
Square Feet	83,192	84,762	85,624	86,490	87,354	88,680	86,952	86,952	83,003	82,657
Capacity	972	807	797	862	888	888	844	844	772	772
Enrollment	704	716	793	817	839	706	660	684	561	585

(Continued on page 137)

Source: District records

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of renovations and additions.

**District School Board of Volusia County, Florida**  
**School Building Information**  
**Last Ten Fiscal Years**  
(Unaudited)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>MIDDLE SCHOOLS</b>										
Campbell (1961)(2003)*										
Square Feet	165,235	175,243	175,243	163,379	163,379	163,379	163,379	163,379	163,379	163,379
Capacity	1,325	1,084	1,034	1,178	1,178	1,178	1,178	1,108	1,251	1,125
Enrollment	1,046	1,034	1,014	823	771	801	740	681	1,014	943
Creekside (2000)										
Square Feet	159,743	159,743	159,243	159,243	159,243	159,243	159,243	159,243	159,243	159,243
Capacity	1,260	1,040	1,028	1,131	1,131	1,131	1,131	1,131	1,132	1,132
Enrollment	1,211	1,270	1,340	1,279	1,191	1,213	1,218	1,150	1,160	1,146
DeLand (1982)										
Square Feet	222,389	222,611	222,611	222,611	222,611	213,233	212,921	212,921	214,363	214,007
Capacity	1,737	1,491	1,469	1,599	1,589	1,452	1,452	1,452	1,514	1,513
Enrollment	1,488	1,553	1,647	1,667	1,599	1,180	1,130	1,126	1,097	1,078
Deltona (1968)										
Square Feet	146,328	149,616	152,208	152,208	151,378	152,839	152,411	152,411	156,526	155,952
Capacity	1,658	1,460	1,441	1,575	1,516	1,555	1,555	1,555	1,575	1,575
Enrollment	1,392	1,411	1,456	1,473	1,471	1,239	1,217	1,190	1,212	1,215
Galaxy (1989)										
Square Feet	170,111	172,289	176,805	180,405	180,405	182,572	170,610	171,336	170,835	170,479
Capacity	1,748	1,490	1,471	1,741	1,741	1,780	1,503	1,503	1,523	1,523
Enrollment	1,678	1,765	1,860	1,848	1,763	1,254	1,160	1,123	1,087	1,114
Heritage (2000)										
Square Feet	170,997	172,515	172,515	175,107	177,971	177,971	173,651	173,651	173,931	174,189
Capacity	1,488	1,317	1,303	1,447	1,467	1,467	1,328	1,328	1,348	1,348
Enrollment	1,382	1,416	1,451	1,424	1,450	1,312	1,261	1,225	1,224	1,195
Hinson (2006)										
Square Feet	-	-	-	162,930	162,930	178,160	178,160	178,160	178,160	181,049
Capacity	-	-	-	1,029	1,071	1,071	1,071	1,071	1,058	1,065
Enrollment	-	-	-	925	1,063	1,068	1,040	1,065	971	900
Holly Hill (1956)										
Square Feet	116,527	117,991	117,991	115,551	116,895	116,895	116,895	116,175	(h)	(j)
Capacity	1,130	1,017	1,030	992	992	992	992	992	(h)	(j)
Enrollment	975	959	956	686	620	586	575	554	(h)	(j)
Holly Hill K-8 (2010)										
Square Feet	-	-	-	-	-	-	-	-	139,694	147,336
Capacity	-	-	-	-	-	-	-	-	1,160	1,179
Enrollment	-	-	-	-	-	-	-	-	919	964
New Smyrna (1981)										
Square Feet	196,170	199,190	199,190	197,018	194,132	194,132	191,748	191,748	200,105	198,225
Capacity	1,701	1,485	1,463	1,472	1,413	1,413	1,404	1,404	1,553	1,553
Enrollment	1,591	1,552	1,557	1,538	1,391	1,330	1,309	1,314	1,275	1,215
Ormond Beach (1960)										
Square Feet	180,729	181,755	181,755	175,915	169,816	178,456	175,353	175,353	170,938	173,648
Capacity	1,561	1,495	1,482	1,250	1,162	1,502	1,463	1,463	1,528	1,486
Enrollment	1,761	1,732	1,714	1,039	925	935	924	912	1,076	1,100
River Springs (2007)										
Square Feet	-	-	-	-	-	198,686	199,566	206,290	203,622	190,073
Capacity	-	-	-	-	-	1,265	1,322	1,322	1,540	1,540
Enrollment	-	-	-	-	-	1,222	1,235	1,346	1,404	1,419
Silver Sands (1982)										
Square Feet	168,823	171,001	171,073	171,073	171,073	171,246	171,246	171,246	177,518	163,914
Capacity	1,796	1,339	1,326	1,306	1,306	1,297	1,297	1,297	1,517	1,438
Enrollment	1,362	1,360	1,314	1,278	1,280	1,282	1,277	1,302	1,173	1,197

