
The School Board of Brevard County, Florida
Viera, Florida

Comprehensive Annual
Financial Report

For the
Fiscal Year Ended June 30, 2013

Prepared by:
Office of Accounting Services



**The School Board of Brevard County, Florida
Comprehensive Annual Financial Report
for the fiscal year ended June 30, 2013**

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TRANSMITTAL LETTER



School Board of Brevard County

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

Brian T. Binggeli, Ed.D., Superintendent



December 11, 2013

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of The School Board of Brevard County, Florida (the "School Board" or the "District") together with the audit opinion of the Auditor General of the State of Florida. State law requires that all local governments publish, after the close of each fiscal year, a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America (GAAS).

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

The Auditor General of the State of Florida (Auditor General) conducted the audit of the District's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District are free of material misstatement. Based on their audit, the Auditor General has concluded that there is a reasonable basis for rendering an unmodified opinion on the District's financial statements, for the fiscal year ended June 30, 2013. The report of the Auditor General is presented as the first component of the financial section of this report.

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

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

The accompanying report includes all funds of the District, the Brevard County School Board Leasing Corporation, the Brevard Schools Foundation, and the District's charter schools, which comprise the reporting entity. The Brevard County School Board Leasing Corporation was formed by the School Board to be the lessor

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in connection with financing the acquisition and/or construction of certain educational facilities. The Brevard County School Board Leasing Corporation is identified as a component unit, requiring blended presentation of the financial statements. The purpose of the Brevard Schools Foundation is exclusively educational and charitable for the constituents of Brevard County and District charter schools are public schools under the sponsorship of the School Board. The Brevard Schools Foundation and the District's charter schools are included as discretely presented component units.

PROFILE OF THE SCHOOL BOARD

The Brevard School 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, and operated by 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 School Board appoints the Superintendent of Schools as the chief executive officer who is responsible for administration and management. The Superintendent is also specifically delegated the responsibility of maintaining a uniform system of records and accounts in the District through Section 1010.01, Florida Statutes.

During the 2012-13 fiscal year, the District operated ninety-two schools, including fifty-seven elementary, twelve middle, four junior/senior, twelve high schools, and also sponsored seven charter schools. The District serves four adult education centers and three alternative learning centers. The majority of operating funds are received through a state funding formula that is intended to equalize funding received from the state and local property taxes between districts within the state. Charter schools operating through a contract with the District are provided with their proportionate share of these funds, based on the number of full-time equivalent students enrolled at the charter school. During fiscal year 2012-13, the District served 72,526 students and projects student membership to be 72,743 during the 2013-14 school year. The average age of the District's schools is forty years. The School Board is the tenth largest of sixty-seven districts in the state of Florida, the forty-eighth largest district in the nation, and is the single largest employer in Brevard with over 9,200 employees.

The geographic boundaries of the District are consistent with the geographic boundaries of Brevard County, encompassing approximately 1,300 square miles along the Atlantic Ocean and is located near the center of Florida's east coast. The County is approximately seventy-two miles long, north to south, and is bordered on the north by Volusia County and on the south by Indian River County. The county extends about twenty miles inland from the Atlantic Ocean, with the St. Johns River forming its western boundary.

ECONOMIC CONDITIONS AND OUTLOOK

The county has experienced good population growth, increasing by 14 percent since the 2000 census. Growth, however, has decreased somewhat since its peak in 2004, and has remained relatively flat in recent years, with some modest growth in some sectors of the population. The county's current population is estimated to be 543,000, with anticipated growth to 585,000 by calendar year 2015 and 625,000 by calendar year 2020. Unemployment has decreased from its highs of 11 percent to 7.9 percent currently. Unemployment for the state of Florida is at 7.1 percent compared to the national average of 7.6 percent. The median age of the county's population is approximately 45.5 years.

The county has a diverse economic base that includes high technology and aerospace industries, health care, tourism, and agriculture. As we continue to recover from the effects of a national and global economic downturn along with the termination of the space shuttle program, we are beginning to see some growth in the local economy. While there is still some uncertainty about the changing role of NASA, state and local leaders are working to build the "next generation" of space exploration through partnerships with private entrepreneurial companies. Technology and aerospace companies have also been moving into the county or expanding existing facilities to take advantage of a well-trained and available workforce due to the retirement of the shuttle program. Port Canaveral is helping to lead Brevard's recovery with record cruise traffic and expansion of facilities, including cruise terminals that will support increased business in the community. Local leaders also continue to seek out

businesses that can provide diversification to the county's economic base. The School Board recognizes that a high quality education and diversified educational programs that meet the needs of the community are a key factor in the continued recovery and expansion of the county's economy.

MAJOR INITIATIVES

Student Performance – The 2012-13 school year was challenging for accountability throughout Florida. Due to increased standards, higher cut scores, and the inclusion of end-of-course exam scores in the calculations, district and school grades dropped across the state. In spite of this drop, Brevard maintained its ranking, receiving 515 points, the eighth highest in the state, and ranked within in the top 15 percent in Florida. The District is very proud of its achievements in student performance as 77 percent of Brevard County elementary and middle schools received an A or B grade with 29 A's and 28 B's. Due to the change in the rating of high schools, none of the District's twelve high schools or four junior-senior high schools have been rated as of this date; however, all sixteen schools received an A or B during the prior fiscal year.

Common Core State Standards – During the 2012-13 school year, teacher teams in grades 3-6 from each school and all English Language Arts (ELA) and Reading teachers in grades 7-12 took part in “unpacking” the Common Core State Standards for ELA. This allows teachers to understand the scope of each standard and how to plan appropriate instruction for students. School leaders and teachers were provided ongoing support and training in order to lead implementation of the new standards.

Summer Opportunities for Advancement and Remediation (SOAR) 2013 – Research suggests that academic regression often occurs for struggling students following the lengthy summer vacation. Brevard provided additional instruction in an effort to create a positive impact on the academic achievement of struggling students. Efforts were focused on engaging and meaningful standards-based learning experiences.

Elementary students were offered two summer program options with approximately 524 third grade students participating in reading camp programs. Title I schools provided a targeted summer program designed to address specific student instructional needs.

Middle school students in grades six through eight were offered the opportunity for promotion by taking courses from Florida Virtual School at supervised labs throughout the district. This partnership between Brevard Schools and Florida Virtual Schools is in its fourth year of implementation and served 195 students.

High school students in grades nine and ten were provided opportunities in high school credit make-up/remediation, career and technical education programs, and driver's education. Courses focused on students who would not be eligible for promotion. Career and technical programs included internships in Finance with 49 enrollments, and driver's education was a fee-based program with 199 students enrolled.

Extended school year (ESY) SOAR served students with disabilities who demonstrated a need for summer support. A total of 221 students attended the extended school year program.

College and Career Readiness – The implementation of the College and Career Readiness initiative is a district-wide focus on increased rigor, relevance, and relationships for all secondary students. Career academies and collegiate high school programs include *Advanced International Certificate of Education (AICE)*, *Pre-Advanced International Certificate of Education (Pre-AICE)*, *Lower Secondary Programs and Middle Years Programs (MYP)*, and *International Baccalaureate Programs (IB)*. In addition, all secondary students have the opportunity to enroll in *Advanced Placement (AP)* courses for acceleration.

Career and Technical Education (CTE) – Career and Technical Education programs are a vital component of the District's initiative for all students to be college and career ready. The graduation requirements mandate that all graduates either complete three credits in accelerated programs or three credits in a sequential CTE program leading to a credential endorsed by industry. Twenty-three career academies have been implemented district-wide.

Florida's Ready to Work (RTW) Program – This program provides a unique opportunity to assist in meeting Brevard's goal for every student to graduate from high school prepared for success in the workplace. To earn the certificate, students must pass three proctored assessments with a minimum score of three on each assessment. Brevard leads the state, for the fourth consecutive year, with 9,143 credentials awarded to date.

K-12 Comprehensive Reading Program – Schools utilize the Florida Assessment for Instruction in Reading (FAIR) as the universal screening tool to target and focus instruction. Literacy coaches maximize reading achievement by providing teacher support as schools implement research-proven strategies and practices in daily instruction. Brevard Schools' comprehensive reading plan outlines instructional models for K-6 classrooms, as well as intensive reading courses for students at the secondary level.

K-12 Social Studies – During 2012-13, Curriculum and Instruction focused on implementing adopted instructional materials for the social sciences. Emphasis was placed on improving pedagogy, content knowledge, and technological skills for teachers via the incorporation of the common core literacy standards in conjunction with the Next Generation Sunshine State Standards (NGSSS).

K-12 Science – Brevard science teachers continued to implement adopted instructional materials while integrating the common core state standards into their instruction of the Next Generation Sunshine State Standards for Science (NGSSSS). Multiple training opportunities supported teacher professional development with an emphasis on inquiry and standards-based instruction.

A continuing objective is to increase science, technology, engineering and mathematics opportunities for all students through Engineering Design Challenges and our community-based learning experiences such as Lagoon Quest and Space Week. Many student opportunities for hands-on science learning beyond the classroom are provided, including science research classes, science fairs and clubs, and robotics teams.

K-12 Comprehensive Writing Program – Brevard continued to review writing results and to refine approaches for improving student writing as measured by Florida Comprehensive Assessment Test (FCAT) results. Writing workshops were ongoing for Brevard County teachers and instructional strategies were modeled at all schools.

K-12 Mathematics – K-2 teachers implemented the common core state standards for mathematics, while in grades 3–12, the focus was on preparing teachers to make the transition to the common core state standards for mathematics. Brevard's mathematics focus was on enhancing teacher understanding of the standards for mathematical practice of the common core state standards and the instructional strategies they require.

Head Start – Brevard Schools was awarded the Head Start grant by the U.S. Department of Health and Human Services. The \$4.6 million dollar grant provides for the early education of 624 preschool children living in Brevard County. Head Start programs provide comprehensive services which include health, nutrition, social, and other services determined by family needs assessments in addition to education and cognitive development services. Head Start services are designed to be responsive to each child's and family's ethnic, cultural, and linguistic heritage. Head Start classes are held at ten elementary schools, one high school, and two stand-alone centers. These sites are chosen by utilizing the free and reduced price lunch program data and the Head Start community assessment.

Parent Engagement – Brevard offers parent leaders a unique opportunity to participate in regular meetings covering a wide variety of educational issues. These experiences are shared with other parents at School Advisory Council meetings, Parent Teacher Organization meetings, and via newsletters. A parenting conference, titled *Parenting in Today's World*, is provided annually for all parents. A parent involvement website provides valuable educational information and gives parents an opportunity to communicate directly with the parent involvement resource teacher. Parents also provide important feedback through the annual parent survey. Results are shared with all stakeholders for continuous improvement.

Music Demonstration Schools – Brevard is home to some of the finest music programs available, as proven by the selection of twenty-seven schools, out of a total of thirty-two in the state, as Music Demonstration Schools. Implemented in 1988, the Music Demonstration School (MDS) Project was developed by the Department of

Education in cooperation with the Florida Music Educators Association. The purpose of this project is to identify, recognize, and promote statewide school music that balances diversity, high performance standards, and instructional quality in music education.

Excellence in Physical Education Award (EPEA) – Brevard is the first district in Florida to recognize excellence in physical education programs. The criteria for the award combines the best elements of the national award for excellence in physical education (STARS) and critical elements for distinguished teaching. The District now has thirteen schools that have achieved this award.

Visual Arts Demonstration Schools (VADS) – Three Brevard Public Schools (Astronaut High School, Atlantis Elementary School, and Challenger 7 Elementary School) were among the first in the state to receive the Visual Arts Demonstration Schools recognition award from the Florida Department of Education in its inaugural year for the 2011-2014 cycle. The VADS program identifies schools in Florida that foster visual arts programs which are comprehensive in scope and outstanding in quality.

Florida Power-Library Schools (FPLS) – The FPLS program is sponsored by the Florida Department of Education and the Florida Association of Supervisors of Media, and recognizes schools that have outstanding library programs. This is the fifth year for the Florida Power-Library School program and Brevard schools have earned more than half of the state’s designations for this program. The Florida Power-Library School designation emphasizes collaboration among faculty members and school librarians. Award-winning schools show evidence of information, literacy instruction, development of students as critical thinkers and readers, school librarians who are leaders in technology integration, and a school climate that views the school library as the active center for learning in all subject areas.

Follett Destiny Library Manager – During the 2012-13 school year, Brevard County school libraries migrated to the Destiny Library Management system built specifically to help K-12 libraries thrive in the ever-changing digital learning age. Destiny Library Manager establishes Brevard’s school libraries as the hub of learning for our students and staff by providing access to the right books, websites, eBooks, and digital content to create active, personalized learning experiences both at school and home. This software has taken our school libraries mobile, providing our students and staff access to library resources anytime, anywhere, with online access and mobile apps for personal devices. Destiny Library Manager also aligns certain pieces with Florida and Common Core Standards, as well as reading programs currently supported at all levels.

Achievement Through Technology and Innovation Award – This award endorses efforts designed to improve teaching and learning with technology, consistent with standards established by the International Society for Technology in Education (ISTE). To be considered, schools must illustrate commitment to successful technology integration. Six of Brevard’s schools were recognized during the 2012-13 school year. The honorees join more than twenty other Brevard schools that have earned this distinction since the program’s inception in 2008.

Graduation Rate and Dropout Rate – For the 2011-12 school year, Brevard had a Federal Uniform Graduation Rate of 85.20 percent, which is among the highest graduation rates in the State. At 0.6 percent, Brevard’s dropout rate is the seventh lowest in the State. Graduation rates for the 2012-13 school year increased by 2.2 percentage points, ranking Brevard as fifth in the state.

Adult and Community Education – Educational services are provided to adult students at four major centers and numerous outreach centers throughout the county.

During the 2012-13 school year, we served 4,411 students in adult education programs such as Adult Basic Education (ABE), General Education Development (GED), Adult High School, and English for Speakers of Other Languages (ESOL). The District awarded 92 students with Adult High School Diplomas; 781 co-enrolled students received high school credit; 801 GED’s were awarded; 251 ESOL literacy completion points were earned; and 566 ABE literacy completion points were awarded. The District also served 60 ABE students and 121 GED students through online classes.

FINANCIAL INFORMATION

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

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

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

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

OTHER INFORMATION

Audit Committee – The School Board has created an Audit Committee, which includes five voting voluntary community members, each appointed by a respective Board member. The Board Chairman acts as an ex-officio member of the committee; the Superintendent and selected staff provide support to the committee and attend all meetings. The Audit Committee assists the District’s management team in maintaining a high level of accountability and fiscal responsibility to the School Board and its citizenry. School Board policy 6700 provides the Audit Committee with oversight responsibility for the audit functions and also the authority to act in an advisory capacity to assist District management and the Board in implementing change through the audit process. School Board policy 6705 provides a charter which directs Audit Committee members through the audit process as needed.

The Audit Committee meets at least one time per quarter to review internal audit reports and to provide input related to operational improvement through a risk-based approach. The Board Chairman, Superintendent, members of senior staff, and finance division personnel also participate in the quarterly review process. The Audit Committee Chairman presents a public report to the Board regarding progress and findings at least once per fiscal year.

INDEPENDENT AUDIT

Section 218.39, Florida Statutes, requires an annual audit by independent certified public accountants. The Auditor General of the State of Florida conducted the audit for the fiscal year ended June 30, 2013. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Federal Single Audit Act of 1996 and related OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. The auditor’s report on the basic financial statements is included in the Financial Section of this report.

REPORTING ACHIEVEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the School Board of Brevard County for its comprehensive annual financial report for the fiscal year ended June 30, 2012. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement is valid for a period of one year.

The Association of School Business Officials International (ASBO) awarded the Certificate of Excellence in Financial Reporting for the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2012. This award is valid for one year, and certifies that the report substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials International.

We believe that our current comprehensive annual financial report meets the requirements of the Certificate of Achievement Program and the Certificate of Excellence Program, and it will be submitted to both the GFOA and ASBO to determine its eligibility to receive these prestigious awards for the fiscal year ended June 30, 2013.

ACKNOWLEDGEMENT

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

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

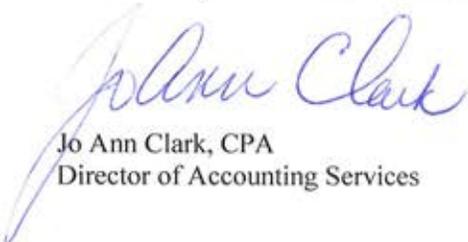
Respectfully submitted,



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



Judy R. Preston
Associate Superintendent of Financial Services



Jo Ann Clark, CPA
Director of Accounting Services



THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA

LIST OF PRINCIPAL OFFICIALS - ELECTED



Dr. Michael Krupp

Member from District 1
Member since November 2010
Current term expires November 2014

Dr. Barbara Murray, Chairman

Member from District 2
Member since November 2006
Current term expires November 2014



Ms. Amy Kneessy, Vice-Chairman

Member from District 3
Member since November 2004
Current term expires November 2016

Ms. Karen Henderson

Member from District 4
Member since November 2008
Current term expires November 2016



Mr. Andy Ziegler

Member from District 5
Member since November 2008
Current term expires November 2014

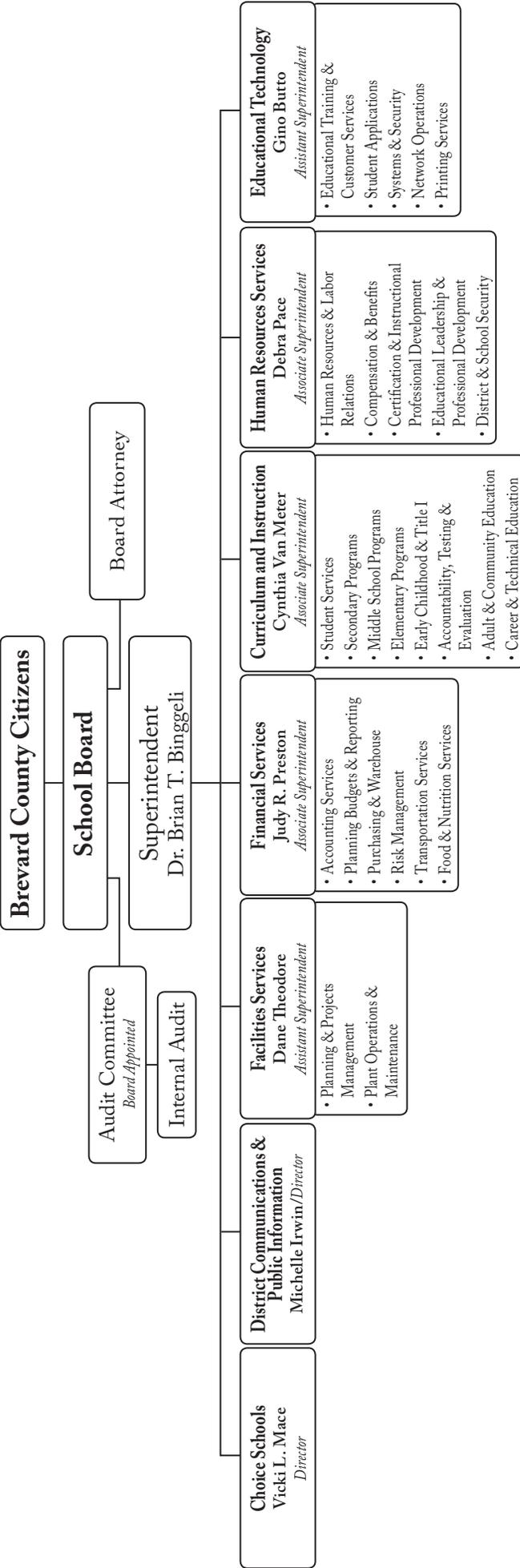
THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA

LIST OF PRINCIPAL OFFICIALS – APPOINTED

Dr. Brian T. Binggeli	Superintendent
Debra Pace	Associate Superintendent Human Resources Services
Cynthia Van Meter	Associate Superintendent Instructional Services
Judy R. Preston	Associate Superintendent Financial Services
Dane Theodore	Assistant Superintendent Facilities Services
Dr. Beth Thedy	Assistant Superintendent Student Services
Gino Butto	Assistant Superintendent Educational Technology Services
Dr. Ronald R. Bobay	Area Superintendent
Sandra S. Demmon	Area Superintendent
Dr. Mark Mullins	Area Superintendent

BREVARD PUBLIC SCHOOLS, BREVARD COUNTY, FLORIDA

Organizational Chart



South Area (K-12)
Dr. Mark Mullins, South Area Superintendent
 Linda Gibson, Administrative Assistant I
 1948 Pineapple Avenue, Melbourne, FL 32935-7655
 Phone: (321) 254-0340 • FAX (321) 259-7786

Elementary	Riviera Sunrise Turner University Park Westside	Melbourne Palm Bay
Other Sites	Palm Bay High Adult Ed. South Area Adult/Comm. Ed. Center	
Middle	Central Hoover Johnson Southwest Stone	
High	Bayside Eau Gallie Heritage	

Central Area (K-12)
Sandra Demmon, Central Area Superintendent
 Sharon McNichols, Administrative Assistant I
 2700 Judge Fran Jamieson Way, Viera, FL 32940-6601
 Phone: (321) 633-1000, ext. 411 • FAX (321) 632-6139

Elementary	Suntree Williams Challenger 7* Creel Croton Endeavour Fairglen Gardendale*	New Millennium Elementary Schools Freedom 7 Stevenson West Melbourne
Middle	Clearlake Kennedy McNair	Other Sites Central Alternative Center
High	Cocoa Edgewood Rockledge Viera West Shore	
	Quest Sabal Saturn Sherwood	

North Area (K-12)
Dr. Ronald R. Bobay, North Area Superintendent
 Tracie Turner, Administrative Assistant I
 850 Knox McRae Drive, Titusville, FL 32780-6407
 Phone: (321) 269-3826 • FAX (321) 267-4533

Elementary	Apollo Atlantis Audubon Cape View Carroll Coquina Enterprise Holland Imperial Estates MILA Mims Oak Park Pinewood Roosevelt Sea Park	Other Sites North Area Alternative Center
	South Lake Surfside Tropical Middle DeLaura Jackson Jefferson Madison High Astronaut Cocoa Beach Merritt Island Sarellite Space Coast Titusville	

District Charter Schools / Foundation

Elementary	Campus Educational Horizons Imagine Odyssey Palm Bay Academy Royal Palm Sculptor
Brevard Schools Foundation	



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**The School Board
of Brevard County
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award
is presented to*

The School Board of Brevard County

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2012*

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards



A handwritten signature in cursive script, reading 'Ron McCulley', written over a horizontal line.

Ron McCulley, CPPB, RSBO
President

A handwritten signature in cursive script, reading 'John D. Musso', written over a horizontal line.

John D. Musso, CAE, RSBA
Executive Director





DAVID W. MARTIN, CPA
AUDITOR GENERAL

AUDITOR GENERAL STATE OF FLORIDA

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



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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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Brevard County District School Board, as of and for the fiscal year ended June 30, 2013, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the aggregate discretely presented component units, as described in note 1 to the financial statements, which represent 100 percent of the transactions and account balances of the aggregate discretely presented component units columns. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the aggregate discretely presented component units, is based solely 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of

material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information for the Brevard County District School Board as of June 30, 2013, 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 accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that **MANAGEMENT'S DISCUSSION AND ANALYSIS** and **SINGLE-EMPLOYER 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements and schedules, and the introductory and statistical sections, 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.

The combining and individual fund financial statements and schedules, and **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has 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, 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 as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report on our consideration of the Brevard 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Respectfully submitted,



David W. Martin, CPA

Tallahassee, Florida

December 11, 2013

Audit Report No. 2014-058



MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management of the School Board of Brevard County, Florida (the District) has prepared the following discussion and analysis to provide an overview of the District's financial activities for the fiscal year ended June 30, 2013. The information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events, and conditions and should be considered in conjunction with the District's financial statements and the notes to the financial statements, found on pages 17 through 80.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2012-13 fiscal year are as follows:

- The assets of the District exceeded its liabilities for the governmental activities, at June 30, 2013, by \$393.6 million. Of this amount, \$344.3 million represents investments in capital assets (net of related debt) and \$49.3 million represents restricted and unrestricted net position of \$58.1 million and (\$8.8) million, respectively.
- The District's total net position for governmental activities decreased by \$32.1 million, or 7.5 percent.
- Program revenues for governmental activities accounted for \$44.6 million, or 7.4 percent of total revenues. General revenues and transfers in accounted for \$554.9 million, or 92.6 percent.
- The governmental funds reported combined fund balances of \$101.9 million, a decrease of \$16.5 million, or 13.9 percent, in comparison to the prior fiscal year. The fund balances are comprised of \$3.4 million of nonspendable, \$57 million of restricted, \$4.5 million of assigned, and \$37 million in unassigned funds.
- At the end of the fiscal year, the fund balance for the general fund was \$43.2 million, or 9.1 percent, of the general fund revenues. This fund balance was comprised of \$1.4 million of nonspendable, \$2.6 million of restricted, \$2.2 million of assigned, and \$37 million of unassigned funds.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements consist of three components:

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

Government-Wide Financial Statements

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

liabilities, using an economic resources measurement focus. Net position is a measurement of the financial health of the District. The statement of activities presents information about the change in the District's financial position or the results of operations, during the fiscal year. An increase or decrease in net position is an indication of whether the District's financial health is improving or deteriorating.

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

- Governmental activities – These activities represent most of the District's services, including educational programs such as basic, vocational, adult, and exceptional education. Support functions such as transportation and administration are also included. Local property taxes and the State's education finance program (FEFP) provide most of the resources that support these activities.
- Business-type activities – The District charges fees to cover the cost of the services it provides for its Extended Day Care program.
- Component units – The District has identified eight separate legal entities which meet the criteria to be included as a component unit, including seven charter schools and the Brevard Schools Foundation, Inc. Although legally separate organizations, the component units are included in this report because they meet the criteria for inclusion provided by generally accepted accounting principles. Financial information for these component units is reported separately from the financial information presented for the primary government. The Brevard County School Board Leasing Corporation (Leasing Corporation), although a legally separate entity, was formed to facilitate financing for the acquisition of facilities and equipment for the District. Due to the substantive economic relationship between the District and the Leasing Corporation, the Leasing Corporation has been included as an integral part of the primary government.

Fund Financial Statements

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

Governmental Funds

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

The District has the following governmental funds: general, debt service, special revenue (including school food services) and capital projects. Within fund types, the District currently maintains eleven (11) major and nonmajor funds. Of those funds, the general fund, the American Recovery and Reinvestment Act (ARRA) economic stimulus funds, debt service-other fund, capital projects – Section 1011.14/1011.15 notes fund, capital projects – local capital improvement fund and capital projects – other capital projects fund are considered to be major funds. Data from the other governmental funds are combined into a single, aggregate presentation.

The District adopts an annual appropriated budget for its governmental funds. Budgetary comparison statements have been presented for the general and major special revenue funds to demonstrate compliance with the budget.

Proprietary Funds

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

- Enterprise funds are used to report the same functions as business-type activities in the government-wide financial statements. The District uses the enterprise funds to account for its Extended Day Care program through enterprise fund reporting.
- Internal service funds are used to report activities that provide goods and services to support the District's other programs and functions through user charges. The District uses the internal service funds to account for its self-insurance programs. Since these services predominately benefit governmental rather than business-type functions, the internal service funds have been included within 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. Conversely, the internal service funds are combined into a single, aggregated column in the proprietary fund statements.

Fiduciary Funds

Fiduciary funds are used to report assets held with a trustee, or in a fiduciary capacity for the benefit of external parties, such as student activity funds. Fiduciary funds are not reflected in the government-wide statements because the resources are not available to support the District's own programs. The District uses agency funds to account for resources held for student activities.

Notes to the Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following is a summary of the District's net position as of June 30, 2013, compared to net position as of June 30, 2012.

Condensed Statement of Net Position
June 30, 2013 and 2012
(amounts expressed in thousands)

	Governmental		Business-type		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 217,683	\$ 228,038	\$ 3,047	\$ 3,006	\$ 220,730	\$ 231,044
Capital assets, net	861,215	895,232	108	123	861,323	895,355
Total assets	1,078,898	1,123,270	3,155	3,129	1,082,053	1,126,399
Current and other liabilities	60,872	72,869	93	42	60,965	72,911
Long-term liabilities	624,410	624,693	564	484	624,974	625,177
Total liabilities	685,282	697,562	657	526	685,939	698,088
Net Position:						
Net investment in capital assets	344,339	379,227	108	123	344,447	379,350
Restricted	58,058	42,684	-	-	58,058	42,684
Unrestricted	(8,781)	3,797	2,390	2,480	(6,391)	6,277
Total net position	\$ 393,616	\$ 425,708	\$ 2,498	\$ 2,603	\$ 396,114	\$ 428,311

Within the District's governmental activities, the assets exceeded liabilities by \$393.6 million at the end of the fiscal year. The largest portion of the District's net position, \$344.3 million, reflects its investment in capital assets less any related debt used to acquire those assets. The District uses capital assets to provide services; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The remainder of net position is comprised of a restricted balance of \$58.1 million, which is externally restricted for specific uses and an unrestricted net position of (\$8.8) million.

The key elements of the changes in the District's net position for the fiscal years ended June 30, 2013, and June 30, 2012, are as follows:

The School Board of Brevard County, Florida - Changes in Net Position
June 30, 2013 and 2012
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	\$ 11,624	\$ 12,466	\$ 5,804	\$ 5,727	\$ 17,428	\$ 18,193
Operating grants and contributions	30,208	29,674	-	-	30,208	29,674
Capital grants and contributions	2,734	2,815	-	-	2,734	2,815
General revenues:						
Property taxes, levied for general purposes	175,202	177,927	-	-	175,202	177,927
Property taxes, levied for capital projects	39,862	40,382	-	-	39,862	40,382
Grants and contributions not restricted for specific programs	326,991	313,223	-	-	326,991	313,223
Miscellaneous	11,027	7,302	-	-	11,027	7,302
Unrestricted investment earnings	472	724	-	-	472	724
Total revenues	598,120	584,513	5,804	5,727	603,924	590,240
Expenses:						
Instruction	338,346	338,857	-	-	338,346	338,857
Pupil personnel services	23,865	22,350	-	-	23,865	22,350
Instructional media services	7,360	7,442	-	-	7,360	7,442
Instruction and curriculum development	20,514	19,612	-	-	20,514	19,612
Instructional staff training services	4,782	5,252	-	-	4,782	5,252
Instruction related technology	8,692	8,768	-	-	8,692	8,768
School board	1,322	1,350	-	-	1,322	1,350
General administration	3,434	3,274	-	-	3,434	3,274
School administration	34,879	35,358	-	-	34,879	35,358
Non-capitalizable facilities acquisitions and construction	7,165	10,335	-	-	7,165	10,335
Fiscal services	2,301	2,447	-	-	2,301	2,447
Food services	27,504	28,049	-	-	27,504	28,049
Central services	5,569	5,343	-	-	5,569	5,343
Pupil transportation services	22,638	23,603	-	-	22,638	23,603
Operation of plant	43,233	44,360	-	-	43,233	44,360
Maintenance of plant	11,926	5,811	-	-	11,926	5,811
Administrative technology services	3,613	3,404	-	-	3,613	3,404
Community services	1,626	1,156	-	-	1,626	1,156
Interest on long-term debt	25,502	26,452	-	-	25,502	26,452
Unallocated depreciation	37,240	39,802	-	-	37,240	39,802
Extended day program	-	-	4,610	4,822	4,610	4,822
Total functions/program expenses	631,511	633,025	4,610	4,822	636,121	637,847
Excess (deficiency) of revenues over (under) expenses	(33,391)	(48,512)	1,194	905	(32,197)	(47,607)
Other financial sources (uses)						
Transfers	1,299	1,299	(1,299)	(1,299)	-	-
Total other financial sources (uses)	1,299	1,299	(1,299)	(1,299)	-	-
Change in net position	(32,092)	(47,213)	(105)	(394)	(32,197)	(47,607)
Net position, beginning	425,708	472,921	2,603	2,997	428,311	475,918
Net position, ending	\$ 393,616	\$ 425,708	\$ 2,498	\$ 2,603	\$ 396,114	\$ 428,311

Governmental Activities

The District's governmental activities net position decreased by \$32.1 million from the 2011-12 fiscal year. Key components of this decrease are as follows:

- Property taxes for all governmental activities decreased by \$3.2 million, or 1.5 percent under the previous fiscal year, due to the continued decline in property tax values. During the fiscal year, we began to see a stabilizing of property values, which is evidenced by only a slight decrease in revenues for the current fiscal year as compared to previous fiscal years of larger declines.
- Nonrestricted grants and contributions increased by \$13.8 million. The majority of the increase is due to State FEFP allocations which increased by \$12.4 million. The District directly received a federal grant award for Head Start for the first time, during the fiscal year, which reflects an additional overall increase in federal grants of \$3.4 million. The increases were offset by other decreases of \$2.6 million in grants and contributions attributable to programs for Title I, Race-to-the-Top (RTTT), and Individuals with Disabilities Educational Act (IDEA).
- Expenses remained relatively flat, decreasing by only \$1.5 million from the 2011-12 fiscal year.

