
The School Board of Brevard County, Florida
Viera, Florida

Comprehensive Annual
Financial Report

For the
Fiscal Year Ended June 30, 2010

Prepared by:
Office of Accounting Services



**The School Board of Brevard County, Florida
Comprehensive Annual Financial Report
for the fiscal year ended June 30, 2010**

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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 3, 2010

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 opinions of the State of Florida Auditor General. 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 report presented herewith is complete and reliable in all material respects.

The Office of 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 unqualified opinion on the District's financial statements, for the fiscal year ended June 30, 2010. The report of the independent auditors is presented as the first component of the financial section of this report.

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

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



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

PROFILE OF THE SCHOOL BOARD

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

The geographic boundaries of the District are consistent with the geographic boundaries of Brevard County. During the 2009-10 fiscal year, the District operated ninety-five schools, including fifty-eight elementary schools, twelve middle schools, four junior/senior high schools, twelve high schools, and sponsored seven charter schools that are component units and two charter schools that are not component units, with a total of 71,580 unweighted full-time equivalent students. Additionally, the District operated thirteen special centers for students and four separate adult education centers. The School Board of Brevard County is considered to be the tenth largest of sixty-seven Districts in the state of Florida and the forty-third largest district in the nation. The School Board is the single largest employer in Brevard, with over 9,000 employees.

GENERAL DESCRIPTION AND LOCATION

Brevard County encompasses approximately 1,300 square miles along the Atlantic Ocean and is located near the center of Florida's east coast. The County is 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

Brevard County has experienced good population growth, increasing almost thirteen percent since the 2000 census. Growth has decreased somewhat since its peak in 2004; however, we still continue to see modest growth in some sectors of the population. The County's current population is estimated to be 555,000, with anticipated growth to 588,000 in the year 2015 and 625,000 in the year 2020. The median age is approximately 43.5 years.

The county has a diversified economic base that includes high technology and aerospace industries, tourism services and agriculture. The County is also anchored by internationally known companies such as Harris Corporation, Northrop Grumman, Boeing and many others. The county continues to seek opportunities to attract small and large businesses that can provide diversification to the county's economic base.

Brevard County is the home of the Kennedy Space Center and the Space Shuttle program. A major concern for the county is the significant job losses anticipated as a result of the final manned space flight scheduled for February, 2011. Local and State leaders continue to lobby for the continuation of federal funding for the commercial development of space launches; however, there is much uncertainty as to future funding and the logistics of managing this phase of space flight.

The local area economy continues to be affected by the national economic downturn that probably began to affect Brevard County during the latter part of calendar year 2006. Unemployment still remains high, at an estimated 11.4 percent for the county and 11.5 percent for the state of Florida as of July, 2010. These rates are reportedly higher than the national average of 9.5 percent during the same period. Unemployment is projected to improve during the latter part of calendar year 2010, as job growth begins to turn positive.

MAJOR INITIATIVES

Governor's Sterling Award – In 2007, The School Board of Brevard County was honored to be recognized as a recipient of the Governor's Sterling Award for organizational performance excellence. The award criteria are designed to improve performance through the use of best practices in all areas of the organization. The rigorous self-assessment process requires intensive reflection, collaboration, and analysis of current practices, and improves communication and strategic alignment across the entire organization. The School Board continues to seek organizational excellence through continuous improvement, providing greater quality and service to our students and to our community.

Class Size Reduction Amendment – In November 2002, the voters of Florida amended the State Constitution to limit class size. With implementation required by the 2010-11 school year, the amendment established the maximum number of students in core-curricular courses assigned to an individual teacher in each of the following three grade groupings: (1) eighteen students for pre-kindergarten through grade three; (2) twenty-two students for grades four through eight; and (3) twenty-five students for grades nine through twelve. The District has met the requirements of class size for all years beginning with the 2003-04 fiscal year, through fiscal year 2009-10. Requirements for those years were based on school-wide averages. Budget constraints continue to impact the ability of the State to implement at the individual classroom level; however, District accountability will be measured by individual classroom during fiscal year 2010-11.

Student Performance - Every School an “A” – The District has been an “A” rated school district for seven consecutive years. Brevard’s schools continue to achieve excellent results on the Florida Comprehensive Assessment Test (FCAT). For school year 2009-10, Brevard’s traditional elementary and middle schools received sixty-five “A” grades, three “B” grades, and one “C” grade, resulting in ninety-nine percent of students achieving an A or B grade. Charter schools’ results showed five schools with a grade of “A”, one school with a grade of “C”, and one school with a grade of “D”.

Desktop Student Data System, Data Dashboard, and BPS Scorecard, A3 Vision – Brevard has developed several online systems to make the reporting, analysis, and utilization of data more transparent and accessible to stakeholders. The ***Desktop Student Data System*** is a tool for teachers and administrators that brings student test score data, demographic information, and discipline data for an individual student or a class of students directly to the teacher's or administrator’s desk. FCAT data aids teachers in developing instructional strategies for effective teacher planning. ***Brevard’s Data Dashboard*** is an online tool that provides quick and easy access to state, district, and school reports for multiple years in areas such as FCAT, school grades, the Scholastic Aptitude Test, Advanced Placement, and Dual Enrollment. The ***BPS Scorecard*** is both a reporting and accountability tool that links Brevard Strategic Plan objectives to district and school results. The ***A3 Vision*** program broadens the range of assessment data to be used by district personnel for formative assessments.

SOAR 2010 -- The 2009-10 Summer Opportunities for Advancement and Remediation (SOAR) program served more than 5,600 students, offering programs such as Third Grade Summer Reading Camps, FLVS eLearning Centers, high school credit make-up, extended school year, academic internships, and Jump Start over the summer.

During the summer of 2010 a new program, Jump Start, was created to provide students with a motivational, engaging and enjoyable academic program. At the elementary school level, students were invited to a summer learning institute with fun learning activities. Title I middle and high schools provided Jump Start to acclimate entering seventh and ninth grade students to the middle and high school experience, while engaging them in relevant learning. The goal for Jump Start was for students to enter the upcoming school year armed with new skills and with confidence to start school ready to learn through a hands-on, standards-based curriculum that was designed to decrease student learning gaps at the beginning of the school year.

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

Small Learning Communities continued to develop and expand in our secondary schools during the 2009-10 school year. Schools recruited for career academies and collegiate high school programs, Advanced International Certificate of Education (AICE) Programs, Pre-Advanced International Certificate of Education (Pre-AICE) Lower Secondary Programs and Middle Years Programs (MYP), International Baccalaureate (IB) Programs.

Middle school counselors developed an individualized program of study (IPS) for each seventh grader. Face-to-face meetings between students, parents and counselors were held to discuss future plans for every seventh, eighth and ninth grade student. Students will continue to meet annually with their school counselor and parents to review and revise their IPS.

An important component of SSNP is the development of the senior year plan, a course of study tailored to the unique needs and talents of each twelfth grade student. Toward that end, every eleventh grade student took the full ACT Plus Writing college entrance exam in the spring of 2010. The results have provided a measure of student achievement in English, Math, Reading, Science Reasoning, and Writing and are being used by counselors, students, and parents to plan high school courses, to gain perspective on college eligibility, and to identify strengths and weaknesses for remediation or acceleration.

Career and Technical Education (CTE) – Career and Technical Education (CTE) programs are a vital component of the District’s initiative for Secondary Schools of National Prominence (SSNP). The graduation requirements for the Class of 2011 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. Over 1,000 industry credentials were earned by Brevard’s high school students during the 2009-10 school year.

Considerable investments were made over the past several years to significantly upgrade facilities for career and technical programs throughout the District. Highlights of this program include national certification by the American Culinary Federation (ACF), the National Automotive Technicians Education Foundation (NATEF), and the American Drafting and Design Association (ADDA). Career academies have been a vital component of SSNP. Twenty-four career academies have been implemented district-wide since the implementation of SSNP.

Florida’s Ready to Work (RTW) 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. Florida legislation has identified the RTW program as one of four diploma designations available to eligible seniors beginning with the 2008-09 school year.

K-12 Comprehensive Reading Program – Brevard Public Schools’ Comprehensive Reading Plan outlines instructional models for K-6 classrooms, as well as intensive reading courses for students at the secondary level. In elementary schools, the core reading program is delivered within an uninterrupted ninety-minute block. The essential component of the ninety-minute reading block is differentiated small group instruction. This reading intervention occurs outside of the required English course.

Brevard Public Schools utilizes the Florida Assessment for Instruction in Reading (FAIR). This assessment program is administered individually in grades K-2 and is computer-based for students in grades three through twelve. The need for support is identified, students are provided support, and growth is monitored through embedded intervention program assessments or other appropriate progress monitoring measures.

During the 2009-10 school year, the majority of schools received literacy coach services. Schools have been prioritized according to their number of students with reading deficiencies, exceptional student education (ESE) population, adequate yearly progress (AYP), school grade, FCAT writing proficiency level, and overall school population. Literacy coaches maximize reading achievement by providing teacher support as schools implement research-proven strategies and practices in daily instruction. The school improvement plan drives the focus of the literacy coach and all action steps and strategies for this program were embedded within the School Improvement Plan.