(h) School closed.  
(j) School sold.

Source: District records

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of renovations and additions.

\* Second year denotes the year the school was replaced or had major additions and renovations.

**District School Board of Volusia County, Florida**  
**School Building Information**  
**Last Ten Fiscal Years**  
(Unaudited)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>MIDDLE SCHOOLS (cont'd)</b>										
Southwestern (1961)										
Square Feet	98,940	102,582	104,166	108,054	114,998	112,406	112,406	114,074	111,626	124,862
Capacity	719	745	734	1,038	985	959	959	959	918	1,177
Enrollment	652	642	649	673	730	688	646	643	688	725
<b>HIGH SCHOOLS</b>										
Atlantic (1992)										
Square Feet	205,479	208,365	209,085	209,085	208,509	208,509	203,369	203,369	209,726	213,209
Capacity	1,803	1,643	1,627	1,747	1,843	1,758	1,670	1,670	1,825	1,812
Enrollment	1,588	1,551	1,564	1,548	1,370	1,206	1,123	1,142	1,120	1,034
DeLand (1962)(2004)*										
Square Feet	287,270	345,295	354,370	357,538	369,302	388,370	373,934	373,934	363,060	361,458
Capacity	2,890	2,662	2,610	3,407	3,865	4,006	3,619	3,619	3,398	3,374
Enrollment	2,881	2,918	3,079	3,282	3,466	3,348	3,286	2,717	2,506	2,489
Deltona (1986)										
Square Feet	311,229	312,637	339,009	342,912	348,809	350,803	348,211	354,562	323,502	322,895
Capacity	2,118	2,536	2,488	3,378	3,402	3,316	3,245	3,314	2,483	2,491
Enrollment	2,678	2,813	2,844	2,898	2,949	2,873	2,981	1,951	1,669	1,633
Mainland (1962)(2006)*										
Square Feet	235,587	235,587	230,119	230,119	328,372	332,493	332,493	333,291	333,291	333,291
Capacity	2,019	2,166	2,112	2,214	2,344	2,375	2,375	2,375	2,375	2,375
Enrollment	2,220	2,163	2,062	1,906	1,825	1,814	1,834	1,724	1,761	1,832
New Smyrna (1963)(2006)*										
Square Feet	217,648	219,238	219,238	219,238	311,232	311,232	311,232	311,232	312,030	315,287
Capacity	1,882	1,931	1,901	2,055	2,334	2,271	2,271	2,271	2,275	2,308
Enrollment	1,957	2,020	2,025	2,060	2,027	1,970	2,011	1,932	1,904	1,938
Pine Ridge (1992)										
Square Feet	246,794	251,753	253,481	257,801	264,704	265,430	247,760	250,143	250,143	253,724
Capacity	2,090	2,204	2,177	2,453	2,582	2,520	2,045	2,110	2,138	2,124
Enrollment	2,372	2,411	2,593	2,621	2,426	2,262	2,179	1,865	1,765	1,699
Seabreeze (1962)(2004)*										
Square Feet	219,509	245,641	245,641	245,641	245,641	245,641	245,641	245,641	271,164	271,164
Capacity	2,028	1,739	1,731	1,827	1,827	1,741	1,741	1,741	1,747	1,747
Enrollment	1,634	1,874	1,902	2,009	1,955	1,858	1,799	1,818	1,707	1,660
Spruce Creek (1974)(2005)*										
Square Feet	211,180	214,635	214,635	268,063	266,623	267,019	364,289	264,177	266,412	269,174
Capacity	2,352	2,447	2,390	3,069	3,021	2,976	2,905	2,934	2,942	3,010
Enrollment	2,458	2,627	2,683	2,797	2,741	2,750	2,808	2,874	2,874	2,846
Taylor (1961)										
Square Feet	127,879	129,821	129,821	129,821	196,362	206,435	206,435	206,435	206,435	197,768
Capacity	1,030	934	923	1,073	1,284	1,305	1,305	1,305	1,305	1,305
Enrollment	952	968	950	919	970	998	998	978	1,020	1,081
University (2010)										
Square Feet	-	-	-	-	-	-	-	332,493	250,862	350,862
Capacity	-	-	-	-	-	-	-	2,734	2,561	2,667
Enrollment	-	-	-	-	-	-	-	1,931	2,569	2,639