Business-Type Activities

The Business-type activity net position totaled \$2.5 million, representing a slight decline of \$0.1 million, or 3.8 percent, as compared to last year's net position of \$2.6 million. The District transferred \$1.3 million in funds to the general fund to offset budget reductions.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District's governmental funds reported a combined fund balance of \$101.9 million, which is a \$16.5 million decrease from last fiscal year's combined governmental fund balances of \$118.4 million. The following schedule indicates the fund balances and the total change in fund balances by major fund and other governmental funds (nonmajor) as reported in the basic financial statements for the fiscal years ended June 30, 2013, and 2012.

<i>Fund Balance</i> <i>(in thousands)</i>	2013	2012	Increase (Decrease)	Percentage Change
General fund	\$ 43,158	\$ 59,850	\$ (16,692)	(27.89)
Debt service fund - other	4,499	4,371	128	2.93
Capital projects funds:				
Section 1011.14/1011.15 loans	6,776	(83)	6,859	(8263.86)
Local capital improvement	25,216	32,717	(7,501)	(22.93)
Other capital projects	5,807	5,832	(25)	(0.43)
Other governmental funds (nonmajor)	16,482	15,750	732	4.65
Total	\$ 101,938	\$ 118,437	\$ (16,499)	(13.93)

General Fund

Fund balance for the general fund decreased by \$16.7 million compared to last fiscal year's decrease of \$19.7 million; which reflects an increase over fiscal year 2011-12 of \$3 million. The overall change in fund balance is attributed to a \$10 million increase in revenues, \$4.7 million increase in expenditures, and a \$2.3 million increase in net transfers out and loss recoveries. The tables and data that follow illustrate the financial activities and changes in fund balance for the general fund.

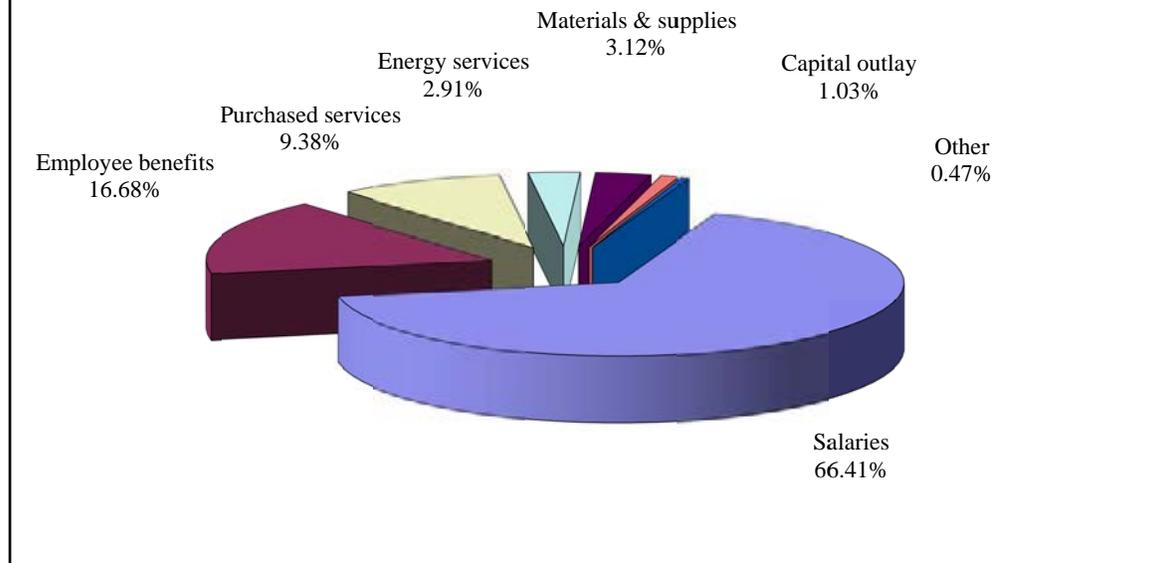
<i>Revenues</i> <i>(in thousands)</i>	2013	2012	Increase (Decrease)	Percentage Change
Taxes	\$ 175,202	\$ 177,927	\$ (2,725)	(1.53)
Interest earnings	190	250	(60)	(24.00)
State revenues	290,566	277,402	13,164	4.75
Federal revenues	2,914	3,405	(491)	(14.42)
Other revenues	6,440	6,326	114	1.80
Total	\$ 475,312	\$ 465,310	\$ 10,002	2.15

General fund property tax revenues decreased by \$2.7 million, or 1.5 percent, and other combined revenues, increased overall by \$12.7 million. FEFP revenue was the largest contributor with a \$12.4 million increase which included revenue adjustments for state allocations, such as: Base Student Allocation, Reading, Virtual Education and Supplemental Academic Instruction, and a Declining Enrollment Allocation.

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

<i>Expenditures by Object</i> <i>(in thousands)</i>	2013	2012	Increase (Decrease)	Percentage Change
Salaries	\$ 322,291	\$ 320,357	\$ 1,934	0.60
Employee benefits	80,977	78,936	2,041	2.59
Purchased services	45,524	44,267	1,257	2.84
Energy services	14,128	15,186	(1,058)	(6.97)
Materials and supplies	15,163	14,869	294	1.98
Capital outlay	5,001	4,306	695	16.14
Other	2,299	2,735	(436)	(15.94)
Total	\$ 485,383	\$ 480,656	\$ 4,727	0.98

Expenditures by Object



The increase in labor and fringe benefits of \$4 million is primarily due to 2012-13 fiscal year employee salary increases and bonuses. Purchased services increased \$1.3 million. Energy costs decreased by \$1.1 million as the District continued to focus on conserving energy costs. Materials and supplies, capital outlay and other expenditures account for the remaining increase of \$0.6 million.

Transfers and other funding sources and uses had a net decrease from the 2012-13 fiscal year of \$2.3 million. Transfers out were increased by \$1.9 million during fiscal year 2012-13 and consisted of transfers to internal services funds for medical and general/automotive liability self-insurance fund stability of \$6.2 million and \$1 million, respectively.

American Recovery and Reinvestment Act (ARRA) Economic Stimulus Funds

Because revenues are recognized to the extent of allowable expenditures, this fund generally does not accumulate fund balance. Revenues and expenditures decreased by \$1.5 million from the 2011-12 fiscal year. The Race-to-the-Top (RTTT) project decreased by \$1.1 million, and Title I and IDEA targeted funds of \$0.4 million expired.

Debt Service Fund - Other

The fund balance of the debt service fund - other increased \$0.1 million, or 2.9 percent.

Section 1011.14/1011.15 Notes Capital Projects Fund

The fund balance of the capital projects - Section 1011.14/1011.15 notes increased by \$6.9 million. This change in fund balance is due to a funding source transfer of \$8.4 million and project expenditures of \$1.5 million. The transfer of \$8.4 million was used to pay the District's outstanding Revenue Anticipation Note (RAN) liability.

Capital Projects - Local Capital Improvement Fund

The fund balance of the capital projects - local capital improvement fund decreased by \$7.5 million, or 22.9 percent. Ad valorem taxes and interest revenues of \$40 million were partially offset by \$3.6 million of project expenditures and \$43.9 million of transfers out. The transfers were made to the debt service funds for principal and interest payments of \$35.5 million and for the RAN payoff of \$8.4 million. Project expenditures decreased from the 2011-12 fiscal year to the 2012-13 fiscal year by \$6 million. Transfers out during the 2012-13 fiscal year were greater than transfers out during the 2011-12 fiscal year by \$8.1 million. During the 2012-13 fiscal year, all outstanding certificates of participation (COP) payments were funded by local capital improvement fund, whereas, during the 2011-12 fiscal year, the District used other capital funds to support debt service. During the 2012-13 fiscal year, the District issued refunding COPs to reduce debt service principal and interest payments by \$8.7 million including \$1.2 million in savings during the current fiscal year.

Capital Projects - Other Capital Projects Fund

The fund balance of the other capital projects fund remained consistent. In the 2012-13 fiscal year, project expenditures of \$2.1 million were offset by \$0.2 million of miscellaneous revenue and \$2 million of transfers in. Funds were transferred in to cover school capital expenditures and other minor remodeling and renovation projects.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

The District amended its revenue budget to reflect a decrease in total revenues during the fiscal year of \$11.3 million. The amendment was required primarily for \$12.9 million in FEFP decrease. The District also amended the budget to address increases of \$1.0 million in ad valorem tax receipts and \$0.3 million in federal Impact Aid and Medicaid.

The District amended its final budget for expenditures to reflect increases in salaries and other employee related costs as well as non-labor costs. Expenditures were originally budgeted at \$490.5 million, and actual expenditures were lower than the original budget by \$5.1 million due to the District's conservative spending and savings initiatives that were implemented during the fiscal year. Other appropriations required changes in functional categories due to spending patterns.

As the District and the State of Florida begin to see a slight upturn in the economy, the District continues to look for opportunities to reduce costs through savings initiatives and conservative spending.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The District has \$861.3 million invested in capital assets net of depreciation, with virtually all of it attributed to governmental activities. This investment in capital assets includes: land; construction in process; software in process; improvements other than buildings; buildings and fixed equipment; furniture, fixtures and equipment; motor vehicles; and audio-visual materials and computer software.

Acquisitions for governmental activities totaled \$5.6 million and depreciation expense was \$39.4 million, with \$2.2 million directly charged to the pupil transportation services function. The majority of the acquisitions were for improvements, vehicles, furniture, and computer equipment replacement throughout the District. Retirements of \$7.9 million in improvements other than buildings; furniture, fixtures and equipment; motor vehicles; and audio-visual materials and computer software were removed in the fiscal year. Detailed information regarding capital asset activity is included in Note 5 to the financial statements.

Long-Term Debt and Other Long-Term Liabilities

At June 30, 2013, the District had \$536.5 million in outstanding certificates of participation and state bonding obligations. Of this amount, \$8.2 million represents State Board of Education bonds issued on behalf of the District, and \$528.3 million represents outstanding certificates of participation. Other significant long-term liabilities include \$14.4 million in self-insurance claims, \$37.9 million in net OPEB obligations, and \$35.6 million of obligations for compensated absences for District employees. The portion of these obligations that are due within one year is \$28.1 million. Detailed information regarding long-term liabilities activity can be found in the Notes 10 through 15, 20, and 22 to the financial statements.

OTHER MATTERS OF SIGNIFICANCE

The millage rate for required local effort (RLE) for the 2013-14 fiscal year is projected to be 5.358, a decrease of .240 mills. The local levy of .748 and the capital outlay millage of 1.500 are projected to remain the same as the prior fiscal year, whereas the Board approved .250 critical needs operating millage comes to an end. General fund revenues are projected to be \$497.9 million and expenditures are expected to be \$499.6 million. In addition, the enterprise fund will transfer \$1.3 million to the general fund in the 2013-14 fiscal year.

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS



The School Board of Brevard County, Florida
Statement of Net Position
June 30, 2013
(amounts expressed in thousands)

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 47,140	\$ 3,032	\$ 50,172	\$ 4,129
Investments	140,524	-	140,524	1,970
Receivables	237	-	237	98
Prepaid items	-	-	-	1,265
Due from other agencies	7,559	15	7,574	441
Inventories	2,649	-	2,649	-
Deferred charges	19,574	-	19,574	635
Deposits	-	-	-	51
Restricted assets:				
Cash and cash equivalents	-	-	-	801
Capital assets:				
Non-depreciable	36,716	-	36,716	3,417
Depreciable (net)	824,499	108	824,607	18,329
Other assets	-	-	-	35
Total assets	1,078,898	3,155	1,082,053	31,171
LIABILITIES				
Accounts, contracts, and retainage payable	7,662	12	7,674	279
Accrued salaries and benefits	28,052	81	28,133	786
Due to other agencies	282	-	282	-
Matured debt payable	14,195	-	14,195	-
Matured interest payable	9,646	-	9,646	21
Unearned revenue	1,035	-	1,035	53
Noncurrent liabilities:				
Due within one year	28,098	36	28,134	198
Due in more than one year	596,312	528	596,840	22,440
Total liabilities	685,282	657	685,939	23,777
NET POSITION				
Net investment in capital assets	344,339	108	344,447	1,709
Restricted for:				
State required carryover programs	2,592	-	2,592	-
Food Service	12,839	-	12,839	-
Debt service	4,711	-	4,711	1,038
Capital projects	37,916	-	37,916	11
Other purposes	-	-	-	2,382
Non-expendable - permanent endowment	-	-	-	397
Unrestricted	(8,781)	2,390	(6,391)	1,857
Total net position	\$ 393,616	\$ 2,498	\$ 396,114	\$ 7,394

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



The School Board of Brevard County, Florida
Statement of Activities
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Primary government:								
Governmental activities:								
Instruction	\$ 338,346	\$ 351	\$ -	\$ -	\$ (337,995)	\$ -	\$ (337,995)	\$ 9,972
Pupil personnel services	23,865	-	-	-	(23,865)	-	(23,865)	1,862
Instructional media services	7,360	-	-	-	(7,360)	-	(7,360)	158
Instruction and curriculum development	20,514	-	-	-	(20,514)	-	(20,514)	111
Instructional staff training services	4,782	-	-	-	(4,782)	-	(4,782)	72
Instruction related technology	8,692	-	-	-	(8,692)	-	(8,692)	121
School board	1,322	-	-	-	(1,322)	-	(1,322)	149
General administration	3,434	-	-	-	(3,434)	-	(3,434)	272
School administration	34,879	-	-	-	(34,879)	-	(34,879)	3,046
Non-capitalizable facilities acquisition & construction	7,165	-	-	442	(6,723)	-	(6,723)	469
Fiscal services	2,301	-	-	-	(2,301)	-	(2,301)	262
Food services	27,504	10,780	19,355	-	2,631	-	2,631	1,002
Central services	5,569	-	-	-	(5,569)	-	(5,569)	14
Pupil transportation services	22,638	493	10,853	-	(11,292)	-	(11,292)	667
Operation of plant	43,233	-	-	-	(43,233)	-	(43,233)	3,524
Maintenance of plant	11,926	-	-	-	(11,926)	-	(11,926)	290
Administrative technology services	3,613	-	-	-	(3,613)	-	(3,613)	1
Community services	1,626	-	-	-	(1,626)	-	(1,626)	179
Interest on long-term debt	25,502	-	-	2,292	(23,210)	-	(23,210)	1,318
Depreciation - unallocated (Note 5)*	37,240	-	-	-	(37,240)	-	(37,240)	-
Total governmental activities	631,511	11,624	30,208	2,734	(586,945)	-	(586,945)	23,489
Business-type activities:								
Extended day program	4,610	5,804	-	-	-	1,194	1,194	-
Total business-type activities	4,610	5,804	-	-	-	1,194	1,194	-
Total primary government	\$ 636,121	\$ 17,428	\$ 30,208	\$ 2,734	(586,945)	1,194	(585,751)	23,489
Component Units	\$ 23,489	\$ 764	\$ 1,677	\$ 429	-	-	-	(20,619)
General revenues:								
Taxes:								
Property taxes, levied for general purposes					175,202	-	175,202	-
Property taxes, levied for capital projects					39,862	-	39,862	-
Grants and contributions not restricted to specific programs					326,991	-	326,991	19,608
Miscellaneous					11,027	-	11,027	344
Unrestricted investment earnings					472	-	472	75
Transfers					1,299	(1,299)	-	-
Total general revenues and transfers					554,853	(1,299)	553,554	20,027
Changes in net position					(32,092)	(105)	(32,197)	(592)
Net position - beginning					425,708	2,603	428,311	8,377
Prior period adjustment					-	-	-	(391)
Net position - beginning as restated					425,708	2,603	428,311	7,986
Net position - ending					\$ 393,616	\$ 2,498	\$ 396,114	\$ 7,394

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

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

The School Board of Brevard County, Florida
Balance Sheet - Governmental Funds
June 30, 2013

(amounts expressed in thousands)

	<u>General</u>	<u>ARRA Economic Stimulus</u>	<u>Debt Service Fund - Other</u>
ASSETS			
Cash and cash equivalents	\$ 5,807	\$ -	\$ 1,015
Investments	64,407	-	27,292
Accounts and interest receivable	120	-	33
Due from other funds	3,814	-	-
Due from other agencies	1,258	78	-
Inventory	834	-	-
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 76,240</u>	<u>\$ 78</u>	<u>\$ 28,340</u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts, contracts and retainage payable	\$ 5,403	\$ 63	\$ -
Accrued salaries and benefits	26,847	9	-
Due to other funds	-	6	-
Due to other agencies	103	-	-
Unearned revenue	729	-	-
Matured bonds and certificates payable	-	-	14,195
Matured interest payable	-	-	9,646
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>33,082</u>	<u>78</u>	<u>23,841</u>
Fund balances:			
Nonspendable	1,428	-	-
Restricted	2,592	-	4,499
Assigned	2,134	-	-
Unassigned	37,004	-	-
	<hr/>	<hr/>	<hr/>
Total fund balances	<u>43,158</u>	<u>-</u>	<u>4,499</u>
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ 76,240</u>	<u>\$ 78</u>	<u>\$ 28,340</u>

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

Capital Projects - Section 1011.14/1011.15 Notes	Capital Projects - Local Capital Improvement	Capital Projects - Other Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 15,089	\$ 2,305	\$ 11,590	\$ 35,806
6,827	10,026	4,191	3,459	116,202
-	3	-	3	159
-	-	-	-	3,814
-	253	57	5,910	7,556
-	-	-	1,815	2,649
\$ 6,827	\$ 25,371	\$ 6,553	\$ 22,777	\$ 166,186
\$ 51	\$ 155	\$ 746	\$ 826	\$ 7,244
-	-	-	1,196	28,052
-	-	-	3,808	3,814
-	-	-	159	262
-	-	-	306	1,035
-	-	-	-	14,195
-	-	-	-	9,646
51	155	746	6,295	64,248
-	199	-	1,815	3,442
6,776	25,017	3,413	14,667	56,964
-	-	2,394	-	4,528
-	-	-	-	37,004
6,776	25,216	5,807	16,482	101,938
\$ 6,827	\$ 25,371	\$ 6,553	\$ 22,777	\$ 166,186



The School Board of Brevard County, Florida
 Reconciliation of the Governmental Funds
 Balance Sheet to the Statement of Net Position
 June 30, 2013

(amounts expressed in thousands)

Total Fund Balances - Governmental Funds \$ 101,938

Amounts reported for *governmental activities* are different because:

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

Total capital assets not being depreciated	36,716	
Total capital assets being depreciated	1,622,193	
Total accumulated depreciation	<u>(797,694)</u>	
Total capital assets, net		861,215

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

19,574

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities.

20,866

Unamortized premiums are reported as other financing sources in governmental funds in the year of issuance, but are amortized over the life of the debt on the statement of activities. The unamortized portion is included in governmental activities on the statement of net position.

(28,626)

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	(7,740)	
Certificates of Participation	(500,093)	
Compensated Absences	(35,555)	
OPEB obligation	(37,925)	
Pollution Remediation Liability	<u>(38)</u>	
Total long-term liabilities		<u>(581,351)</u>

Total Net Position - Governmental Activities \$ 393,616

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

The School Board of Brevard County, Florida
Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
For the Fiscal Year ended June 30, 2013
(amounts expressed in thousands)

	<u>General</u>	<u>ARRA Economic Stimulus</u>	<u>Debt Service Fund - Other</u>
Revenues:			
Local sources:			
Ad valorem taxes	\$ 175,202	\$ -	\$ -
Food service sales	-	-	-
Investment income	190	-	122
Net increase (decrease) in fair value of investments	-	-	-
Other	6,440	-	239
Total local sources	<u>181,832</u>	<u>-</u>	<u>361</u>
State sources:			
Florida education finance program	198,781	-	-
Workforce development	3,255	-	-
Categorical programs	88,530	-	-
Food services	-	-	-
Other	-	-	-
Total state sources	<u>290,566</u>	<u>-</u>	<u>-</u>
Federal sources:			
Federal direct	695	36	-
Other federal grants	2,219	1,228	-
Food services	-	-	-
Total federal sources	<u>2,914</u>	<u>1,264</u>	<u>-</u>
Total revenues	<u>475,312</u>	<u>1,264</u>	<u>361</u>

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

Capital Projects - Section 1011.14/1011.15 Notes	Capital Projects - Local Capital Improvement	Capital Projects - Other Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 39,862	\$ -	\$ -	\$ 215,064
-	-	-	10,780	10,780
-	97	-	-	409
-	-	-	(21)	(21)
-	38	18	188	6,923
-	39,997	18	10,947	233,155
-	-	-	-	198,781
-	-	-	-	3,255
-	-	-	-	88,530
-	-	-	357	357
-	-	213	2,761	2,974
-	-	213	3,118	293,897
-	-	-	4,815	5,546
-	-	-	37,254	40,701
-	-	-	18,999	18,999
-	-	-	61,068	65,246
-	39,997	231	75,133	592,298

Continued on next page.

The School Board of Brevard County, Florida
Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
For the Fiscal Year ended June 30, 2013
(amounts expressed in thousands)

	<u>General</u>	<u>ARRA Economic Stimulus</u>	<u>Debt Service Fund - Other</u>
Expenditures:			
Current operating:			
Instructional services	\$ 314,140	\$ 12	\$ -
Pupil personnel services	17,555	-	-
Instructional media services	7,245	-	-
Instructional and curriculum development services	11,265	117	-
Instructional staff training services	1,471	340	-
Instruction related technology	7,794	405	-
School board	1,318	-	-
General administration	1,915	-	-
School administration	34,282	-	-
Facilities acquisition and construction	689	36	-
Fiscal services	2,247	-	-
Food services	360	-	-
Central services	5,372	113	-
Pupil transportation services	19,736	211	-
Operation of plant	42,836	-	-
Maintenance of plant	11,627	-	-
Administrative technology services	3,511	2	-
Community services	303	-	-
Capital outlay:			
Facilities	602	-	-
Other capital outlay	1,115	28	-
Debt service:			
Principal	-	-	14,195
Interest and fiscal charges	-	-	22,400
Total expenditures	<u>485,383</u>	<u>1,264</u>	<u>36,595</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,071)</u>	<u>-</u>	<u>(36,234)</u>
Other financing sources (uses):			
Transfers in	1,299	-	35,726
Transfers out	(7,942)	-	-
Payments to refunding COP escrow agent	-	-	(155,270)
Refunding COPs issued	-	-	142,220
Premium on refunding	-	-	13,686
Sale of capital assets	-	-	-
Loss recoveries	22	-	-
Total other financing sources (uses)	<u>(6,621)</u>	<u>-</u>	<u>36,362</u>
Net change in fund balances	(16,692)	-	128
Fund balances (deficits), beginning of year	59,850	-	4,371
Fund balances (deficits), end of year	<u>\$ 43,158</u>	<u>\$ -</u>	<u>\$ 4,499</u>

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

Capital Projects - Section 1011.14/1011.15 Notes	Capital Projects - Local Capital Improvement	Capital Projects - Other Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 19,948	\$ 334,100
-	-	-	6,002	23,557
-	-	-	7	7,252
-	-	-	8,836	20,218
-	-	-	2,919	4,730
-	-	-	392	8,591
-	-	-	-	1,318
-	-	-	1,494	3,409
-	-	-	53	34,335
1,168	2,742	1,697	921	7,253
-	-	-	12	2,259
-	-	-	26,978	27,338
-	-	-	1	5,486
-	-	-	276	20,223
-	-	-	88	42,924
-	-	-	6	11,633
-	-	-	55	3,568
-	-	-	1,299	1,602
-	786	392	70	1,850
277	53	-	1,519	2,992
-	-	-	1,875	16,070
63	-	-	465	22,928
<u>1,508</u>	<u>3,581</u>	<u>2,089</u>	<u>73,216</u>	<u>603,636</u>
<u>(1,508)</u>	<u>36,416</u>	<u>(1,858)</u>	<u>1,917</u>	<u>(11,338)</u>
8,367	10	1,926	-	47,328
-	(43,927)	(175)	(1,185)	(53,229)
-	-	-	-	(155,270)
-	-	-	-	142,220
-	-	-	-	13,686
-	-	82	-	82
-	-	-	-	22
<u>8,367</u>	<u>(43,917)</u>	<u>1,833</u>	<u>(1,185)</u>	<u>(5,161)</u>
6,859	(7,501)	(25)	732	(16,499)
(83)	32,717	5,832	15,750	118,437
<u>\$ 6,776</u>	<u>\$ 25,216</u>	<u>\$ 5,807</u>	<u>\$ 16,482</u>	<u>\$ 101,938</u>



The School Board of Brevard County, Florida
 Reconciliation of the Statement of Revenues, Expenditures and
 Changes in Fund Balances of Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended June 30, 2013
 (amounts expressed in thousands)

Net Change in Fund Balances - Total Governmental Funds \$ (16,499)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital outlays and donations in excess of depreciation expense and undepreciated cost on sale of capital assets in the current period.

Capital outlay - donated property	260	
Capital Outlay - Internal funds/other	507	
Capital outlay - facilities, acquisition and construction	1,850	
Capital outlay - other	2,992	
Undepreciated cost of assets sold	(189)	
Less, depreciation expense	<u>(39,437)</u>	(34,017)

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

Deferred charges:		
Current year	19,574	
Prior year	<u>(6,356)</u>	
Net increase in expenditures from deferred charges		13,218
Unamortized Premiums		
Current year	(28,626)	
Prior year	<u>19,723</u>	
Net decrease in sources from unamortized premiums		(8,903)

Long term liabilities are not due and payable in the current period; therefore, they are not reported in the governmental funds. Long term liabilities at the end of the fiscal year are:

Payment of principal - COPs	14,195	
Refunding COPs issued	(142,220)	
COPs refunded	140,070	
Payment of principal - Bonds	<u>1,875</u>	13,920

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 used in excess of the amount earned in the current year. 2,114

In the statement of activities, the cost of other postemployment benefits is a measurement of the amortized unfunded actuarial accrued liability based on accrual basis of accounting, while in the governmental funds expenditures are recognized only when amounts are actually paid for other postemployment benefits. This is the net amount of other postemployment benefits expensed in excess of the amount paid in the current year. (7,618)

Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The change in net position of internal service funds is reported with governmental activities. 5,704

The cost of pollution remediation is recognized as an expenditure in the governmental funds when due but is recognized as the liability is estimatable in the statement of activities. (11)

Change in Net Position of Governmental Activities \$ (32,092)

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

The School Board of Brevard County, Florida
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Local sources:				
Ad valorem taxes	\$ 174,153	\$ 175,202	\$ 175,202	\$ -
Investment income	279	190	190	-
Other	5,142	6,341	6,440	99
Total local sources	<u>179,574</u>	<u>181,733</u>	<u>181,832</u>	<u>99</u>
State sources:				
Florida education finance program	211,707	198,781	198,781	-
Categorical programs	88,637	88,530	88,530	-
Workforce development	3,255	3,255	3,255	-
Other	801	-	-	-
Total state sources	<u>304,400</u>	<u>290,566</u>	<u>290,566</u>	<u>-</u>
Federal sources:				
Federal direct	885	695	695	-
Other	1,699	2,219	2,219	-
Total federal sources	<u>2,584</u>	<u>2,914</u>	<u>2,914</u>	<u>-</u>
Total revenues	<u>486,558</u>	<u>475,213</u>	<u>475,312</u>	<u>99</u>
Expenditures				
Current operating:				
Instructional services:				
Salaries	231,397	222,606	221,360	1,246
Employee benefits	57,595	53,645	53,293	352
Purchased services	25,060	27,924	26,475	1,449
Energy services	4	5	-	5
Materials and supplies	9,926	15,126	9,825	5,301
Capital outlay	319	1,851	1,419	432
Other expenditures	935	2,310	1,768	542
Total instructional services	<u>325,236</u>	<u>323,467</u>	<u>314,140</u>	<u>9,327</u>
Pupil personnel services:				
Salaries	11,156	11,862	11,557	305
Employee benefits	2,524	2,633	2,555	78
Purchased services	2,824	2,953	3,301	(348)
Materials and supplies	107	573	117	456
Capital outlay	1	35	24	11
Other expenditures	37	38	1	37
Total pupil personnel services	<u>16,649</u>	<u>18,094</u>	<u>17,555</u>	<u>539</u>
Instructional media services:				
Salaries	5,285	5,391	5,447	(56)
Employee benefits	1,419	1,332	1,336	(4)
Purchased services	4	68	41	27
Materials and supplies	63	106	66	40
Capital outlay	360	393	353	40
Other expenditures	-	3	2	1
Total instructional media services	<u>7,131</u>	<u>7,293</u>	<u>7,245</u>	<u>48</u>
Instruction and curriculum development services:				
Salaries	8,328	9,398	9,004	394
Employee benefits	1,854	1,911	1,894	17
Purchased services	77	108	102	6
Materials and supplies	49	241	41	200
Capital outlay	7	226	216	10
Other expenditures	4	7	8	(1)
Total instruction and curriculum development	<u>10,319</u>	<u>11,891</u>	<u>11,265</u>	<u>626</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Instructional staff training services:				
Salaries	1,058	1,300	836	464
Employee benefits	170	146	129	17
Purchased services	177	248	159	89
Materials and supplies	44	463	99	364
Capital outlay	3	166	145	21
Other expenditures	-	155	103	52
Total instructional staff training services	1,452	2,478	1,471	1,007
Instruction related technology:				
Salaries	5,060	5,221	5,170	51
Employee benefits	1,202	1,218	1,213	5
Purchased services	1,033	1,308	1,402	(94)
Materials and supplies	1	66	-	66
Capital outlay	-	106	9	97
Total instruction related technology	7,296	7,919	7,794	125
School board:				
Salaries	222	224	226	(2)
Employee benefits	343	514	515	(1)
Purchased services	480	643	576	67
Other expenditures	1	1	1	-
Total School Board	1,046	1,382	1,318	64
General administration:				
Salaries	1,161	1,214	1,236	(22)
Employee benefits	249	250	273	(23)
Purchased services	407	411	320	91
Materials and supplies	25	26	12	14
Capital outlay	5	13	12	1
Other expenditures	26	64	62	2
Total general administration	1,873	1,978	1,915	63
School administration:				
Salaries	26,679	27,249	27,409	(160)
Employee benefits	6,486	6,404	6,424	(20)
Purchased services	165	332	197	135
Materials and supplies	95	853	102	751
Capital outlay	11	141	132	9
Other expenditures	26	95	18	77
Total school administration	33,462	35,074	34,282	792
Facilities acquisition and construction:				
Salaries	426	458	457	1
Employee benefits	85	86	92	(6)
Purchased services	29	102	11	91
Materials and supplies	6	11	15	(4)
Capital outlay	2	41	112	(71)
Other expenditures	2	2	2	-
Total facilities acquisition and construction	550	700	689	11
Fiscal services:				
Salaries	1,641	1,676	1,604	72
Employee benefits	400	388	384	4
Purchased services	225	221	175	46
Materials and supplies	85	1,072	6	1,066
Capital outlay	2	11	10	1
Other expenditures	87	162	68	94
Total fiscal services	2,440	3,530	2,247	1,283

Continued on next page.