K-12 Science – During the 2009-10 school year, instructional emphasis was placed on inquiry learning, formative assessment, uncovering misconceptions, technology integration, and other research-based instructional practices for addressing the *Next Generation Sunshine State Standards for Science*. Professional development, teacher-developed documents, and onsite assistance was available for all science teachers to support these areas. An objective of Brevard Schools is to create a science “lab” for every elementary school and the District’s Facility Improvement Plan includes a financial commitment to renovate existing secondary science labs. Providing quality, highly engaging community-based learning experiences for students (e.g. Lagoon Quest, Space Week, and BLAST) also remained a priority. Many student opportunities for hands-on science learning beyond the classroom included science research classes, science fairs, science clubs, and robotics teams.

To support the strategic plan goal of “a quality science program in every school,” teachers and administrators were provided with resources that supported high-quality hands-on experiences for all students. All secondary students completed a rigorous core science sequence in order to graduate, and a fourth science credit was added to the district’s graduation requirements. All K-12 science teachers were provided training to assist in implementing the *Next Generation Sunshine State Standards for Science*.

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

All secondary science teachers and many elementary teachers are now connected via our Brevard Science Educators Network (BSEND), a discussion board dedicated to local science needs and issues. Teachers can find current science documents, share lesson plans, ask questions, trade supplies, and access content-specific electronic resources. Since its initial launch, this electronic community of local science educators has generated more than 1,000 posts under more than thirty-five different topics and group pages.

Active student involvement in high-quality science experiences is a priority. Brevard students excel in science as demonstrated by FCAT results. At each testing level, students exceeded the state mean on FCAT Science by more than twenty points. High school students were enrolled in Advanced Placement, Cambridge Advanced International Certificate of Education (AICE) or International Baccalaureate (IB) science courses, with many earning scores high enough to qualify for college credit. Our stellar results at state, national and international science competitions offer evidence of the exemplary science performance of Brevard students.

K-12 Comprehensive Writing Program – During the 2009-10 school year, Brevard continued to review writing results and to refine approaches for improving student writing as measured by FCAT results. Writing workshops were ongoing for Brevard County teachers. Instructional strategies were modeled at schools, and schools received training on the use of new district-created writing manuals.

K-6 students participated in district-wide assessments that emulated the actual FCAT writing state assessment. Prompts were carefully crafted so that they were developmentally appropriate, and grade level specific directions, allowable interpretations, and rubrics were provided. Teachers used the data from each of these formative assessments to drive future instruction. Students in grades seven

through ten completed two essays and multiple choice grammar assessments and grades eight and ten completed one essay assessment.

Fourth grade elementary scores for 2009-10 were 3.8, equaling the state average. The percentage of students in Brevard scoring 3.5 and above, however, increased from 78% to 86%. In eighth grade, Brevard County secondary scores for 2009-10 met the state average of 4.1. Tenth grade scores averaged 4.1, exceeding the state's average of 3.9 and tying for third place in the state

K-12 Mathematics – A primary focus during fiscal year 2009-10 for K-12 mathematics was the adoption of instructional materials, with emphasis on awareness and understanding of the Next Generation Sunshine State Standards (NGSSS). Implementation guides, teacher notes, assessments, and other resources were developed to support the implementation of the newly adopted mathematics programs.

Brevard students continue to perform at the highest levels in the state for mathematics. All grade levels tested in FCAT Mathematics in 2009-10 scored at least five mean scale points above the state average. Sixth grade students scored twenty-six points above the state average. Ninth grade students scored fifth in the state while tenth grade students placed second in the state. Evidence of the higher level of performance attained by Brevard students is also reflected in the increase of students performing at level three and above, and the decrease of students performing at level one. Brevard students scoring at level three or above ranged from three percent to eleven percent higher than the state.

“Being There Experiences” – Special experiences that support the curriculum and the Sunshine State Standards are now provided systematically by grade level for students. The experiences capitalize on the vast resources available in our community. Every fourth grade student participates in a field experience in *Lagoon Quest* to study Brevard's unique lagoon estuary system. Every fifth grade student participates in the *Brevard Symphony Orchestra Program* and attends a performance at the King Center. Every sixth grade student participates in our *Space Week* program at the Kennedy Space Center for a day. Every seventh grade student participates in *Project BLAST* at the Astronaut Hall of Fame in simulated space activities. Select middle schools piloted *Project SEINE* in which eighth grade students participated in a study of the history and flora and fauna of the Indian River Lagoon. This project has been a cooperative venture with the Brevard County Zoo and the Brevard County Parks & Recreation Department. Every eleventh grade student attends a live performance in the form of a play. The 2009-10 play was entitled *1776*. The ultimate goal for these endeavors is to provide a different “Being There Experience” for every grade level.

Music Demonstration Schools – Brevard is home to some of the finest music programs available as proven by the selection of twenty-two schools (out of a total of twenty-five in the state) as Music Demonstration Schools. Our students have been invited to compete in major national and international music festivals. Our ongoing efforts for improvement include the integration of the standards of excellence required to be a Music Demonstration School in every school.

Excellence in Physical Education Award – Brevard is the first district in Florida to recognize excellence in physical education programs. The criteria for the portfolio combine the best elements of the national award for excellence in physical education (STARS). The submitted portfolios are first reviewed and scored by a team from Florida State University, made up of professors and post-graduate students who are specialists in physical education. The Portfolio Review Team is tasked with evaluating and recommending physical education programs that demonstrate balanced diversity, high-performance standards and instructional quality. A Site Visit Team composed of out-of-county

experts in the field of physical education conducts a review of each school's portfolio, a visual evaluation of the program in action, and a walkthrough of the site. Special attention is given to age-appropriate equipment for each physical education class, and interviews are conducted with the administration, parents and physical education teachers. The Site Visit Team provides the recommendation to the School Board Superintendent for the schools qualifying to receive this prestigious award. Brevard currently has nine award winning schools for Excellence in Physical Education Award (EPEA). Two of our schools have received national recognition for their excellent programs by achieving the STARS award from the National Association for Sport and Physical Education (NASPE).

Excellence in Visual Arts Award – The Brevard Cultural Alliance in Visual Arts Award was initiated in Brevard County in calendar year 2005. The purpose of this award is to identify and foster visual arts programs which are comprehensive in scope and are outstanding in quality. Brevard has fifteen programs of excellence, adding two new schools and renewing three programs with this distinction in calendar year 2010. The award process has brought attention to the visual arts, increased teacher awareness of community interaction, and different assessment venues available to them such as College Board, State Fair, and the Florida Art Education Association's digital assessment as well as international opportunities. The School Board staff is currently working with the Department of Education using the Brevard Arts Award (EVA) to create a Visual Arts Demonstration Schools (VADS) model.

Achievement Through Technology and Innovation Award – During the 2008-09 school year, Brevard Public Schools launched a formal excellence recognition program that focuses on school-based technology efforts which are wide-ranging in scope and exceptional in quality. Consistent with national standards established by the International Society for Technology in Education (ISTE), the award endorses efforts designed to improve teaching and learning with technology. To be considered, schools must build a portfolio of evidence that illustrates a systemic commitment to successful technology integration. Submitted portfolios are then evaluated by technology leaders from Florida's K-20 community. Twenty-five reviewers representing nineteen different districts, a university, and the Department of Education are all involved in the evaluation and scoring process. Following a year-long application process, nine of Brevard's schools were recognized during the 2009-10 school year, joining six elementary schools that previously earned this distinction in the 2008-09 school year.

Graduation Rate and Dropout Rate – For 2009-10, Brevard had a graduation rate of 95.25 percent, which is among the highest graduation rates in the State. At 0.5 percent, Brevard's dropout rate is the seventh lowest in the State. This data supports our mission to *serve every student with excellence as the standard*.

Adult and Community Education – The Office of Adult and Community Education provides educational services to adult students in four major centers, numerous outreach centers throughout the county, and before-and after-school-age child care in fifty-eight elementary schools. In addition to budgeted funding sources, Adult and Community Education managed several federal grants including a local Geographical Allocation, English Literacy and Civics local activities grant, and three 21st Century Community Learning Center projects, one of which was awarded for the first time in 2009-10. The grants have made it possible to expand and enhance additional programs for students.

During the 2009-10 school year, we served 5,196 students in adult education programs such as Adult Basic Education (ABE), Graduation Equivalency Diploma (GED), Adult High School, and English for Speakers of Other Languages (ESOL). The District awarded 252 students with Adult High

School Diplomas, 629 co-enrolled students received high school credit and graduated, 459 GED's were awarded, 408 ESOL literacy completion points were earned, and 1,366 ABE literacy completion points were awarded. The District also served 368 ABE students and 179 GED students through online classes.

Adult and Community Education programs continue to provide services for dropout prevention while working closely with high schools, after-school opportunities for 4,000 children, assisting persons with basic literacy, serving as the GED testing center for all of Brevard County, and giving adults new to our culture supportive environments in which to improve English language skills.

Ten-Year Facilities Improvement Plan -- State law allows up to one-and-a half mills of the District's total tax levy to be used to pay for debt service on capital projects. The District has \$538.7 million outstanding Certificates of Participation (COPs) and has issued \$63.8 million in Revenue Anticipation Notes (RANs) designated for construction and renovation since fiscal year 2006. During the current fiscal year, the District continues to complete projects contained in the ten-year plan as revenues are available through state and local funding to finance these projects.

FINANCIAL INFORMATION

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

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

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

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

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

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

OTHER INFORMATION

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

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

INDEPENDENT AUDIT

Section 218.39, Florida Statutes, requires an annual audit by independent certified public accountants. The Office of the Auditor General of the State of Florida conducted the audit for the fiscal year ended June 30, 2010. 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, 2009. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.