(Continued on page 139)

Source: District records  
Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of renovations  
\* Second year denotes the year the school was replaced or had major additions and renovations.

**District School Board of Volusia County, Florida**  
**School Building Information**  
**Last Ten Fiscal Years**  
(Unaudited)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b><u>OTHER CENTERS</u></b>										
Boston Ave (1926)										
Square Feet	37,476	38,097	38,052	36,572	34,942	34,942	(f)	-	-	-
Capacity	132	143	93	144	120	120	(f)	-	-	-
Enrollment	82	67	53	44	29	27	(f)	-	-	-
Community Learning Center West (2006)										
Square Feet	-	-	-	-	21,616	21,616	21,616	21,616	21,616	21,616
Capacity	-	-	-	-	150	150	150	150	150	124
Enrollment	-	-	-	-	106	97	101	87	87	39
Community Learning Center East (2007)										
Square Feet	-	-	-	-	15,819	15,819	15,819	15,819	15,819	15,819
Capacity	-	-	-	-	185	185	185	185	185	0
Enrollment	-	-	-	-	90	97	78	64	64	0
Euclid (1936)										
Square Feet	18,982	18,345	18,345	18,345	18,345	19,065	19,065	19,065	19,065	(g)
Capacity	99	112	74	90	90	95	95	95	95	(g)
Enrollment	74	114	62	75	64	71	73	36	36	(g)
Riverview (1926)										
Square Feet	19,011	18,845	18,845	18,845	18,845	18,845	18,845	18,845	18,845	18,845
Capacity	61	41	39	60	63	63	63	63	63	63
Enrollment	76	114	104	69	60	60	45	41	41	25
<b><u>ANCILLARY FACILITIES</u></b>										
Brewster Center (1925)										
Square Feet	30,136	30,136	30,136	30,136	30,136	30,136	30,136	30,136	30,136	30,136
Central Warehouse/Transp. (1964)										
Square Feet	54,279	54,279	54,279	54,279	54,279	54,279	54,279	56,987	56,987	56,987
Daytona Transportation (1964)(2010)*										
Square Feet	30,232	30,323	30,323	30,323	30,323	30,323	30,323	44,629	44,629	47,167
DeLand Administration (1939)										
Square Feet	49,690	49,690	49,690	49,690	49,690	49,690	49,630	55,486	55,486	55,486
Deltona Maint./Transport. (1991)										
Square Feet	26,025	26,025	26,025	26,025	26,025	26,025	26,025	26,025	26,025	26,025
Educational Development Ctr (1961)										
Square Feet	46,225	46,225	46,225	46,225	46,225	46,225	46,225	(g)	-	-
Facilities Services (2002)										
Square Feet	94,016	94,016	94,016	94,016	94,016	94,016	94,016	94,016	94,016	94,016
Ormond Transportation (2007)										
Square Feet	-	-	-	-	-	2,261	2261	2,261	2,358	2,358
Turnbull Bay Transportation (1989)										
Square Feet	4,637	4,637	4,637	4,637	4,637	4,637	4,637	4,637	4,637	4,637