The School Board of Brevard County, Florida
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Food services:				
Salaries	317	335	335	-
Employee benefits	61	25	25	-
Total food services	<u>378</u>	<u>360</u>	<u>360</u>	<u>-</u>
Central services:				
Salaries	3,600	3,883	3,775	108
Employee benefits	983	1,007	999	8
Purchased services	131	244	67	177
Materials and supplies	488	432	276	156
Capital outlay	22	71	42	29
Other expenditures	348	492	213	279
Total central services	<u>5,572</u>	<u>6,129</u>	<u>5,372</u>	<u>757</u>
Pupil transportation services:				
Salaries	11,472	11,048	10,734	314
Employee benefits	4,504	4,119	4,057	62
Purchased services	919	949	918	31
Energy services	2,998	3,263	2,834	429
Materials and supplies	802	1,170	1,062	108
Capital outlay	32	125	125	-
Other expenditures	7	6	6	-
Total pupil transportation services	<u>20,734</u>	<u>20,680</u>	<u>19,736</u>	<u>944</u>
Operation of plant:				
Salaries	15,631	15,566	15,549	17
Employee benefits	5,878	5,683	5,712	(29)
Purchased services	10,242	10,535	9,580	955
Energy services	12,685	13,824	10,678	3,146
Materials and supplies	1,216	1,278	1,207	71
Capital outlay	10	116	107	9
Other expenditures	4	3	3	-
Total operation of plant	<u>45,666</u>	<u>47,005</u>	<u>42,836</u>	<u>4,169</u>
Maintenance of plant:				
Salaries	1,393	5,225	5,280	(55)
Employee benefits	561	1,617	1,580	37
Purchased services	1,502	1,999	1,672	327
Energy services	1,013	702	616	86
Materials and supplies	1,438	2,437	2,314	123
Capital outlay	95	180	152	28
Other expenditures	2	13	13	-
Total maintenance of plant	<u>6,004</u>	<u>12,173</u>	<u>11,627</u>	<u>546</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Administrative technology services:				
Salaries	2,282	2,271	2,157	114
Employee benefits	520	483	478	5
Purchased services	576	560	426	134
Materials and supplies	47	30	21	9
Capital outlay	192	533	426	107
Other expenditures	2	7	3	4
Total administrative technology services	<u>3,619</u>	<u>3,884</u>	<u>3,511</u>	<u>373</u>
Community services:				
Salaries	39	180	155	25
Employee benefits	7	23	18	5
Purchased services	50	136	102	34
Materials and supplies	-	2	-	2
Capital outlay	-	2	-	2
Other expenditures	-	72	28	44
Total community services	<u>96</u>	<u>415</u>	<u>303</u>	<u>112</u>
Total current operating	<u>489,523</u>	<u>504,452</u>	<u>483,666</u>	<u>20,786</u>
Capital outlay:				
Facilities	54	134	602	(468)
Other capital outlay	928	2,495	1,115	1,380
Total capital outlay	<u>982</u>	<u>2,629</u>	<u>1,717</u>	<u>912</u>
Debt service:				
Interest and fiscal charges	-	2	-	2
Total debt service	<u>-</u>	<u>2</u>	<u>-</u>	<u>2</u>
Total expenditures	<u>490,505</u>	<u>507,083</u>	<u>485,383</u>	<u>21,700</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,947)</u>	<u>(31,870)</u>	<u>(10,071)</u>	<u>21,799</u>
Other financing sources (uses):				
Transfers in(out)	(2,701)	(6,643)	(6,643)	-
Loss recoveries	-	22	22	-
Total other financing sources (uses)	<u>(2,701)</u>	<u>(6,621)</u>	<u>(6,621)</u>	<u>-</u>
Net change in fund balance	(6,648)	(38,491)	(16,692)	21,799
Fund balance, beginning of year	59,850	59,850	59,850	-
Fund balance, end of year	<u>\$ 53,202</u>	<u>\$ 21,359</u>	<u>\$ 43,158</u>	<u>\$ 21,799</u>

The School Board of Brevard County, Florida
American Recovery and Reinvestment Act Economic Stimulus Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Federal sources:				
Federal direct	\$ -	\$ 36	\$ 36	\$ -
Other federal grants	2,553	1,228	1,228	-
Total revenues	2,553	1,264	1,264	-
Expenditures:				
Instructional services:				
Purchased services	-	8	8	-
Materials and supplies	5	3	3	-
Other expenditures	-	1	1	-
Total instructional services	5	12	12	-
Instruction and curriculum development services:				
Salaries	107	73	73	-
Employee benefits	19	16	16	-
Purchased services	43	28	28	-
Materials and supplies	1	-	-	-
Capital outlay	1	-	-	-
Total instruction and curriculum development services:	171	117	117	-
Instructional staff training services:				
Salaries	417	221	221	-
Employee benefits	72	25	25	-
Purchased services	5	73	73	-
Materials and supplies	31	8	8	-
Capital outlay	1	-	-	-
Other expenditures	-	13	13	-
Total instructional staff training services	526	340	340	-

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Expenditures (continued):				
Instructional related technology:				
Purchased services	5	-	-	-
Capital outlay	434	405	405	-
Total instructional related technology	439	405	405	-
Facilities acquisition and construction:				
Capital outlay	-	36	36	-
Total facilities acquisition and construction	-	36	36	-
Central services:				
Salaries	111	91	91	-
Employee benefits	26	21	21	-
Purchased services	10	1	1	-
Total central services	147	113	113	-
Pupil transportation services:				
Salaries	-	148	148	-
Employee benefits	-	63	63	-
Total pupil transportation services	-	211	211	-
Operation of plant:				
Purchased services	262	-	-	-
Total operation of plant	262	-	-	-
Administrative technology services:				
Capital outlay	-	2	2	-
Total administrative technology services	-	2	2	-
Capital outlay:				
Other capital outlay	1,003	28	28	-
Total capital outlay	1,003	28	28	-
Total expenditures	2,553	1,264	1,264	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balances, beginning of year			-	
Fund balances, end of year			\$ -	

The School Board of Brevard County, Florida
Statement of Net Position
Proprietary Funds
June 30, 2013
(amounts expressed in thousands)

	Business-type Activities	Governmental Activities
	Enterprise Funds	Internal Service Funds
	Extended Day Program	Self Insurance
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,032	\$ 11,334
Investments	-	24,322
Due from other agencies	15	3
Other receivables	-	78
Total current assets	3,047	35,737
Noncurrent assets:		
Furniture, fixtures and equipment, net	13	-
Non-building improvements, net	77	-
Motor vehicles, net	4	-
Building & fixed equipment, net	14	-
Total noncurrent assets	108	-
Total assets	3,155	35,737
LIABILITIES		
Current liabilities:		
Salaries and wages payable	81	-
Accounts payable	12	418
Due to other agencies	-	20
Compensated absences payable	36	-
Total current liabilities	129	438
Long-term liabilities:		
Portion due within one year:		
Estimated insurance claims payable	-	7,558
Portion due after one year:		
Compensated absences payable	117	-
Net OPEB obligation	411	-
Estimated insurance claims payable	-	6,875
Total long-term liabilities	528	14,433
Total liabilities	657	14,871
NET POSITION		
Investment in capital assets	108	-
Unrestricted	2,390	20,866
Total net position	\$ 2,498	\$ 20,866

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

The School Board of Brevard County, Florida
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Business-type Activities <u>Enterprise Funds</u> Extended Day Program	Governmental Activities <u>Internal Service Funds</u> Self Insurance
OPERATING REVENUES		
Charges for services	\$ 5,804	\$ -
Premium revenues	-	65,119
Other operating revenue	-	434
	<u>5,804</u>	<u>65,553</u>
OPERATING EXPENSES		
Salaries	3,084	671
Employee benefits	797	173
Purchased services	279	275
Energy services	1	-
Material and supplies	280	6
Capital outlay	122	4
Claims expense	-	66,004
Depreciation	20	-
Other expenses	27	-
	<u>4,610</u>	<u>67,133</u>
Total operating expenses		
	<u>1,194</u>	<u>(1,580)</u>
Operating income (loss)		
NON-OPERATING REVENUES		
Investment earnings	-	84
	<u>-</u>	<u>84</u>
Total non-operating revenues		
	<u>1,194</u>	<u>(1,496)</u>
Income (loss) before transfers		
Transfers in	-	7,200
Transfers out	(1,299)	-
	<u>(105)</u>	<u>5,704</u>
Change in net position		
Total net position, beginning	2,603	15,162
Total net position, ending	<u>\$ 2,498</u>	<u>\$ 20,866</u>

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

The School Board of Brevard County, Florida
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Business-type Activities	Governmental Activities
	Enterprise Funds	Internal Service Funds
	Extended Day Program	Self Insurance
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from services	\$ 5,792	\$ -
Cash received from premiums	-	65,097
Cash payments to suppliers for goods and services	(601)	-
Cash payments for insurance claims	-	(66,786)
Cash payments to employees	(3,736)	(844)
Other payments	(122)	(2,072)
Other receipts	-	2,321
Net cash provided by (used in) operating activities	1,333	(2,284)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfer from other funds	-	7,200
Transfers to other funds	(1,299)	-
Net cash provided by (used in) noncapital financing sources	(1,299)	7,200
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(5)	-
Net cash (used in) capital and related financing activities	(5)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	-	84
Proceeds from sales and maturities of investments	-	13,469
Purchase of investments	-	(15,080)
Net cash (used in) investing activities	-	(1,527)
Net change in cash and cash equivalents	29	3,389
Cash and cash equivalents, beginning	3,003	7,945
Cash and cash equivalents, ending	\$ 3,032	\$ 11,334
Reconciliation of operating income to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ 1,194	\$ (1,580)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:		
Depreciation	20	-
Changes in assets and liabilities:		
(Increase) decrease in other receivable	2	(25)
Decrease in due from other funds	-	1,775
(Increase) in due from other agencies	(14)	(3)
Increase in salaries and wages payable	65	-
Increase (decrease) in accounts payable	(14)	93
(Decrease) in due to other funds	-	(1,775)
Increase in due to other agencies	-	13
Increase in OPEB obligation	73	-
Increase in compensated absences payable	7	-
(Decrease) in estimated liabilities for self-insurance programs	-	(782)
Total adjustments	139	(704)
Net cash provided by (used in) operating activities	\$ 1,333	\$ (2,284)

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

The School Board of Brevard County, Florida
 Statement of Fiduciary Assets and Liabilities
 Agency Funds
 June 30, 2013
 (amounts expressed in thousands)

	School Internal Funds
ASSETS	
Cash and cash equivalents	\$ 6,155
Total assets	\$ 6,155
LIABILITIES	
Internal accounts payable	\$ 6,155
Total liabilities	\$ 6,155

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



THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2013

1. Summary of Significant Accounting Policies

➤ Reporting Entity

The Brevard County District School Board (Board) has direct responsibility for the operation, control, and supervision of District schools and is considered a primary government for financial reporting. The Brevard County School District (District) is considered part of the Florida system of public education under the general direction of the State Board of Education. The governing body of the District is the Board, which is composed of five elected members. The appointed Superintendent of Schools is the executive officer of the District. The general operating authority of the Board and the Superintendent is contained in Chapters 1000 through 1013 and 238, Florida Statutes. Geographic boundaries of the District correspond with those of Brevard County.

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

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

Blended Component Unit - The Brevard County School Board Leasing Corporation ("the Leasing Corporation") was formed to facilitate partial refunding of the Series 1992A Certificates of Participation and the financing of the acquisition of facilities and equipment as further discussed in Note 10. Due to the substantive economic relationship between the District and the Leasing Corporation, the financial activities of the Leasing Corporation are included in the accompanying basic financial statements. Separate financial statements for the Leasing Corporation are not published.

Discretely Presented Component Units - The component unit columns in the basic financial statements include the financial data of the Brevard Schools Foundation, Inc. (Foundation) and the District's charter schools for the fiscal year ending June 30, 2013. Under Florida Statutes, both the Foundation and the charter schools are reported in separate columns to emphasize that each is a separate legal entity from the District School Board.

The Foundation is a separate not-for-profit corporation organized and operated as a direct-support organization under Section 1001.453, Florida Statutes. Its purpose is to receive, hold, invest, and administer property and to make expenditures to or for the benefit of students in public kindergarten through twelfth grade at Brevard Public Schools. The Foundation is considered a component unit of the District due to the resources being significant enough that exclusion would be misleading.

The charter schools are separate not-for-profit corporations organized and operated as charter schools under Section 1002.33, Florida Statutes, to enhance the education of Brevard County students attending these schools. Charter schools are considered as separate component units operating under a charter approved by the Brevard School Board as sponsor. The charter schools are considered to be component units of the District, as they do not meet all criteria, as required by governmental accounting standards, to report as an independent reporting unit. Charter schools cannot levy taxes, and they are dependent on

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2013

the School Board to levy taxes as a major source of revenue. There is a potential for charter schools to provide specific financial benefits or impose specific financial burdens on the District.

The financial data reported on the accompanying statements was derived from the Foundation's and charter schools' audited financial statements for the fiscal year ended June 30, 2013. The audit reports are filed in the District's administrative offices.

During the fiscal year ending June 30, 2013, there were seven charter schools under the sponsorship of the School Board of Brevard County which are reported as component units of the District. The schools are listed below:

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

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

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

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

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

The District eliminates, from the statement of net position and the statement of activities, most interfund receivables and payables and transfers between funds, as well as the transactions associated with internal service funds, to minimize the effect of duplication.

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

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2013

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

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

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

The District reports the following major governmental funds:

- General Fund – to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes. The general fund is the primary operating fund of the District.
- Special Revenue – ARRA Economic Stimulus Fund – to account for financial resources funded by the American Recovery and Reinvestment Act (ARRA). The act provided federal funds to stimulate the nation's economy and provide targeted funds to be used for educational purposes.
- Debt Service Fund – Other – to account for the accumulation of resources for, and the payment of, principal, interest, and related costs for the District's certificates of participation.
- Capital Projects – Section 1011.14/1011.15 Notes Fund – to account for the financial resources generated by the District's revenue anticipation notes, the proceeds of which are used for roofing repairs and heating and air conditioning improvements at District schools.
- Capital Projects – Local Capital Improvement Fund – to account for the financial resources generated by the local capital improvement tax levy to be used for educational capital outlay needs, including new construction, debt service payments for certificates of participation, equipment purchases, costs of leasing portable educational facilities, maintenance of existing District schools, and renovation and remodeling projects.
- Capital Projects – Other Capital Projects Fund – to account for the financial resources generated by miscellaneous capital outlay funding sources, such as certificates of participation, impact fees, fuel tax receipts, classrooms for kids, and other miscellaneous local sources.

The District reports the following nonmajor governmental funds:

- Special Revenue – Food Services Fund – to account for the financial resources of the school food services program.
- Special Revenue – Contracted Programs Fund – to account for programs funded by federal and state sources that are segregated due to legal or regulatory restrictions.
- Debt Service – SBE/COBI Bonds Fund – to account for payment of debt service for state school bonds issued by the State Board of Education on behalf of the District.

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2013

- Capital Projects – SBE/COBI Bonds Fund – to account for capital project activity for state school bonds issued by the State Board of Education on behalf of the District.
- Capital Projects – Capital Outlay and Debt Service Fund – to account for capital projects financed through the District’s allocation of the state Capital Outlay and Debt Service program.

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

- Internal Service Funds – to account for the District's individual self-insurance programs, including medical, worker’s compensation and general liability.
- Enterprise Fund – Extended Day Program – to account for business-type activities for extended day care services which are provided by all of the District’s elementary schools. This fund is intended to be self-supporting through customer charges.
- Agency Fund – to account for resources of the school internal funds collected at district schools in connection with school, student athletic, class, and club activities. Agency funds are custodial in nature (assets equal liabilities) and do not include the measurement of the results of operations.

➤ **Basis of Accounting**

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

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

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

Proprietary funds account for activities which finance and operate similar to the private sector. The measurement focus is based on the determination of net income and distinguishes operating from non-operating revenues and expenses. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds’ principal ongoing operations. The principal operating revenues of the District’s internal service funds are charges for employee health insurance premiums. Operating expenses include insurance claims, excess coverage

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2013

premiums, and selected personnel costs. The principal operating revenues of the District's enterprise fund are charges for extended daycare services. Operating expenses include costs associated with providing daycare services, including salaries, employee benefits, and supplies. Revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Charter schools are governmental organizations reported as discretely presented component units, and follow the same accounting model as the District's governmental activities.

The Foundation, shown as a discretely presented component unit, is accounted for as a not-for-profit corporation, organized exclusively for educational and charitable purposes as described in Section 501(c)(3) of the Internal Revenue Code and follows the standards issued by the Financial Accounting Standards Board. The Foundation follows the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred.

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

➤ **New Pronouncements**

The GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34 (GASB 61)* effective for reporting periods after June 15, 2012. The statement modifies certain requirements for inclusion of component units as part of the financial reporting entity. The District has implemented GASB 61 in fiscal year 2012-13.

The GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position (GASB 63)* effective for periods beginning after December 15, 2011. The objective of this statement is to provide 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 implemented GASB No. 63 in fiscal year 2012-13.

The GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities (GASB 65)* effective for fiscal years beginning after December 15, 2012. GASB Statement 65 establishes standards to either classify or recognize certain items that were previously reported as assets and liabilities to deferred outflows of resources (expenses or expenditures) or deferred inflows of resources (revenues). The District has not yet implemented GASB No. 65.

The GASB issued Statement No. 66, *Technical Corrections-2012, an amendment of GASB Statements No. 10 and No. 62 (GASB 66)* effective for fiscal years beginning after December 15, 2012. The objective of this pronouncement is to improve accounting and reporting for governmental entities by resolving conflicting guidance from the issuance of two pronouncements: Statement No. 54, entitled *Fund Balance Reporting and Governmental Fund Type Definitions*, and Statement No. 62, entitled *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The District has not yet implemented GASB No. 66.

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2013

The GASB issued Statement No. 67, *Financial Reporting for Pension Plans* (GASB 67) effective for fiscal years beginning after June 15, 2013. The objective of this pronouncement is to improve financial reporting by state and local governmental pension plans. This statement replaces requirements of Statement No. 25, entitled *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and Statement No. 50, entitled *Pension Disclosures*. The District has not yet implemented GASB No. 67.

The GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68), effective for fiscal years beginning after June 15, 2014. The statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and the requirements of Statement No. 50, *Pension Disclosures*. Statement No. 68 along with Statement No. 67 establish a definition of a pension plan that reflects the primary activities associated with the pension arrangement and determining pensions, accumulating and managing assets dedicated for pensions and paying benefits to plan members as they come due. The District has not yet implemented GASB No. 68.

➤ **Use of Estimates**

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

➤ **Deposits and Investments**

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

Investments include U.S. Government securities, collateralized repurchase agreements, money market mutual funds, and commercial paper, which are carried at fair value based on quoted market prices. All money market mutual funds are AAA rated by the various rating agencies. Rule 2a-7 of the Investment Company Act of 1940 comprises the rules governing money market funds, and includes the Florida Education Investment Trust Fund (FEITF) authorized in Section 163.01, Florida Statutes. The District relies on policies developed by the FEITF's Board of Trustees for managing interest and credit risk. Investments held at year-end are disclosed in Note 3.

➤ **Receivables and Payables**

The District reports lending and borrowing arrangements that are outstanding as of June 30 of each fiscal year as "Due to/Due from other funds". Residual balances outstanding between the governmental and business-type activities are reported in the government-wide statements. A summary of interfund payables and receivables is shown in Note 16.

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➤ **Inventories**

Inventories consist of expendable supplies and commodities held for consumption in the course of District operations. The purchased food inventories are stated at cost, determined on the last invoice price, which approximates the first-in, first-out basis. Central warehouse and transportation inventories are stated at weighted-average cost. The United States Department of Agriculture non-processed surplus commodities in the District’s warehouse are stated at fair value at the time of donation to the District’s food service program by the Florida Department of Agriculture and Consumer Services, Bureau of Food Distribution, while processed commodities are valued at fair market value plus processing costs. The costs of inventories are recorded as expenditures when used rather than when purchased.

➤ **Capital Assets and Depreciation**

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

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

All reported capital assets, with the exception of land, construction in progress, and software in process are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives.

<u>Description</u>	<u>Estimated Useful Life</u>
Land	Not depreciated
Construction in progress	Not depreciated
Software in process	Not depreciated
Improvements	15 Years
Buildings and fixed equipment	50 Years
Furniture, fixtures and equipment	3-10 Years
Motor vehicles	5-10 Years
AV materials and computer software	3-5 Years

➤ **Long-Term Liabilities**

Long-term obligations that will be financed from resources to be received in the future by governmental funds are reported as liabilities in the government-wide statement of net position. Bond premiums, discounts, and issuance costs, are deferred and amortized over the life of the related debt. In the governmental fund financial statements, bonds and other long-term obligations are not recognized as liabilities until due and payable. Governmental fund types recognize debt premiums and discounts, and debt issuance costs, during the current period. The face amount of debt issued and premiums on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other

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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, pollution remediation and other liabilities are accrued to the extent it is probable payment will occur. Pollution remediation is recognized based on estimates. Vacation benefits are accrued as a liability as the benefits are earned if the employee's right to receive compensation is attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or by some other means. Sick leave benefits are accrued as a liability using the vesting method. The sick leave liability is based on a calculation at June 30, 2013 for the amount of accumulated sick leave of the current employee population. Accumulated amounts are expected to be paid out at termination of each employee. The criteria for determining the vacation and sick leave liability is derived from Board policy, negotiated agreements, and state laws; the liability for compensated absences is reported on the government-wide financial statements. For governmental fund financial statements, the amount of accumulated vacation and sick leave of employees has been recorded as a current liability to the extent that the amounts are due and payable. The liability at year-end includes salary-related payments such as social security and medicare. Changes in long-term liabilities for the current year are reported in Note 13.

➤ **Governmental Funds-Fund Balance**

The District has adopted the Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the use of those resources. The District does not have a written policy regarding the commitment of fund balances and, as such, does not report any committed fund balances. Assigned fund balances are funds set aside by the District for school operations and capital projects, which are not restricted for a particular purpose but are assigned to each general category. Detailed information regarding fund balance reporting is provided in Note 24.

➤ **State Revenue Sources**

Revenues from state sources for current operations are primarily derived 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 the original reporting for a period of five months following the date first reported. 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 revenues earmarked for certain programs can only be expended 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 those educational programs. The Department generally requires that these educational program revenues be accounted for in the general fund. A portion of the fund balance of the general fund is restricted in the governmental fund financial statements for the

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unencumbered balance of categorical and earmarked educational program resources. A schedule of revenue from State sources for the current year is presented in Note 17.

➤ **Federal Revenue Sources**

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

➤ **District Property Taxes**

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

The School Board adopted the 2012 tax levy on September 6, 2012. Tax bills are mailed in October and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to 4 percent for early payment.

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

Property tax revenues are recognized in the government-wide financial statements when the Board adopts the tax levy. Property tax revenues are recognized in the governmental fund financial statements when taxes are deemed available, which is generally within 60 days of the fiscal year end. Millages and taxes levied for the current year are presented in Note 18.

➤ **Educational Impact Fees**

The District receives educational impact fees subject to an ordinance adopted by the Brevard County Commission on August 10, 2004. The fees are collected by the County for new residential construction, and are used for project-related expenditures that increase student capacity such as site acquisition, construction, design, site development, necessary off-site improvements, and equipment for educational facilities. Expenditures may also include payments for outstanding principal and interest due to the financing of these construction related expenditures.

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2. Budgetary Compliance and Accountability

The Board follows procedures established by State statutes and State Board of Education rules in establishing budget balances for governmental funds. Budgets are prepared, public hearings are held, and original budgets are adopted annually for all governmental fund types in accordance with procedures prescribed by law and State Board of Education rules.

Appropriations are controlled at the object level (e.g., salaries, purchased services, and capital outlay) within each functional activity (e.g., instruction, pupil personnel services, and school administration) and may be amended by resolution at any School Board meeting prior to the due date for the annual financial report.

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

During the fiscal year ended June 30, 2013, all governmental fund types were amended to reflect adjustments to appropriations due to changes in student counts, the addition of new education programs, etc. These amendments were made as part of the routine budget process of the District, none of which were deemed to be significant by management.

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

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3. Cash and Investments

As of June 30, 2013, the District had the following investments and maturities:

Investment	Fair Value	Investment Maturities Less Than or Equal To			
		6 Months	1 Year	2 Years	3 Years
Obligations of United States government	\$ 48,471,136	\$ 20,623,974	\$ 14,303,711	\$ 5,864,651	\$ 7,678,800
Agencies and instrumentalities	44,779,440	19,689,261	15,703,861	6,025,760	3,360,558
Money market funds-First American Treasury	23,869,891	23,869,891	-	-	-
Money market funds-Federated	287,673	287,673	-	-	-
Commercial paper	21,489,847	21,489,847	-	-	-
Collateralized investment repurchase agreement	3,431,487	3,431,487	-	-	-
Intergovernmental investment pool	28,123,210	28,123,210	-	-	-
Municipal securities	687,425	687,425	-	-	-
State Board of Administration	212,182	212,182	-	-	-
Total investments	\$ 171,352,291	\$ 118,414,950	\$ 30,007,572	\$ 11,890,411	\$ 11,039,358

Total Investments, Reporting Entity	Statement of Net Position
Fair value of investments	\$ 171,352,291
Deposits	19,345,051
Total	\$ 190,697,342
Cash and cash equivalents - statement of net position	\$ 50,172,641
Investments - statement of net position	140,524,701
Total	\$ 190,697,342

Florida Statutes authorize the deposit of School Board funds in demand deposits with financial institutions that are approved as qualified public depositories, pursuant to chapter 280, the *Florida Security for Public Deposits Act*. Under this act, all qualified public depositories are required to pledge eligible collateral and deposit such collateral with the State Treasurer to ensure against losses of public deposits. The District's bank balances of \$19,345,051 were deposited with qualified public depositories as of June 30, 2013, and \$212,182 is held by the State Board of Administration (SBA) on behalf of the School Board.

Fiduciary cash and invested balances at June 30, 2013, were \$6,154,907. All funds were held in qualified public depositories and consist of \$5,836,290 of cash and cash equivalents and \$318,617 of certificates of deposits, which are invested for periods averaging six months to one year.

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

- The District has \$48,471,136 invested in obligations of the United States Government with final maturities ranging between 1 month and 36 months.

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- The District has \$44,779,440 invested in Government Sponsored Enterprises (GSE)/Federal Instrumentalities that are held by a custodial institution in the name of the District. Of these securities, \$1,277,784 is invested in callable GSE/Federal Instrumentalities securities which contain embedded options to call the entire security or a portion thereof, at the option of the issuer; or, depending on market conditions, the issuer may decide to leave the security intact, at stated interest rates, until final maturity. The call dates are August 7, 2013 and October 29, 2013.
- The District has \$23,869,891 in First American Money Market Funds. These securities have average weighted maturities ranging between 47 and 54 days.
- The District has \$287,673 in Federated Money Market Funds. These securities have an average weighted maturity of 47 days.
- The District has \$21,489,847 invested in commercial paper, with a final maturity date of September 24, 2013.
- The District has \$3,431,847 invested in a collateralized repurchase agreement.
- The District has \$28,123,210 invested in the Florida Education Investment Trust Fund, intergovernmental investment pool. These securities have an average weighted maturity of 44 days.
- The District has \$687,425 invested in municipal securities issued by New York City, with a final maturity date of October 1, 2013.

➤ **Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Section 218.415, Florida Statutes, limits the types of investments that can be invested by the District, unless specifically authorized by District policy. Investments authorized by District policy are:

- a. Direct Obligations of US Treasury;
- b. U.S. Federal Government Agency Securities;
- c. U.S. Government Sponsored Enterprises/Federal Instrumentalities;
- d. Interest Bearing Time Deposits/Savings Accounts, including certificates of deposit;
- e. Repurchase Agreements fully collateralized at 102 percent of market value, by U.S. Treasuries, U.S. Government Agencies, and US Government Sponsored Agencies/Federal Instrumentalities;
- f. Commercial paper rated A-1, P-1, by Standard & Poor's, Moody's;
- g. Bankers' Acceptances rated A-1, P-1, by Standard & Poor's, Moody's;
- h. State and/or Local Government taxable and/or tax exempt securities, rated at least Aa3 by Moody's and AA- by Standard & Poor's for long-term debt; short term obligations should be rated at least VMIG2 or MIG-2 by Moody's and A-2 by Standard & Poor's;
- i. Registered Investment companies (Mutual Funds) if registered under the Federal Investment Company Act of 1940 and operated in accordance with 17 C.F.R. 270.2a-7;
- j. Intergovernmental Investment Pool authorized pursuant to Florida Interlocal Cooperation Act as provided in Section 163.01, Florida Statutes, provided it contains no derivatives; it was rated AAAM;
- k. Corporate Notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States that have a long-term debt rating, at the time of

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purchase, at a minimum A3 by Moody's and a minimum long-term debt rating of A- by Standard & Poor's;

- l. Municipal securities were rated AA;
- m. The repurchase agreement was not rated.

The District's investments in Federal Instrumentalities in the amount of \$44,779,440 include: Federal National Mortgage Association (FNMA), rated Aaa by Moody's Investors Service; Federal Home Loan Mortgage Corporation (FHLMC), rated Aaa by Moody's Investors Services; and Federal Home Loan Bank (FHLB), rated Aaa by Moody's Investors Service. Standard & Poor's (S&P) downgraded U.S. Treasury long-term securities from AAA to AA+. This action was followed by S&P downgrading agencies that have direct reliance on the U.S. government ("U.S. Government Agencies" and Government Sponsored Agencies and Instrumentalities) from AAA to AA+. According to S&P rating criteria, the rating of AA+ indicates a very strong capacity to meet financial commitments. The District has \$48,471,136 invested in U.S. Treasuries.

The District has \$28,123,210 invested with the Florida Education Investment Trust Fund (FEITF). The FEITF is a common-law trust organized as an intergovernmental investment pool under the authority of the Florida Interlocal Cooperation Act of 1969 and Florida Statutes, Section 218.415. The fund has a rating of AAAM by S&P. The securities in FEITF are valued using amortized cost as outlined in Rule 2a-7 under the Investment Act of 1940.

The District has \$23,869,891 invested in First American Money Market Funds. These maturities have an S&P rating of AAAM, and a Moody's Investors Service rating of Aaa.

The District has \$21,489,847 invested in Commercial Paper. These maturities have an S&P rating of A-1 and a Moody's Investors Service rating of P-1.

The District has \$3,431,487 invested in a collateralized investment repurchase agreement that is fully collateralized at 102 percent of market value by U.S. Treasuries, U.S. Government Agencies, and U.S. GSE/Federal Instrumentalities. The repurchase agreement is unrated.

The District has \$287,673 invested in Federated Money Market Funds. These maturities have an S&P rating of AAAM and a Moody's Investors Service rating of Aaa. The District has \$212,182 invested in the State Board of Administration (SBA), and the funds are to provide debt service payments on bond debt issued by the State Board of Education on behalf of the District. The District relies on policies developed by the SBA for managing credit risk for this investment.

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

- If registered with the issuer or its agents, the securities must be immediately placed for safekeeping with a third party holder to protect the District's interest in the securities;
- If in book entry form, the security must be held for the credit of the governing body by a depository chartered by the Federal Government, the State, or any other state or territory of the United States which has a branch or principal place of business in Florida, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts

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and which is doing business in Florida, and must be kept by the depository in an account separate and apart from the assets of the financial institution; or

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

The District has \$48,471,136 invested in direct obligations of the United States Government and \$44,779,440 invested in GSE/Federal Instrumentalities, \$287,673 in Federated Money Market Funds and \$21,489,847 invested in commercial paper. These securities are held by a custodial institution in the name of the District. Demand deposits with financial institutions are \$19,345,051.

The District also has \$23,869,891 in First American Money Market Funds which is held for payment of principal and interest due to certificate holders on July 1, 2013, \$9,258 is held for project costs, and \$3,431,487 is held in a collateralized investment repurchase agreement and will be used for future debt service payments. All of these funds are held with a fiscal agent under a trust agreement for certificates of participation.

➤ **Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District's investment policy specifies the maximum percentage of the portfolio composition per individual issuer and type of investment. Those maximum percentages are listed below:

Type of Investment	Maximum
a. Direct Obligations of US Treasury	100%
b. U.S. Government Agency Securities (25% limited to one issuer)	50%
c. Federal Instrumentalities, Government Sponsored Enterprises (40% limited to one issuer)	80%
d. Interest Bearing Time Deposits/Savings Accounts, including certificates of deposit (15% limited to one insurer)	25%
e. Repurchase Agreements fully collateralized at 102% of market value (25% limited to one issuer)	50%
f. Commercial Paper rated A-1, P-1, (10% limited to one issuer)	35%
g. Bankers' Acceptances rates A-1, P-1, (10% limited to one issuer)	35%
h. State and/or Local Government taxable and/or tax exempt securities	20%
i. Registered Investment Companies (25% limited to one issuer)	75%
j. Intergovernmental Investment Pool	25%
k. Corporate Notes rated A-3, A-, (5% limited to one issuer)	20%

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Investments in any one issuer that represents 5 percent or more of the District's investments are reported below. As of June 30, 2013, the District had the following issuer concentrations based on fair value:

Issuer	Fair Value	Percent of Total Investments Primary Government
U.S. Government Agencies and Instrumentalities (a):		
Federal Home Loan Mortgage Corporation	\$ 15,672,238	9.15%
Federal Home Loan Bank Bonds	17,997,464	10.50%
Commercial Paper (b):		
UBS Finance Delaware LLC	9,984,500	5.83%
Bank of Tokyo Mitsubishi	11,494,147	6.71%
Total	\$ 55,148,349	

(a) Investments in Federal Home Loan Bank Global Notes are 9.15 percent of total District investments; 8.5 percent is in general fund and 0.65 percent is in internal service funds. Federal Home Loan Bank bonds are 10.5 percent of the District's investments which are in capital funds.

(b) Investments in UBS Finance Delaware LLC is 5.83 percent of total District investments in general fund. Commercial Paper of the Bank of Tokyo Mitsubishi is 6.71 percent of the District's investments, of which, 2.92 percent is in general fund and 3.79 percent is in capital funds.

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4. Due from Other Agencies

The schedule below represents amounts owed to the District from other state/federal sources and other local sources. All amounts are expected to be collected in full.

The Brevard County Tax Collector's office is the agency responsible to hold and distribute tax revenues on behalf of local taxing authorities. During fiscal year 2008 the agency collected tax revenues on behalf of the District and those funds were held in Fund B at the Florida Local Government Investment Pool (LGIP) as undistributed collections. Portions of those undistributed funds were subsequently distributed to the District; however, remaining funds currently held in Fund B, on behalf of the District, are \$793,735 of which \$594,801 are attributed to operating tax revenues and \$198,934 are attributed to capital tax revenues. This amount is disclosed as due from other agencies in the table below; the School Board believes that all undistributed funds held in the Fund B will be recovered.