The School Board of Brevard County also received the Association of School Business Officials International (ASBO) Certificate of Excellence in Financial Reporting for the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2009. This award is also 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 continues to meet the requirements of the Certificate of Achievement Program and the Certificate of Excellence Program, and it will be

submitted to both the GFOA and ASBO to determine its eligibility to receive these prestigious awards for the fiscal year ended June 30, 2010.

ACKNOWLEDGEMENT

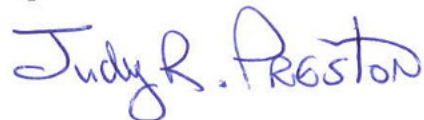
The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of Financial Services and Accounting Services, which provided assistance and support throughout the preparation of this report.

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,

A handwritten signature in blue ink, appearing to read "B. T. Binggeli".

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

A handwritten signature in blue ink, appearing to read "Judy R. Preston".

Judy R. Preston
Associate Superintendent of Financial Services

A handwritten signature in blue ink, appearing to read "Jo Ann Clark".

Jo Ann Clark, CPA
Director of Accounting Services

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA

LIST OF PRINCIPAL OFFICIALS - ELECTED



Mr. Robert Jordan

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

Dr. Barbara Murray, Vice-Chairman

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



Ms. Amy Kneessy, Chairman

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

Ms. Karen Henderson

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



Mr. Andy Ziegler

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

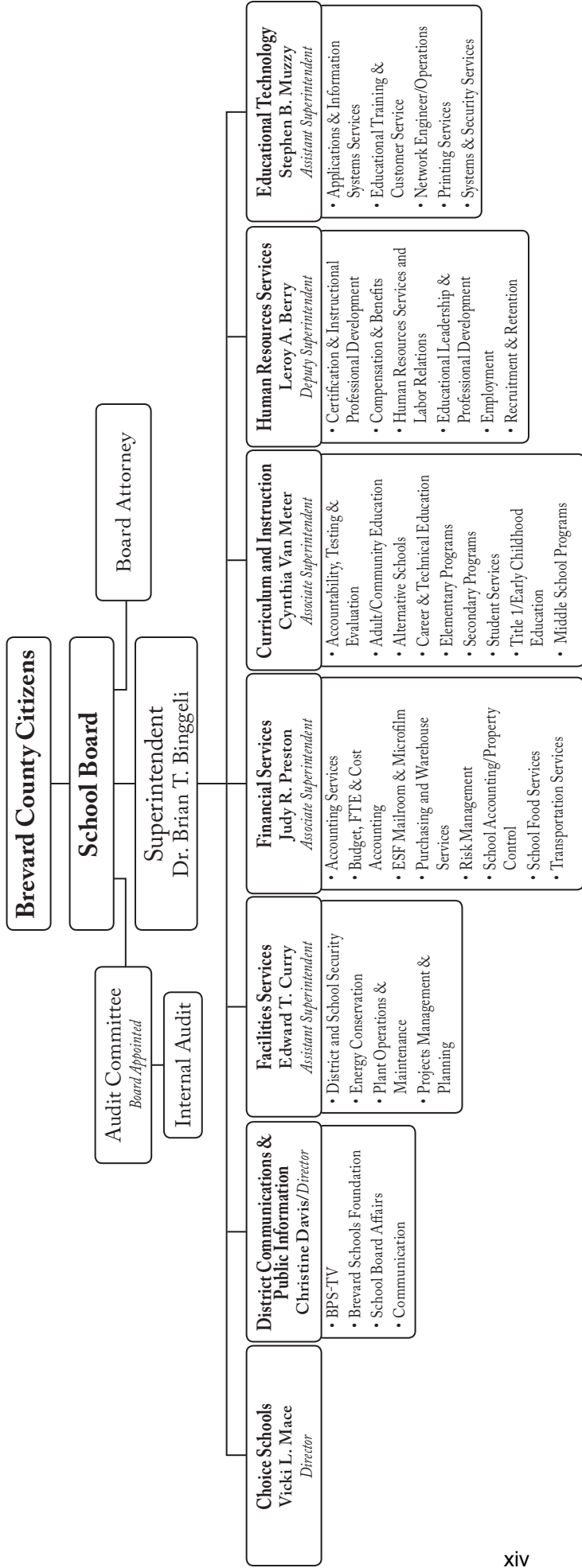
THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA

LIST OF PRINCIPAL OFFICIALS - APPOINTED

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

BREVARD PUBLIC SCHOOLS, BREVARD COUNTY, FLORIDA

Organizational Chart



South Area (K-12)

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 Middle Clearlake Kennedy McNair High Cocoa Edgewood Rockledge Viera West Shore	New Millennium Elementary Schools Freedom 7 Stevenson West Melbourne Central Alternative Center
Other Sites		

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 MILLA Mims Oak Park Pine Wood Riverview Roosevelt	Titusville Other Sites North Area Alternative Center
Middle	DeLaura Jackson Jefferson Madison	
High	Astronaut Cocoa Beach Merritt Island Satellite Space Coast	

District Charter Schools

Elementary	Campus Educational Horizons Imagine Odyssey
Middle	Palm Bay Academy Elementary Palm Bay Academy Immersion Palm Bay Community Royal Palm Sculptor
High	Palm Bay Academy Middle Palm Bay Municipal

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, 2009

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



A handwritten signature in black ink, appearing to read "JEFFREY R. EGAN".

President

A handwritten signature in black ink, appearing to read "JEFFREY R. EGAN".

Executive Director

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL



This Certificate of Excellence in Financial Reporting is presented to

THE SCHOOL BOARD OF BREVARD COUNTY

For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2009

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

Evin Green

President

John D. Mauer

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



PHONE: 850-488-5534
FAX: 850-488-6975

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

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the 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, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of District management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the charter schools and The Brevard Schools Foundation, Inc., reported as aggregate discretely presented component units. 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 amounts included for the aggregate discretely presented component units, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the 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, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparisons for the General Fund and the major special revenue fund, for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that **MANAGEMENT'S DISCUSSION AND ANALYSIS** (pages 5 through 15) and **OTHER REQUIRED SUPPLEMENTARY INFORMATION** (page 81) be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, the combining and individual fund financial statements and schedules, and the statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Also, the accompanying **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS** is presented for purposes of additional analysis as required by the United States Office of Management and Budget *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The combining and individual fund financial statements and schedules (pages 86 through 124) and **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS** have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the reports of other auditors, the combining and individual fund financial statements and schedules and **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS** are fairly stated, in all material

respects, in relation to the basic financial statements taken as a whole. The introductory section (pages i through xvi) and the statistical section (pages 127 through 168) have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Respectfully submitted,



David W. Martin, CPA

December 3, 2010

Audit Report No. 2011-068

Brevard Public Schools

THE FUTURE
OF FLORIDA'S
SPACE COAST



MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management of the School Board of Brevard County, Florida (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, 2010. 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 19 through 80.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2009-10 fiscal year are as follows:

- The assets of the District exceeded its liabilities for the governmental activities, at June 30, 2010, by \$474.7 million. Of this amount, \$413.6 million represents investments in capital assets (net of related debt) and \$61.1 million represents restricted and unrestricted net assets of \$27 million and \$34.1 million, respectively.
- The District's total net assets for governmental activities increased by \$7.8 million or 1.6 percent.
- Program revenues for governmental activities accounted for \$53.5 million or 7.9 percent of total revenues, and general revenues and transfers accounted for \$621.3 million or 92.1 percent.
- The governmental funds reported combined fund balances of \$121.1 million, a decrease of \$9.1 million or 7 percent in comparison to the prior fiscal year.
- At the end of the fiscal year, the fund balance for the General Fund was \$57.2 million, or 11.8 percent of the General Fund revenues. These fund balances include \$3.1 million of non-spendable funds, \$6.9 million of restricted funds, \$1.6 million assigned funds, and \$45.6 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 the financial statements

Government-Wide Financial Statements

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

activities presents information about the changes in the District's net assets, the results of operations, during the fiscal year. An increase or decrease in net assets is an indication of whether the District's financial health is improving or deteriorating.

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

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

Fund Financial Statements

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

Governmental Funds

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

The District has the following governmental fund types: the General, Debt Service, Special Revenue (including the School Food Services) and Capital Projects. Within fund types, the District currently maintains 12 major and non-major funds. Of those funds, the General Fund, the American Recovery and Reinvestment Act (ARRA) Economic Stimulus Fund, 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. A budgetary comparison statement has been provided for the General Fund and the major Special Revenue Fund to demonstrate compliance with the budget.

Proprietary Funds

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

- Enterprise funds are used to report the same functions as business-type activities in the government-wide financial statements. The District uses the enterprise funds to account for its Extended Day Care program through enterprise fund reporting.
- 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, for the enterprise fund. 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 assets may serve over time as a useful indicator of a government's financial position. The following is a summary of the District's net assets as of June 30, 2010, compared to net assets as of June 30, 2009.

Condensed Statement of Net Assets
June 30, 2010 and 2009
(amounts expressed in thousands)

	Governmental		Business-type		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 247,318	\$ 281,074	\$ 3,442	\$ 911	\$ 250,760	\$ 281,985
Capital assets, net	964,666	952,083	298	477	964,964	952,560
Total assets	1,211,984	1,233,157	3,740	1,388	1,215,724	1,234,545
Current and other liabilities	113,002	132,778	59	46	113,061	132,824
Long-term liabilities	624,269	633,429	366	381	624,635	633,810
Total liabilities	737,271	766,207	425	427	737,696	766,634
Net assets:						
Invested in capital assets, net of related debt	413,560	420,217	298	477	413,858	420,694
Restricted	27,067	14,626	-	-	27,067	14,626
Unrestricted	34,086	32,107	3,017	484	37,103	32,591
Total net assets	\$ 474,713	\$ 466,950	\$ 3,315	\$ 961	\$ 478,028	\$ 467,911

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District's governmental activities, assets exceeded liabilities by \$474.7 million at the end of the fiscal year.