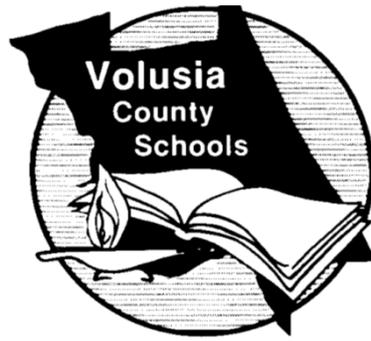
Source: District records

\*Second year denotes the year the facility was replaced.

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of renovations and additions.

(f) School donated to charter school.

(g) Facility/School sold.



# Single Audit Section

**District School Board of Volusia County, Florida**  
**Schedule of Expenditures of Federal Awards**  
**For the Period Ended June 30, 2012**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Catalog of Federal Domestic Assistance Number</b>	<b>Pass - Through Grantor Number</b>	<b>Amount of Expenditures</b>	<b>Amount Provided to Subrecipients</b>
<b>United States Department of Agriculture:</b>				
Indirect:				
Child Nutrition Cluster:				
Florida Department of Agriculture and Consumer Services:				
Cash Assistance:				
School Breakfast Program	10.553	321	\$ 2,600,149	\$ -
National School Lunch Program	10.555	300	9,701,440	-
Cash Assistance Subtotal			<u>12,301,589</u>	<u>-</u>
Noncash Assistance (Commodities):				
National School Lunch Program	10.555	None	1,465,465	-
Florida Department of Education:				
Cash Assistance:				
School Breakfast Program	10.553	321	903,999	-
National School Lunch Program	10.555	300	3,552,281	-
Summer Food Service Program for Children	10.559	323	169,851	-
Cash Assistance Subtotal			<u>4,626,131</u>	<u>-</u>
Total Child Nutrition Cluster			<u>18,393,185</u>	<u>-</u>
Child and Adult Care Food Program	10.558	302	279,054	-
ARRA - Child Nutrition Discretionary Grants Limited Availability	10.579	371	3,954	-
Fresh Fruit and Vegetable Program	10.582	330	88,150	-
			<u>18,764,343</u>	<u>-</u>
<b>United States Department of Agriculture</b>				
<b>United States Department of Energy:</b>				
Indirect:				
University of Central Florida:				
ARRA - State Energy Program	81.041	None	249,638	-
<b>United States Department of Education:</b>				
Direct:				
Fund for the Improvement of Education	84.215	N/A	272,554	-
Total Direct			<u>272,554</u>	<u>-</u>
Indirect:				
Florida Department of Education:				
Special Education Cluster:				
Special Education - Grants to States	84.027	262,263	13,421,127	9,958
Special Education - Preschool Grants	84.173	267	291,105	-
ARRA - Special Education - Grants to States, Recovery Act	84.391	263	192,879	-
ARRA - Special Education - Preschool Grants, Recovery Act	84.392	267	102,692	-
University of South Florida:				
Special Education - Grants to States	84.027	None	102,261	-
Putnam County District School Board:				
Special Education - Grants to States	84.027	None	6,243	-
<b>Total Special Education Cluster</b>			<u>14,116,307</u>	<u>9,958</u>
Title I, Part A Cluster:				
Title I Grants to Local Educational Agencies	84.010	212,222,223,226,228	18,688,506	129,217
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	212,223,226	421,250	15,367
<b>Total Title I, Part A Cluster</b>			<u>19,109,756</u>	<u>144,584</u>
Education of Homeless Children and Youth Cluster:				
Education for Homeless Children and Youth	84.196	127	134,398	-
ARRA - Education for Homeless Children and Youth, Recovery Act	84.387	127	19,300	-
<b>Total Education of Homeless Children and Youth Cluster</b>			<u>153,698</u>	<u>-</u>
Migrant Education - State Grant Program	84.011	217	336,296	-
Career and Technical Education - Basic Grants to States	84.048	161	643,443	6,500
Safe and Drug-Free Schools and Communities - State Grants	84.186	103	8,847	-
Charter Schools	84.282	298	683,898	683,898
Twenty-First Century Community Learning Centers	84.287	244	520,231	-
English Language Acquisition State Grants	84.365	102	396,293	-
Improving Teacher Quality State Grants	84.367	224	2,489,900	-
ARRA - Education Technology State Grants, Recovery Act	84.386	121	51,474	-
ARRA - State Fiscal Stabilization Fund - Race to the Top Incentive Grants, Recovery Act	84.395	RL111	3,962,891	3,085
Education Jobs Fund	84.410	541	183,785	-
University of Central Florida:				
ARRA - State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	None	8,759	-
Florida State University:				
Research in Special Education	84.324	None	15,768	-
Mathematics and Science Partnerships	84.366	None	17,565	-
Total Indirect			<u>42,698,911</u>	<u>848,025</u>
<b>Total United States Department of Education</b>			<u>42,971,465</u>	<u>848,025</u>
<b>United States Department of Defense:</b>				
Direct:				
Air Force Junior Reserve Officers Training Corps	None	NA	246,274	-
Army Junior Reserve Officers Training Corps	None	NA	160,342	-
<b>Total United States Department of Defense</b>			<u>406,616</u>	<u>-</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 62,392,062</u>	<u>\$ 848,025</u>