Funds/Source	Amount
General fund:	
Brevard County Tax Collector:	
Unremitted property taxes - current year	\$ 66,677
Unremitted property taxes - Fund B	594,801
Medicaid	22,222
VPK program	240,355
Other - state	63,315
Other - local	270,412
Special revenues funds:	
ARRA	77,767
Contracted programs	5,832,512
Food services	78,043
Capital funds:	
Local capital improvement fund:	
Brevard County Tax Collector:	
Unremitted property taxes - current year	54,324
Unremitted property taxes - fund B	198,934
Capital other	56,661
 Total due from other agencies - governmental funds	 \$ 7,556,023

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5. Changes in Capital Assets

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

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 35,887,580	\$ -	\$ -	\$ 35,887,580
Construction in progress	-	456,834	(228,449)	228,385
Software in process	-	600,000	-	600,000
Total capital assets, not being depreciated	<u>35,887,580</u>	<u>1,056,834</u>	<u>(228,449)</u>	<u>36,715,965</u>
Capital assets, being depreciated:				
Improvements	67,938,845	1,378,460	(202,325)	69,114,980
Buildings and fixed equipment	1,419,936,178	-	-	1,419,936,178
Furniture, fixtures and equipment	81,018,319	2,942,371	(3,855,299)	80,105,391
Motor vehicles	44,047,719	260,049	(947,090)	43,360,678
AV materials and computer software	12,395,316	200,212	(2,919,936)	9,675,592
Total capital assets, being depreciated	<u>1,625,336,377</u>	<u>4,781,092</u>	<u>(7,924,650)</u>	<u>1,622,192,819</u>
Less accumulated depreciation:				
Improvements	(40,639,719)	(3,320,707)	13,488	(43,946,938)
Buildings and fixed equipment	(605,222,155)	(29,715,048)	-	(634,937,203)
Furniture, fixtures and equipment	(75,802,639)	(3,323,437)	3,855,299	(75,270,777)
Motor vehicles	(32,274,301)	(2,756,316)	947,090	(34,083,527)
AV materials and computer software	(12,053,987)	(321,367)	2,919,936	(9,455,418)
Total accumulated depreciation	<u>(765,992,801)</u>	<u>(39,436,875)</u>	<u>7,735,813</u>	<u>(797,693,863)</u>
Capital assets, net	<u>\$ 895,231,156</u>	<u>\$ (33,598,949)</u>	<u>\$ (417,286)</u>	<u>\$ 861,214,921</u>
Depreciation expense was charged to functions as follows:				
	<u>Amount</u>			
Governmental activities:				
Pupil transportation services	\$ 2,197,289			
Unallocated (direct depreciation excluded)	37,239,586			
Total depreciation expense-governmental activities	<u>\$ 39,436,875</u>			

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	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
Business-type activities:				
Capital assets, being depreciated:				
Improvements	\$ 126,903	\$ -	\$ -	\$ 126,903
Buildings and fixed equipment	48,268	-	-	48,268
Furniture, fixtures and equipment	1,067,007	5,353	(75,048)	997,312
Motor vehicles	13,881	-	-	13,881
Computer software	64,652	-	(11,550)	53,102
Total capital assets, being depreciated	<u>1,320,711</u>	<u>5,353</u>	<u>(86,598)</u>	<u>1,239,466</u>
Less accumulated depreciation:				
Improvements	(41,995)	(8,460)	-	(50,455)
Buildings and fixed equipment	(34,062)	(296)	-	(34,358)
Furniture, fixtures and equipment	(1,049,197)	(9,729)	75,048	(983,878)
Motor vehicles	(8,328)	(1,388)	-	(9,716)
Computer software	(64,652)	-	11,550	(53,102)
Total accumulated depreciation	<u>(1,198,234)</u>	<u>(19,873)</u>	<u>86,598</u>	<u>(1,131,509)</u>
Capital assets, net	<u>\$ 122,477</u>	<u>\$ (14,520)</u>	<u>\$ -</u>	<u>\$ 107,957</u>

6. Accrued Liabilities

Accrued liabilities reported on the statement of net position at June 30, 2013, were as follows:

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Liabilities:			
Accounts payable	\$ 6,678,135	\$ 11,709	\$ 6,689,844
Contracts payable	870,909	-	870,909
Retainage payable	112,500	-	112,500
Accrued salaries	15,206,466	80,695	15,287,161
Accrued benefits	12,845,132	18	12,845,150
Total accrued liabilities	<u>\$ 35,713,142</u>	<u>\$ 92,422</u>	<u>\$ 35,805,564</u>

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7. Changes in Short-Term Debt

The following is a schedule of changes in notes payable for the year ended June 30, 2013:

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
Governmental activities:				
Revenue anticipation notes	8,300,000	-	8,300,000	-
 Total governmental activities	\$ 8,300,000	\$ -	\$ 8,300,000	\$ -

On April 19, 2012, the District issued revenue anticipation notes (RAN), Series 2012 with a par amount of \$8,300,000. The notes were issued to finance and/or refinance part of the cost of outstanding RAN Series 2011 notes that were issued to fund acquisition and renovation costs for certain facilities and equipment within the District. The notes were issued at a coupon and net interest cost of 0.86 percent and matured on April 19, 2013. These notes are payable from and secured by a prior lien upon and pledge of the proceeds of the discretionary capital outlay ad valorem tax levy.

8. Deferred Compensation Plan

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

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

9. Operating Leases

Lessee The District had three cancelable leasing agreements for office/training space in the 2012-13 fiscal year. If the leases were not cancelled the remaining commitment for the District as of June 30, 2013, would have been \$315,885, due in the 2013-14 fiscal year. However, two of these leases were cancelled July 31, 2013. The remaining lease has a commitment of \$189,892, due in the 2013-14 fiscal year.

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2013

10. Certificates of Participation

Outstanding certificates of participation for the District are as follows:

Series	Amount Outstanding	Interest Rates (Percent)	Lease Term Maturity	Original Amount
Series 2004A	1,290,000	3.50 - 4.00	2014	46,805,000
Series 2004B	13,100,000	3.95 - 5.00	2015	67,640,000
Series 2004-QZAB	4,408,000	(1)	2020	4,408,000
Series 2006A	70,130,000	3.60 - 5.00	2030	128,440,000
Series 2007A	35,175,000	4.00 - 5.00	2026	37,740,000
Series 2007B	71,350,000	4.125 - 5.00	2032	71,350,000
Series 2007C	106,420,000	4.00 - 5.00	2032	122,995,000
Series 2008A	56,000,000	5.05	2036	56,000,000
Series 2013A	91,320,000	3.25 - 5.00	2030	91,320,000
Series 2013B	50,900,000	0.69 - 2.473	2020	50,900,000
Total Certificates of Participation	<u>\$ 500,093,000</u>			<u>\$ 677,598,000</u>

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

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

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

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

Series 2004A Certificates of Participation

Rockledge High School Addition
Viera High School

Series 2004B Certificates of Participation

Bayside High School
Melbourne High School Additions
Pinewood Elementary School Additions
Ralph M. Williams Jr. Elementary School
Titusville High School Additions
Westside Elementary School

Series 2006A Certificates of Participation

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

Series 2007B Certificates of Participation

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

Series 2007C Certificates of Participation

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

Series 2008A Certificates of Participation

Heritage High School

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

The following table provides a schedule of the District's future minimum lease payments for all outstanding certificates of participation, including the Series 2004-QZAB:

Fiscal Year Ending June 30	Total	Principal	Interest
2014	35,291,324	13,160,000	22,131,324
2015	35,293,881	13,735,000	21,558,881
2016	38,401,573	17,345,000	21,056,573
2017	38,402,593	17,845,000	20,557,593
2018	38,397,046	18,395,000	20,002,046
2019-2023	196,721,822	107,268,000	89,453,822
2024-2028	192,003,675	129,235,000	62,768,675
2029-2033	169,412,675	140,105,000	29,307,675
2034-2036	47,419,205	43,005,000	4,414,205
Total Minimum Lease Payments	<u>791,343,794</u>	<u>500,093,000</u>	<u>291,250,794</u>
Add: Unamortized Premium	28,196,810	28,196,810	-
Total Certificates of Participation	<u><u>\$ 819,540,604</u></u>	<u><u>\$ 528,289,810</u></u>	<u><u>\$ 291,250,794</u></u>

11. State School Bonds

State School Bonds are issued by the State Board of Education on behalf of the District. The bonds mature serially and are secured by a pledge of the District's portion of the State-assessed motor vehicle license tax. The State's full faith and credit is pledged as security for these bonds. The State Board of Education and the State Board of Administration are responsible for administering the debt service requirements and all compliance regarding issuance and reporting.

The District receives annual financial data from the Florida Department of Education for recording the District's portion of the motor vehicle license revenues and related debt service and other expenditures. Total funding sources received in the current fiscal year are \$2,683,739 of which \$2,320,189 relates to debt service payment.

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
Notes to the Basic Financial Statements
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Outstanding State Board of Education Bonds are as follows:

Bond Type	Amount Outstanding	Interest Rates (Percent)	Annual Maturity To	Original Amount
State School Bonds:				
Series 2004-A	345,000	3.00 - 4.625	2024	550,000
Series 2005-A	680,000	4.00 - 5.00	2025	985,000
Series 2005-B	1,605,000	5.00	2020	2,305,000
Series 2006-A	515,000	4.00 - 5.00	2026	650,000
Series 2009-A	530,000	5.00	2019	800,000
Series 2010-A	205,000	4.00 - 5.00	2022	210,000
Series 2011-A	3,860,000	3.00 - 5.00	2023	5,375,000
Total Bonds Payable	<u>\$ 7,740,000</u>			<u>\$ 10,875,000</u>

The following table provides a schedule of the District's future minimum lease payments for State Board of Education Bonds:

Fiscal Year Ending June 30	Total	Principal	Interest
State School Bonds:			
2014	2,316,667	1,945,000	371,667
2015	2,179,818	1,905,000	274,818
2016	804,993	625,000	179,993
2017	814,211	665,000	149,211
2018	821,436	705,000	116,436
2019-2023	1,802,584	1,540,000	262,584
2024-2026	382,131	355,000	27,131
Total Minimum Bond Payments	<u>\$ 9,121,840</u>	<u>\$ 7,740,000</u>	<u>\$ 1,381,840</u>
Add: Unamortized Premium	429,375	429,375	-
Total Bonds Payable	<u>\$ 9,551,215</u>	<u>\$ 8,169,375</u>	<u>\$ 1,381,840</u>

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
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12. Defeased Debt

Certificates of Participation

On May 1, 2013, \$140,070,000 of Certificates of Participation were defeased, in substance, by placing proceeds of new refunding certificates from 2013A and 2013B Series in an irrevocable trust to provide for future debt service payments for all outstanding Series 2002A certificates and portions of outstanding Series 2004A, 2004B, and 2006A certificates. The in substance defeased certificates are \$5,110,000 of 2002A series certificates, \$40,795,000 of 2004A series certificates, \$46,500,000 of 2004B series certificates and \$47,665,000 of 2006A series certificates. Accordingly, the trust account assets and the liabilities for these certificates are not included in the District's financial statements. The present value of cash flows and the economic gain associated with the refunding debt is included in the table below:

Present Value of Cash Flows for Refunding Transaction

Face value of refunding bonds	\$ 142,220,000
Add: premium on certificates	13,686,476
Less: cost not recoverable through refunding	<u>(636,226)</u>
Net proceeds	<u>\$ 155,270,250</u>

Economic Gain or Loss on Refunding Transaction

Present value of cash flows associated with refunded debt	\$ 205,210,237
Present value of cash flows associated with refunding debt	<u>(196,490,352)</u>
Economic gain on refunding	<u>\$ 8,719,885</u>

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
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13. Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2013:

Description	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013	Due in One Year
Governmental activities:					
Certificates of participation payable	\$ 512,138,000	\$ 142,220,000	\$ 154,265,000	\$ 500,093,000	\$ 13,160,000
Plus unamortized net premium	19,250,806	13,686,476	4,740,472	28,196,810	1,694,396
Net certificate of participation payable	531,388,806	155,906,476	159,005,472	528,289,810	14,854,396
Bonds payable	\$ 9,615,000	\$ -	\$ 1,875,000	\$ 7,740,000	\$ 1,945,000
Plus unamortized net premium	472,313	-	42,938	429,375	42,938
Net bonds payable	10,087,313	-	1,917,938	8,169,375	1,987,938
Estimated claims payable	15,214,576	66,004,657	66,786,035	14,433,198	7,558,450
Compensated absences payable	37,668,475	25,213,101	27,326,683	35,554,893	3,696,931
OPEB obligation	30,306,754	9,842,274	2,224,359	37,924,669	-
Pollution remediation liability	27,000	11,000	-	38,000	-
Total governmental activities	<u>\$ 624,692,924</u>	<u>\$ 256,977,508</u>	<u>\$ 257,260,487</u>	<u>\$ 624,409,945</u>	<u>\$ 28,097,715</u>
Business-type activities:					
Compensated absences payable	\$ 145,167	\$ 200,342	\$ 191,837	\$ 153,672	\$ 36,531
OPEB obligation	338,317	94,198	21,289	411,226	-
Total business-type activities	<u>\$ 483,484</u>	<u>\$ 294,540</u>	<u>\$ 213,126</u>	<u>\$ 564,898</u>	<u>\$ 36,531</u>

For the governmental activities, compensated absences and other post employment benefits are generally liquidated with resources of the General Fund. Estimated insurance claims are liquidated with resources from internal service funds. Compensated absences and other post employment benefits for business-type activities are generally liquidated with the enterprise funds.

14. Arbitrage Payable

Certain long-term debt obligations are subject to Section 148 of the Internal Revenue Code. The code requires a rebate to the Federal Government for interest earned on tax exempt proceeds if the earnings exceed the interest cost on the related debt. Pursuant to the IRS regulations, the arbitrage liabilities have been calculated for outstanding Certificates of Participation, and the District's liability is zero as of June 30, 2013.

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
Notes to the Basic Financial Statements
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15. Pollution Remediation Obligations

In accordance with GASB 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, the District has estimated remediation obligations identified as soil and/or ground water contamination for six school sites. Three of these school sites will be remediated by the State of Florida under programs known as the *Abandoned Tank Restoration Program of 1992*, the *Abandoned Tank Restoration Program of 1993*, the *Petroleum Cleanup Participation Program of 1996*, and the *Petroleum Liability and Restoration Insurance Program of 1999*. Three school sites are being remediated by the District.

Estimated cost of remediation are based on a combination of prior remediation service costs, known amount of contamination, engineering analyses generated by geologists, and the projected amount of remediation services anticipated to resolve the documented contamination issues. The cost for sites actively being remediated by the District is considered minimal, with an estimated liability of \$38,000. Clean up (receiving either a “No Further Action” status or a “Monitoring Only Natural Attenuation” status from the Florida Department of Environmental Protection Agency) will continue until State clean-up target levels are achieved.

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

16. Interfund Receivables, Payables, and Transfers

The following is a summary of interfund receivables and payables reported in the fund financial statements for the year ended June 30, 2013:

Funds	Interfund	
	Receivables	Payables
Major funds:		
General	\$ 3,813,867	\$ -
Special revenue - ARRA Economic Stimulus	-	5,834
Nonmajor governmental funds:		
Special revenue - contracted programs	-	3,808,033
Total	\$ 3,813,867	\$3,813,867

The interfund receivables/payables at June 30, 2013 are primarily due to the reclassification of cash balances in the District’s Master Account in order to cover cash deficits in special revenue - ARRA - economic stimulus, and special revenue – contracted programs. The interfund receivables and payables represent the payments of expenditures paid by one fund on behalf of another fund and will be repaid within 12 months after year end.

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The following is a summary of interfund transfers reported in the fund financial statements for the year ended June 30, 2013:

Funds	Interfund	
	Tranfers In	Transfers Out
Major funds:		
General	\$ 1,299,035	\$ 7,942,278
Debt service-other	35,725,570	-
Capital projects- local capital improvement	10,000	43,926,871
Capital projects-section 1011.14/1011.15 notes	8,367,430	-
Other capital projects	1,925,887	175,220
Nonmajor governmental funds:		
Food service	-	1,184,518
Internal service funds:		
General liability/automotive insurance	1,000,000	-
Medical	6,200,000	-
Enterprise	-	1,299,035
Total	<u>\$ 54,527,922</u>	<u>\$ 54,527,922</u>

The District transferred \$43,926,871 from the capital projects - local capital improvement fund. Of this amount, \$35,550,350 was transferred to cover a portion of principal and interest payments due for certificates of participation and \$8,367,430 to cover the principal and interest payment for revenue anticipation notes. The amount of \$9,091 was transferred to QZAB projects for payment of fees. The District also transferred \$175,220 from the other capital projects fund to cover the remaining portions of the principal and interest payments due for certificates of participation. Food service transferred \$1,184,518 to other capital to fund additional renovation and remodeling costs of the District's school cafeterias. An interfund transfer of \$7,942,278 was completed from the general fund to help defray costs of \$6,200,000 in the medical trust fund, \$1,000,000 in general liability insurance, \$10,000 local capital improvement and \$732,278 in other capital funds. This was partially offset by a \$1,299,035 interfund transfer from the enterprise fund to the general fund to fulfill the requirement for budget reductions.

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17. Schedule of Revenue Sources

The following is a schedule of the District's State and Federal revenue for the year ended June 30, 2013:

<u>State Revenue Sources</u>	<u>Amount</u>
Florida Education Finance Program (FEFP)	
Class size reduction	\$ 79,714,290
ESE guaranteed allocation	26,737,035
Supplemental academic instruction	18,732,295
Transportation	10,852,681
Instructional materials	5,469,791
Reading allocation	3,327,965
Workforce development program	3,255,150
Safe schools	1,645,524
Teachers lead	857,478
DJJ supplemental allocation	124,445
FEFP - all other	131,034,163
School recognition program	4,725,579
Capital outlay and debt service withheld for SBE bonds	2,734,192
Voluntary prekindergarten program	2,326,309
Charter school capital outlay	865,862
Food service supplement	356,865
Adults with disabilities	303,663
Other	
Motor vehicle license tax	231,004
Racing commission funds	223,250
Workforce performance-based incentives	56,131
Preschool projects	43,494
Miscellaneous	280,339
Total	<u>\$ 293,897,505</u>

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
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<u>Federal Revenue Sources</u>	<u>Amount</u>
<u>American Recovery and Reinvestment Act (ARRA)</u>	
Race-to-the-Top	\$ 1,009,558
Other	254,385
<u>Contracted programs</u>	
Title I	13,641,905
IDEA	16,668,774
Head Start	3,435,652
Other	8,322,674
Food service program	18,998,743
Other federal funds	<u>2,914,119</u>
Total	<u><u>\$ 65,245,810</u></u>

18. Property Taxes

The following table represents a summary of millages and taxes levied for the fiscal year ended June 30, 2013, based on the District's final Certification of School Taxable Value received from the Brevard County Property Appraiser on June 26, 2012.

	<u>Millages</u>	<u>Taxes Levied</u>
<u>General Fund</u>		
Nonvoted school tax:		
Required local effort	5.598	\$ 153,704,954
Basic discretionary local effort	0.748	20,537,925
Board voted critical needs-operating	0.250	6,864,280
<u>Capital Projects Fund</u>		
Nonvoted tax:		
Local capital improvements	<u>1.500</u>	<u>\$ 41,185,679</u>
TOTAL	<u><u>8.096</u></u>	<u><u>\$ 222,292,838</u></u>

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
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19. State Retirement Program

All regular employees of the District are covered by the Florida Retirement System (FRS). The FRS is primarily a State-administered, cost-sharing, multiple-employer, benefit retirement plan (Plan). Plan provisions are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System Rules, Chapter 60S, Florida Administrative Code, wherein eligibility, contributions, and benefits are defined and described in detail. Essentially all regular employees of participating employers are eligible and must enroll as members of the FRS.

FRS Pension Plan Benefits in the FRS pension plan vest at six years of service for members actively employed on July 1, 2001, or were first hired on or after that date. Pension plan members initially enrolled on or after July 1, 2011 vest with eight years of service. The FRS pension plan also includes an early retirement provision, but imposes a penalty for each year a member retires before his or her normal retirement date. The FRS pension plan provides retirement, disability, death benefits, and annual cost-of-living adjustments, as well as supplements for certain employees to cover social security benefits lost by virtue of retirement system membership.

A Deferred Retirement Option Program (DROP) subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the FRS pension plan to defer receipt of monthly benefit payments while continuing employment with a FRS employer. An employee may participate in the DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

Funding Policy The contribution rates for members are established, and may be amended, by the State of Florida. During the 2012-13 fiscal year contribution rates were as follows:

Class or Plan	Percent of Gross Salary	
	Employee	Employer (A)
Florida Retirement System, Regular	3.00	5.18
Florida Retirement System, Elected County Officers	3.00	10.23
Florida Retirement System, Senior Manager	3.00	6.30
State and County Officers and Employees' Retirement System, Plan B	4.00	9.10
Deferred Retirement Option Program - Applicable to members from all of the above classes or plans	0.00	5.44
Florida Retirement System, reemployed retiree prior to July 1, 2010	(B)	(B)
Florida Retirement System, reemployed retiree on or after July 1, 2010 (C)	0.00	1.60

- Notes: (A) Employer rates include 1.11 percent for the post-employment health insurance supplement and 0.03 percent for administrative costs of the Public Employee Optional Retirement Program.
- (B) Contribution rates are dependent upon the retirement class in which reemployed.
- (C) Health insurance subsidy contributed even though employee is not eligible to participate in a state-administered retirement plan.

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
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The District's liability for participation is limited to the payment of the required contribution at the rates and frequencies established by law on future payrolls of the District. The District's defined benefit plan contributions (including employee contributions) for the fiscal years ended June 30, 2011, June 30, 2012, and June 30, 2013, were \$32,628,663, \$22,420,626, and \$23,377,190, respectively, which were equal to the required contributions for each fiscal year.

FRS Investment Plan As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan, a defined contribution plan alternative available to all FRS members in lieu of the defined benefit plan. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The FRS investment plan is funded by employer and employee contributions that are based on salary and membership class (Regular Class, Senior Management Class, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. The 1,504 employees in the FRS investment plan vest at one year of service. Required employer and employee contributions made to the program for the fiscal years ended June 30, 2011, June 30, 2012, and June 30, 2013, were \$4,863,915, \$3,630,446, and \$3,871,441 respectively.

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

Effective July 1, 2011, legislation was passed that required employees in the FRS to contribute 3 percent of their salary towards their retirements and reduced the cost-of-living adjustment for benefits earned on or after July 1, 2011. The law also excluded service credit earned after July 1, 2011, from the calculation of a member's cost-of-living increase at the time of retirement; reduced the DROP interest rate to 1.3 percent for new participants effective July 1, 2011; and changed the normal retirement requirements, vesting requirement and calculation of average final compensation for members of the FRS initially enrolled on or after July 1, 2011.

20. Other Postemployment Benefits (OPEB) Payable

Plan Description The Other Postemployment Benefits Plan is a single-employer benefit plan administered by the District. Pursuant to the provision of the Section 112.0801, Florida Statutes, former employees who retire from the District, and eligible dependents, may continue to participate in the District's respective medical/prescription, vision, dental, and life insurance plans as long as they pay the full premium applicable to coverage elected. The District subsidizes the premium rates for the medical/prescription plan paid by the retirees by allowing them to participate in the plan at the blended group premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. Retirees are required to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. The vision, dental, and life insurance plans do not result in an implicit subsidy. The OPEB Plan does not issue a stand-alone report and is not included in the report of another entity.

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
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Funding Policy Plan contributions of the District and Plan members are established and may be amended through action of the Board. The District plans to fund this postemployment benefit on a pay-as-you go basis. As of January 1, 2012, 924 retirees received medical/prescription benefits. The District provided required contributions of \$2,245,648 toward the annual OPEB cost, net of retiree contributions totaling \$5,105,398, which represents 1.96 percent of covered payroll.

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

Description	Amount
Normal cost (service cost for one year)	\$ 3,953,245
15 year amortization of unfunded actuarial accrued liability	6,800,429
Interest on normal cost and amortization	-
Annual required contribution	<u>10,753,674</u>
Interest on net OPEB obligation	1,225,803
Adjustment to annual required contribution	<u>(2,043,005)</u>
Annual OPEB cost (expense)	9,936,472
Net employer contribution for FYE 6/30/13	<u>(2,245,648)</u>
Increase in net OPEB obligation	7,690,824
Net OPEB obligation, July 1, 2012	<u>30,645,071</u>
Net OPEB obligation, June 30, 2013	<u><u>\$ 38,335,895</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of June 30, 2013, and the preceding two fiscal years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2011	\$ 10,086,139	38.8%	\$ 23,331,892
June 30, 2012	9,741,033	24.9%	30,645,071
June 30, 2013	9,936,472	22.6%	38,335,895

Funded Status and Funding Progress as of January 1, 2012, the most recent valuation date:

Actuarial accrued liability	\$ 102,590,291
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 102,590,291</u>
Funded ratio	0.0%
Covered payroll (active plan members)	\$ 260,502,913
UAAL as a percentage of covered payroll	39.4%

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2013

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and termination, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information 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 Projection of benefits for financial reporting purposes are based on the substantive plan provisions, as understood by the employer and participating members, and include the type of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and participating members. The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of calculations.

In the January 1, 2012, OPEB actuarial valuation, and the actuarial roll-forward dated August 5, 2013, the results were derived using the entry age actuarial cost method with an amortization of the unfunded actuarial accrued liability as a level percent of expected payroll over a 16 year period. The amortization period used is closed, and the remaining amortization period at June 30, 2013, is 15 years. Because the OPEB liability is currently unfunded, the actuarial assumptions include a 4 percent discount rate, a 3 percent inflation rate, a 4 percent investment return, a 4.5 percent to 8.38 percent projected salary increase rate, and a 4 percent payroll growth assumption. Compared to the previous valuation, the unfunded actuarial accrued liability remained unchanged while the annual OPEB cost increased modestly. The actuarial assumption annual healthcare cost trend rate for calendar year 2013 is 6.5 percent, and is being revised to 8 percent beginning January 1, 2014. The trend rates will then decrease by 0.5 percent each subsequent year until reaching the ultimate value of 5 percent in 2020.

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2013

21. Commitments

The District uses encumbrance accounting for recording purchase order commitments for goods and services and has recorded \$3,610,259 in encumbrances for major funds and \$1,022,375 in nonmajor funds at June 30, 2013. The District has also recorded the following construction contract commitments as of June 30, 2013 which may include encumbrances:

Project	Balance Committed
Café Capital Projects	\$ 101,282
Cambridge Elem Lightning Protection	15,005
Canopy NA Maintenance	55,008
Carroll Elem Structured Cabling Upgrades	74,802
Central Middle Shutters	53,022
Challenger 7 Elem Structured Cabling Upgrades	388,494
Clearlake Middle HVAC Bldg 6	24,971
Cocoa Beach Jr/Sr Chiller Replacement	45,337
Cocoa HS Lightning Protection	21,911
Cocoa/Clearlake Conversion	719,332
Delaura Middle Kitchen Renovation	196,365
Delaura Middle HVAC Renovation	99,431
Eau Gallie HS ADA Sink	7,928
Jefferson Middle Structured Cabling	184,016
Palm Bay HS Track Resurface	20,951
Pt Malabar Elem Door Egress	24,995
Stevenson Elem Kitchen Renovation	166,454
Titusville HS Storm Drain	12,885
Tropical Elem Walkway Replacement	196,834
	\$ 2,409,023

22. Risk Management - Self Insured Programs

The District is exposed to various casualty risks including workers' compensation related injuries to employees and volunteers, state tort claims (auto and general liability exposures), and allegations of wrongful or intentional acts that result in claims of negligence sometimes handled in state court, but are for the most part typically handled in federal court jurisdictions. The District utilizes a third-party administrator to adjust or handle all of these claims. In addition to the self-insured portion of these casualty claims, the District procures insurance with high deductibles to reduce the effect of excessive losses for all of these exposures through commercial insurance companies. A list of these exposures and how they are treated can be found below. In the last three years very few claims have exceeded the self-insured retention limits and of those that did exceed this retention, none of these claims exceeded the commercial insurance coverage procured.

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2013

In addition to casualty loss exposure the District provides employees and their dependents with health insurance through multiple self-insurance programs including prescription drug benefits all of which are administered through a third-party administrator. Under both casualty and healthcare programs, claims are presented to the service agents for processing and payment. The third-party administrator sends the District a monthly invoice to reimburse them for the claims paid during each month of the year as well as to cover their charge for providing this service on the District's behalf.

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

- The first \$500,000 of each workers' compensation claim is paid via the District's self-insurance trust funds. These claims are administered through a third-party administrator, Sedgwick CMS.
- All workers' compensation claims with values in excess of \$500,000 are paid via an excess workers' compensation policy purchased through a commercial insurance carrier and adjusted through the same third-party administrator as was for the first \$500,000 in losses.

General Liability and Automobile Liability Claims:

- The first \$200,000 of any single incident, single individual, or \$300,000 for multiple claims that arise from a single incident are paid via the District's self-insured trust funds. These claims are capped at the above stated figures by state law specifically Florida Statute 768.28 better known as the state's doctrine of Sovereign Immunity. All of these claims are administered through a third-party administrator, Sedgwick CMS.
- Section 768.28, Florida Statutes, provides for payments in excess of the above stated figures if the legislature approves a claims bill allowing for such payment. The District also purchases a commercial insurance policy to pay a maximum of \$1,000,000 if any claim should exceed the deductible of \$500,000.

Errors and Omissions Liability Claims:

- The first \$150,000 of each wrongful act is self-insured via the District's self-insured trust funds. Though these claims are not adjusted by Sedgwick CMS, but this third-party administrator handles and pays the fees associated with claim investigation, legal representation, and claim settlement/payout.
- For claims in excess of \$150,000 the district purchases a commercial insurance policy that will pay up to an annual aggregate of \$2,000,000. The insurance carrier is HISCOX Inc., a division of Lloyds of London.

Self Insured Health Claims:

- The District offers a self-insurance plan covering certain health and prescription drug benefits and utilizes several choices of providers under the plan. Benefits are offered to active employees and their dependents as well as retirees. Under these plans, a portion of the benefits offered is paid by the District and a portion is paid by employees through payroll deduction. Retirees are required to pay the full premium amount for plan coverage at the blended employee premium rate.

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2013

The liability for workers' compensation, general liability, automobile liability, and medical claims in the amount of \$14,433,198 was determined based on claims adjusters' evaluation of individual claims and management's evaluation, along with actuarial calculations with respect to the probable number and nature of claims arising from losses that have been incurred but have not yet been reported.

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

Fiscal Year	Balance July 1	Current Year Claims	Claims Payments	Balance June 30
2011-12	\$ 15,486,605	\$ 62,126,140	\$ (62,398,169)	\$ 15,214,576
2012-13	\$ 15,214,576	\$ 66,004,657	\$ (66,786,035)	\$ 14,433,198

Commercially Purchased Insurance

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

Property Insurance:

- Losses related to fire, earthquake, non-named storms, theft/vandalism, etc., are subject to a deductible of \$100,000 and will pay a maximum loss of \$100,000,000 for any one incident.
- Losses related to named windstorms and flood damage is subject to 5 percent per building replacement value. To trigger insurance all building damage when totaled together must exceed \$500,000. Once the minimum loss deductible is met the policy will pay a maximum of \$70,000,000 toward the District's losses.

Boiler and Machinery:

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

Employee Theft/Crime:

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

Under and Above Ground Storage Tanks:

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

During the fiscal year ended June 30, 2013 the District did not experience any significant reductions in insurance coverage.

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2013

23. Internal Service Funds

The following is a summary of financial information reported in the internal service funds for the year ended June 30, 2013:

	<u>Total</u>	<u>Medical Insurance</u>	<u>Workers' Compensation</u>	<u>General/ Auto Liability</u>
Total assets	<u>\$ 35,737,647</u>	<u>\$ 20,100,917</u>	<u>\$ 12,298,335</u>	<u>\$ 3,338,395</u>
Liabilities and net position:				
Accounts payable	418,148	1,806	277,570	138,772
Salaries and benefits payable	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Due to other agencies	19,905	12,867	7,038	-
Estimated insurance claims payable	14,433,198	4,967,000	7,719,427	1,746,771
Net position:				
Unrestricted net position	<u>20,866,396</u>	<u>15,119,244</u>	<u>4,294,300</u>	<u>1,452,852</u>
Total liabilities and net position	<u>\$ 35,737,647</u>	<u>\$ 20,100,917</u>	<u>\$ 12,298,335</u>	<u>\$ 3,338,395</u>
Revenues:				
Premium contributions	\$ 65,119,530	\$ 60,894,435	\$ 3,325,461	\$ 899,634
Investment earnings	83,925	32,645	40,064	11,216
Loss recoveries	-	-	-	-
Other	<u>433,826</u>	<u>1,431</u>	<u>432,395</u>	<u>-</u>
Total revenues	65,637,281	60,928,511	3,797,920	910,850
Total expenses	(67,133,112)	(62,813,503)	(2,908,441)	(1,411,168)
Transfers	<u>7,200,000</u>	<u>6,200,000</u>	<u>-</u>	<u>1,000,000</u>
Change in net position	<u>\$ 5,704,169</u>	<u>\$ 4,315,008</u>	<u>\$ 889,479</u>	<u>\$ 499,682</u>

24. Fund Balance Reporting

Effective for fiscal years after June 15, 2009, GASB issued Statement No. 54, *Fund Balance Reporting and Fund Balance Definitions (GASB 54)*. The intention of the GASB 54 is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the District's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources. GASB 54 provides for two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2013

principal (corpus) of an endowment fund. The District has a long-term receivable and inventory items that are considered nonspendable. The District has no nonspendable funds related to endowment.