The largest portion of the District's net assets, \$413.6 million (87.1 percent), reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding. The District uses capital assets to provide services; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Net assets of \$27 million (5.7 percent) are externally restricted for specific uses. The remaining net assets of \$34.1 million (7.2 percent) are unrestricted net assets and may be used to meet the government's ongoing obligations to its citizens and creditors. Unrestricted net assets of \$19.9 million (4.2 percent of total net assets) are school board contingency funds which are set aside by the District to buffer any future revenue shortfalls occurring after the current year budget adoption. At the end of the current fiscal year, the District is able to report positive balances in all categories of net assets, for both the government as a whole, and for its separate governmental and business-type activities.

The key elements of the changes in the District's net assets for the fiscal years ended June 30, 2010, and June 30, 2009, are as follows:

The School Board of Brevard County, Florida - Changes in Net Assets
June 30, 2010 and 2009
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for services	\$ 13,680	\$ 14,727	\$ 6,490	\$ 7,120	\$ 20,170	\$ 21,847
Operating grants and contributions	27,524	26,401	-	-	27,524	26,401
Capital grants and contributions	12,303	8,562	-	-	12,303	8,562
General revenues:						
Property taxes, levied - general purposes	221,528	234,639	-	-	221,528	234,639
Property taxes, levied- capital projects	53,886	69,531	-	-	53,886	69,531
Grants and contributions, non-restricted	321,166	293,892	-	-	321,166	293,892
Miscellaneous	24,697	9,108	-	-	24,697	9,108
Unrestricted investment earnings	2,423	6,304	-	-	2,423	6,304
Total revenues	<u>677,207</u>	<u>663,164</u>	<u>6,490</u>	<u>7,120</u>	<u>683,697</u>	<u>670,284</u>
Expenses:						
Instruction	356,678	370,649	-	-	356,678	370,649
Pupil personnel services	24,949	22,776	-	-	24,949	22,776
Instructional media services	9,056	9,444	-	-	9,056	9,444
Instruction and curriculum development	22,040	21,415	-	-	22,040	21,415
Instructional staff training services	5,322	3,972	-	-	5,322	3,972
Instruction related technology	7,771	7,575	-	-	7,771	7,575
School board	1,424	1,260	-	-	1,424	1,260
General administration	4,235	3,200	-	-	4,235	3,200
School administration	37,766	39,907	-	-	37,766	39,907
Facilities acquisitions and construction	7,609	11,109	-	-	7,609	11,109
Fiscal services	2,470	2,333	-	-	2,470	2,333
Food services	27,638	27,896	-	-	27,638	27,896
Central services	5,852	6,424	-	-	5,852	6,424
Pupil transportation services	23,378	25,027	-	-	23,378	25,027
Operation of plant	47,150	50,688	-	-	47,150	50,688
Maintenance of plant	4,869	4,085	-	-	4,869	4,085
Administrative technology services	3,983	4,279	-	-	3,983	4,279
Community services	647	667	-	-	647	667
Interest on long-term debt	28,390	29,558	-	-	28,390	29,558
Unallocated depreciation	45,862	39,968	-	-	45,862	39,968
Extended day program		-	6,491	7,333	6,491	7,333
Total Functions/Program Expenses	<u>667,089</u>	<u>682,232</u>	<u>6,491</u>	<u>7,333</u>	<u>673,580</u>	<u>689,565</u>
Excess (deficiency) of revenues over (under) expenses	<u>10,118</u>	<u>(19,068)</u>	<u>(1)</u>	<u>(213)</u>	<u>10,117</u>	<u>(19,281)</u>
Other financial sources (uses)						
Transfers	(2,355)	-	2,355	-	-	-
Total other financial sources (uses)	<u>(2,355)</u>	<u>-</u>	<u>2,355</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	7,763	(19,068)	2,354	(213)	10,117	(19,281)
Net assets, beginning	466,950	486,018	961	1,174	467,911	487,192
Net assets, ending	<u>\$ 474,713</u>	<u>\$ 466,950</u>	<u>\$ 3,315</u>	<u>\$ 961</u>	<u>\$ 478,028</u>	<u>\$ 467,911</u>

Governmental Activities

The District's governmental activities net assets increased by \$7.8 million over the 2008-09 fiscal year. Key components of this increase are as follows:

- ◆ Property taxes in the District have decreased by \$28.8 million. This is due mainly to the continued slow down in the economy and decrease in real estate market values.
- ◆ Non-restricted grants and contributions increased by \$27.3 million. This is due to total Federal and Federal through State revenues increases of \$40.6 million due mainly to ARRA Economic Stimulus fund revenue of \$38.1 million. Total State non-restricted grants and contribution revenues decreased by \$13.4 million due to a decrease in Florida Educational Funding Program (FEFP) of \$10.7 million and decreases in Discretionary Lottery, School Recognition, Excellent Teaching and other State funding of \$6 million; increases in Class Size Reduction funding and Voluntary Pre-K revenues of \$3 million and \$0.3 million, respectively. Local revenues increased by \$0.1 million. The decrease of \$10.7 in FEFP funding, in part, is the result of the Florida Legislature moving funding for teacher lead and instructional materials categorical programs to the FEFP. This change moved \$8 million from categorical programs to FEFP.
- ◆ Program revenues increased a total \$3.8 million. Charges for services decreased by \$1.1 million, operating grants and contributions increased by \$1.1 million, and capital grants and contributions increased by \$3.8 million due to Impact Fee collections.
- ◆ Miscellaneous revenues increased by \$15.6 million. This increase was primarily due to the receipt of land donations in the amount of \$11.4 million and Federal funded donated generators in the amount of \$4.1 million
- ◆ Investment earnings are down \$3.9 million due to a decrease in interest earnings. The reduction is due to interest rate decline over the past year and to a reduction of investment proceeds available for construction.
- ◆ The District reduced expenses due to the expected shortfall in revenue by \$15.1 million and transferred \$2.3 million to business-type activities.

Business-Type Activities

Business-type activity net assets totaled \$3.3 million, representing 0.7 percent of the District's total net assets. The current year increase in business-type net assets of \$2.4 million is due to the \$2.4 million transfer from the governmental activities. Participation in the Extended Day Program continued to drop during the 2009-10 fiscal year, resulting in a revenue decrease of \$0.6 million or 8.8 percent over the 2008-09 fiscal year. To offset the loss of revenue, the Program reduced expenses by \$0.8 million or 11.5 percent of last year's expenses.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District's governmental funds reported a combined fund balance of \$121.1 million, which is a \$9.1 million decrease from last year's total fund balance of \$130.2 million. The following schedule indicates the fund balance and the total change in fund balance by major fund and other governmental funds (Non-major) as reported in the basic financial statements for the fiscal years ended June 30, 2010 and 2009.

<i>Fund Balance</i> <i>(in thousands)</i>	2010	2009	Increase (Decrease)	Percentage Change
General Fund	\$ 57,154	\$ 42,379	\$ 14,775	34.86%
Debt Service Fund - Other	4,171	4,188	(17)	(0.41)%
Capital Projects Funds:				
Section 1011.14/1011.15 Loans	(20,378)	(23,025)	2,647	11.50%
Local Capital Improvement	35,751	35,865	(114)	(0.32)%
Other Capital Projects	32,984	57,441	(24,457)	(42.58)%
Other Governmental Funds (Non-major)	11,448	13,391	(1,943)	(14.51)%
Total	<u>\$ 121,130</u>	<u>\$ 130,239</u>	<u>\$ (9,109)</u>	<u>(6.99)%</u>

General Fund

Net change in fund balance for the general fund is \$14.8 million. Changes include a decrease in revenues of \$25 million and a decrease in expenditures of \$52.3 million resulting in a net increase of \$27.3 million before transfers and other sources. There was a net decrease in transfers and other sources of \$5.6 million due to an increase in transfers out of \$4 million and a decrease in transfers in and other sources of \$1.6 million. The tables and data that follow illustrate the financial activities and balance of the general fund.