**District School Board of Volusia County, Florida**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Fiscal Year Ended June 30, 2012**

**1. Summary of Significant Accounting Policies**

**Basis of Presentation**

The Schedule of Expenditures of Federal Awards represents amounts expended from Federal programs during the 2011-12 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 prepared.

**Noncash Assistance**

National School Lunch Program:

The amount reported for food donation represents the amount of donated food received during the 2011-12 fiscal year. Commodities are valued at fair value as determined at the time of donation.

ARRA State Energy Program:

Represents noncash assistance provided for the acquisition and installation costs for solar photovoltaic systems at four schools designated as emergency shelters.

**2. Contingency**

The grant revenue amounts received are subject to audit and adjustment. If any expenditures are disallowed by the grantor agencies as a result of such an audit, any claim for reimbursement to the grantor agencies would become a liability of the District. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable Federal and State laws and regulations.



DAVID W. MARTIN, CPA  
AUDITOR GENERAL

# AUDITOR GENERAL STATE OF FLORIDA

G74 Claude Pepper Building  
111 West Madison Street  
Tallahassee, Florida 32399 1450



PHONE: 850-488-5534  
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The President of the Senate, the Speaker of the  
House of Representatives, and the  
Legislative Auditing Committee

## INDEPENDENT AUDITOR'S REPORT 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*

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Volusia County District School Board as of and for the fiscal year ended June 30, 2012, which collectively comprise the District's basic financial statements, and have issued our report thereon under the heading **INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS**. Our report on the basic financial statements includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the school internal funds and seven District charter schools (Reading Edge Academy, Inc.; Samsula Academy; The Chiles Academy, Inc.; Richard Milburn Academy of Volusia County; Volusia Elementary Charter School, Inc. d/b/a Boston Avenue Charter School; Ivy Hawn Charter School of the Arts; and Burns Science and Technology Charter School, Inc.) presented as discretely presented component units, as described in our report on the Volusia County District School Board's financial statements. For the seven District charter schools presented as discretely presented component units, 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 District's financial statements will not be prevented, or detected and corrected on a timely basis.

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

### **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, rules, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to District management in our operational audit report no. 2013-039.