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

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

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

Nonspendable: The District has long-term accounts receivable of \$793,735 and inventory of \$2,648,749 totaling \$3,442,484 classified as nonspendable.

Spendable: The District has classified the spendable fund balances as *Restricted*, *Assigned*, and *Unassigned*, and considers each to have been spent when expenditures are incurred. The District does not have a policy regarding either committed or assigned fund balances, and has reported no committed fund balances in its financial statements. When assigned and unassigned balances are available for use, assigned resources will be used first and then unassigned resources will be used as needed.

- Restricted for Capital Projects, State Categoricals, Debt Service, and Food Services:
Florida Statute requires that certain revenues be specifically designated for the purposes of capital and debt service requirements, certain designated state categorical spending and other earmarked spending programs, and food services. These funds have been included in the restricted category of fund balance. The restricted fund balances for capital projects, state categoricals and other earmarked spending programs, debt service, and food services total \$56,964,421, and are \$38,637,448, \$2,591,888, \$4,711,420, and \$11,023,665 respectively.
- Assigned for School Operations and Capital Projects:
The School Board has set aside certain fund balances for school operations, capital projects, and food services. For the 2012-13 fiscal year, the assigned fund balance is \$4,527,763 of which \$2,134,174 is for school operations and \$2,393,589 is for capital projects not restricted for a particular purpose.
- Unassigned:
The unassigned fund balance for the general fund is \$37,003,774.

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2013

June 30, 2013, Fund Balance

	Major Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Debt Service Fund - Other	Section 1011.14/1011.15 Notes	Local Capital Improvement	Other Capital Projects		
Fund balances							
Nonspendable:							
Inventory	\$ 833,833	\$ -	\$ -	\$ -	\$ -	\$ 1,814,916	\$ 2,648,749
Long-term accounts receivable	594,801	-	-	198,934	-	-	793,735
Restricted:							
Capital projects	-	-	6,775,950	25,017,143	3,413,075	3,431,280	38,637,448
State categoricals	2,591,888	-	-	-	-	-	2,591,888
Debt service	-	4,499,238	-	-	-	212,182	4,711,420
Food Services	-	-	-	-	-	11,023,665	11,023,665
Assigned:							
School operations	2,134,174	-	-	-	-	-	2,134,174
Capital projects	-	-	-	-	2,393,589	-	2,393,589
Unassigned:	37,003,774	-	-	-	-	-	37,003,774
Total fund balances	<u>\$ 43,158,470</u>	<u>\$ 4,499,238</u>	<u>\$ 6,775,950</u>	<u>\$ 25,216,077</u>	<u>\$ 5,806,664</u>	<u>\$ 16,482,043</u>	<u>\$ 101,938,442</u>

The District has set aside “contingency reserves” per Board Policy 6120, to help sustain the financial stability of the District during times of emergency spending for items such as disaster recovery and revenue shortfalls that could potentially occur after the current year’s budget adoption. Policy 6120 requires at least 3 percent of the current year’s annual estimated general fund revenues to be reserved for contingency purposes. In the event these reserves are needed, a majority vote of the Board is required before using these funds and the Superintendent is required to provide a financial plan to the Board to restore the funds to the minimum 3 percent amount, along with a timeline for restoration. The contingency funds of \$19,880,369 are included as part of the unassigned general fund balance of \$37,003,774 and equates to 4.18 percent of fiscal year 2013 total general fund revenues.

25. Going Concern – Palm Bay Academy

The School Board has a charter school component unit under its sponsorship that disclosed a *Going Concern* in their financial statements for the period ending June 30, 2013. The financial statements for the charter school were prepared in conformity with accounting principles generally accepted in the United States of America, which contemplates the continuation of this entity as a going concern.

For the year ended June 30, 2013, the school was operating under a forbearance agreement with its creditors, pertaining to all of its outstanding debt effective through May 16, 2014. As a result of the charter school’s inability to pay obligations as due, the school entered into a forbearance agreement with the trustee on May 15, 2013. The agreement grants the charter school forbearance and relief through May 16, 2014. As a result of the agreement, the trustee will forbear from exercising its rights of remedies under the debt documents, exclusively with regard to existing events of default and payments due on November 15, 2013 and May 16, 2014. Under the agreement, all revenues of the charter school, except Title I, are required to be deposited directly with the trustee. The ability of the charter school to continue as a going concern will be determined by maintaining current enrollment, meeting cash flow projections and successful negotiations with creditors.

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2013

26. Prior Period Adjustment

Brevard Schools Foundation, Incorporated

The Brevard Schools Foundation, Incorporated, a component unit of the Brevard School District, has restated its 2011-12 fiscal year financial statements to correct an error resulting from deferring recognition of \$37,900 in revenue, which should have been recognized as current revenue in the 2011-12 fiscal year. The effect of the restatement was to decrease current liabilities, and to increase current revenue and net assets as of June 30, 2012, by \$37,900 for the value of the contributions that should have been recognized previously.

Brevard Innovative Charter Schools, Incorporated

Brevard Innovative Charter Schools, Incorporated (d/b/a as Sculptor Charter School), a component unit of the Brevard School District, has restated its net position to adopt GASB 65. In the fiscal year ended June 30, 2013, the school has implemented Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*. In accordance with this statement, costs related to the issuance of debt, which were previously recorded as an asset and amortized over the life of related debt, are to be recognized as an expense in the period incurred. The school has recorded intangible assets related to issuance of debt in previous years. These assets had an amortized value of \$429,024 at June 30, 2012. The effect of implementing this change in accounting for costs related to issuance of debt was to write off these assets at June 30, 2012, resulting in a decrease in net position of \$429,024.

27. Litigation

The School Board is a defendant in a number of lawsuits as of June 30, 2013. It is the opinion of the District's management, after giving consideration to the District's related insurance coverage, as well as the Florida statutory limitations on governmental liability on uninsured risks, that the amount of losses resulting from litigation, which exceeded the above-mentioned limits, would not be material to the financial position of the District.

28. Subsequent Event

On July 1, 2013, the following three charter schools opened under the sponsorship of the District. These schools are Emma Jewell Charter School, Inc. (d.b.a. Emma Jewel Academy); Odyssey Charter School, Inc., on behalf of Odyssey Preparatory Charter Academy; and Viera Charter School, Inc.

The School Board of Brevard County, Florida
Required Supplementary Information

Single - Employer Other Postemployment Benefits Plan

Schedule of Funding Progress

(amounts expressed in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability(AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Jan. 1, 2007	\$ -	\$ 110,060	\$ 110,060	0.0%	\$ 240,748	45.7%
Jan. 1, 2009	\$ -	\$ 98,779	\$ 98,779	0.0%	\$ 294,680	33.5%
Jan. 1, 2012	\$ -	\$ 102,590	\$ 102,590	0.0%	\$ 260,503	39.4%

Schedule of Employer Contributions

(amounts expressed in thousands)

Fiscal Year Ending	Annual Required Contribution (ARC)	Amount Contributed	Percentage of Annual Required Contribution	Net OPEB Obligation
6/30/2011	\$ 10,353	\$ 3,910	37.8%	\$ 23,332
6/30/2012	\$ 10,266	\$ 2,428	23.7%	\$ 30,645
6/30/2013	\$ 10,754	\$ 2,246	20.9%	\$ 38,336



COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS
AND SCHEDULES



Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

Debt Service Funds

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

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

Capital Projects Funds

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

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

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

The School Board of Brevard County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013
(amounts expressed in thousands)

	<u>Special Revenue</u>		
	<u>Food Services</u>	<u>Contracted Programs</u>	<u>Total Nonmajor Special Revenue</u>
ASSETS			
Cash and cash equivalents	\$ 11,378	\$ -	\$ 11,378
Investments	-	-	-
Accounts Receivable	2	1	3
Due from other agencies	78	5,832	5,910
Inventory	<u>1,815</u>	<u>-</u>	<u>1,815</u>
Total assets	<u>\$ 13,273</u>	<u>\$ 5,833</u>	<u>\$ 19,106</u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts, contracts and retainage payable	\$ 112	\$ 686	\$ 798
Accrued salaries and benefits	16	1,180	1,196
Due to other funds	-	3,808	3,808
Due to other agencies	-	159	159
Deferred revenue	<u>306</u>	<u>-</u>	<u>306</u>
Total liabilities	<u>434</u>	<u>5,833</u>	<u>6,267</u>
Fund balances:			
Nonspendable	1,815	-	1,815
Restricted	11,024	-	11,024
Assigned	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>12,839</u>	<u>-</u>	<u>12,839</u>
Total liabilities and fund balances	<u>\$ 13,273</u>	<u>\$ 5,833</u>	<u>\$ 19,106</u>

<u>Debt Service</u>	<u>Capital Projects</u>			<u>Total</u>
<u>SBE / COBI</u>	<u>SBE / COBI</u>	<u>Capital</u>	<u>Total</u>	<u>Nonmajor</u>
<u>Bonds</u>	<u>Bonds</u>	<u>Outlay and</u>	<u>Nonmajor</u>	<u>Governmental</u>
		<u>Debt Service</u>	<u>Capital Projects</u>	<u>Funds</u>
\$ 212	\$ -	\$ -	\$ -	\$ 11,590
-	1,185	2,274	3,459	3,459
-	-	-	-	3
-	-	-	-	5,910
-	-	-	-	1,815
<u>\$ 212</u>	<u>\$ 1,185</u>	<u>\$ 2,274</u>	<u>\$ 3,459</u>	<u>\$ 22,777</u>
\$ -	\$ -	\$ 28	\$ 28	\$ 826
-	-	-	-	1,196
-	-	-	-	3,808
-	-	-	-	159
-	-	-	-	306
-	-	28	28	6,295
-	-	-	-	1,815
212	1,185	2,246	3,431	14,667
-	-	-	-	-
<u>212</u>	<u>1,185</u>	<u>2,246</u>	<u>3,431</u>	<u>16,482</u>
<u>\$ 212</u>	<u>\$ 1,185</u>	<u>\$ 2,274</u>	<u>\$ 3,459</u>	<u>\$ 22,777</u>

The School Board of Brevard County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	<u>Special Revenue</u>		
	<u>Food Services</u>	<u>Contracted Programs</u>	<u>Total Nonmajor Special Revenue</u>
Revenues:			
Local sources:			
Food service sales	\$ 10,780	\$ -	\$ 10,780
Net increase (decrease) in fair value of investment	-	-	-
Other	188	-	188
Total local sources	<u>10,968</u>	<u>-</u>	<u>10,968</u>
State sources:			
Food services	357	-	357
Other	13	54	67
Total state sources	<u>370</u>	<u>54</u>	<u>424</u>
Federal sources:			
Federal direct	-	4,815	4,815
Other federal grants	-	37,254	37,254
Food services	18,999	-	18,999
Total federal sources	<u>18,999</u>	<u>42,069</u>	<u>61,068</u>
Total revenues	<u>30,337</u>	<u>42,123</u>	<u>72,460</u>

<u>Debt Service</u>	<u>Capital Projects</u>		<u>Total</u>	<u>Total</u>
<u>SBE / COBI</u>	<u>SBE / COBI</u>	<u>Capital</u>	<u>Total</u>	<u>Nonmajor</u>
<u>Bonds</u>	<u>Bonds</u>	<u>Outlay and</u>	<u>Nonmajor</u>	<u>Governmental</u>
		<u>Debt Service</u>	<u>Capital Projects</u>	<u>Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 10,780
-	-	(21)	(21)	(21)
-	-	-	-	188
-	-	(21)	(21)	10,947
-	-	-	-	357
2,292	-	402	402	2,761
2,292	-	402	402	3,118
-	-	-	-	4,815
-	-	-	-	37,254
-	-	-	-	18,999
-	-	-	-	61,068
2,292	-	381	381	75,133

Continued on next page.

The School Board of Brevard County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Special Revenue		
	Food Services	Contracted Programs	Total Nonmajor Special Revenue
Expenditures:			
Current operating:			
Instructional services	\$ -	\$ 19,948	\$ 19,948
Pupil personnel services	-	6,002	6,002
Instructional media services	-	7	7
Instructional and curriculum development services	-	8,836	8,836
Instructional staff training	-	2,919	2,919
Instruction related technology	-	392	392
General administration	-	1,494	1,494
School administration	-	53	53
Facilities acquisition and construction	-	38	38
Fiscal services	-	12	12
Food services	26,975	3	26,978
Central services	-	1	1
Pupil transportation services	-	276	276
Operation of plant	-	88	88
Maintenance of plant	-	6	6
Administrative technology services	-	55	55
Community services	-	1,299	1,299
Capital outlay:			
Facilities	65	5	70
Other capital outlay	830	689	1,519
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>27,870</u>	<u>42,123</u>	<u>69,993</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,467</u>	<u>-</u>	<u>2,467</u>
Other financing sources (uses):			
Transfers out	<u>(1,185)</u>	<u>-</u>	<u>(1,185)</u>
Total other financing sources (uses)	<u>(1,185)</u>	<u>-</u>	<u>(1,185)</u>
Net change in fund balances	1,282	-	1,282
Fund balances, beginning of year	11,557	-	11,557
Fund balances, end of year	<u>\$ 12,839</u>	<u>\$ -</u>	<u>\$ 12,839</u>

<u>Debt Service</u>	<u>Capital Projects</u>		<u>Total</u>	<u>Total</u>
<u>SBE / COBI</u>	<u>SBE / COBI</u>	<u>Capital</u>	<u>Total</u>	<u>Nonmajor</u>
<u>Bonds</u>	<u>Bonds</u>	<u>Outlay and</u>	<u>Nonmajor</u>	<u>Governmental</u>
		<u>Debt Service</u>	<u>Capital Projects</u>	<u>Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 19,948
-	-	-	-	6,002
-	-	-	-	7
-	-	-	-	8,836
-	-	-	-	2,919
-	-	-	-	392
-	-	-	-	1,494
-	-	-	-	53
-	9	874	883	921
-	-	-	-	12
-	-	-	-	26,978
-	-	-	-	1
-	-	-	-	276
-	-	-	-	88
-	-	-	-	6
-	-	-	-	55
-	-	-	-	1,299
-	-	-	-	70
-	-	-	-	1,519
1,875	-	-	-	1,875
463	-	2	2	465
<u>2,338</u>	<u>9</u>	<u>876</u>	<u>885</u>	<u>73,216</u>
<u>(46)</u>	<u>(9)</u>	<u>(495)</u>	<u>(504)</u>	<u>1,917</u>
-	-	-	-	(1,185)
-	-	-	-	(1,185)
<u>(46)</u>	<u>(9)</u>	<u>(495)</u>	<u>(504)</u>	<u>732</u>
258	1,194	2,741	3,935	15,750
<u>\$ 212</u>	<u>\$ 1,185</u>	<u>\$ 2,246</u>	<u>\$ 3,431</u>	<u>\$ 16,482</u>

The School Board of Brevard County, Florida
Debt Service Fund - Other
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Investment income	\$ 115	\$ 122	\$ 122	\$ -
Other	-	239	239	-
Total revenues	<u>115</u>	<u>361</u>	<u>361</u>	<u>-</u>
Expenditures:				
Principal	14,195	14,195	14,195	-
Interest and fiscal charges	<u>24,251</u>	<u>22,400</u>	<u>22,400</u>	<u>-</u>
Total expenditures	<u>38,446</u>	<u>36,595</u>	<u>36,595</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(38,331)</u>	<u>(36,234)</u>	<u>(36,234)</u>	<u>-</u>
Other financing sources (uses)				
Refunding bonds issued	-	142,220	142,220	-
Premium on refunding lease-purchase agreements	-	13,686	13,686	-
Payments to refunded bond escrow agent	-	(155,270)	(155,270)	-
Transfers in	<u>38,420</u>	<u>35,726</u>	<u>35,726</u>	<u>-</u>
Total other financing sources (uses)	<u>38,420</u>	<u>36,362</u>	<u>36,362</u>	<u>-</u>
Net change in fund balance	<u>\$ 89</u>	<u>\$ 128</u>	128	<u>\$ -</u>
Fund balance, beginning of year			<u>4,371</u>	
Fund balance, end of year			<u>\$ 4,499</u>	

The School Board of Brevard County, Florida
Section 1011.14 / 1011.15 Notes Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

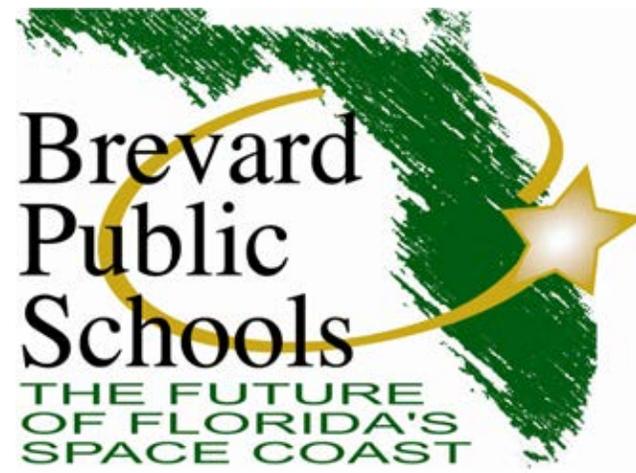
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Other	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Facilities acquisition and construction	125	1,205	1,168	37
Capital outlay:				
Facilities	3,658	3,020	-	3,020
Other capital outlay	154	332	277	55
Debt service:				
Interest and fiscal charges	-	63	63	-
Total expenditures	<u>3,937</u>	<u>4,620</u>	<u>1,508</u>	<u>3,112</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,937)</u>	<u>(4,620)</u>	<u>(1,508)</u>	<u>3,112</u>
Other financing sources (uses):				
Transfers in	-	8,367	8,367	-
Total other financing sources	<u>-</u>	<u>8,367</u>	<u>8,367</u>	<u>-</u>
Net change in fund balance	<u>\$ (3,937)</u>	<u>\$ 3,747</u>	6,859	<u>\$ 3,112</u>
Fund balance (deficit), beginning of year			(83)	
Fund balance (deficit), end of year			<u>\$ 6,776</u>	

The School Board of Brevard County, Florida
Local Capital Improvement Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Local sources:				
Ad valorem taxes	\$ 39,604	\$ 39,862	\$ 39,862	\$ -
Investment income	250	97	97	-
Other	-	38	38	-
Total local sources	<u>39,854</u>	<u>39,997</u>	<u>39,997</u>	<u>-</u>
Total revenues	<u>39,854</u>	<u>39,997</u>	<u>39,997</u>	<u>-</u>
Expenditures:				
Facilities acquisition and construction	326	2,780	2,742	38
Capital outlay:				
Facilities	10,622	2,462	786	1,676
Other capital outlay	1,381	1,190	53	1,137
Principal	8,300	-	-	-
Interest and fiscal charges	71	-	-	-
Total expenditures	<u>20,700</u>	<u>6,432</u>	<u>3,581</u>	<u>2,851</u>
Excess of revenues over expenditures	<u>19,154</u>	<u>33,565</u>	<u>36,416</u>	<u>2,851</u>
Other financing sources (uses):				
Transfers in		10	10	-
Transfers out	<u>(35,420)</u>	<u>(43,927)</u>	<u>(43,927)</u>	<u>-</u>
Total other financing sources (uses):	<u>(35,420)</u>	<u>(43,917)</u>	<u>(43,917)</u>	<u>-</u>
Net change in fund balance	<u>\$ (16,266)</u>	<u>\$ (10,352)</u>	(7,501)	<u>\$ 2,851</u>
Fund balance, beginning of year			<u>32,717</u>	
Fund balance, end of year			<u>\$ 25,216</u>	

The School Board of Brevard County, Florida
Other Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Impact fees	\$ 2,518	\$ -	\$ -	\$ -
Other	150	18	18	-
Total local sources	<u>2,668</u>	<u>18</u>	<u>18</u>	<u>-</u>
State sources:				
Other	150	213	213	-
Total state sources	<u>150</u>	<u>213</u>	<u>213</u>	<u>-</u>
Total revenues	<u>2,818</u>	<u>231</u>	<u>231</u>	<u>-</u>
Expenditures:				
Facilities acquisition and construction	1,387	1,697	1,697	-
Capital outlay:				
Facilities	-	2,004	392	1,612
Other capital outlay	-	9	-	9
Total expenditures	<u>1,387</u>	<u>3,710</u>	<u>2,089</u>	<u>1,621</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,431</u>	<u>(3,479)</u>	<u>(1,858)</u>	<u>1,621</u>
Other financing sources (uses):				
Sale of capital assets	150	82	82	-
Transfers in	4,500	1,926	1,926	-
Transfers out	<u>(3,000)</u>	<u>(175)</u>	<u>(175)</u>	<u>-</u>
Total other financing uses	<u>1,650</u>	<u>1,833</u>	<u>1,833</u>	<u>-</u>
Net change in fund balance	<u>\$ 3,081</u>	<u>\$ (1,646)</u>	<u>(25)</u>	<u>\$ 1,621</u>
Fund balance, beginning of year			<u>5,832</u>	
Fund balance, end of year			<u>\$ 5,807</u>	



The School Board of Brevard County, Florida
Special Revenue Fund - Food Services
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Food service sales	\$ 11,607	\$ 10,780	\$ 10,780	\$ -
Other	1	188	188	-
Total local sources	<u>11,608</u>	<u>10,968</u>	<u>10,968</u>	<u>-</u>
State sources:				
Food services	365	357	357	-
Other	7	13	13	-
Total state sources	<u>372</u>	<u>370</u>	<u>370</u>	<u>-</u>
Federal sources:				
Food services	18,483	18,999	18,999	-
Total federal sources	<u>18,483</u>	<u>18,999</u>	<u>18,999</u>	<u>-</u>
Total revenues	<u>30,463</u>	<u>30,337</u>	<u>30,337</u>	<u>-</u>
Expenditures:				
Food service:				
Salaries	8,786	9,059	8,298	761
Employee benefits	2,883	3,074	2,635	439
Purchased services	1,501	1,357	1,248	109
Energy services	768	629	544	85
Materials and supplies	15,250	14,837	13,377	1,460
Capital outlay	107	411	82	329
Other expenditures	888	874	791	83
Total food service	<u>30,183</u>	<u>30,241</u>	<u>26,975</u>	<u>3,266</u>
Capital outlay:				
Facilities	525	65	65	-
Other capital outlay	510	1,085	830	255
Total expenditures	<u>31,218</u>	<u>31,391</u>	<u>27,870</u>	<u>3,521</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(755)</u>	<u>(1,054)</u>	<u>2,467</u>	<u>3,521</u>
Other financing (uses):				
Transfers out	<u>(500)</u>	<u>(1,185)</u>	<u>(1,185)</u>	<u>-</u>
Total other financing (uses):	<u>(500)</u>	<u>(1,185)</u>	<u>(1,185)</u>	<u>-</u>
Net change in fund balance	<u>\$ (1,255)</u>	<u>\$ (2,239)</u>	1,282	<u>\$ 3,521</u>
Fund balance, beginning of year			11,557	
Fund balance, end of year			<u>\$ 12,839</u>	

The School Board of Brevard County, Florida
Special Revenue Fund - Contracted Programs
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grants and other	\$ 44	\$ 54	\$ 54	\$ -
Federal sources:				
Federal direct	10,862	4,815	4,815	-
Other Federal grants	46,851	37,254	37,254	-
Total revenues	<u>57,757</u>	<u>42,123</u>	<u>42,123</u>	<u>-</u>
Expenditures:				
Instructional services:				
Salaries	16,572	12,626	12,626	-
Employee benefits	4,990	3,270	3,270	-
Purchased services	3,394	2,020	2,020	-
Energy services	-	2	2	-
Materials and supplies	1,449	906	906	-
Capital outlay	1,290	1,071	1,071	-
Other expenditures	72	53	53	-
Total instructional services	<u>27,767</u>	<u>19,948</u>	<u>19,948</u>	<u>-</u>
Pupil personnel services				
Salaries	4,610	3,928	3,928	-
Employee benefits	1,209	894	894	-
Purchased services	2,125	967	967	-
Materials and supplies	208	200	200	-
Capital outlay	6	12	12	-
Other expenditures	-	1	1	-
Total pupil personnel services	<u>8,158</u>	<u>6,002</u>	<u>6,002</u>	<u>-</u>
Instructional media services:				
Salaries	6	6	6	-
Employee benefits	1	1	1	-
Capital outlay	10	-	-	-
Total instructional media services	<u>17</u>	<u>7</u>	<u>7</u>	<u>-</u>
Instruction and curriculum development services:				
Salaries	5,971	5,815	5,815	-
Employee benefits	1,469	1,311	1,311	-
Purchased services	1,388	1,033	1,033	-
Materials and supplies	424	406	406	-
Capital outlay	247	250	250	-
Other expenditures	64	21	21	-
Total instruction and curriculum development services:	<u>9,563</u>	<u>8,836</u>	<u>8,836</u>	<u>-</u>
Instructional staff training services:				
Salaries	1,510	1,586	1,586	-
Employee benefits	270	290	290	-
Purchased services	1,311	627	627	-
Materials and supplies	404	331	331	-
Capital outlay	11	9	9	-
Other expenditures	73	76	76	-
Total instructional staff training services	<u>3,579</u>	<u>2,919</u>	<u>2,919</u>	<u>-</u>

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Expenditures (continued):				
Instructional Related Technology:				
Salaries	9	-	-	-
Employee benefits	3	-	-	-
Purchased services	1	27	27	-
Materials and supplies	-	9	9	-
Capital outlay	294	356	356	-
Total instructional related technology	<u>307</u>	<u>392</u>	<u>392</u>	<u>-</u>
Board:				
Purchased services	9	-	-	-
Total board	<u>9</u>	<u>-</u>	<u>-</u>	<u>-</u>
General administration:				
Purchased services	14	-	-	-
Capital outlay	-	6	6	-
Other expenditures	2,033	1,488	1,488	-
Total general administration	<u>2,047</u>	<u>1,494</u>	<u>1,494</u>	<u>-</u>
School administration:				
Salaries	73	34	34	-
Employee benefits	17	5	5	-
Purchased services	3	9	9	-
Materials and supplies	-	4	4	-
Other expenditures	-	1	1	-
Total school administration	<u>93</u>	<u>53</u>	<u>53</u>	<u>-</u>
Facilities acquisition and construction:				
Purchased services	-	7	7	-
Capital outlay	-	31	31	-
Total facilities acquisition and construction	<u>-</u>	<u>38</u>	<u>38</u>	<u>-</u>
Fiscal Services:				
Salaries	42	9	9	-
Employee benefits	14	3	3	-
Purchased services	12	-	-	-
Total fiscal services	<u>68</u>	<u>12</u>	<u>12</u>	<u>-</u>
Food Services:				
Salaries	80	3	3	-
Employee benefits	24	-	-	-
Total food services	<u>104</u>	<u>3</u>	<u>3</u>	<u>-</u>
Central services:				
Salaries	55	1	1	-
Total central services	<u>55</u>	<u>1</u>	<u>1</u>	<u>-</u>
Pupil transportation services:				
Salaries	59	-	-	-
Employee benefits	14	-	-	-
Purchased services	637	107	107	-
Energy services	237	113	113	-
Materials and supplies	2	-	-	-
Other expenditures	88	56	56	-
Total pupil transportation services	<u>1,037</u>	<u>276</u>	<u>276</u>	<u>-</u>

Continued on next page.

The School Board of Brevard County, Florida
Special Revenue Fund - Contracted Programs
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Expenditures (continued):				
Operation of plant:				
Salaries	42	18	18	-
Employee benefits	18	3	3	-
Purchased services	224	42	42	-
Energy services	-	20	20	-
Materials and supplies	-	4	4	-
Capital outlay	-	1	1	-
Total operation of plant	<u>284</u>	<u>88</u>	<u>88</u>	<u>-</u>
Maintenance of plant:				
Energy services	3	4	4	-
Materials and supplies	2	2	2	-
Total maintenance of plant	<u>5</u>	<u>6</u>	<u>6</u>	<u>-</u>
Administrative technology services:				
Salaries	94	39	39	-
Employee benefits	25	11	11	-
Capital outlay	-	5	5	-
Total administrative technology services	<u>119</u>	<u>55</u>	<u>55</u>	<u>-</u>
Community services:				
Salaries	1,141	1,051	1,051	-
Employee benefits	276	248	248	-
Other expenditures	2,188	-	-	-
Total community services	<u>3,605</u>	<u>1,299</u>	<u>1,299</u>	<u>-</u>
Capital outlay:				
Facilities	150	5	5	-
Other capital outlay	790	689	689	-
Total capital outlay	<u>940</u>	<u>694</u>	<u>694</u>	<u>-</u>
Total expenditures	<u>57,757</u>	<u>42,123</u>	<u>42,123</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balances, beginning of year			-	
Fund balances, end of year			<u>\$ -</u>	

The School Board of Brevard County, Florida
 SBE / COBI Bonds Debt Service Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2013
 (amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
State sources:				
Withheld for SBE/COBI	\$ 2,320	\$ 2,282	\$ 2,282	\$ -
SBE/COBI Bond interest	-	10	10	-
Total state sources	<u>2,320</u>	<u>2,292</u>	<u>2,292</u>	<u>-</u>
Total revenues	<u>2,320</u>	<u>2,292</u>	<u>2,292</u>	<u>-</u>
Expenditures:				
Principal	1,875	1,875	1,875	-
Interest and fiscal charges	454	463	463	-
Total expenditures	<u>2,329</u>	<u>2,338</u>	<u>2,338</u>	<u>-</u>
Deficiency of revenues under expenditures	<u>(9)</u>	<u>(46)</u>	<u>(46)</u>	<u>-</u>
Net change in fund balance	<u>\$ (9)</u>	<u>\$ (46)</u>	<u>(46)</u>	<u>\$ -</u>
Fund balance, beginning of year			258	
Fund balance, end of year			<u>\$ 212</u>	

The School Board of Brevard County, Florida
SBE/COBI Bonds Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Investment income	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Facilities acquisition and construction	-	9	9	-
Capital outlay:				
Facilities	544	373	-	373
Total expenditures	<u>544</u>	<u>382</u>	<u>9</u>	<u>373</u>
Net change in fund balance	<u>\$ (544)</u>	<u>\$ (382)</u>	(9)	<u>\$ 373</u>
Fund balance, beginning of year			1,194	
Fund balance, end of year			<u>\$ 1,185</u>	

The School Board of Brevard County, Florida
 Capital Outlay and Debt Service Capital Projects Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2013
 (amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Net increase (decrease) in fair value of investments	\$ -	\$ (21)	\$ (21)	\$ -
State sources:				
Other	360	402	402	-
Total revenues	<u>360</u>	<u>381</u>	<u>381</u>	<u>-</u>
Expenditures:				
Facilities acquisition and construction	-	874	874	-
Capital outlay:				
Facilities	2,004	712	-	712
Interest and fiscal charges	-	1	2	(1)
Total expenditures	<u>2,004</u>	<u>1,587</u>	<u>876</u>	<u>711</u>
Net change in fund balance	<u>\$ (1,644)</u>	<u>\$ (1,206)</u>	(495)	<u>\$ 711</u>
Fund balance, beginning of year			<u>2,741</u>	
Fund balance, end of year			<u>\$ 2,246</u>	



Agency Funds

The Districts Agency Fund represents the Individual Schools Internal Funds.