<i>Revenues</i> <i>(in thousands)</i>	2010	2009	Increase (Decrease)	Percentage Change
Taxes	\$ 221,528	\$ 234,639	\$ (13,111)	(5.59)%
Interest earnings	279	1,765	(1,486)	(84.19)%
State revenues	250,697	264,976	(14,279)	(5.39)%
Federal revenues	2,903	1,701	1,202	70.66%
Other revenues	8,670	5,969	2,701	45.25%
Total	<u>\$ 484,077</u>	<u>\$ 509,050</u>	<u>\$ (24,973)</u>	<u>(4.91)%</u>

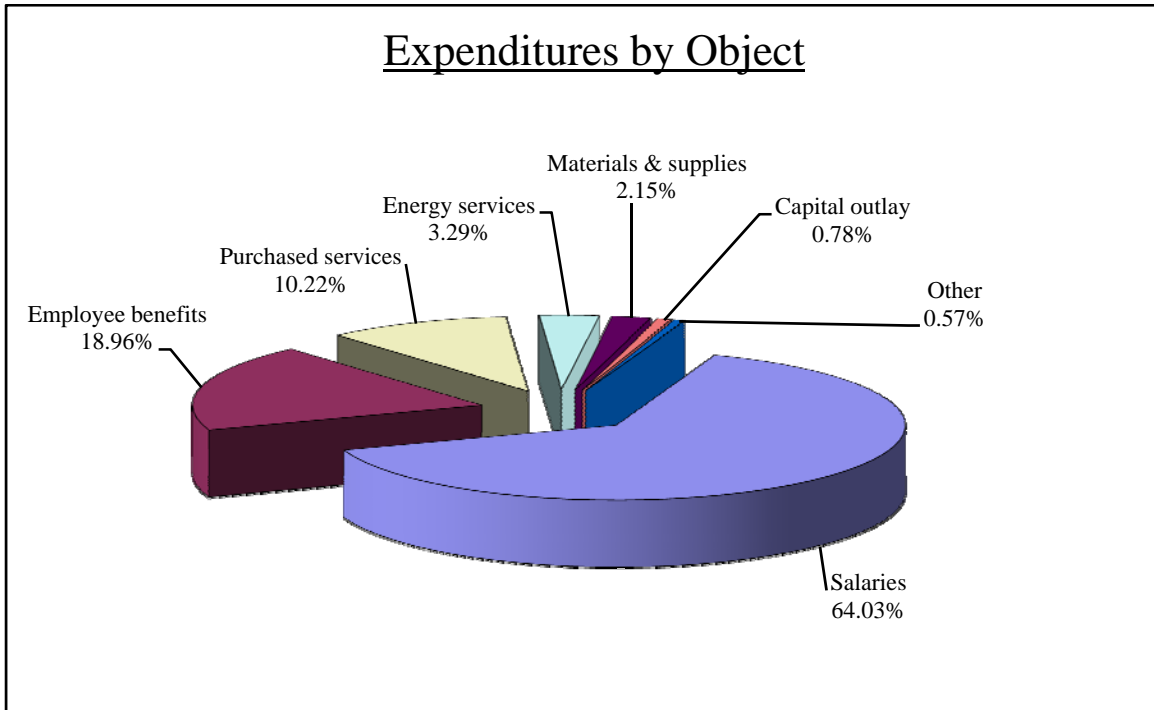
The property tax revenue decreased by \$13.1 million or 5.6 percent, due to economic conditions and decreases in the market value of property. The other revenue increase of \$2.7 million or 45.3 percent is largely due to increases in the receipt of Federal indirect cost rate revenues from ARRA funding in the amount of \$1.4 million and an increase of local miscellaneous revenues of \$1.3 million, largely from E-rate revenue. Interest earnings decreased \$1.5 million or 84.2 percent over the prior year as the interest rate environment continued to decline. Expectations are that the interest rate environment will remain low for a considerable period into 2011.

State revenues are down \$14.3 million for the fiscal year ended June 30, 2010. The decrease is due to a declining enrollment of 648 students and a decline in the per student state funding from \$7,821 per student to \$7,416 per student as well as a shift of revenue to the ARRA Economic Stimulus funds. Other State revenues are also down, for example, the Excellent Teaching Program was funded by the ARRA State Fiscal Stabilization funds for the 2009-10 fiscal year in the amount of \$3.1 million.

Federal and Federal through State revenues increased a total of \$1.2 million or 70.7%. While Federal Impact aid decreased by \$.5 million, Medicaid collections increased by \$1.7 million.

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

<i>Expenditures by Object</i> <i>(in thousands)</i>	2010	2009	Increase (Decrease)	Percentage Change
Salaries	\$ 300,723	\$ 336,006	\$ (35,283)	(10.50)%
Employee benefits	89,060	98,872	(9,812)	(9.92)%
Purchased services	48,018	45,818	2,200	4.80%
Energy services	15,460	16,967	(1,507)	(8.88)%
Materials & supplies	10,098	15,331	(5,233)	(34.13)%
Capital outlay	3,660	4,490	(830)	(18.49)%
Other	2,661	4,544	(1,883)	(41.44)%
Total	<u>\$ 469,680</u>	<u>\$ 522,028</u>	<u>\$ (52,348)</u>	<u>(10.03)%</u>



Expenditures are down \$52.3 million, or 10.0 percent lower than the 2008-09 fiscal year. The \$45.1 million decrease in labor and employee benefits is due to a \$13.7 million reduction in staff through attrition and a reduction of State provided bonuses as well as the transfer of \$31.4 million

in teachers' salaries and benefits funded by ARRA. Purchased services expenditures increased by \$2.2 million or 4.8 percent, due mostly to an increase in instructional purchased services. Energy costs were reduced by \$1.5 million, or 8.9 percent due to the District's energy savings initiative. Materials and supplies, capital outlay, and other expenditures decreased a total \$7.9 million, a reduction of 34.1, 18.5, and 41.4 percent, respectively. These decreases were due to a District initiative to reduce expenditures at the school and department level as well as \$4.4 million of the expenditures for those items being expended in the ARRA Economic Stimulus Fund.

American Recovery and Reinvestment Act (ARRA) Economic Stimulus Fund

The ARRA Economic Stimulus Funds are Federally provided revenues passed through to the State that provide for the stabilization of jobs and stimulus of the economy. The grant to the District is for fiscal years 2009-10 and 2010-11. Fiscal year 2009-10 revenue is \$27.3 million in stabilization funds, \$10.4 million in targeted stimulus funds and \$0.4 million in other grants. These funds paid \$31.4 million in teachers' salaries and benefits, \$1.3 million in purchased services, \$2.3 million in materials and supplies, \$1.8 million in capital outlay, and \$1.3 million in other miscellaneous expenditures.

Debt Service Fund - Other

The fund balance of the Debt Service - Other Fund decreased 0.4 percent during the 2009-10 fiscal year. This decrease is due to expenditures exceeding transfers and interest by \$0.017 million.

Section 1011.14/1011.15 Notes Capital Projects Fund

The fund balance of the Capital Projects - Section 1011.14/1011.15 Notes Fund increased by \$2.6 million, or 11.5 percent. The 2009-10 fiscal year Revenue Anticipation Note (RAN) included no funding for new projects.

Capital Projects - Local Capital Improvement Fund

The fund balance of the Capital Projects - Local Capital Improvement Fund decreased by \$0.1 million, or 0.3 percent. Capital property tax revenues and interest of \$54.0 million were used to fund capital outlay projects of \$22.8 million, \$4.0 million was transferred to the General Fund for payment of property insurance, \$16.6 million was transferred to Debt Service for payment of principal and interest, and \$10.7 million was transferred to Section 1011.14/1011.15 Notes Capital Projects Fund and Capital Projects – Other Fund for capital outlay expenditures.

Capital Projects - Other Capital Projects Fund

The fund balance of the Other Capital Projects Fund decreased by \$24.5 million, or 42.6 percent. This decrease is due to payment of current projects funded by the fiscal year 2006-07 and fiscal year 2007-08 Certificates of Participation (COPS). The largest contributor to this decrease was a transfer to the Debt Service Fund – Other in the amount of \$21.6 million.

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 as used to account for actual transactions. The most significant budgeted fund is the General Fund.

The District amended its revenue estimates to reflect less than originally anticipated revenues from both interest and the State (FEFP) revenue. Local revenue was originally budgeted at \$224.2 million and the actual local revenue was \$230.5 million, or an increase of 2.8 percent.

Property tax revenues were greater than anticipated, budgeted at \$216.6 million but collected \$221.5 million. E-rate collections were responsible for the largest part of the difference between the original budget for miscellaneous local revenue of \$1.6 million and the revenue of \$4.2 million.

Expenditures were originally budgeted at \$485.4 million. The District amended its final budget by \$18 million for expenditures to reflect increases in salaries, and other employee related costs as well as non-labor costs. However, actual expenditures were lower than the final budget by \$33.7 million. Reductions were realized through the District's conservative spending and through 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 continue to negotiate the economic downturn, the District continues to look for opportunities to monitor costs through savings initiatives and conservative spending.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The District has \$965.0 million invested in capital assets net of depreciation and amortization, with virtually all of it attributed to governmental activities. This investment in capital assets includes: land; construction in progress; improvements other than buildings; buildings and fixed equipment; furniture, fixtures and equipment; motor vehicles; audio-visual materials; and computer software.

Acquisitions for governmental activities totaled \$61.3 million and depreciation expense was \$48.7 million (with \$2.8 million directly charged to the Transportation function). A total of \$6.8 million in furniture, fixtures and equipment, motor vehicles and computer software were removed in the fiscal year. The majority of the acquisitions were for remodeling and renovations at various sites and buses, furniture, and computer equipment replacement throughout the District. Donated land (\$11.4 million) and federally provided generators (\$4.1 million) were also recorded as assets in the fiscal year. Detailed information regarding capital asset activity is included in the notes to the financial statements (note 4, page 57).

Long-Term Debt

At June 30, 2010, the District had \$552.3 million in outstanding certificates of participation, and State bonding obligations. Of this amount, \$13.6 million represents State Board of Education bonds issued on behalf of the District, and \$538.7 million in outstanding certificates of participation. Other significant long-term debt includes \$16.6 million in the District's self insurance claims, \$17.2 million in OPEB obligations and \$38.1 million of obligations for compensated absences for District employees. The portion of these obligations that are due within one year is \$26.1 million. Detailed information regarding long-term debt and notes payable activity can be found in the notes to financial statements (notes 8-13, pages 60-66).