Pursuant to Section 11.45(4), Florida Statutes, this report is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, Federal and other granting agencies, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



David W. Martin, CPA  
December 3, 2012  
Audit Report No. 2013-049



DAVID W. MARTIN, CPA  
AUDITOR GENERAL

# AUDITOR GENERAL STATE OF FLORIDA

G74 Claude Pepper Building  
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The President of the Senate, the Speaker of the  
House of Representatives, and the  
Legislative Auditing Committee

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

### Compliance

We have audited the Volusia County District School Board's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major Federal programs for the fiscal year ended June 30, 2012. The District's major Federal programs are identified in the **SUMMARY OF AUDITOR'S RESULTS** section of the **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 District management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the fiscal year ended June 30, 2012. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the **SCHEDULE OF FINDINGS AND QUESTIONED COSTS** section of this report as Federal Awards Finding No. 1.

## Internal Control Over Compliance

District management is responsible for establishing and maintaining effective internal control over compliance with 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 to determine auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency as described in the **SCHEDULE OF FINDINGS AND QUESTIONED COSTS** section of this report as Federal Awards Finding No. 1. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Management's response to the findings described in the **SCHEDULE OF FINDINGS AND QUESTIONED COSTS** section of this report is included as Exhibit A. We did not audit management's response and, accordingly, we express no opinion on the response.

Pursuant to Section 11.45(4), Florida Statutes, this report is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, Federal and other granting agencies, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



David W. Martin, CPA  
December 3, 2012  
Audit Report No. 2013-049

**VOLUSIA COUNTY  
DISTRICT SCHOOL BOARD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**SUMMARY OF AUDITOR'S RESULTS**

Financial Statements

Type of auditor's report issued: Unqualified.

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified that are not considered to be a material weakness(es)? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified that are not considered to be a material weakness(es)? Yes

Type of report the auditor issued on compliance for major programs: Unqualified for all major programs.

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? Yes

Identification of major programs: Child Nutrition Cluster (CFDA Nos. 10.553, 10.555, and 10.559), State Energy Program (CFDA No. 81.041 - ARRA), Improving Teacher Quality State Grants (CFDA No. 84.367), and ARRA - State Fiscal Stabilization Fund (SFSF) – Race-to-the-Top Incentive Grants, Recovery Act (CFDA No. 84.395 - ARRA)

Dollar threshold used to distinguish between Type A and Type B programs: \$1,871,761

Auditee qualified as low-risk auditee? Yes

**VOLUSIA COUNTY  
DISTRICT SCHOOL BOARD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**FEDERAL AWARDS FINDING AND QUESTIONED COST**

**Federal Awards Finding No. 1:**

**Federal Agency: United States Department of Education**

**Pass-Through Entity: Florida Department of Education**

**Program: ARRA - State Fiscal Stabilization Fund (SFSF) – Race-to-the-Top Incentive Grants,  
Recovery Act (CFDA No. 84.395)**

**Finding Type: Noncompliance and Significant Deficiency**

**Allowable Costs/Cost Principles – Documentation of Time and Effort.** United States Office of Management and Budget (OMB) Circular A-87 requires that charges to Federal awards for salaries and wages be based on payrolls documented in accordance with generally accepted practices of the governmental unit and approved by a responsible official of the governmental unit. 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 employee worked solely on that program for the period covered by the certification. These certifications will be prepared at least semiannually and signed by the employee. Where employees are expected to work on multiple cost activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation. These reports must reflect an after-the-fact distribution of the actual activity of each employee, cover the total activity for which the employee is compensated, be prepared at least monthly, and be signed by the employee.

For the 2011-12 fiscal year, the District reported total Race-to-the-Top (RT) program expenditures of \$4 million, of which salary and benefits totaled \$356,100 for eight employees. To determine the propriety of RT program expenditures, we tested 25 expenditures totaling \$1.6 million. Our test disclosed that the program funded the salaries and benefits of two employees 100 percent and another employee 90 percent but the employees did not maintain appropriate records, such as semiannual certifications or personnel activity reports, to evidence the actual time devoted to program activities. Further review of the program expenditures and related support disclosed that the program funded the salaries and benefits of the remaining five employees 100 percent and those employees also did not maintain required semiannual certifications. District personnel indicated that these oversights occurred because the Curriculum Office, responsible for administering the program, was unfamiliar with the record keeping requirements. Subsequent to our inquiry in September 2012, the eight employees signed confirmations to evidence that the salaries and benefits charged to the program were correct.