The School Board of Brevard County, Florida
School Internal Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
ASSETS				
Cash and cash equivalents	\$ 5,959	\$ 15,515	\$ 15,319	\$ 6,155
Total Assets	\$ 5,959	\$ 15,515	\$ 15,319	\$ 6,155
LIABILITIES				
Internal accounts payable	\$ 5,959	\$ 15,515	\$ 15,319	\$ 6,155
Total Liabilities	\$ 5,959	\$ 15,515	\$ 15,319	\$ 6,155



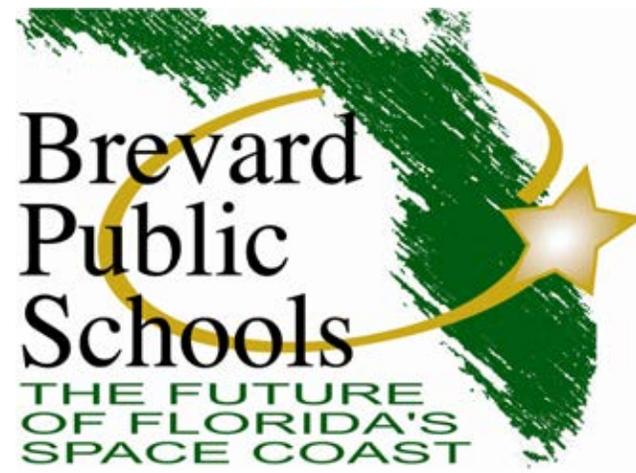
Internal Service Funds

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

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

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

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



The School Board of Brevard County, Florida
Combining Statement of Net Position
Internal Service Funds
June 30, 2013
(amounts expressed in thousands)

	Medical Insurance	Workers' Compensation	General/ Automotive Liability	Totals
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 7,996	\$ -	\$ 3,338	\$ 11,334
Investments	12,046	12,276	-	24,322
Other receivables	56	22	-	78
Due from other agencies	3	-	-	3
Total current assets	<u>20,101</u>	<u>12,298</u>	<u>3,338</u>	<u>35,737</u>
Total assets	<u>20,101</u>	<u>12,298</u>	<u>3,338</u>	<u>35,737</u>
LIABILITIES				
Current liabilities:				
Accounts payable	2	278	138	418
Due to other agencies	13	7	-	20
Total current liabilities	<u>15</u>	<u>285</u>	<u>138</u>	<u>438</u>
Long-term liabilities:				
Portion due within one year:				
Estimated insurance claims payable	4,967	1,892	699	7,558
Portion due after one year:				
Estimated insurance claims payable	-	5,827	1,048	6,875
Total long-term liabilities	<u>4,967</u>	<u>7,719</u>	<u>1,747</u>	<u>14,433</u>
Total liabilities	<u>4,982</u>	<u>8,004</u>	<u>1,885</u>	<u>14,871</u>
NET POSITION				
Unrestricted	<u>15,119</u>	<u>4,294</u>	<u>1,453</u>	<u>20,866</u>
Total net position	<u>\$ 15,119</u>	<u>\$ 4,294</u>	<u>\$ 1,453</u>	<u>\$ 20,866</u>

The School Board of Brevard County, Florida
Combining Statement of Revenues, Expenses
and Changes in Fund Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Medical Insurance	Workers' Compensation	General/ Automotive Liability	Totals
OPERATING REVENUES				
Premium revenues	\$ 60,894	\$ 3,325	\$ 900	\$ 65,119
Other operating revenues	2	432	-	434
Total operating revenues	<u>60,896</u>	<u>3,757</u>	<u>900</u>	<u>65,553</u>
OPERATING EXPENSES				
Salaries	481	92	98	671
Employee benefits	129	22	22	173
Purchased services	223	51	1	275
Material and supplies	6	-	-	6
Capital outlay	4	-	-	4
Claims expenses	61,971	2,743	1,290	66,004
Total operating expenses	<u>62,814</u>	<u>2,908</u>	<u>1,411</u>	<u>67,133</u>
Operating income (loss)	<u>(1,918)</u>	<u>849</u>	<u>(511)</u>	<u>(1,580)</u>
NON-OPERATING REVENUES				
Investment earnings	33	40	11	84
Total non-operating revenues	<u>33</u>	<u>40</u>	<u>11</u>	<u>84</u>
Income (loss) before transfers	<u>(1,885)</u>	<u>889</u>	<u>(500)</u>	<u>(1,496)</u>
Transfers in	6,200	-	1,000	7,200
Change in net position	<u>4,315</u>	<u>889</u>	<u>500</u>	<u>5,704</u>
Total net position, beginning	10,804	3,405	953	15,162
Total net position, ending	<u>\$ 15,119</u>	<u>\$ 4,294</u>	<u>\$ 1,453</u>	<u>\$ 20,866</u>

The School Board of Brevard County, Florida
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2013
(amounts expressed in thousands)

	Medical Insurance	Workers' Compensation	General/ Automotive Liability	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from premiums	\$ 60,872	\$ 3,325	\$ 900	\$ 65,097
Cash payments for insurance claims	(61,538)	(4,130)	(1,118)	(66,786)
Cash payments to employees	(610)	(114)	(120)	(844)
Other payments	(240)	(1,831)	(1)	(2,072)
Other receipts	15	433	1,873	2,321
Net cash provided by (used in) operating activities	<u>(1,501)</u>	<u>(2,317)</u>	<u>1,534</u>	<u>(2,284)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	<u>6,200</u>	<u>-</u>	<u>1,000</u>	<u>7,200</u>
Net cash provided by noncapital financing activities	<u>6,200</u>	<u>-</u>	<u>1,000</u>	<u>7,200</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	33	40	11	84
Proceeds from sales and maturities of investments	4,079	9,390	-	13,469
Purchase of investments	<u>(7,955)</u>	<u>(7,125)</u>	<u>-</u>	<u>(15,080)</u>
Net cash provided by (used in) investment activities	<u>(3,843)</u>	<u>2,305</u>	<u>11</u>	<u>(1,527)</u>
Net change in cash and cash equivalents	856	(12)	2,545	3,389
Cash and cash equivalents, beginning	7,140	12	793	7,945
Cash and cash equivalents, ending	<u>\$ 7,996</u>	<u>\$ -</u>	<u>\$ 3,338</u>	<u>\$ 11,334</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (1,918)	\$ 849	\$ (511)	\$ (1,580)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:				
Changes in assets and liabilities:				
(Increase) decrease in other receivable	(26)	1	-	(25)
Decrease in due from other funds	-	-	1,775	1,775
(Increase) in due from other agencies	(3)	-	-	(3)
Increase (decrease) in accounts payable	-	(5)	98	93
(Decrease) in due to other funds	-	(1,775)	-	(1,775)
Increase in due to other agencies	13	-	-	13
Increase (decrease) in estimated liabilities for self-insurance programs	<u>433</u>	<u>(1,387)</u>	<u>172</u>	<u>(782)</u>
Total adjustments	<u>417</u>	<u>(3,166)</u>	<u>2,045</u>	<u>(704)</u>
Net cash provided by (used in) operating activities	<u>\$ (1,501)</u>	<u>\$ (2,317)</u>	<u>\$ 1,534</u>	<u>\$ (2,284)</u>



Discretely Presented Component Units

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

Charter Schools - Pursuant to Chapter 617, Florida Statutes, and Section 1002.33, Florida Statutes, the following charter schools are considered discretely presented component units: Palm Bay Academy, Inc., Odyssey Charter School, Inc., Sculptor Charter School, Royal Palm Charter School, Inc., Educational Horizons Charter School Inc., Campus Charter School, Inc., and Imagine Schools at West Melbourne.

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

The School Board of Brevard County, Florida
Combining Statement of Net Position
Nonmajor Component Units
June 30, 2013
(amounts expressed in thousands)

	Palm Bay Academy, Inc.	Odyssey Charter School, Inc.	Sculptor Charter School, Inc.	Royal Palm Charter School, Inc.
ASSETS				
Cash and cash equivalents	\$ 374	\$ 1,308	\$ 922	\$ 298
Investments	-	-	1,057	-
Accounts receivable, net	-	1	13	-
Due from other agencies	53	177	14	7
Due from management company	-	-	-	-
Prepaid items	-	-	5	6
Deposits	29	16	-	-
Deferred charges	635	-	-	-
Restricted assets:				
Restricted cash and cash equivalents	801	-	-	-
Capital assets (net of accumulated depreciation):				
Land	1,711	1,083	496	127
Improvements other than buildings	42	-	926	119
Buildings and fixed equipment	7,163	5,496	3,073	-
Furniture, fixtures and equipment	183	660	165	22
Motor vehicles	-	280	9	-
Computer software	-	-	-	44
Other assets	-	-	-	-
Total assets	<u>10,991</u>	<u>9,021</u>	<u>6,680</u>	<u>623</u>
LIABILITIES				
Payroll deductions and withholdings	224	160	157	79
Accounts payable	151	5	22	-
Matured Interest Payable	-	21	-	-
Unearned revenue	-	-	-	-
Long-term liabilities:				
Portion due or payable within one year:				
Notes payable	-	90	55	-
Obligations under capital leases	31	10	-	10
Bonds payable	-	-	-	-
Portion due or payable after one year:				
Compensated absences payable	-	-	29	-
Notes payable	-	5,044	5,480	-
Obligations under capital leases	39	36	-	37
Bonds payable	11,774	-	-	-
Total liabilities	<u>12,219</u>	<u>5,366</u>	<u>5,743</u>	<u>126</u>
NET POSITION (Deficit)				
Net investment in capital assets	(1,310)	2,339	270	265
Restricted for:				
Debt service	650	-	388	-
Capital projects	11	-	-	-
Other purposes	36	-	-	-
Non-expendable - permanent endowment	-	-	-	-
Unrestricted	(615)	1,316	279	232
Total net position (Deficit)	<u>\$ (1,228)</u>	<u>\$ 3,655</u>	<u>\$ 937</u>	<u>\$ 497</u>

Educational Horizons Charter School, Inc.	Imagine Schools at West Melbourne, Inc.	Campus Charter School, Inc.	Total Charter Schools	Brevard Schools Foundation, Inc.
\$ 192	\$ 51	\$ 145	\$ 3,290	\$ 839
-	-	-	1,057	913
-	-	-	14	84
2	162	4	419	-
-	22	-	22	-
7	31	1	50	1,215
-	5	1	51	-
-	-	-	635	-
-	-	-	801	-
-	-	-	3,417	-
-	-	38	1,125	-
-	1	1	15,734	-
9	92	6	1,137	-
-	-	-	289	-
-	-	-	44	-
-	-	-	-	35
<u>210</u>	<u>364</u>	<u>196</u>	<u>28,085</u>	<u>3,086</u>
-	106	35	761	25
5	29	-	212	67
-	-	-	21	-
-	53	-	53	-
-	-	-	145	-
-	-	2	53	-
-	-	-	-	-
-	-	-	29	-
-	-	-	10,524	-
-	-	1	113	-
-	-	-	11,774	-
<u>5</u>	<u>188</u>	<u>38</u>	<u>23,685</u>	<u>92</u>
9	94	42	1,709	-
-	-	-	1,038	-
-	-	-	11	-
-	47	-	83	2,299
-	-	-	-	397
196	35	116	1,559	298
<u>\$ 205</u>	<u>\$ 176</u>	<u>\$ 158</u>	<u>\$ 4,400</u>	<u>\$ 2,994</u>

The School Board of Brevard County, Florida
Combining Statement of Activities
Nonmajor Component Units
June 30, 2013
(amounts expressed in thousands)

	Palm Bay Academy, Inc.	Odyssey Charter School, Inc.	Sculptor Charter School, Inc.	Royal Palm Charter School, Inc.
EXPENSES				
Instruction	\$ 1,889	\$ 2,974	\$ 2,327	\$ 948
Pupil personnel services	-	-	44	-
Instructional media services	8	91	59	-
Instructional and curriculum development services	-	111	-	-
Instructional staff training services	1	57	8	-
Instructional related technology	-	46	75	-
Board of education	68	-	-	-
General administration	-	-	-	-
School administration	466	964	395	373
Non-capitalizable facilities acquisition and construction	270	158	-	41
Fiscal services	194	2	30	14
Food services	330	380	24	35
Central services	9	-	-	-
Pupil transportation services	94	231	79	-
Operation of plant	290	669	286	355
Maintenance of plant	152	63	10	19
Administrative technology services	-	-	1	-
Community services	-	60	-	-
Interest on long-term debt	588	317	408	4
Total expenses	<u>4,359</u>	<u>6,123</u>	<u>3,746</u>	<u>1,789</u>
PROGRAM REVENUES				
Charges for services	30	456	248	-
Operating grants and contributions	399	531	-	88
Capital grants and contributions	162	266	-	1
Total program revenues	<u>591</u>	<u>1,253</u>	<u>248</u>	<u>89</u>
Net program expense	<u>(3,768)</u>	<u>(4,870)</u>	<u>(3,498)</u>	<u>(1,700)</u>
GENERAL REVENUES				
Grants and contributions not restricted to specific programs	3,039	4,704	3,383	1,741
Investment earnings	-	8	5	-
Miscellaneous	71	-	164	33
Total general revenues	<u>3,110</u>	<u>4,712</u>	<u>3,552</u>	<u>1,774</u>
Change in net position	(658)	(158)	54	74
Total net position - July 1, 2012	(570)	3,813	1,312	423
Prior period adjustment	-	-	(429)	-
Total net position (deficit) - July 1, 2012 restated	(570)	3,813	883	423
Total net position (deficit) - June 30, 2013	<u>\$ (1,228)</u>	<u>\$ 3,655</u>	<u>\$ 937</u>	<u>\$ 497</u>

Educational Horizons Charter School, Inc.	Imagine Schools at West Melbourne, Inc.	Campus Charter School, Inc.	Total Charter Schools	Brevard Schools Foundation, Inc.
\$ 276	\$ 1,069	\$ 489	\$ 9,972	\$ -
-	-	-	44	1,818
-	-	-	158	-
-	-	-	111	-
6	-	-	72	-
-	-	-	121	-
-	81	-	149	-
-	-	-	-	272
168	470	210	3,046	-
-	-	-	469	-
10	-	12	262	-
-	233	-	1,002	-
-	5	-	14	-
-	260	3	667	-
102	1,636	186	3,524	-
6	34	6	290	-
-	-	-	1	-
-	15	-	75	104
-	-	1	1,318	-
<u>568</u>	<u>3,803</u>	<u>907</u>	<u>21,295</u>	<u>2,194</u>
-	30	-	764	-
32	515	112	1,677	-
-	-	-	429	-
<u>32</u>	<u>545</u>	<u>112</u>	<u>2,870</u>	<u>-</u>
<u>(536)</u>	<u>(3,258)</u>	<u>(795)</u>	<u>(18,425)</u>	<u>(2,194)</u>
529	3,186	807	17,389	2,219
-	-	-	13	62
8	52	16	344	-
<u>537</u>	<u>3,238</u>	<u>823</u>	<u>17,746</u>	<u>2,281</u>
1	(20)	28	(679)	87
204	196	130	5,508	2,869
-	-	-	(429)	38
<u>204</u>	<u>196</u>	<u>130</u>	<u>5,079</u>	<u>2,907</u>
<u>\$ 205</u>	<u>\$ 176</u>	<u>\$ 158</u>	<u>\$ 4,400</u>	<u>\$ 2,994</u>



SCHOOL BOARD OF BREVARD COUNTY
STATISTICAL SECTION

June 30, 2013

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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



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

	Fiscal Year Ending									
	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013
GOVERNMENTAL ACTIVITIES:										
Net investment in capital assets	\$ 254,733	\$ 246,372	\$ 220,495	\$ 363,718	\$ 386,592	\$ 420,217	\$ 413,560	\$ 399,117	\$ 379,227	\$ 344,339
Restricted	43,386	85,374	151,517	34,504	36,539	14,474	27,067	38,964	42,684	58,058
Unrestricted	<u>6,929</u>	<u>23,439</u>	<u>41,207</u>	<u>53,110</u>	<u>62,887</u>	<u>32,259</u>	<u>34,086</u>	<u>34,840</u>	<u>3,797</u>	<u>(8,781)</u>
Total governmental activities net position	<u>\$ 305,048</u>	<u>\$ 355,185</u>	<u>\$ 413,219</u>	<u>\$ 451,332</u>	<u>\$ 486,018</u>	<u>\$ 466,950</u>	<u>\$ 474,713</u>	<u>\$ 472,921</u>	<u>\$ 425,708</u>	<u>\$ 393,616</u>
BUSINESS-TYPE ACTIVITIES:										
Net investment in capital assets	\$ 169	\$ 537	\$ 991	\$ 866	\$ 714	\$ 477	\$ 298	\$ 165	\$ 123	\$ 108
Unrestricted	<u>1,389</u>	<u>1,484</u>	<u>1,214</u>	<u>1,514</u>	<u>460</u>	<u>484</u>	<u>3,017</u>	<u>2,832</u>	<u>2,480</u>	<u>2,390</u>
Total business-type activities net position	<u>1,558</u>	<u>2,021</u>	<u>2,205</u>	<u>2,380</u>	<u>1,174</u>	<u>961</u>	<u>3,315</u>	<u>2,997</u>	<u>2,603</u>	<u>2,498</u>
PRIMARY GOVERNMENT:										
Net investment in capital assets	254,902	246,909	221,486	364,584	387,306	420,694	413,858	399,282	379,350	344,447
Restricted	43,386	85,374	151,517	34,504	36,539	14,474	27,067	38,964	42,684	58,058
Unrestricted	<u>8,318</u>	<u>24,923</u>	<u>42,421</u>	<u>54,624</u>	<u>63,347</u>	<u>32,743</u>	<u>37,103</u>	<u>37,672</u>	<u>6,277</u>	<u>(6,391)</u>
Total primary government net position	<u>\$ 306,606</u>	<u>\$ 357,206</u>	<u>\$ 415,424</u>	<u>\$ 453,712</u>	<u>\$ 487,192</u>	<u>\$ 467,911</u>	<u>\$ 478,028</u>	<u>\$ 475,918</u>	<u>\$ 428,311</u>	<u>\$ 396,114</u>

Source: District records

See page 128 for fund balances of governmental funds.

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

	Fiscal Year Ending									
	<u>June 30, 2004</u>	<u>June 30, 2005</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>June 30, 2008</u>	<u>June 30, 2009</u>	<u>June 30, 2010</u>	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>
EXPENSES										
Governmental activities:										
Instruction	\$ 279,380	\$ 284,024	\$ 309,781	\$ 362,787	\$ 373,608	\$ 370,649	\$ 356,678	\$ 362,878	\$ 338,857	\$ 338,346
Pupil personnel services	16,417	16,256	18,099	21,396	23,235	22,776	24,949	24,645	22,350	23,865
Instructional media services	11,152	11,140	9,963	9,302	9,500	9,444	9,056	7,912	7,442	7,360
Instruction and curriculum development services	13,387	13,798	17,251	21,615	22,524	21,415	22,040	22,046	19,612	20,514
Instructional staff training services	3,380	4,533	4,597	5,711	4,806	3,972	5,322	5,390	5,252	4,782
Instruction related technology	-	-	2,880	6,087	6,828	7,575	7,771	8,125	8,768	8,692
Board of education	911	802	814	768	924	1,260	1,424	1,246	1,350	1,322
General administration	3,220	2,623	2,516	3,253	3,355	3,200	4,235	5,175	3,274	3,434
School administration	31,905	27,572	31,407	38,716	40,060	39,907	37,766	36,259	35,358	34,879
Facilities acquisition & construction	18,629	16,768	21,824	24,938	23,839	11,109	7,609	7,243	10,335	7,165
Fiscal services	1,745	1,666	1,897	2,190	2,220	2,333	2,470	2,401	2,447	2,301
Food services	21,379	22,388	24,767	26,250	27,751	27,896	27,638	27,591	28,049	27,504
Central services	9,114	9,023	6,818	8,731	8,435	6,424	5,852	5,506	5,343	5,569
Pupil transportation services	17,218	18,743	20,672	23,189	25,244	25,027	23,378	23,813	23,603	22,638
Operation of plant	39,882	43,547	44,869	56,575	52,871	50,688	47,150	45,406	44,360	43,233
Maintenance of plant	2,515	9,068	7,536	8,621	6,316	4,085	4,869	6,823	5,811	11,926
Administrative technology services	-	-	2,331	2,986	3,091	4,279	3,983	3,796	3,404	3,613
Community services	390	419	414	621	384	667	647	1,098	1,156	1,626
Interest and fiscal charges	10,361	13,604	15,463	21,443	28,666	29,558	28,390	27,189	26,452	25,502
Depreciation - unallocated	29,147	27,858	27,547	32,510	34,590	39,968	45,862	44,510	39,802	37,240
Total governmental activities expenses	<u>510,132</u>	<u>523,832</u>	<u>571,446</u>	<u>677,689</u>	<u>698,247</u>	<u>682,232</u>	<u>667,089</u>	<u>669,052</u>	<u>633,025</u>	<u>631,511</u>
Business type activities										
Extended day program	5,757	6,025	7,529	8,200	8,315	7,333	6,491	5,231	4,822	4,610
Total business type activities expenses	<u>5,757</u>	<u>6,025</u>	<u>7,529</u>	<u>8,200</u>	<u>8,315</u>	<u>7,333</u>	<u>6,491</u>	<u>5,231</u>	<u>4,822</u>	<u>4,610</u>
Total primary government expenses	<u>\$ 515,889</u>	<u>\$ 529,857</u>	<u>\$ 578,975</u>	<u>\$ 685,889</u>	<u>\$ 706,562</u>	<u>\$ 689,565</u>	<u>\$ 673,580</u>	<u>\$ 674,283</u>	<u>\$ 637,847</u>	<u>\$ 636,121</u>

Fiscal Year Ending

	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013
PROGRAM REVENUES										
Governmental activities:										
Charges for services										
Food services	\$ 13,328	\$ 13,750	\$ 14,587	\$ 14,564	\$ 14,141	\$ 13,505	\$ 12,720	\$ 11,924	\$ 11,519	\$ 10,780
Other	863	514	203	435	612	1,222	960	699	947	844
Operating grants and contributions	21,235	23,433	23,003	25,755	26,173	26,401	27,524	28,700	29,674	30,208
Capital grants and contributions	23,037	10,901	11,096	22,607	20,702	8,562	12,303	10,669	2,815	2,734
Total governmental activities program revenues	<u>58,463</u>	<u>48,598</u>	<u>48,889</u>	<u>63,361</u>	<u>61,628</u>	<u>49,690</u>	<u>53,507</u>	<u>51,992</u>	<u>44,955</u>	<u>44,566</u>
Business type activities:										
Extended day program	5,908	6,480	7,681	8,342	7,830	7,120	6,490	6,213	5,727	5,804
Total business type activities program revenues	<u>5,908</u>	<u>6,480</u>	<u>7,681</u>	<u>8,342</u>	<u>7,830</u>	<u>7,120</u>	<u>6,490</u>	<u>6,213</u>	<u>5,727</u>	<u>5,804</u>
Total primary government program revenues	<u>\$ 64,371</u>	<u>\$ 55,078</u>	<u>\$ 56,570</u>	<u>\$ 71,703</u>	<u>\$ 69,458</u>	<u>\$ 56,810</u>	<u>\$ 59,997</u>	<u>\$ 58,205</u>	<u>\$ 50,682</u>	<u>\$ 50,370</u>
Net (expense)/revenue										
Governmental activities	\$ (451,669)	\$ (475,234)	\$ (522,557)	\$ (614,328)	\$ (636,619)	\$ (632,542)	\$ (613,582)	\$ (617,060)	\$ (588,070)	\$ (586,945)
Business-type activities	151	455	152	142	(485)	(213)	(1)	982	905	1,194
Total primary government net expense	<u>\$ (451,518)</u>	<u>\$ (474,779)</u>	<u>\$ (522,405)</u>	<u>\$ (614,186)</u>	<u>\$ (637,104)</u>	<u>\$ (632,755)</u>	<u>\$ (613,583)</u>	<u>\$ (616,078)</u>	<u>\$ (587,165)</u>	<u>\$ (585,751)</u>
GENERAL REVENUES AND OTHER										
CHANGES IN NET POSITION										
Governmental activities:										
Property taxes										
Levied for general purposes	137,259	152,100	177,938	215,255	219,788	234,639	221,528	192,994	177,927	175,202
Levied for capital projects	42,842	49,001	61,264	76,003	79,458	69,531	53,886	47,074	40,382	39,862
Grants and contributions										
Not restricted to specific programs	287,874	304,593	309,393	324,936	341,241	293,892	321,166	364,289	313,223	326,991
Miscellaneous	3,293	1,948	23,598	22,207	9,924	9,108	24,697	8,503	7,302	472
Unrestricted investment earnings	1,906	4,984	8,398	18,513	14,095	6,304	2,423	1,108	724	11,027
Insurance recoveries	-	12,745	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	(2,355)	1,300	1,299	1,299
Total governmental activities	<u>473,174</u>	<u>525,371</u>	<u>580,591</u>	<u>656,914</u>	<u>664,506</u>	<u>613,474</u>	<u>621,345</u>	<u>615,268</u>	<u>540,857</u>	<u>554,853</u>
Business type activities:										
Extended day program	2	8	32	33	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	2,355	(1,300)	(1,299)	(1,299)
Total business type activities	<u>2</u>	<u>8</u>	<u>32</u>	<u>33</u>	<u>-</u>	<u>-</u>	<u>2,355</u>	<u>(1,300)</u>	<u>(1,299)</u>	<u>(1,299)</u>
Total primary government	<u>473,176</u>	<u>525,379</u>	<u>580,623</u>	<u>656,947</u>	<u>664,506</u>	<u>613,474</u>	<u>623,700</u>	<u>613,968</u>	<u>539,558</u>	<u>553,554</u>
CHANGE IN NET POSITION										
Governmental activities	\$ 21,505	\$ 50,137	\$ 58,034	\$ 42,586	\$ 27,887	\$ (19,068)	\$ 7,763	\$ (1,792)	\$ (47,213)	\$ (32,092)
Business-type activities	153	463	184	175	(485)	(213)	2,354	(318)	(394)	(105)
Total primary government	<u>\$ 21,658</u>	<u>\$ 50,600</u>	<u>\$ 58,218</u>	<u>\$ 42,761</u>	<u>\$ 27,402</u>	<u>\$ (19,281)</u>	<u>\$ 10,117</u>	<u>\$ (2,110)</u>	<u>\$ (47,607)</u>	<u>\$ (32,197)</u>

Source: District records



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

<u>Fiscal Year Ending</u>	<u>Property Tax</u>		<u>Total</u>
	<u>General Purpose</u>	<u>Capital Projects</u>	
June 30, 2013	\$ 175,202	\$ 39,862	\$ 215,064
June 30, 2012	177,927	40,381	218,308
June 30, 2011	192,994	47,074	240,068
June 30, 2010	221,528	53,886	275,414
June 30, 2009	234,639	69,531	304,170
June 30, 2008	219,788	79,458	299,246
June 30, 2007	215,255	76,003	291,258
June 30, 2006	177,938	61,264	239,202
June 30, 2005	152,100	49,001	201,101
June 30, 2004	137,259	42,842	180,101

Source: District records

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

	Fiscal Year Ending						
	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013
GENERAL FUND							
Nonspendable	\$ 3,363	\$ 7,320	\$ 2,513	\$ 3,077	\$ 2,731	\$ 2,324	\$ 1,428
Restricted	11,929	9,649	6,204	6,905	4,331	4,158	2,592
Assigned	3,687	3,252	2,636	1,566	1,992	1,966	2,134
Unassigned	21,316	29,193	31,026	45,606	70,442	51,402	37,004
Total General Fund	\$ 40,295	\$ 49,414	\$ 42,379	\$ 57,154	\$ 79,496	\$ 59,850	\$ 43,158
ALL OTHER GOVERNMENTAL FUNDS							
Nonspendable	\$ 1,951	\$ 2,320	\$ 1,881	\$ 2,798	\$ 2,725	\$ 3,222	\$ 2,014
Restricted	302,761	219,970	108,802	80,343	68,072	43,237	54,372
Assigned	-	-	202	1,213	936	12,211	2,394
Unassigned	(15,039)	(20,556)	(23,025)	(20,378)	(9,611)	(83)	-
Total all other governmental funds	\$ 289,673	\$ 201,734	\$ 87,860	\$ 63,976	\$ 62,122	\$ 58,587	\$ 58,780
Total governmental funds	\$ 329,968	\$ 251,148	\$ 130,239	\$ 121,130	\$ 141,618	\$ 118,437	\$ 101,938

Source: District records

Note: Seven years of data available for GASB 54 compliance,
which was adopted in June 20, 2009.

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

	Fiscal Year Ending									
	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013
FEDERAL DIRECT SOURCES										
Reserve officers training corps (ROTC)										
Miscellaneous federal direct	\$ 2,689	\$ 7,019	\$ 4,825	\$ 5,563	\$ 4,402	\$ 2,649	\$ 1,968	\$ 2,261	\$ 2,449	\$ 5,546
Total federal direct	2,689	7,019	4,825	5,563	4,402	2,649	1,968	2,261	2,449	5,546
FEDERAL THROUGH STATE SOURCES										
Food service	10,027	11,430	11,300	12,313	12,969	14,279	15,786	17,236	18,482	18,999
Other federal through state grants	37,378	36,942	36,646	36,557	36,065	36,465	77,940	93,829	43,555	40,701
Total federal through state grants	47,405	48,372	47,946	48,870	49,034	50,744	93,726	111,065	62,037	59,700
STATE SOURCES										
Florida education finance program (FEFP)	208,887	206,883	197,361	194,873	191,901	152,985	161,572	187,295	186,381	198,781
Workforce development	-	-	-	-	-	-	2,810	2,959	3,145	3,255
Categorical educational programs	19,566	20,539	19,977	91,170	107,411	104,775	77,077	86,576	86,242	88,530
District discretionary lottery funds	3,436	4,029	3,566	2,928	3,541	1,780	-	-	-	-
Public education capital outlay	6,429	5,929	6,681	8,529	10,856	5,734	1,495	4,173	-	-
Food services	331	368	357	350	387	418	410	391	363	357
State grants and other state sources	43,401	45,786	62,228	20,536	16,395	8,461	12,224	5,082	4,608	2,974
Total state sources	282,050	283,534	290,170	318,386	330,491	274,153	255,588	286,476	280,739	293,897
LOCAL SOURCES										
Ad valorem taxes	180,102	201,101	239,202	291,258	299,246	304,170	275,414	240,068	218,308	215,064
Food service sales	13,328	13,750	14,649	14,563	14,175	13,611	12,720	11,924	11,519	10,780
Interest income and others	1,773	4,984	8,426	18,513	15,753	5,794	732	497	493	409
Net increase (decrease) in fair value of investments	-	-	-	-	-	-	-	-	-	(21)
Impact fees	-	-	-	-	-	-	8,434	3,679	-	-
Local grants and other local sources	4,110	5,795	23,110	21,830	13,847	9,319	10,140	7,863	6,524	6,923
Total local sources	199,313	225,630	285,387	346,164	343,021	332,894	307,440	264,031	236,844	233,155
Total revenues	\$ 531,457	\$ 564,555	\$ 628,328	\$ 718,983	\$ 726,948	\$ 660,440	\$ 658,722	\$ 663,833	\$ 582,069	\$ 592,298

Continued on next page.