OTHER MATTERS OF SIGNIFICANCE

The millage rate for required local effort (RLE) for fiscal year 2010-11 is projected to be 5.155 mills (a decrease of .034 mills). Meanwhile, the local levy of .748 millage, the Board approved .250 millage, and the capital outlay millage of 1.500 are projected to remain the same as the last fiscal year. General Fund revenues are projected to be \$484.2 million and expenditures are expected to be \$491 million in the 2010-11 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 Assets
June 30, 2010
(amounts expressed in thousands)

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 13,829	\$ 3,424	\$ 17,253	\$ 3,872
Investments	208,622	-	208,622	1,383
Receivables	1,441	-	1,441	104
Prepaid items	-	-	-	1,257
Due from other agencies	12,655	18	12,673	310
Inventories	3,330	-	3,330	-
Deferred charges	7,441	-	7,441	1,113
Restricted assets:				
Cash and cash equivalents	-	-	-	1,764
Capital assets:				
Non-depreciable	36,970	-	36,970	3,307
Depreciable (net)	927,696	298	927,994	19,244
Total assets	1,211,984	3,740	1,215,724	32,354
LIABILITIES				
Accounts and contracts retainage payable	9,520	2	9,522	987
Accrued salaries and benefits	27,016	57	27,073	-
Due to other agencies	159	-	159	-
Matured debt payable	12,445	-	12,445	-
Matured interest payable	13,089	-	13,089	-
Unamortized premiums on certificates of participation	21,417	-	21,417	-
Unearned revenue	356	-	356	131
Notes payable	29,000	-	29,000	-
Noncurrent liabilities:				
Due within one year	26,033	55	26,088	309
Due in more than one year	598,236	311	598,547	22,415
Total liabilities	737,271	425	737,696	23,842
NET ASSETS				
Invested in capital assets, net of related debt	413,560	298	413,858	3,383
Restricted for:				
State required carryover programs	6,905	-	6,905	-
Debt service	4,513	-	4,513	221
Capital projects	10,446	-	10,446	28
Other purposes	5,203	-	5,203	2,518
Unrestricted	34,086	3,017	37,103	2,362
Total net assets	\$ 474,713	\$ 3,315	\$ 478,028	\$ 8,512

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, 2010
(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	\$ 356,678	\$ 317	\$ -	\$ -	\$ (356,361)	\$ -	\$ (356,361)	\$ 9,939
Pupil personnel services	24,949	-	-	-	(24,949)	-	(24,949)	2,056
Instructional media services	9,056	-	-	-	(9,056)	-	(9,056)	123
Instruction and curriculum development	22,040	-	-	-	(22,040)	-	(22,040)	57
Instructional staff training services	5,322	-	-	-	(5,322)	-	(5,322)	35
Instruction related technology	7,771	-	-	-	(7,771)	-	(7,771)	7
School board	1,424	-	-	-	(1,424)	-	(1,424)	73
General administration	4,235	-	-	-	(4,235)	-	(4,235)	791
School administration	37,766	-	-	-	(37,766)	-	(37,766)	2,713
Facilities acquisition & construction	7,609	-	-	8,434	825	-	825	300
Fiscal services	2,470	-	-	-	(2,470)	-	(2,470)	128
Food services	27,638	12,720	16,196	-	1,278	-	1,278	664
Central services	5,852	-	-	-	(5,852)	-	(5,852)	37
Pupil transportation services	23,378	643	11,328	-	(11,407)	-	(11,407)	726
Operation of plant	47,150	-	-	-	(47,150)	-	(47,150)	2,938
Maintenance of plant	4,869	-	-	1,495	(3,374)	-	(3,374)	310
Administrative technology services	3,983	-	-	-	(3,983)	-	(3,983)	-
Community services	647	-	-	-	(647)	-	(647)	284
Interest on long-term debt	28,390	-	-	2,374	(26,016)	-	(26,016)	1,514
Depreciation - unallocated (Note 4)*	45,862	-	-	-	(45,862)	-	(45,862)	-
Total governmental activities	667,089	13,680	27,524	12,303	(613,582)	-	(613,582)	22,695
Business-type activities:								
Extended day programs	6,491	6,490	-	-	-	(1)	(1)	-
Total business-type activities	6,491	6,490	-	-	-	(1)	(1)	-
Total primary government	\$ 673,580	\$ 20,170	\$ 27,524	\$ 12,303	(613,582)	(1)	(613,583)	22,695
Component Units	\$ 22,695	\$ 626	\$ 1,615	\$ 286	-	-	-	(20,168)
General revenues:								
Taxes:								
Property taxes, levied for general purposes					221,528	-	221,528	-
Property taxes, levied for capital projects					53,886	-	53,886	-
Grants and contributions not restricted to specific programs					321,166	-	321,166	18,802
Miscellaneous					24,697	-	24,697	677
Unrestricted investment earnings					2,423	-	2,423	105
Transfers					(2,355)	2,355	-	-
Total general revenues and transfers					621,345	2,355	623,700	19,584
Changes in net assets					7,763	2,354	10,117	(584)
Net assets - beginning					466,950	961	467,911	9,096
Net assets - ending					\$ 474,713	\$ 3,315	\$ 478,028	\$ 8,512

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

The School Board of Brevard County, Florida
 Balance Sheet - Governmental Funds
 June 30, 2010

(amounts expressed in thousands)

	<u>General</u>	<u>ARRA Economic Stimulus</u>	<u>Debt Service Fund - Other</u>
ASSETS			
Cash and cash equivalents	\$ 3,064	\$ -	\$ 1,089
Investments	72,328	-	28,506
Accounts and interest receivable	426	-	-
Due from other funds	6,785	-	-
Due from other agencies	3,140	6,497	-
Inventory	1,204	-	-
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 86,947</u>	<u>\$ 6,497</u>	<u>\$ 29,595</u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts, contracts and retainage payable	\$ 3,114	\$ 31	\$ -
Accrued salaries and benefits	26,584	82	-
Due to other funds	-	6,372	-
Due to other agencies	95	12	-
Deferred revenue	-	-	-
Notes payable	-	-	-
Matured bonds and certificates payable	-	-	12,445
Matured interest payable	-	-	12,979
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>29,793</u>	<u>6,497</u>	<u>25,424</u>
Fund balances (deficit):			
Nonspendable	3,077	-	-
Restricted	6,905	-	4,171
Assigned	1,566	-	-
Unassigned	45,606	-	-
	<hr/>	<hr/>	<hr/>
Total fund balances	<u>57,154</u>	<u>-</u>	<u>4,171</u>
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ 86,947</u>	<u>\$ 6,497</u>	<u>\$ 29,595</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
\$ -	\$ -	\$ -	\$ 6,019	\$ 10,172
8,962	35,514	34,246	3,428	182,984
-	222	228	9	885
-	249	-	-	7,034
-	798	-	2,220	12,655
-	-	-	2,126	3,330
<u>\$ 8,962</u>	<u>\$ 36,783</u>	<u>\$ 34,474</u>	<u>\$ 13,802</u>	<u>\$ 217,060</u>
\$ 230	\$ 1,032	\$ 1,490	\$ 956	\$ 6,853
-	-	-	335	27,001
-	-	-	662	7,034
-	-	-	45	152
-	-	-	356	356
29,000	-	-	-	29,000
-	-	-	-	12,445
110	-	-	-	13,089
<u>29,340</u>	<u>1,032</u>	<u>1,490</u>	<u>2,354</u>	<u>95,930</u>
-	672	-	2,126	5,875
-	35,079	31,771	9,322	87,248
-	-	1,213	-	2,779
(20,378)	-	-	-	25,228
<u>(20,378)</u>	<u>35,751</u>	<u>32,984</u>	<u>11,448</u>	<u>121,130</u>
<u>\$ 8,962</u>	<u>\$ 36,783</u>	<u>\$ 34,474</u>	<u>\$ 13,802</u>	<u>\$ 217,060</u>



The School Board of Brevard County, Florida
 Reconciliation of the Governmental Funds
 Balance Sheet to the Statement of Net Assets
 June 30, 2010

(amounts expressed in thousands)

Total Fund Balances - Governmental Funds \$ 121,130

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

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

Total capital assets not being depreciated	36,970	
Total capital assets being depreciated	1,621,032	
Total accumulated depreciation	<u>(693,336)</u>	
Total capital assets, net		964,666

Debt issuance costs are not expensed in the government-wide financial statements, but are reported as deferred charged and amortized over the life of the debt. 7,441

Internal service funds are used by management to charge the costs of certain activities such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. 10,606

Unamortized premiums on certificates of participation are included as other financing sources in governmental funds in the year of issuance but are amortized over the life of the issued on the Statement of Activities. The unamortized portion is included in governmental activities on the Statement of Net Assets. (21,417)

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	(13,615)	
Certificates of Participation	(538,713)	
Compensated Absences	(37,968)	
Other Post Employment Benefits	(16,945)	
Pollution Remediation Liability	(225)	
Arbitrage Rebate	<u>(247)</u>	
Total long-term liabilities		<u>(607,713)</u>

Total Net Assets - Governmental Activities \$ 474,713

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, 2010
(amounts expressed in thousands)