When Federally-funded employees do not delineate their job responsibilities and work activities by properly maintaining required semiannual certifications or personnel activity reports, there is an increased risk that personnel costs may be inappropriately charged to a Federal program.

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**Recommendation: The District should enhance its procedures to ensure that required semiannual certifications or personnel activity reports are maintained to support Federal salaries and benefits charges.**

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District Contact Person: Bambi Lockman, Deputy Superintendent for Instructional Services

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## MANAGEMENT'S RESPONSE

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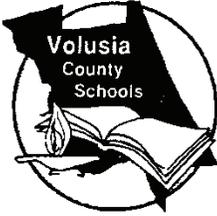
Management's response is included as Exhibit A.

**District School Board of Volusia County, Florida**  
**Summary Schedule of Prior Audit Findings - Federal Awards**  
**For the Fiscal Year Ended June 30, 2012**

Listed below is the District's summary of the status of prior audit findings on Federal programs:

Audit Report No. and Federal Awards Finding No.	Program/Area	Brief Description	Status	Comments
Moore Stevens Lovelace, P.A.		There were no prior Federal audit findings.		

EXHIBIT A  
MANAGEMENT'S RESPONSE



Margaret A. Smith, D.Ed.  
Superintendent of Schools

P.O. Box 2118 • 200 North Clara Avenue • DeLand, Florida 32721-2118

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School Board of Volusia County

Dr. Al Williams, Chairman  
Ms. Judy Conte, Vice-Chairman  
Mr. Stan Schmidt  
Ms. Candace Lankford  
Mrs. Diane Smith

November 13, 2012

David W. Martin, CPA  
Auditor General  
State of Florida  
G74 Claude Pepper Building  
111 West Madison Street  
Tallahassee, Florida 32399-1450

RE: Response to preliminary and tentative audit findings and recommendations for the fiscal year ended June 30, 2012.

Dear Mr. Martin:

As requested, enclosed you will find a written statement in response to the preliminary and tentative findings, along with corrective action, where we feel corrective action is warranted.

Sincerely,

A handwritten signature in cursive script that reads "Margaret A. Smith".

Margaret A. Smith, D.Ed.  
Superintendent of Schools

Enclosure

Cc: School Board Members

An Equal Opportunity Employer

**EXHIBIT A**  
**MANAGEMENT'S RESPONSE (CONTINUED)**

November 13, 2012

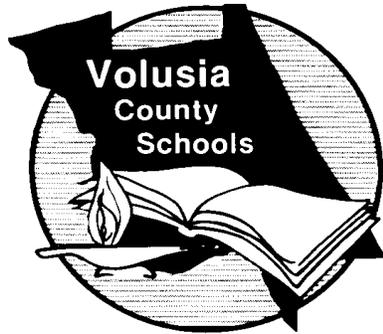
**Finding: Allowable Costs/Cost Principles – Documentation of Time and Effort**

Volusia County School District does maintain procedures to ensure that required semiannual certifications or personnel activity reports are maintained to support Federal salaries and benefits charges. Since the Race to the Top grant was a pass through state funding, there was a misunderstanding as to this requirement. At no time was district personnel notified by the Florida DOE Race to the Top Coordinators as to this mandate.

Immediately, upon understanding this requirement, processes and procedures were put in place. It is noted that when the audit did verify the RTT personnel, they were correctly identified and all expenditures tested were properly verified.

To ensure that employee semiannual certifications and personnel activity reports, to evidence the actual time devoted to program activities, are collected, employees from the 2011-2012 school year submitted the appropriate paperwork and that information was relayed to the Auditor General's office.

Procedures and processes are in place, handled through the Instructional Services offices. All documents for the current year are up-to-date and verified.



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