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

	Fiscal Year Ending									
	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013
EXPENDITURES										
Current:										
Instructional services	\$ 278,293	\$ 298,182	\$ 321,809	\$ 355,086	\$ 371,212	\$ 360,012	\$ 348,063	\$ 357,706	\$ 334,860	\$ 334,100
Pupil personnel services	16,333	17,300	18,933	20,884	23,079	22,100	24,370	24,293	22,078	23,557
Instructional media services	11,094	11,863	10,551	8,985	9,411	9,184	8,819	7,786	7,340	7,252
Instruction and curriculum development services	13,289	15,200	18,489	20,822	22,272	20,806	21,455	21,692	19,345	20,218
Instructional staff training services	3,367	4,727	4,777	5,584	4,763	3,871	5,221	5,333	5,199	4,730
Instruction related technology	-	-	2,892	6,010	6,775	7,345	7,594	7,999	8,785	8,591
School Board	911	802	815	768	924	1,249	1,416	1,242	1,346	1,318
General administration	3,203	2,808	2,668	3,160	3,332	3,194	4,211	5,145	3,252	3,409
School administration	31,593	31,663	34,844	36,498	39,357	38,616	36,837	35,643	34,844	34,335
Facilities acquisition & construction	15,839	756	841	22,984	23,600	10,554	7,651	7,290	10,488	7,253
Fiscal services	1,739	1,815	1,980	2,141	2,212	2,236	2,387	2,352	2,406	2,259
Food services	21,358	22,741	25,124	26,050	27,681	27,491	27,322	27,400	27,897	27,338
Central services	8,411	9,551	7,305	8,469	8,366	6,241	5,699	5,418	5,271	5,486
Pupil transportation services	15,211	17,050	18,981	20,504	22,444	21,486	20,215	20,924	21,013	20,223
Operation of plant	39,846	44,118	45,430	56,223	52,760	49,926	46,547	45,050	44,074	42,924
Maintenance of plant	2,495	9,392	7,866	8,424	6,272	3,804	4,806	6,763	5,771	11,633
Administrative technology services	-	-	2,351	2,927	3,067	4,190	3,893	3,744	3,362	3,568
Community services	385	511	519	546	362	642	630	1,079	1,139	1,602
CAPITAL OUTLAY										
Facilities	56,747	76,187	110,539	174,483	205,362	153,735	39,118	10,301	654	1,850
Other Capital Outlay	-	-	-	-	-	-	6,076	3,757	4,272	2,992
DEBT SERVICE										
Principal	6,617	7,449	9,358	10,059	13,045	13,601	14,120	14,750	15,425	16,070
Interest and fiscal charges	10,312	13,352	16,914	23,147	28,569	29,792	27,893	26,692	25,764	22,928
Total expenditures	537,043	585,467	662,986	813,754	874,865	790,075	664,343	642,359	604,585	603,636
Excess (deficiency) of revenues over (under) expenditures	(5,586)	(20,912)	(34,658)	(94,771)	(147,917)	(129,635)	(5,621)	21,474	(22,516)	(11,338)

	Fiscal Year Ending									
	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013
OTHER FINANCIAL SOURCES (USES)										
Issuance of refunding certificates of participation	-	69,746	128,440	232,085	56,000	-	-	-	-	-
Inception of capital lease	-	2,942	-	-	-	-	-	-	-	-
Premium on refunding bonds	6,235	49,633	650	2,258	-	-	82	35	515	13,686
Payment to refunded certificates escrow agent	-	(70,537)	4,967	(39,575)	-	-	(874)	(246)	(5,875)	(155,270)
Premium on sale of bonds/notes	-	-	-	6,755	965	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-	-	800	210	5,375	142,220
Reissuance premium	-	-	-	-	-	7,020	-	-	-	-
Sale of capital assets	28	271	104	27	124	97	157	155	415	82
Loss recoveries	-	12,745	630	14	102	309	2	260	406	22
Transfers in	21,551	23,257	50,276	33,844	58,821	56,089	53,187	57,118	52,090	47,328
Transfers out	(21,551)	(23,257)	(50,276)	(33,844)	(46,915)	(54,789)	(56,842)	(58,518)	(53,591)	(53,229)
Total other financing sources (uses)	6,263	64,800	134,791	201,564	69,097	8,726	(3,488)	(986)	(665)	(5,161)
Net change in fund balance	677	43,888	100,133	106,793	(78,821)	(120,909)	(9,109)	20,488	(23,181)	(16,499)
Fund balance, beginning	75,870	76,547	120,434	220,567	329,968	251,148	130,239	121,130	141,618	118,437
Prior year adjustments	-	-	-	2,608	-	-	-	-	-	-
Fund balance ending	\$ 76,547	\$ 120,435	\$ 220,567	\$ 329,968	\$ 251,148	\$ 130,239	\$ 121,130	\$ 141,618	\$ 118,437	\$ 101,938
Debt service as a percentage of noncapital expenditures	3.63%	3.99%	4.63%	5.15%	6.21%	6.82%	6.97%	6.66%	6.88%	6.97%

Source: District records

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

	Fiscal Year Ending			
	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007
FEDERAL SOURCES				
Federal direct	\$ 1,920	\$ 4,748	\$ 1,104	\$ 1,654
Total federal direct	<u>1,920</u>	<u>4,748</u>	<u>1,104</u>	<u>1,654</u>
FEDERAL THROUGH STATE SOURCES				
Other federal through state grants	-	1,395	1,226	-
Total federal through state grants	<u>-</u>	<u>1,395</u>	<u>1,226</u>	<u>-</u>
STATE SOURCES				
Florida education finance program	208,887	206,883	197,361	194,873
Workforce development	-	-	-	-
Categorical programs	19,566	24,568	19,977	91,170
Lottery enhancement	3,436	40,398	3,566	2,928
Other	26,360	-	57,768	6,249
Total state sources	<u>258,249</u>	<u>271,849</u>	<u>278,672</u>	<u>295,220</u>
LOCAL SOURCES				
Ad valorem taxes	137,259	152,100	177,938	215,255
Investment income	1,000	1,964	4,490	4,900
Other	3,621	4,130	4,505	3,515
Total local sources	<u>141,880</u>	<u>158,194</u>	<u>186,933</u>	<u>223,670</u>
Total revenues	<u>402,049</u>	<u>436,186</u>	<u>467,935</u>	<u>520,544</u>
EXPENDITURES: (by object)				
Salaries	258,641	280,066	300,039	330,595
Employee benefits	76,271	81,532	89,255	92,349
Purchased services	32,595	36,672	40,453	57,798
Energy services	11,128	12,235	15,104	16,485
Material and supplies	11,379	15,189	14,830	16,905
Capital outlay	6,545	8,860	7,006	9,621
Other expenditures	1,450	2,010	2,469	2,220
Total expenditures	<u>398,009</u>	<u>436,564</u>	<u>469,156</u>	<u>525,973</u>
Excess (deficiency) of revenues over expenditures	<u>4,040</u>	<u>(378)</u>	<u>(1,221)</u>	<u>(5,429)</u>
Other financing sources	<u>-</u>	<u>9,745</u>	<u>630</u>	<u>1,147</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>4,040</u>	<u>9,367</u>	<u>(591)</u>	<u>(4,282)</u>
Beginning fund balances	<u>29,163</u>	<u>33,203</u>	<u>42,570</u>	<u>41,979</u>
Prior period adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,598</u>
Ending fund balances	<u>\$ 33,203</u>	<u>\$ 42,570</u>	<u>\$ 41,979</u>	<u>\$ 40,295</u>

Source: District records

Fiscal Year Ending

June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013
\$ 1,365	\$ 1,351	\$ 885	\$ 1,056	\$ 826	\$ 695
<u>1,365</u>	<u>1,351</u>	<u>885</u>	<u>1,056</u>	<u>826</u>	<u>695</u>
774	350	2,018	2,624	2,579	2,219
<u>774</u>	<u>350</u>	<u>2,018</u>	<u>2,624</u>	<u>2,579</u>	<u>2,219</u>
191,901	152,985	161,572	187,295	186,381	198,781
-	-	2,810	2,959	3,145	3,255
107,411	104,775	77,077	86,576	86,242	88,530
3,541	1,780	-	-	-	-
6,324	5,436	9,238	2,118	1,634	-
<u>309,177</u>	<u>264,976</u>	<u>250,697</u>	<u>278,948</u>	<u>277,402</u>	<u>290,566</u>
219,788	234,639	221,528	192,994	177,927	175,202
2,857	1,765	279	201	250	190
7,584	5,969	8,670	7,619	6,326	6,440
<u>230,229</u>	<u>242,373</u>	<u>230,477</u>	<u>200,814</u>	<u>184,503</u>	<u>181,832</u>
541,545	509,050	484,077	483,442	465,310	475,312
349,431	336,006	300,723	293,586	320,357	322,291
103,127	98,872	89,060	85,742	78,936	80,977
49,809	45,818	48,018	48,962	44,267	45,524
18,732	16,967	15,460	15,158	15,186	14,128
13,893	15,331	10,098	13,879	14,869	15,163
6,197	4,490	3,660	4,447	4,306	5,001
3,244	4,544	2,661	2,476	2,735	2,299
<u>544,433</u>	<u>522,028</u>	<u>469,680</u>	<u>464,250</u>	<u>480,656</u>	<u>485,383</u>
(2,888)	(12,978)	14,397	19,192	(15,346)	(10,071)
12,007	5,943	378	3,150	(4,300)	(6,621)
9,119	(7,035)	14,775	22,342	(19,646)	(16,692)
40,295	49,414	42,379	57,154	79,496	59,850
-	-	-	-	-	-
<u>\$ 49,414</u>	<u>\$ 42,379</u>	<u>\$ 57,154</u>	<u>\$ 79,496</u>	<u>\$ 59,850</u>	<u>\$ 43,158</u>



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

	Fiscal Year Ending			
	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013
REVENUES:				
Local sources:				
Other	\$ -	\$ -	\$ 5	\$ -
Federal sources:				
Other federal through state grants	38,126	54,876	2,724	1,264
Total revenues	<u>38,126</u>	<u>54,876</u>	<u>2,729</u>	<u>1,264</u>
Total revenues	<u>38,126</u>	<u>54,876</u>	<u>2,729</u>	<u>1,264</u>
EXPENDITURES: (by object)				
Salaries	24,705	34,223	480	533
Employee benefits	6,665	11,583	76	125
Purchased services	1,271	3,063	1,239	110
Material and supplies	2,278	1,818	176	12
Capital outlay	1,837	2,262	744	471
Other expenditures	1,370	1,927	14	13
Total expenditures	<u>38,126</u>	<u>54,876</u>	<u>2,729</u>	<u>1,264</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Beginning fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Prior period adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Source: District records

Note: Four years of data available for ARRA funds.

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

	Fiscal Year Ending			
	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007
FEDERAL SOURCES				
Federal direct	\$ 882	\$ 2,377	\$ 3,815	\$ 3,909
Other federal direct	37,378	35,547	35,420	36,557
Total federal sources	<u>38,260</u>	<u>37,924</u>	<u>39,235</u>	<u>40,466</u>
State sources	-	-	-	80
Total revenues	<u>38,260</u>	<u>37,924</u>	<u>39,235</u>	<u>40,546</u>
EXPENDITURES				
Salaries	17,779	18,415	18,913	20,434
Employee benefits	5,093	5,294	5,761	6,070
Purchased services	5,770	7,399	7,322	7,788
Material and supplies	2,012	2,229	2,359	2,242
Capital outlay	6,260	3,230	3,835	2,976
Other expenditures	1,346	1,357	1,045	1,036
Total expenditures	<u>38,260</u>	<u>37,924</u>	<u>39,235</u>	<u>40,546</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Beginning fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Source: District records

Fiscal Year Ending

June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013
\$ 3,037	\$ 1,298	\$ 1,083	\$ 1,205	\$ 1,623	\$ 4,815
35,291	36,115	37,796	36,329	38,247	37,254
<u>38,328</u>	<u>37,413</u>	<u>38,879</u>	<u>37,534</u>	<u>39,870</u>	<u>42,069</u>
93	81	53	53	58	54
<u>38,421</u>	<u>37,494</u>	<u>38,932</u>	<u>37,587</u>	<u>39,928</u>	<u>42,123</u>
20,569	20,394	20,855	19,855	22,966	25,116
6,274	5,839	5,875	5,777	5,422	6,036
5,862	6,202	7,375	6,047	5,565	4,839
2,185	2,162	1,589	1,414	1,831	1,862
2,474	1,833	1,995	2,945	2,441	2,435
1,057	1,064	1,243	1,549	1,703	1,835
<u>38,421</u>	<u>37,494</u>	<u>38,932</u>	<u>37,587</u>	<u>39,928</u>	<u>42,123</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>					

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

	Fiscal Year Ending			
	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007
FEDERAL THROUGH STATE SOURCES				
Food service	\$ 8,785	\$ 8,998	\$ 9,991	\$ 11,139
Donated foods	1,242	2,432	1,309	1,174
Total federal through state grants	<u>10,027</u>	<u>11,430</u>	<u>11,300</u>	<u>12,313</u>
STATE SOURCES				
Food service	343	380	357	362
Total state sources	<u>343</u>	<u>380</u>	<u>357</u>	<u>362</u>
LOCAL SOURCES				
Food service sales	13,328	13,750	14,405	14,563
Interest income and others	73	109	182	224
Total local services	<u>13,401</u>	<u>13,859</u>	<u>14,587</u>	<u>14,787</u>
Total revenues	<u>23,771</u>	<u>25,669</u>	<u>26,244</u>	<u>27,462</u>
EXPENDITURES: (by object)				
Salaries	6,807	7,131	7,529	8,237
Employee benefits	2,680	2,867	3,084	3,266
Purchased services	1,493	1,338	1,566	1,569
Energy services	485	558	646	750
Material and supplies	9,110	10,080	11,418	11,376
Capital outlay	614	1,039	2,418	3,259
Other expenditures	370	347	422	476
Total expenditures	<u>21,559</u>	<u>23,360</u>	<u>27,083</u>	<u>28,933</u>
Excess (deficiency) of revenues over expenditures	<u>2,212</u>	<u>2,309</u>	<u>(839)</u>	<u>(1,471)</u>
Other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>2,212</u>	<u>2,309</u>	<u>(839)</u>	<u>(1,471)</u>
Beginning fund balance	5,003	7,215	9,524	8,685
Ending fund balance	<u>\$ 7,215</u>	<u>\$ 9,524</u>	<u>\$ 8,685</u>	<u>\$ 7,214</u>

Source: District records

Fiscal Year Ending

June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013
\$ 11,511	\$ 12,567	\$ 14,202	\$ 15,345	\$ 16,712	\$ 17,346
1,458	1,712	1,584	1,891	1,770	1,653
<u>12,969</u>	<u>14,279</u>	<u>15,786</u>	<u>17,236</u>	<u>18,482</u>	<u>18,999</u>
397	422	416	396	371	370
<u>397</u>	<u>422</u>	<u>416</u>	<u>396</u>	<u>371</u>	<u>370</u>
14,175	13,611	12,720	11,924	11,519	10,780
55	31	2	10	179	188
<u>14,230</u>	<u>13,642</u>	<u>12,722</u>	<u>11,934</u>	<u>11,698</u>	<u>10,968</u>
<u>27,596</u>	<u>28,343</u>	<u>28,924</u>	<u>29,566</u>	<u>30,551</u>	<u>30,337</u>
8,701	8,696	8,410	8,211	8,332	8,298
3,378	3,279	3,123	3,141	2,723	2,635
1,398	1,051	1,152	1,089	1,256	1,248
808	724	690	691	699	544
12,492	12,646	12,760	12,741	13,370	13,377
1,611	761	961	533	545	977
531	760	744	968	916	791
<u>28,919</u>	<u>27,917</u>	<u>27,840</u>	<u>27,374</u>	<u>27,841</u>	<u>27,870</u>
(1,323)	426	1,084	2,192	2,710	2,467
-	-	-	-	(746)	(1,185)
<u>(1,323)</u>	<u>426</u>	<u>1,084</u>	<u>2,192</u>	<u>1,964</u>	<u>1,282</u>
7,214	5,891	6,317	7,401	9,593	11,557
<u>\$ 5,891</u>	<u>\$ 6,317</u>	<u>\$ 7,401</u>	<u>\$ 9,593</u>	<u>\$ 11,557</u>	<u>\$ 12,839</u>

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

	Fiscal Year Ending			
	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007
STATE SOURCES				
CO & DS withheld for SBE/COBI bonds	\$ 2,226	\$ 2,254	\$ 2,318	\$ 2,363
SBE/COBI bond interest	5	4	62	16
Racing commission	223	223	223	-
Total state sources	<u>2,454</u>	<u>2,481</u>	<u>2,603</u>	<u>2,379</u>
LOCAL SOURCES				
Interest income and others	21	409	394	49
Total local sources	<u>21</u>	<u>409</u>	<u>394</u>	<u>49</u>
Total revenues	<u>2,475</u>	<u>2,890</u>	<u>2,997</u>	<u>2,428</u>
EXPENDITURES: (by object)				
Debt service:				
Principal	6,580	6,905	8,790	9,470
Interest and fiscal charges	9,643	10,213	13,042	19,225
Total expenditures	<u>16,223</u>	<u>17,118</u>	<u>21,832</u>	<u>28,695</u>
Excess (deficiency) of revenues over expenditures	<u>(13,748)</u>	<u>(14,228)</u>	<u>(18,835)</u>	<u>(26,267)</u>
Other financing sources (uses):	<u>13,870</u>	<u>15,891</u>	<u>18,651</u>	<u>25,706</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>122</u>	<u>1,663</u>	<u>(184)</u>	<u>(561)</u>
Beginning fund balance	2,581	2,703	4,366	4,182
Adjustments to fund balance	-	-	-	10
Ending fund balance	<u>\$ 2,703</u>	<u>\$ 4,366</u>	<u>\$ 4,182</u>	<u>\$ 3,631</u>

Source: District records

Fiscal Year Ending

<u>June 30, 2008</u>	<u>June 30, 2009</u>	<u>June 30, 2010</u>	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>
\$ 2,369	\$ 2,371	\$ 2,373	\$ 2,367	\$ 2,377	\$ 2,282
20	1	1	1	-	10
-	-	-	-	-	-
<u>2,389</u>	<u>2,372</u>	<u>2,374</u>	<u>2,368</u>	<u>2,377</u>	<u>2,292</u>
32	9	295	143	120	361
<u>32</u>	<u>9</u>	<u>295</u>	<u>143</u>	<u>120</u>	<u>361</u>
2,421	2,381	2,669	2,511	2,497	2,653
12,435	12,970	14,120	14,750	15,425	16,070
<u>26,195</u>	<u>27,338</u>	<u>26,756</u>	<u>26,108</u>	<u>25,487</u>	<u>22,863</u>
<u>38,630</u>	<u>40,308</u>	<u>40,876</u>	<u>40,858</u>	<u>40,912</u>	<u>38,933</u>
(36,209)	(37,927)	(38,207)	(38,347)	(38,415)	(36,280)
<u>36,684</u>	<u>38,391</u>	<u>38,150</u>	<u>40,053</u>	<u>36,825</u>	<u>36,362</u>
475	464	(57)	1,706	(1,590)	82
<u>3,631</u>	<u>4,106</u>	<u>4,570</u>	<u>4,513</u>	<u>6,219</u>	<u>4,629</u>
-	-	-	-	-	-
<u>\$ 4,106</u>	<u>\$ 4,570</u>	<u>\$ 4,513</u>	<u>\$ 6,219</u>	<u>\$ 4,629</u>	<u>\$ 4,711</u>

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

	Fiscal Year Ending			
	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007
REVENUES				
State sources:				
CO & DS distributed to district	\$ -	\$ 444	\$ -	\$ -
Public education capital outlay	6,429	5,929	6,681	8,529
Classroom first program/class size reduction	-	2,345	-	11,314
State grants and other state sources	14,462	-	1,825	502
Total state sources	<u>20,891</u>	<u>8,718</u>	<u>8,506</u>	<u>20,345</u>
Local sources:				
Ad valorem taxes	42,843	49,001	61,264	76,003
Interest income and others	743	2,556	3,173	13,356
Local grants and other local sources	425	1,611	18,975	18,299
Total local sources	<u>44,011</u>	<u>53,168</u>	<u>83,412</u>	<u>107,658</u>
Total revenues	<u>64,902</u>	<u>61,886</u>	<u>91,918</u>	<u>128,003</u>
EXPENDITURES: (by object)				
Library books	127	141	174	292
Audio visual materials	44	27	37	43
Buildings and fixed materials	27,374	42,500	57,781	77,127
Furniture, fixtures and equipment	3,493	3,321	5,008	13,033
Motor vehicles	3,237	762	3,829	3,973
Land	5	12	880	3,460
Improvements other than buildings	1,854	934	1,694	5,322
Remodeling and renovations	26,453	20,505	32,607	82,287
Computer software	48	106	64	333
Debt service	357	2,194	3,598	3,737
Total expenditures	<u>62,992</u>	<u>70,502</u>	<u>105,672</u>	<u>189,607</u>
Excess (deficiency) of revenues over expenditures	<u>1,910</u>	<u>(8,616)</u>	<u>(13,754)</u>	<u>(61,604)</u>
Other financing sources (uses)	<u>(7,607)</u>	<u>39,164</u>	<u>115,500</u>	<u>174,711</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(5,697)</u>	<u>30,548</u>	<u>101,746</u>	<u>113,107</u>
Beginning fund balance	<u>39,124</u>	<u>33,427</u>	<u>63,975</u>	<u>165,721</u>
Ending fund balance	<u>\$ 33,427</u>	<u>\$ 63,975</u>	<u>\$ 165,721</u>	<u>\$ 278,828</u>

Source: District records

Fiscal Year Ending

June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013
\$ 356	\$ 414	\$ 402	\$ 408	\$ 397	\$ 402
10,856	5,734	1,495	4,173	-	-
-	-	-	-	-	-
7,223	153	151	130	134	213
<u>18,435</u>	<u>6,301</u>	<u>2,048</u>	<u>4,711</u>	<u>531</u>	<u>615</u>
79,458	69,531	53,885	47,074	40,381	39,862
12,811	3,998	157	153	123	76
6,261	3,341	9,904	3,913	19	56
<u>98,530</u>	<u>76,870</u>	<u>63,946</u>	<u>51,140</u>	<u>40,523</u>	<u>39,994</u>
<u>116,965</u>	<u>83,171</u>	<u>65,994</u>	<u>55,851</u>	<u>41,054</u>	<u>40,609</u>
332	190	244	122	10	-
92	35	48	22	-	-
106,658	55,424	3,667	24	16	-
17,687	15,552	9,152	2,430	1,036	1,640
2,413	5,095	-	-	2,024	-
2,000	-	-	-	-	-
11,193	3,493	848	761	320	786
81,458	80,175	33,922	13,284	8,819	5,572
304	365	353	187	17	-
2,324	1,999	655	584	277	65
<u>224,462</u>	<u>162,328</u>	<u>48,889</u>	<u>17,414</u>	<u>12,519</u>	<u>8,063</u>
(107,497)	(79,157)	17,105	38,437	28,535	32,546
<u>20,406</u>	<u>(35,607)</u>	<u>(42,016)</u>	<u>(44,189)</u>	<u>(32,444)</u>	<u>(33,717)</u>
(87,091)	(114,764)	(24,911)	(5,752)	(3,909)	(1,171)
278,828	191,737	76,973	52,062	46,310	42,401
<u>\$ 191,737</u>	<u>\$ 76,973</u>	<u>\$ 52,062</u>	<u>\$ 46,310</u>	<u>\$ 42,401</u>	<u>\$ 41,230</u>



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

Fiscal Year	Real Property Fiscal Year Ending Value	Personal Property Assessed Value (2)	Total Assessed Valuations (1)	Real Property Exemptions	Personal Property Exemptions (2)	Taxable Assessed Property Value (3)	Total Direct Rate (Millage)	Ratio of Taxable Assessed Value to Total Assessed Value
2012-13	\$ 33,963,159	\$ 8,203,286	\$ 42,166,445	\$ 8,409,435	\$ 6,299,890	\$ 27,457,120	8.096	65.12%
2011-12	34,797,638	7,960,383	42,758,021	8,715,582	6,230,401	27,812,038	8.112	65.05%
2010-11	39,760,031	9,660,749	49,420,780	9,487,494	7,543,273	32,390,013	7.653	65.54%
2009-10	49,377,471	9,782,694	59,160,165	14,994,325	7,440,380	36,725,460	7.687	62.08%
2008-09	58,670,319	9,761,816	68,432,135	19,740,636	7,346,395	41,345,105	7.661	60.42%
2007-08	61,061,100	10,306,802	71,367,902	22,664,665	7,775,949	40,927,288	7.531	57.35%
2006-07	62,812,856	9,762,988	72,575,843	25,929,271	7,334,824	39,311,748	7.667	54.17%
2005-06	50,063,358	9,509,259	59,572,617	23,338,502	5,173,871	31,060,244	7.963	52.14%
2004-05	38,125,091	8,593,271	46,718,362	15,065,778	6,494,683	25,157,901	8.194	53.85%
2003-04	32,358,742	9,641,071	41,999,813	12,362,728	7,549,649	22,087,436	8.405	52.59%

Source: Florida Department of Revenue - 2010-11 through 2012-13
Brevard County Property Appraiser - 2003-04 through 2009-10

Note: The basis of assessed property value is approximately 100% of estimated actual value for fiscal years 2003-04 through 2009-10.

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

- (1) Total assessed valuations (real, personal and centrally assessed property)
- (2) Personal and centrally assessed property
- (3) 2006-07 to present are post VAB assessments

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

	Fiscal Year			
	2004	2005	2006	2007
COUNTY -WIDE				
Brevard County	5.8342	5.4032	4.8245	4.9370
Brevard County School District	8.4050	8.1940	7.9630	7.6670
St. Johns River Water Management	0.4620	0.4620	0.4620	0.4620
Florida Inland Navigation District	0.0385	0.0385	0.0385	0.0385
Total county-wide	<u>14.7397</u>	<u>14.0977</u>	<u>13.2880</u>	<u>13.1045</u>
COUNTY TAXING DISTRICTS				
District I	7.1508	6.8696	6.3774	3.9600
District II	6.5848	5.5686	5.4617	2.6555
District III	4.5705	4.6863	4.3537	2.5865
District IV	5.7899	5.9678	5.4839	3.3304
District V	4.6463	4.7984	4.4641	2.7039
CITIES				
Cape Canaveral	3.4564	3.3740	3.0000	3.0000
Cocoa	4.5228	4.8074	4.8026	4.5705
Cocoa Beach	4.7800	4.5000	4.1000	3.5800
Grant-Valkaria	-	-	-	-
Indialantic	5.0089	4.8451	4.6203	4.3313
Indian Harbour Beach	4.9765	4.9733	4.7050	4.3675
Malabar	1.7642	1.7642	1.5994	1.3970
Melbourne	4.7856	4.7856	4.7415	4.5081
Melbourne Beach	3.7676	3.2774	3.0443	2.7808
Melbourne Village	4.5224	4.5221	4.5890	4.5384
Palm Bay	7.5301	6.9900	5.9804	4.6000
Rockledge	5.7000	5.7000	5.2900	4.9500
Satellite Beach	6.5953	6.3812	6.3596	5.9000
Titusville	5.8504	5.8504	6.0597	5.1990
West Melbourne	-	-	1.9344	1.5899

Source: Brevard County Comprehensive Annual Financial Report
for the year ended September 30, 2012.

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

Fiscal Year

2008	2009	2010	2011	2012	2013
4.6210	4.6762	4.5211	5.2249	5.9199	5.9199
7.5310	7.6610	7.6870	7.6530	8.1120	8.0960
0.4158	0.4158	0.4158	0.4158	0.3313	0.3313
0.0345	0.0345	0.0345	0.0345	0.0345	0.0345
12.6023	12.7875	12.6584	13.3282	14.3977	14.3817
3.8564	3.7642	3.7449	4.1446	4.8325	4.8325
2.6470	2.6433	2.7488	3.0268	3.3811	3.3811
2.6065	2.5546	2.6512	2.9026	3.2155	3.2155
3.2455	3.1528	3.2494	6.4259	4.0729	4.0729
2.6374	2.5821	2.6787	2.9745	3.3399	3.3399
2.7816	3.0671	3.0671	4.0739	4.0739	4.0739
4.4891	4.4891	4.4891	4.9662	5.5813	5.9811
3.4642	3.7186	4.0000	4.5000	5.0240	4.9798
0.4261	0.4976	1.0000	1.0000	1.0000	1.0000
4.3313	4.9810	5.5374	6.0698	6.7804	6.7395
4.0118	4.2037	4.7697	5.4077	5.9500	5.9352
1.2693	1.4676	1.6630	1.6630	1.6630	1.6630
4.4751	4.4751	5.1287	5.9223	6.9200	6.9000
2.7920	2.9543	3.9950	4.5005	5.1418	5.4363
4.5384	5.5656	6.1796	7.0759	8.1019	8.9150
4.7429	5.3000	6.8165	7.5000	9.0000	9.0000
4.8105	5.3500	5.3500	5.6500	6.2500	6.3658
6.1742	7.1207	7.8193	8.1439	8.5285	8.3559
5.0263	5.2694	6.3307	6.9119	7.5645	8.0930
1.5899	1.5899	2.2975	2.2975	2.2975	2.2975

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

Taxpayer	2013			2004		
	Taxes	Percentage of Total Taxes	Rank	Taxes	Percentage of Total Taxes	Rank
Florida Power and Light Company	\$ 9,075,511	1.53%	1	\$ 7,296,146	1.90%	1
Oleander Power Project Ltd	3,756,582	0.63%	2	3,451,273	0.90%	3
Harris Corporation	2,018,579	0.34%	3	2,695,731	0.70%	4
AT&T Florida	1,601,430	0.27%	4	3,976,478	1.04%	2
Walmart Stores, Inc.	1,524,080	0.26%	5	1,004,689	0.26%	7
Bright House Networks	1,139,098	0.19%	6	-	-	-
Florida East Coast Railroad	1,007,047	0.17%	7	733,638	0.19%	8
Cape Caribe, Inc.	963,436	0.16%	8	-	-	-
Florida Gas Transmission Company	938,797	0.16%	9	-	-	-
Rockledge HMA LLC	813,833	0.14%	10	-	-	-
Intersil Corp.	-	-	-	2,370,710	0.62%	5
Reliant Energy Indian River LLC	-	-	-	1,730,226	0.45%	6
Twean Subsidiary LLC	-	-	-	635,354	0.17%	9
Cocoa Beach Development, Inc.	-	-	-	611,948	0.16%	10
Total taxable assessed value of 10 largest taxpayers	<u>22,838,393</u>	<u>3.86%</u>		<u>\$ 24,506,193</u>	<u>6.38%</u>	
Total property taxes collected (lagged one year)	<u>\$ 591,960,413</u>			<u>\$ 384,072,854</u>		

Source: Brevard County Comprehensive Annual Financial Report for the year ended September 30, 2012.

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

Fiscal Year	Taxable Assessed Value	Millage			Total Tax Levy
		Operating	Capital	Total	
2012-13	\$ 27,457,119,378	6.596	1.500	8.096	\$ 222,292,838
2011-12	27,812,038,128	6.612	1.500	8.112	225,611,253
2010-11	32,390,012,540	6.153	1.500	7.653	247,880,766
2009-10	36,725,460,270	6.187	1.500	7.687	282,308,613
2008-09	41,345,104,921	5.911	1.750	7.661	316,744,849
2007-08	40,927,287,793	5.531	2.000	7.531	308,223,404
2006-07	39,311,747,501	5.667	2.000	7.667	301,403,168
2005-06	31,060,244,010	5.963	2.000	7.963	247,332,723
2004-05	25,334,959,340	6.194	2.000	8.194	207,594,657
2003-04	22,087,435,919	6.405	2.000	8.405	185,644,899

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
2012-13	\$ 222,292,838	\$ 213,453,918	96.02	\$ 1,610,694	\$ 215,064,612	96.75
2011-12	225,611,253	217,607,965	96.45	501,399	218,109,364	96.67
2010-11	247,880,766	238,694,460	96.29	1,373,315	240,067,775	96.85
2009-10	282,308,613	271,447,317	96.15	3,965,784	275,413,101	97.56
2008-09	316,744,849	302,765,351	95.59	1,404,736	304,170,087	96.03
2007-08	308,223,404	298,171,307	96.74	1,074,207	299,245,514	97.09
2006-07	301,403,168	291,257,413	96.63	-	291,257,413	96.63
2005-06	247,332,723	239,202,234	96.71	-	239,202,234	96.71
2004-05	207,594,657	201,101,599	96.87	-	201,101,599	96.87
2003-04	185,644,899	180,101,081	97.01	-	180,101,081	97.01

Source: District records
Brevard County Tax Collector
Brevard County Property Appraiser (post VAB assessments for 2006-07 to present)

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

Delinquent collections unavailable for FY2004 -FY2007

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

Fiscal Year	GOVERNMENTAL ACTIVITIES				Percentage of Personal Income	Per Capita
	State Board of Education Bonds	Certificates of Participation	Capital Leases	Total Primary Government		
2012-13	\$ 8,163,375	\$ 528,289,810	\$ -	\$ 536,453,185	Unavailable	981
2011-12	9,615,000	512,138,000	-	521,753,000	2.52%	952
2010-11	11,815,000	525,718,000	-	537,533,000	2.70%	989
2009-10	13,615,000	538,713,000	-	552,328,000	2.75%	994
2008-09	15,330,000	551,158,000	631,417	567,119,417	2.81%	1,020
2007-08	16,940,000	562,518,000	631,416	580,089,416	2.94%	1,051
2006-07	18,490,000	517,403,000	1,241,103	537,134,103	2.84%	989
2005-06	19,970,000	331,093,000	1,829,808	352,892,808	2.01%	663
2004-05	20,695,000	208,688,000	2,398,252	231,781,252	1.42%	445
2003-04	20,455,000	164,738,000	39,516	185,232,516	1.23%	365

Source: Governmental Activities from District records
Total Primary Government debt divided by Personal Income and Population from page 156.

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

Note: Fiscal year 2012-13 includes the unamortized net premium while previous years do not.

The School Board of Brevard County, Florida
Ratios of Certificates of Participation Debt Outstanding
Last Ten Fiscal Years
(Amounts expressed in thousands, except per capita amount)
(unaudited)

Fiscal Year	Certificates of Participation (1)	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property (2)	Per Capita (3)
2012-13	\$ 528,290	\$ 4,499	\$ 523,791	1.91%	\$ 958
2011-12	512,138	4,371	507,767	1.83%	926
2010-11	525,718	5,924	519,794	1.60%	957
2009-10	538,713	4,171	534,542	1.46%	962
2008-09	551,158	4,188	546,970	1.32%	983
2007-08	562,518	3,678	558,840	1.37%	1,012
2006-07	517,403	3,179	514,224	1.31%	947
2005-06	331,093	2,587	328,506	1.06%	618
2004-05	208,688	1,642	207,046	0.82%	397
2003-04	164,738	87	164,651	0.75%	324

Note: Details regarding outstanding debt can be found in the notes to the financial statements.

Note: Fiscal year 2012-13 includes the unamortized net premium while previous years do not.

- (1) The School Board has no general obligation debt. Calculations are provided based on outstanding debt related to Certificates of Participation.
- (2) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 143 for property value data.
- (3) Population data can be found in the Schedule of Demographic and Economic Statistics on page 154.