	<u>General</u>	<u>ARRA Economic Stimulus</u>	<u>Debt Service Fund - Other</u>
Revenues:			
Local sources:			
Ad valorem taxes	\$ 221,528	\$ -	\$ -
Food service sales	-	-	-
Investment income	279	-	295
Impact fees	-	-	-
Other	8,670	-	-
Total local sources	<u>230,477</u>	<u>-</u>	<u>295</u>
State sources:			
Florida education finance program	161,572	-	-
Workforce development	2,810	-	-
Categorical programs	77,077	-	-
Public education capital outlay	-	-	-
Food services	-	-	-
Other	9,238	-	-
Total state sources	<u>250,697</u>	<u>-</u>	<u>-</u>
Federal sources:			
Federal direct	885	-	-
Other federal grants	2,018	38,126	-
Food services	-	-	-
Total federal sources	<u>2,903</u>	<u>38,126</u>	<u>-</u>
Total revenues	<u>484,077</u>	<u>38,126</u>	<u>295</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
\$ -	\$ 53,886	\$ -	\$ -	\$ 275,414
-	-	-	12,720	12,720
-	80	77	1	732
-	-	8,434	-	8,434
418	-	1,051	1	10,140
<u>418</u>	<u>53,966</u>	<u>9,562</u>	<u>12,722</u>	<u>307,440</u>
-	-	-	-	161,572
-	-	-	-	2,810
-	-	-	-	77,077
-	-	-	1,495	1,495
-	-	-	410	410
-	-	151	2,835	12,224
<u>-</u>	<u>-</u>	<u>151</u>	<u>4,740</u>	<u>255,588</u>
-	-	-	1,083	1,968
-	-	-	37,796	77,940
-	-	-	15,786	15,786
<u>-</u>	<u>-</u>	<u>-</u>	<u>54,665</u>	<u>95,694</u>
<u>418</u>	<u>53,966</u>	<u>9,713</u>	<u>72,127</u>	<u>658,722</u>

Continued on next page.

The School Board of Brevard County, Florida
Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
For the Fiscal Year ended June 30, 2010
(amounts expressed in thousands)

	<u>General</u>	<u>ARRA Economic Stimulus</u>	<u>Debt Service Fund - Other</u>
Expenditures:			
Current operating:			
Instructional services	\$ 296,709	\$ 31,740	\$ -
Pupil personnel services	17,210	631	-
Instructional media services	8,675	95	-
Instructional and curriculum development services	11,385	2,303	-
Instructional staff training	1,470	1,179	-
Instruction related technology	7,582	8	-
School board	1,416	-	-
General administration	1,928	1,267	-
School administration	36,742	60	-
Facilities acquisition and construction	1,158	-	-
Fiscal services	2,387	-	-
Food services	240	-	-
Central services	5,603	-	-
Pupil transportation services	19,940	84	-
Operation of plant	46,527	2	-
Maintenance of plant	4,806	-	-
Administrative technology services	3,893	-	-
Community services	229	-	-
Capital outlay:			
Facilities	195	265	-
Other capital outlay	1,102	492	-
Debt service:			
Principal	-	-	12,445
Interest and fiscal charges	483	-	26,009
Total expenditures	<u>469,680</u>	<u>38,126</u>	<u>38,454</u>
Excess (deficiency) of revenues over (under) expenditures	<u>14,397</u>	<u>-</u>	<u>(38,159)</u>
Other financing sources (uses):			
Transfers in	4,371	-	38,142
Transfers out	(3,995)	-	-
Payments to refunding bond escrow agent	-	-	-
Refunding bonds issued	-	-	-
Premium on refunding bonds	-	-	-
Sale of capital assets	-	-	-
Loss recoveries	2	-	-
Total other financing sources (uses)	<u>378</u>	<u>-</u>	<u>38,142</u>
Net change in fund balances	14,775	-	(17)
Fund balances (deficits), beginning of year	<u>42,379</u>	<u>-</u>	<u>4,188</u>
Fund balances (deficits), end of year	<u>\$ 57,154</u>	<u>\$ -</u>	<u>\$ 4,171</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
\$ -	\$ -	\$ -	\$ 19,614	\$ 348,063
-	-	-	6,529	24,370
-	-	-	49	8,819
-	-	-	7,767	21,455
-	-	-	2,572	5,221
-	-	-	4	7,594
-	-	-	-	1,416
-	-	-	1,016	4,211
-	-	-	35	36,837
621	2,841	3,028	3	7,651
-	-	-	-	2,387
-	-	-	27,082	27,322
-	-	-	96	5,699
-	-	-	191	20,215
-	-	-	18	46,547
-	-	-	-	4,806
-	-	-	-	3,893
-	-	-	401	630
6,132	18,937	8,501	5,088	39,118
601	1,020	1,671	1,190	6,076
-	-	-	1,675	14,120
653	-	-	748	27,893
<u>8,007</u>	<u>22,798</u>	<u>13,200</u>	<u>74,078</u>	<u>664,343</u>
<u>(7,589)</u>	<u>31,168</u>	<u>(3,487)</u>	<u>(1,951)</u>	<u>(5,621)</u>
10,236	-	438	-	53,187
-	(31,282)	(21,565)	-	(56,842)
-	-	-	(874)	(874)
-	-	-	800	800
-	-	-	82	82
-	-	157	-	157
-	-	-	-	2
<u>10,236</u>	<u>(31,282)</u>	<u>(20,970)</u>	<u>8</u>	<u>(3,488)</u>
2,647	(114)	(24,457)	(1,943)	(9,109)
(23,025)	35,865	57,441	13,391	130,239
<u>\$ (20,378)</u>	<u>\$ 35,751</u>	<u>\$ 32,984</u>	<u>\$ 11,448</u>	<u>\$ 121,130</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, 2010
 (amounts expressed in thousands)

Net Change in Fund Balances - Total Governmental Funds \$ (9,109)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay expenditures exceeded depreciation expenses in the current period.

Capital outlay - donated property	15,626	
Capital outlay - depreciable equipment	431	
Capital outlay - facilities, acquisition and construction	39,118	
Capital outlay - other	6,076	
Less, depreciation expense	<u>(48,669)</u>	12,582

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

Deferred charges:		
Current year	7,441	
Prior year	<u>(7,983)</u>	
Net increase in expenses from deferred charges		(542)

Unamortized Premiums		
Current year	(21,417)	
Prior year	<u>22,500</u>	
Net reduction in expenses from unamortized premiums		1,083

Government-wide statements are affected only to the extent these amounts differ. Long-term debt proceeds provide current financial resources to the governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of long-term debt is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net assets. This is the net affect of these transactions.

Payment of principal - COP	12,445	
Payment of principal	1,675	
Arbitrage rebate	903	
Bonds issued	(800)	
Bonds refunded	<u>840</u>	15,063

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:

Net amount of compensated absences used in excess of the amount earned in the current year	40	
Current compensated absences liability recorded on the modified accrual basis in the prior year	<u>(804)</u>	(764)

In the statement of activities, the cost of other post employment 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 post employment benefits. This is the net amount of other post employment benefits expensed in excess of the amount paid in the current year. (6,005)

Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The net expense of internal service funds is reported with governmental activities. (4,500)

The cost of pollution remediation is recognized as an expenditure in the governmental funds when due but is recognized as the liability when estimable in the statement of activities. (45)