The School Board of Brevard County, Florida
Computation of Direct and Overlapping Bonded Debt
June 30, 2013
(unaudited)

Governmental Unit	Net Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes: Brevard County	\$ 115,964,586	100.00%	\$ 115,964,586
City of Titusville	7,535,000	100.00%	7,535,000
Subtotal, overlapping debt			<u>123,499,586.00</u>
School Board of Brevard County direct debt:			
Certificates of participation payable	528,289,810	100.00%	528,289,810
Bonds payable	8,169,375	100.00%	8,169,375
			<u>536,459,185</u>
Total direct and overlapping debt	<u>\$ 659,958,771</u>		<u>\$ 659,958,771</u>

Source: Brevard County Comprehensive Annual Financial Report for the period ending September 30, 2012
City of Titusville Comprehensive Annual Financial Report for the period ending September 30, 2012

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

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

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

Fiscal Year	Tax Year	Taxable Assessed Valuation	Principal Payment	Interest Payment	Total Annual Lease Payment	Millage Levy to Provide 1.00x Coverage
2012-13	2012	\$ 27,457,119,378	\$ 14,195,000	\$ 21,749,578	\$ 35,944,578	1.378 mills
2011-12	2011	27,812,038,128	13,580,000	24,823,011	38,403,011	1.453 mills
2010-11	2010	32,390,012,540	12,995,000	25,404,694	38,399,694	1.248 mills
2009-10	2009	36,725,460,270	12,445,000	25,956,414	38,401,414	1.100 mills
2008-09	2008	41,345,104,921	11,360,000	26,482,251	37,842,251	0.963 mills
2007-08	2007	40,927,287,793	10,885,000	24,132,250	35,017,250	0.900 mills
2006-07	2006	39,311,747,501	7,990,000	15,549,956	23,539,956	0.630 mills
2005-06	2005	31,060,244,010	6,035,000	12,055,419	18,090,419	0.613 mills
2004-05	2004	25,334,959,340	5,515,000	9,309,873	14,824,873	0.616 mills
2003-04	2003	22,087,435,919	5,285,000	8,584,752	13,869,752	0.661 mills

Source: District records
Brevard County Property Appraiser (2006-07 to present post VAB assessments)

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

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

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

	Fiscal Year Ending			
	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007
Assessed Value	\$ 22,087,436	\$ 25,334,959	\$ 31,060,244	\$ 39,311,748
Debt Limit on Assessed Value	22,087,436	25,334,959	31,060,244	39,311,748
Amount of Debt Applicable to Debt Limit:				
Bonds Payable	-	-	-	-
Less, Amount Available for Debt Service	-	-	-	-
Total Debt Applicable to the Debt Limit	-	-	-	-
Legal Debt Margin	22,087,436	25,334,959	31,060,244	39,311,748
Total Debt Applicable to the Debt Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%

Source: District records
Brevard County Property Appraiser (2006-07 to present post VAB assessments)

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

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

Fiscal Year Ending

June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013
\$ 40,927,288	\$ 41,345,105	\$ 36,725,460	\$ 32,390,013	\$ 27,812,038	\$ 27,457,120
40,927,288	41,345,105	36,725,460	32,390,013	27,812,038	27,457,120
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>40,927,288</u>	<u>41,345,105</u>	<u>36,725,460</u>	<u>32,390,013</u>	<u>27,812,038</u>	<u>27,457,120</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

Fiscal Year	Tax Year	Population (1)	Personal Income (1) (in thousands)	Per Capita Personal Income (1)	Median Age (1)	Unemployment Rate (1)	School Membership Enrollment (2)	Governmental Activities Expenses (2) (in thousands)	Cost per Student (in thousands)
2012-13	2012	546,827	(3)	(3)	45.7	8.3%	72,526	631,512	9
2011-12	2011	543,566	20,670,931	38,028	46.0	10.8%	72,906	633,025	9
2010-11	2010	543,376	19,945,159	36,675	45.5	11.9%	72,913	663,015	9
2009-10	2009	555,657	20,088,653	37,454	44.9	12.1%	73,352	667,089	9
2008-09	2008	556,213	20,176,057	37,620	43.9	6.5%	74,000	682,232	9
2007-08	2007	552,109	19,748,200	36,953	43.5	4.4%	75,235	698,247	9
2006-07	2006	543,050	18,891,718	35,623	43.3	3.4%	75,676	677,689	9
2005-06	2005	531,970	17,578,293	33,413	43.0	3.7%	76,062	571,446	8
2004-05	2004	521,422	16,308,666	31,613	42.9	4.4%	75,216	523,832	7
2003-04	2003	507,810	15,080,968	29,983	42.6	5.2%	73,912	510,132	7

(1) Brevard County Comprehensive Annual Financial Report for period ended September 30, 2012.

(2) District records

(3) Data unavailable

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

EMPLOYER	Fiscal Year					
	2012-13			2003-04		
	Employees	Rank	Percentage of total MSA Employment	Employees	Rank	Percentage of total MSA Employment
Health First	9,700	1	4.00%	6,000	3	2.61%
Brevard County School Board	9,400	2	3.87%	8,600	1	3.75%
Harris Corporation	6,000	3	2.47%	5,600	4	2.44%
Brevard County Board of County Commissioners	2,200	4	0.91%	3,200	6	1.39%
U.S. Department of Defense	2,100	5	0.87%	4,200	5	1.83%
NASA	2,100	6	0.87%	1,850	10	0.81%
Brevard Community College	1,500	7	0.62%	-	-	-
Rockwell Collins	1,500	8	0.62%	-	-	-
United Space Alliance	1,500	9	0.62%	6,300	2	2.74%
Northrop Grumman Corporation	1,300	10	0.54%	-	-	-
Space Gateway Support	-	-	-	3,000	7	1.31%
Wuesthoff Health System	-	-	-	2,400	8	1.05%
The Boeing Corporation	-	-	-	1,900	9	0.83%
Total	37,300		15.37%	43,050		18.76%
Total employees	242,667			229,520		

Source: Brevard County Comprehensive Annual Financial Report for the year ended September 30, 2012.

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

	Fiscal Year Ending									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
SCHOOLS										
Elementary										
Permanent Buildings:										
Number	465	469	470	462	451	448	445	441	439	448
Square Feet	5,286,388	5,354,941	5,356,160	5,328,245	5,320,314	5,322,401	5,387,763	4,881,050	4,006,575	4,686,574
Portables:										
Number	184	172	159	164	158	163	155	166	174	150
Square Feet	147,238	137,085	125,912	126,212	120,728	123,724	116,014	126,046	128,634	108,380
Student Stations	40,726	41,434	42,118	44,781	44,638	44,656	44,727	45,393	43,633	50,158
Enrollment	36,127	36,063	35,482	35,868	36,274	36,605	36,420	37,269	36,161	35,780
Middle										
Permanent Buildings:										
Number	77	77	77	76	75	75	73	73	70	73
Square Feet	1,610,780	1,610,830	1,610,686	1,610,150	1,611,462	1,609,800	1,628,297	1,554,178	1,312,055	1,528,176
Portables:										
Number	19	23	25	26	29	18	18	18	21	22
Square Feet	15,348	18,745	20,604	21,032	23,008	13,504	13,504	13,740	15,816	15,784
Student Stations	11,765	11,765	11,818	12,192	12,326	12,033	12,033	12,442	12,266	13,045
Enrollment	8,587	8,600	8,385	8,458	8,610	8,855	9,127	9,336	9,588	9,814
High										
Permanent Buildings:										
Number	344	347	330	335	312	306	296	271	278	273
Square Feet	4,393,467	4,392,988	4,385,471	4,379,955	4,024,169	3,995,526	4,051,872	3,431,690	2,944,637	3,062,245
Portables:										
Number	147	156	166	174	192	229	271	232	167	149
Square Feet	120,505	127,901	136,161	139,975	155,247	183,089	216,159	180,504	128,156	113,179
Student Stations	30,377	30,427	30,332	33,097	31,397	31,816	33,154	33,315	31,589	29,135
Enrollment	22,841	23,374	23,352	23,677	24,150	25,019	25,170	25,087	24,890	24,259
Other										
Permanent Buildings:										
Number	34	31	31	42	50	51	51	59	58	58
Square Feet	272,407	216,539	202,910	211,247	228,066	231,125	231,136	270,010	238,491	246,587
Portables:										
Number	25	59	25	61	67	56	57	65	55	51
Square Feet	17,830	40,338	17,830	41,290	45,254	37,908	39,190	44,548	37,235	34,675
Student Stations	766	190	190	190	184	716	716	1,244	1,244	1,282
Enrollment	1,145	1,173	1,197	1,215	1,018	957	920	987	876	829
ADMINISTRATIVE										
Permanent Buildings	14	14	14	14	6	6	6	5	5	5
Square Feet	228,558	228,393	228,437	228,437	212,133	207,938	207,938	185,323	184,081	184,081
Portables	0	0	0	0	0	0	0	0	0	0

Source: District Records

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

	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
<u>ELEMENTARY SCHOOLS</u>										
Allen	684	742	775	819	768	706	665	545	504	577
Andersen	726	683	638	638	640	696	717	756	738	771
Apollo	946	906	852	730	722	711	761	746	733	710
Atlantis	807	800	816	778	765	762	687	639	640	614
Audubon	728	682	672	657	635	574	475	496	532	473
Cambridge	586	614	612	570	502	510	536	543	564	583
Cape View	394	388	363	369	376	363	361	387	370	379
Challenger 7	646	606	549	525	494	496	489	483	500	486
Columbia	654	642	620	581	553	601	550	610	705	693
Coquina	447	455	459	449	439	405	431	468	520	555
Creel	1,027	948	989	873	819	760	759	930	900	946
Croton	459	601	588	568	537	515	516	585	597	629
Discovery	930	938	965	960	1,031	998	939	719	744	689
Endeavour	570	545	531	554	551	588	581	747	798	843
Enterprise	896	910	897	867	904	831	769	680	675	607
Fairglen	784	769	818	769	716	714	732	694	667	679
Gardendale	627	634	608	524	487	474	447	430	449	492
Gemini	645	642	602	593	588	607	631	610	564	536
Golfview	532	585	584	607	635	634	630	653	661	640
Harbor City	500	491	463	415	465	430	471	437	441	440
Holland	514	439	424	415	418	416	378	413	420	394
Imperial Estates	544	559	613	668	682	646	653	680	630	641
Indialantic	755	799	818	785	764	745	779	755	725	744
Jupiter	840	794	791	792	851	824	806	719	793	843
Lewis Carroll	910	910	915	886	845	789	742	670	675	657
Lockmar	907	866	759	746	713	748	787	695	734	781
Longleaf	1,054	821	749	683	696	686	705	737	708	654
Manatee	677	859	826	832	827	967	1,018	874	911	940
McAuliffe	845	868	878	917	920	913	824	762	763	780
Meadowlane Primary	840	893	961	975	694	700	741	752	778	737
Meadowlane Intermediate	-	-	-	-	519	505	540	973	1,076	900
Mila	430	441	407	403	365	384	420	512	516	517
Mims	635	612	615	576	531	522	489	468	448	479
Oak Park	816	831	764	744	750	705	664	646	609	687
Ocean Breeze	597	607	622	571	561	547	536	555	560	545
Palm Bay	663	715	689	706	716	696	702	803	816	848
Pinewood	403	382	413	433	421	430	405	400	353	379
Port Malabar	818	826	773	769	742	743	715	655	687	752
Quest	-	470	646	740	858	855	849	857	842	861
Riverview	367	439	531	497	470	453	405	320	297	-
Riviera	690	701	631	626	564	587	575	644	709	758
Roosevelt	559	514	517	514	462	408	413	443	439	414
Sabal	439	543	574	571	573	587	573	602	580	601
Saturn	775	751	767	731	740	702	736	792	797	829
Sea Park	434	391	353	293	301	300	305	310	354	393
Sherwood	740	701	698	667	638	608	594	524	515	515
South Lake	467	452	499	471	454	472	406	388	399	507
Sunrise	-	-	-	550	726	770	846	748	777	756
Suntree	1,131	905	862	815	806	828	827	679	697	644
Surfside	491	478	463	419	403	398	437	400	391	383
Tropical	827	853	857	819	760	740	712	690	668	643
Turner	659	682	745	693	765	734	696	664	741	772
University Park	553	533	559	597	553	565	517	518	585	628
Westside	1,077	1,153	1,245	773	825	844	839	779	821	756
Williams	735	792	805	805	812	805	796	583	602	603
Total Elementary Schools	<u>35,780</u>	<u>36,161</u>	<u>36,170</u>	<u>35,328</u>	<u>35,352</u>	<u>34,997</u>	<u>34,577</u>	<u>34,168</u>	<u>34,718</u>	<u>34,683</u>

Continued on next page.

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

	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
<u>MIDDLE SCHOOLS</u>										
Central	1,330	1,353	1,234	1,172	1,003	966	969	1,096	1,270	1,263
Clearlake	559	536	497	434	418	449	405	396	422	470
DeLaura	863	824	761	703	689	711	667	651	706	803
Hoover	593	550	512	481	467	449	438	519	543	568
Jackson	696	677	643	686	656	590	636	632	623	568
Jefferson	620	711	734	712	699	689	673	685	643	623
Johnson	1,110	1,044	1,011	1,012	962	946	894	860	836	794
Kennedy	721	670	644	626	636	677	712	740	718	643
Madison	767	710	688	665	660	586	579	548	484	497
McNair	388	408	447	490	572	510	471	488	558	563
Southwest	1,413	1,416	1,439	1,463	1,428	1,372	1,352	1,016	1,023	993
Stone	754	689	726	683	665	665	662	754	774	802
Total Middle Schools	<u>9,814</u>	<u>9,588</u>	<u>9,336</u>	<u>9,127</u>	<u>8,855</u>	<u>8,610</u>	<u>8,458</u>	<u>8,385</u>	<u>8,600</u>	<u>8,587</u>
<u>HIGH SCHOOLS</u>										
Astronaut	1,681	1,578	1,482	1,404	1,382	1,309	1,228	1,153	1,171	1,128
Bayside	2,141	2,232	2,380	2,580	2,752	2,760	2,195	1,930	1,665	1,606
Cocoa Beach Jr/Sr	1,474	1,504	1,543	1,551	1,528	1,470	1,402	1,383	1,389	1,246
Cocoa	1,446	1,387	1,317	1,272	1,193	1,114	1,029	970	960	966
Eau Gallie	2,313	2,420	2,390	2,081	1,953	1,736	1,694	1,654	1,599	1,675
Edgewood Jr/Sr	598	680	807	952	946	943	948	944	942	930
Heritage	-	-	-	-	-	-	932	1,327	1,759	1,797
Melbourne	2,280	2,325	2,291	2,342	2,274	2,190	1,981	1,997	1,967	1,945
Merritt Island	1,828	1,764	1,697	1,590	1,569	1,545	1,505	1,483	1,508	1,501
Palm Bay	2,390	2,605	2,621	2,577	2,529	2,324	2,108	1,893	1,739	1,587
Rockledge	1,636	1,728	1,786	1,559	1,421	1,238	1,204	1,242	1,269	1,377
Satellite	2,069	2,100	2,057	1,669	1,450	1,259	1,200	1,165	1,169	1,272
Space Coast Jr/Sr	1,543	1,844	2,171	2,168	2,161	1,962	1,833	1,742	1,650	1,552
Titusville	1,917	1,770	1,590	1,567	1,482	1,398	1,425	1,391	1,386	1,282
Viera	-	-	-	918	1,424	1,941	2,026	2,117	2,237	2,022
West Shore Jr/Sr	943	953	955	940	955	961	967	961	964	955
Total High Schools	<u>24,259</u>	<u>24,890</u>	<u>25,087</u>	<u>25,170</u>	<u>25,019</u>	<u>24,150</u>	<u>23,677</u>	<u>23,352</u>	<u>23,374</u>	<u>22,841</u>
<u>SPECIAL CENTERS</u>										
Brevard County Jail	7	-	-	-	-	-	-	-	-	6
Brevard Virtual Instruction	-	-	-	-	-	-	41	100	132	148
Center/ drug free liv.	17	18	21	19	29	27	30	30	27	26
Cogswell Offsite/ Central Alternative	69	54	66	52	33	47	66	43	34	54
Crosswinds	17	8	12	17	9	13	11	6	8	-
Detention Center	66	68	65	43	59	44	35	24	28	13
Devereux Hospital	61	58	35	51	37	29	39	40	39	36
Devereux North	-	-	-	-	-	-	-	-	-	-
Early Intervention Center	37	-	-	-	-	-	-	-	-	-
Fieldston Preparatory	62	72	85	69	62	59	71	73	76	62
Halfway House	-	19	21	24	30	28	30	29	28	18
Horace Mann Academy	112	141	161	126	119	117	114	112	131	119
Infants and Toddlers	96	125	155	166	252	369	493	427	368	290
Meadowlane Offsite	81	92	121	-	-	-	-	-	-	-
North Alternative Learning Center	-	-	-	43	32	41	31	31	40	32
Outward Bound	16	17	20	13	20	11	14	21	15	18
Project Search	-	-	-	-	-	-	-	-	27	28
Riverdale Country Day	109	132	149	161	144	119	116	120	116	115
Riverview School	-	-	-	-	-	-	-	-	-	66
South Alternative Learning Center	-	-	-	103	97	77	91	108	70	61
South Area Head Start	-	-	-	-	-	-	-	-	-	33
Space Coast Marine	31	25	31	33	34	37	33	33	34	20
Whispering Hills Offsite	48	47	45	-	-	-	-	-	-	-
Total - Special Centers	<u>829</u>	<u>876</u>	<u>987</u>	<u>920</u>	<u>957</u>	<u>1,018</u>	<u>1,215</u>	<u>1,197</u>	<u>1,173</u>	<u>1,145</u>
Source: District Records										

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

	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
<u>MILLENNIUM SCHOOLS</u>										
Freedom 7	407	431	425	420	412	414	413	403	414	410
Stevenson	280	270	259	261	427	449	464	480	484	489
West Melbourne	412	410	415	411	414	414	414	431	447	545
Total Millennium Schools	<u>1,099</u>	<u>1,111</u>	<u>1,099</u>	<u>1,092</u>	<u>1,253</u>	<u>1,277</u>	<u>1,291</u>	<u>1,314</u>	<u>1,345</u>	<u>1,444</u>
<u>CHARTER SCHOOLS</u>										
Campus Primary	123	169	224	171	154	132	125	152	138	140
Educational Horizons	54	73	80	72	60	73	68	93	99	92
Einstein Montessori	106	103	108	105	-	-	-	-	-	-
Explorer	224	243	275	277	-	-	-	-	-	-
Imagine School of West Melbourne	-	-	-	-	-	-	628	673	402	218
Milestones	152	-	-	-	-	-	-	-	-	-
Oakwood	-	-	31	47	-	-	-	-	-	-
Odyssey	185	367	517	508	522	544	550	565	623	762
Osprey	-	-	186	187	-	-	-	-	-	-
Palm Bay Academy	232	221	269	369	403	544	527	509	580	518
Palm Bay Community/Patriot	-	-	-	779	996	746	646	734	-	-
Palm Bay Municipal High School	-	-	-	-	-	-	16	43	-	-
River's Edge Academy	-	462	510	346	300	407	-	-	-	-
Royal Palm	143	115	125	120	186	185	195	216	253	281
Sculptor	359	364	395	392	399	418	445	469	491	518
Sawgrass Academy	-	-	112	93	-	-	-	-	-	-
Stepping Stones	184	-	-	-	-	-	-	-	-	-
Summit Quest	-	-	-	-	-	-	-	-	-	-
Total Charter Schools	<u>1,762</u>	<u>2,117</u>	<u>2,832</u>	<u>3,466</u>	<u>3,020</u>	<u>3,049</u>	<u>3,200</u>	<u>3,454</u>	<u>2,586</u>	<u>2,529</u>
Other: Home Ed. Migrant, McKay Scholarship recipients	<u>369</u>	<u>473</u>	<u>551</u>	<u>573</u>	<u>779</u>	<u>899</u>	<u>934</u>	<u>1,043</u>	<u>1,110</u>	<u>1,297</u>
Total District	<u>73,912</u>	<u>75,216</u>	<u>76,062</u>	<u>75,676</u>	<u>75,235</u>	<u>74,000</u>	<u>73,352</u>	<u>72,913</u>	<u>72,906</u>	<u>72,526</u>

Source: District records

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

Fiscal Year	Instructional	Administrative	Support	Total	(1) Ratio Students to Instructional	Ratio Instructors to School Administrators
2012-13	5,335	267	3,653	9,255	13.59 : 1	19.98 : 1
2011-12	5,281	270	3,575	9,126	13.81 : 1	19.56 : 1
2010-11	5,360	259	3,549	9,168	13.60 : 1	20.69 : 1
2009-10	5,333	275	3,802	9,410	13.75 : 1	19.39 : 1
2008-09	5,253	290	3,899	9,442	14.09 : 1	18.11 : 1
2007-08	5,432	292	4,003	9,727	13.85 : 1	18.60 : 1
2006-07	5,371	286	3,921	9,578	14.09 : 1	18.78 : 1
2005-06	5,231	281	3,765	9,277	14.54 : 1	18.62 : 1
2004-05	5,124	267	3,641	9,032	14.68 : 1	19.19 : 1
2003-04	4,909	262	3,438	8,609	15.06 : 1	18.74 : 1

Source: District Records

(1) Student membership as of 6/30/13

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

<u>Fiscal</u> <u>Year</u>	<u>Minimum</u> <u>Salary</u>	<u>Maximum</u> <u>Salary</u>	<u>Median</u> <u>Salary</u>
2012-13	36,000	56,350	46,175
2011-12	36,000	56,350	46,175
2010-11	36,000	56,350	46,175
2009-10	36,000	56,350	46,175
2008-09	36,000	56,350	46,175
2007-08	36,000	56,350	46,175
2006-07	35,000	54,550	44,775
2005-06	32,100	52,125	42,113
2004-05	30,500	50,235	40,368
2003-04	30,375	49,235	39,805

Source: District records

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

	Fiscal Year Ending									
	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013
Days meals were served - total	180	174	180	180	180	178	180	180	180	179
Average number of free and reduced meals served daily	24,739	25,209	26,142	28,026	28,843	30,843	32,384	33,973	36,168	36,389
Number of free and reduced meals served	4,453,056	4,386,369	4,705,694	5,044,678	5,191,817	5,490,005	5,829,068	6,115,086	6,510,228	6,469,966
Average daily subsidy received	\$ 55,705	\$ 65,692	\$ 62,778	\$ 68,405	\$ 72,051	\$ 80,219	\$ 87,701	\$ 95,623	\$ 104,743	\$ 108,206
Total subsidy received	\$ 10,026,832	\$ 11,430,423	\$ 11,300,021	\$ 12,312,753	\$ 12,969,118	\$ 14,278,997	\$ 15,786,166	\$ 17,212,164	\$ 18,853,824	\$ 19,368,922
Average number of meals served daily	43,906	45,433	49,559	51,693	52,842	52,517	52,212	52,912	54,210	52,551
Number of full paid meals served	3,450,058	3,519,037	4,214,943	4,259,913	4,319,715	3,858,005	3,569,110	3,409,160	3,247,490	2,893,069
Average daily revenue	\$ 132,059	\$ 147,523	\$ 145,799	\$ 152,567	\$ 153,313	\$ 159,232	\$ 160,687	\$ 164,126	\$ 169,735	\$ 169,477
Total revenue	\$ 23,770,539	\$ 25,668,970	\$ 26,243,774	\$ 27,462,067	\$ 27,596,366	\$ 28,343,225	\$ 28,923,745	\$ 29,542,729	\$ 30,552,233	\$ 30,336,345
Average daily cost	\$ 119,768	\$ 134,251	\$ 150,462	\$ 160,741	\$ 163,762	\$ 156,841	\$ 154,664	\$ 152,081	\$ 159,062	\$ 162,319
Total cost	\$ 21,558,323	\$ 23,359,598	\$ 27,083,158	\$ 28,933,340	\$ 29,477,101	\$ 27,917,777	\$ 27,839,470	\$ 27,374,592	\$ 28,631,205	\$ 29,055,050

Source: District records

**BREVARD COUNTY
DISTRICT SCHOOL BOARD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2013**

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass - Through Grantor Number	Amount of Expenditures (1)	Amount Provided to Subrecipients
United States Department of Agriculture:				
Indirect:				
Child Nutrition Cluster:				
Florida Department of Agriculture and Consumer Services:				
School Breakfast Program	10.553	321	\$ 4,552,153	\$
National School Lunch Program	10.555 (2)(A)	300, 350	13,984,337	
Summer Food Service Program for Children	10.559	323	<u>114,252</u>	
Total Child Nutrition Cluster			<u>18,650,742</u>	-
Florida Department of Education				
Child and Adult Care Food Program	10.558	302	282,121	
Fresh Fruit and Vegetable Program	10.582	330	<u>65,881</u>	-
Total United States Department of Agriculture			<u>18,998,744</u>	-
United States Department of Justice				
Direct:				
Office of Community Oriented Policing Services:				
Public Safety Partnership and Community Policing Grants	16.710	N/A	<u>35,796</u>	
United States Department of Energy:				
Indirect:				
University of Central Florida				
ARRA - State Energy Program	81.041 (2)(B)	None	<u>259,946</u>	
United States Department of Education:				
Direct:				
Impact Aid	84.041	N/A	694,794	
Fund for the Improvement of Education	84.215	N/A	<u>321,487</u>	
Total Direct			1,016,281	-
Indirect:				
Special Education Cluster:				
Florida Department of Education:				
Special Education - Grants to States	84.027	262, 263	16,104,278	
Special Education - Preschool Grants	84.173	266, 267	<u>564,496</u>	
Total Special Education Cluster			16,668,774	-
Florida Department of Education:				
Adult Education - Basic Grants to States	84.002	191, 192, 193, 194, 195, 590	663,869	655,000
Title I Grants to Local Educational Agencies	84.010	212, 220, 221, 226, 228	13,641,905	
Career and Technical Education - Basic Grants to States	84.048	151	618,702	
Education for Homeless Children and Youth	84.196	127	98,478	
Charter Schools	84.282	298	25,000	25,000
Twenty-First Century Community Learning Centers	84.287	244	2,630,499	
English Language Acquisition Grants	84.365	102	279,536	
Improving Teacher Quality State Grants	84.367	224	2,617,881	
ARRA - State Fiscal Stabilization Fund (SFSF) - Race To The Top				
Incentive Grants, Recovery Act	84.395	RL111	1,009,557	
Education Jobs Fund	84.410	541	<u>218,589</u>	
Total Indirect			<u>21,804,016</u>	680,000
Total United States Department of Education			<u>39,489,071</u>	680,000

**BREVARD COUNTY
DISTRICT SCHOOL BOARD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2013**

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass - Through Grantor Number	Amount of Expenditures (1)	Amount Provided to Subrecipients
United States Department of Health and Human Services:				
Direct:				
Head Start	93.600 (3)	N/A	3,435,652	-
Corporation for National and Community Service:				
Indirect:				
Florida Department of Education: Learn and Serve America - School and Community Based Programs	94.004	234	10,575	-
United States Department of Defense:				
Direct:				
Army Junior Reserve Officers Training Corps	None	N/A	522,284	
Air Force Junior Reserve Officers Training Corps	None	N/A	274,208	
Navy Junior Reserve Officers Training Corps	None	N/A	150,723	
Marines Junior Reserve Officers Training Corps	None	N/A	110,645	
Total United States Department of Defense:			1,057,860	-
Total Expenditures of Federal Awards			\$ 63,287,644	\$ 680,000

- Notes:
- (1) Basis of Presentation. The Schedule of Expenditures of Federal Awards represents amounts expended from Federal programs during the 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.
 - (2) Noncash Assistance.
 - (A) National School Lunch Program. This includes \$1,652,966 of donated food received during the year. Donated foods are valued at fair value as determined at the time of donation.
 - (B) State Energy Program - Represents the total Federally-paid portion of solar panels and related site preparation and installation costs.
 - (3) Head Start - Expenditures are for grant number 0CH4640/01.



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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*

Report on the Financial Statements

We have audited, 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Brevard County District School Board as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 11, 2013, included under the heading **INDEPENDENT AUDITOR'S REPORT**. Our report includes a reference to other auditors who audited the financial statements of the aggregate discretely presented component units, as described in our report on the Brevard County District School Board's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a

reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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 material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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*.

The results of our operational audit of the District will be presented in a separate report.

Purpose of this Report

The purpose of the **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*** is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



David W. Martin, CPA

Tallahassee, Florida

December 11, 2013

Audit Report No. 2014-058



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The President of the Senate, the Speaker of the
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Report on Compliance for Each Major Federal Program

We have audited the Brevard 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, 2013. The District's major Federal programs are identified in the **SUMMARY OF AUDITOR'S RESULTS** section of the **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its Federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major Federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major Federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of 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, 2013.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, 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. Our opinion on each major Federal program is not modified with respect to these matters.

The District's response to the noncompliance finding identified in our audit is described in the Exhibit A. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

District management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program 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. *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.

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 over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance as described in the **SCHEDULE OF FINDINGS AND QUESTIONED COSTS** section of this report as Federal Awards Finding No. 1 that we consider to be a significant deficiency.

The District's response to the internal control over compliance finding identified in our audit is included as Exhibit A. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



David W. Martin, CPA

Tallahassee, Florida

December 11, 2013

Audit Report No. 2014-058

**BREVARD COUNTY
DISTRICT SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	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?	Yes
Type of auditor's report issued on compliance for major programs:	Unmodified
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:	
CFDA Number(s):	Name of Federal Program or Cluster:
84.010	Title I Grants to Local Educational Agencies
84.395	ARRA-State Fiscal Stabilization Fund (SFSF) Race To The Top Incentive Grants, Recovery Act
93.600	Head Start Program
Dollar threshold used to distinguish between Type A and Type B programs:	\$1,898,629
Auditee qualified as low-risk auditee?	Yes

**BREVARD COUNTY
DISTRICT SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

FEDERAL AWARDS FINDING AND QUESTIONED COSTS

Federal Awards Finding No. 1:
Federal Agency: United States Department of Health and Human Services
Pass-Through Entity: NA
Program: Head Start (CFDA No. 93.600)
Finding Type: Noncompliance and Significant Deficiency
Questioned Costs: None

Allowable Costs/Cost Principles – Documentation of Time and Effort. United States Office of Management and Budget (OMB) Circular A-87 provides 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 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 and must be signed by the employee. 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 or supervisory official having firsthand knowledge of the work performed by the employee.

For the 2012-13 fiscal year, the District reported total Head Start program expenditures of \$3,435,652, of which salary and benefits totaled \$2,395,449. To determine the propriety of Head Start program salary and benefit expenditures, we tested the salary and benefits totaling \$1,924,355 for 39 employees. Our test disclosed these employees did not maintain appropriate records, such as monthly personnel activity reports, or semiannual certifications, to evidence the actual time devoted to program activities. District personnel indicated that no monthly personnel activity reports or semiannual certifications were prepared for any of the 39 employees tested and paid from the program because they were unaware that the Head Start program required time and effort recordkeeping. Subsequent to our inquiry, we obtained documentation, such as employee or supervisor confirmations, to evidence that the salaries and benefits charged to the program for the 39 employees were correct.

Absent the required monthly personnel activity reports or semiannual certifications evidencing actual time devoted to Federal program activities, there is an increased risk that personnel costs may be inappropriately charged to a Federal program.

Recommendation: The District should enhance its procedures to ensure that required monthly personnel activity reports, or semiannual certifications, as appropriate, are maintained to support salary and benefits charges to Federal programs.

District Contact Person: Dr. Teresa Wright, Executive Director of Early Learning and Head Start

MANAGEMENT'S RESPONSE

Management's response is included as Exhibit A.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS – FEDERAL AWARDS

*BREVARD COUNTY
DISTRICT SCHOOL BOARD
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS - FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2013*

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
Ernst & Young, LLP		There were no prior Federal audit findings.		

EXHIBIT A
MANAGEMENT'S RESPONSE

School Board of Brevard County
2700 Judge Fran Jamieson Way • Viera, FL 32940-6601
Brian T. Binggeli, Ed.D., Superintendent



November 14, 2013

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

Dear Mr. Martin:

Listed below are responses to your preliminary and tentative audit findings and recommendations dated November 5, 2013. The audit findings and recommendations along with district responses are provided for the fiscal year ending June 30, 2013.

Federal Award Finding No. 1: Required documentation to support personnel charges of federal programs were not always maintained, contrary to federal regulations.

The District should enhance its procedures to ensure that required monthly personnel activity reports, or semiannual certifications, as appropriate, are maintained to support salary and benefits charges to federal programs.

The Head Start program has taken action to rectify the concern and has provided additional documentation to evidence that the salaries and benefits charged to the program were indeed accurate for fiscal year 2012-13. A procedure has been established to ensure monthly personnel activity reports, or semiannual certifications, as appropriate, will be collected for each employee, to evidence actual time devoted to program activities. This procedure has been assigned to district staff in the Head Start Program and will be monitored for compliance by the Head Start Principal and the Director of Early Childhood and Title I Programs.

Sincerely,

A handwritten signature in black ink, appearing to read "BT Binggeli".

Brian T. Binggeli, Ed. D.
Superintendent

Phone: (321) 633-1000, ext. 402 • FAX: (321) 633-3432



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