Change in Net Assets of Governmental Activities \$ 7,763

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, 2010
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Local sources:				
Ad valorem taxes	\$ 216,646	\$ 221,528	\$ 221,528	\$ -
Investment income	1,500	279	279	-
Other	6,044	8,670	8,670	-
Total local sources	<u>224,190</u>	<u>230,477</u>	<u>230,477</u>	<u>-</u>
State sources:				
Florida education finance program	168,539	161,572	161,572	-
Categorical programs	76,302	77,077	77,077	-
Workforce development	2,874	2,810	2,810	-
Other	9,522	9,238	9,238	-
Total state sources	<u>257,237</u>	<u>250,697</u>	<u>250,697</u>	<u>-</u>
Federal sources:				
Federal direct	1,351	885	885	-
Other	800	2,018	2,018	-
Total federal sources	<u>2,151</u>	<u>2,903</u>	<u>2,903</u>	<u>-</u>
Total revenues	<u>483,578</u>	<u>484,077</u>	<u>484,077</u>	<u>-</u>
Expenditures				
Current operating:				
Instructional services:				
Salaries	205,777	208,359	200,069	8,290
Employee benefits	59,101	58,532	56,199	2,333
Purchased services	30,612	34,189	31,919	2,270
Energy services	-	15	15	-
Materials and supplies	9,947	14,299	5,824	8,475
Capital outlay	731	1,593	1,027	566
Other expenditures	2,263	2,832	1,656	1,176
Total instructional services	<u>308,431</u>	<u>319,819</u>	<u>296,709</u>	<u>23,110</u>
Pupil personnel services:				
Salaries	12,017	11,902	12,005	(103)
Employee benefits	3,354	3,219	3,216	3
Purchased services	2,185	2,260	1,828	432
Materials and supplies	156	197	143	54
Capital outlay	1	21	15	6
Other expenditures	3	4	3	1
Total pupil personnel services	<u>17,716</u>	<u>17,603</u>	<u>17,210</u>	<u>393</u>
Instructional media services:				
Salaries	6,271	6,174	6,224	(50)
Employee benefits	1,875	1,835	1,794	41
Purchased services	4	27	26	1
Materials and supplies	106	251	209	42
Capital outlay	422	512	421	91
Other expenditures	-	2	1	1
Total instructional media services	<u>8,678</u>	<u>8,801</u>	<u>8,675</u>	<u>126</u>
Instruction and curriculum development services:				
Salaries	8,609	8,899	8,877	22
Employee benefits	2,405	2,325	2,373	(48)
Purchased services	85	114	92	22
Materials and supplies	51	55	31	24
Capital outlay	6	13	8	5
Other expenditures	4	6	4	2
Total instruction and curriculum development	<u>11,160</u>	<u>11,412</u>	<u>11,385</u>	<u>27</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	955	1,213	965	248
Employee benefits	227	221	170	51
Purchased services	127	261	149	112
Materials and supplies	60	202	82	120
Capital outlay	-	17	10	7
Other expenditures	53	108	94	14
Total instructional staff training services	1,422	2,022	1,470	552
Instruction related technology:				
Salaries	4,897	4,992	5,214	(222)
Employee benefits	1,393	1,397	1,437	(40)
Purchased services	858	1,046	886	160
Materials and supplies	6	229	13	216
Capital outlay	-	32	32	-
Total instruction related technology	7,154	7,696	7,582	114
School board:				
Salaries	221	222	223	(1)
Employee benefits	345	581	579	2
Purchased services	423	640	613	27
Other expenditures	1	1	1	-
Total School Board	990	1,444	1,416	28
General administration:				
Salaries	1,323	1,139	1,223	(84)
Employee benefits	357	289	309	(20)
Purchased services	510	406	333	73
Materials and supplies	23	44	30	14
Capital outlay	4	9	8	1
Other expenditures	43	42	25	17
Total general administration	2,260	1,929	1,928	1
School administration:				
Salaries	27,601	27,732	28,072	(340)
Employee benefits	8,198	8,169	8,177	(8)
Purchased services	316	332	218	114
Energy services	2	-	-	-
Materials and supplies	212	739	128	611
Capital outlay	13	127	80	47
Other expenditures	4	70	67	3
Total school administration	36,346	37,169	36,742	427
Facilities acquisition and construction:				
Salaries	720	714	892	(178)
Employee benefits	293	278	223	55
Purchased services	26	113	9	104
Materials and supplies	9	4	9	(5)
Capital outlay	3	19	21	(2)
Other expenditures	3	4	4	-
Total facilities acquisition and construction	1,054	1,132	1,158	(26)
Fiscal services:				
Salaries	1,567	1,576	1,644	(68)
Employee benefits	467	460	465	(5)
Purchased services	155	269	193	76
Materials and supplies	88	419	8	411
Capital outlay	2	8	7	1
Other expenditures	246	86	70	16
Total fiscal services	2,525	2,818	2,387	431

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, 2009
(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	-	229	222	7
Employee benefits	-	11	17	(6)
Purchased services	-	-	1	(1)
Total food services	<u>-</u>	<u>240</u>	<u>240</u>	<u>-</u>
Central services:				
Salaries	3,776	3,848	3,764	84
Employee benefits	1,238	1,237	1,220	17
Purchased services	225	463	131	332
Materials and supplies	419	378	261	117
Capital outlay	13	54	40	14
Other expenditures	245	358	187	171
Total central services	<u>5,916</u>	<u>6,338</u>	<u>5,603</u>	<u>735</u>
Pupil transportation services:				
Salaries	12,060	12,069	11,192	877
Employee benefits	5,394	5,280	4,904	376
Purchased services	920	957	924	33
Energy services	1,657	2,122	1,873	249
Materials and supplies	566	971	951	20
Capital outlay	32	163	91	72
Other expenditures	7	5	5	-
Total pupil transportation services	<u>20,636</u>	<u>21,567</u>	<u>19,940</u>	<u>1,627</u>
Operation of plant:				
Salaries	17,017	17,067	16,012	1,055
Employee benefits	7,270	6,829	6,868	(39)
Purchased services	10,226	10,198	9,275	923
Energy services	14,544	15,430	13,067	2,363
Materials and supplies	1,221	1,317	1,230	87
Capital outlay	11	86	74	12
Other expenditures	2	1	1	-
Total operation of plant	<u>50,291</u>	<u>50,928</u>	<u>46,527</u>	<u>4,401</u>
Maintenance of plant:				
Salaries	1,796	1,783	1,659	124
Employee benefits	686	638	457	181
Purchased services	1,229	1,343	914	429
Energy services	1,012	558	505	53
Materials and supplies	(42)	584	1,153	(569)
Capital outlay	99	128	108	20
Other expenditures	2	11	10	1
Total maintenance of plant	<u>4,782</u>	<u>5,045</u>	<u>4,806</u>	<u>239</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	2,311	2,347	2,316	31
Employee benefits	629	641	631	10
Purchased services	680	532	494	38
Materials and supplies	46	36	25	11
Capital outlay	6	466	421	45
Other expenditures	3	5	6	(1)
Total administrative technology services	<u>3,675</u>	<u>4,027</u>	<u>3,893</u>	<u>134</u>
Community services:				
Salaries	-	196	150	46
Employee benefits	-	19	21	(2)
Purchased services	-	12	13	(1)
Energy services	-	54	-	54
Materials and supplies	-	10	1	9
Other expenditures	-	66	44	22
Total community services	<u>-</u>	<u>357</u>	<u>229</u>	<u>128</u>
Total current operating	<u>483,036</u>	<u>500,347</u>	<u>467,900</u>	<u>32,447</u>
Capital outlay:				
Facilities	53	256	195	61
Other capital outlay	1,751	2,245	1,102	1,143
Total capital outlay	<u>1,804</u>	<u>2,501</u>	<u>1,297</u>	<u>1,204</u>
Debt service:				
Interest and fiscal charges	550	588	483	105
Total debt service	<u>550</u>	<u>588</u>	<u>483</u>	<u>105</u>
Total expenditures	<u>485,390</u>	<u>503,436</u>	<u>469,680</u>	<u>33,756</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,812)</u>	<u>(19,359)</u>	<u>14,397</u>	<u>33,756</u>
Other financing sources (uses):				
Transfers in(out)	4,300	376	376	-
Loss recoveries	-	2	2	-
Total other financing sources (uses)	<u>4,300</u>	<u>378</u>	<u>378</u>	<u>-</u>
Net change in fund balance	2,488	(18,981)	14,775	33,756
Fund balance, beginning of year	43,183	42,379	42,379	-
Fund balance, end of year	<u>\$ 45,671</u>	<u>\$ 23,398</u>	<u>\$ 57,154</u>	<u>\$ 33,756</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, 2010
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Federal sources:				
Federal grants and other	\$ 50,525	\$ 38,126	\$ 38,126	\$ -
Total revenues	<u>50,525</u>	<u>38,126</u>	<u>38,126</u>	<u>-</u>
Expenditures:				
Instructional services:				
Salaries	22,831	22,285	22,285	-
Employee benefits	7,731	6,096	6,096	-
Purchased services	1,619	821	821	-
Materials and supplies	1,919	1,961	1,961	-
Capital outlay	1,441	577	577	-
Other expenditures	5,181	-	-	-
Total instructional services	<u>40,722</u>	<u>31,740</u>	<u>31,740</u>	<u>-</u>
Pupil personnel services				
Salaries	919	420	420	-
Employee benefits	274	94	94	-
Purchased services	58	52	52	-
Materials and supplies	172	65	65	-
Total pupil personnel services	<u>1,423</u>	<u>631</u>	<u>631</u>	<u>-</u>
Instructional media services:				
Salaries	-	88	88	-
Employee benefits	-	7	7	-
Total instructional media services	<u>-</u>	<u>95</u>	<u>95</u>	<u>-</u>
Instruction and curriculum development services:				
Salaries	2,267	1,442	1,442	-
Employee benefits	752	353	353	-
Purchased services	113	55	55	-
Materials and supplies	41	51	51	-
Capital outlay	659	402	402	-
Other expenditures	200	-	-	-
Total instruction and curriculum development services:	<u>4,032</u>	<u>2,303</u>	<u>2,303</u>	<u>-</u>
Instructional staff training services:				
Salaries	601	412	412	-
Employee benefits	200	105	105	-
Purchased services	454	336	336	-
Materials and supplies	85	201	201	-
Capital outlay	73	101	101	-
Other expenditures	123	24	24	-
Total instructional staff training services	<u>1,536</u>	<u>1,179</u>	<u>1,179</u>	<u>-</u>

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:				
Salaries	-	7	7	-
Employee benefits	-	1	1	-
Total instructional related technology	-	8	8	-
General administration:				
Other expenditures	2,081	1,267	1,267	-
Total general administration	2,081	1,267	1,267	-
School administration:				
Salaries	-	51	51	-
Employee benefits	-	9	9	-
Total school administration	-	60	60	-
Pupil transportation services:				
Purchased services	8	5	5	-
Other expenditures	455	79	79	-
Total pupil transportation services	463	84	84	-
Operation of plant:				
Purchased services	-	2	2	-
Total operation of plant	-	2	2	-
Capital outlay:				
Facilities	148	265	265	-
Other capital outlay	120	492	492	-
Total capital outlay	268	757	757	-
Total expenditures	50,525	38,126	38,126	-
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 Assets
Proprietary Funds
June 30, 2010
(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	\$ 3,424	\$ 3,657
Investments	-	25,638
Accounts receivable	-	506
Due from other agencies	18	-
Other receivables	-	50
Total current assets	3,442	29,851
Noncurrent assets:		
Furniture, fixtures and equipment, net	163	-
Non-building improvements, net	98	-
Motor vehicles, net	8	-
Building & fixed equipment, net	7	-
Computer software, net	22	-
Total noncurrent assets	298	-
Total assets	3,740	29,851
LIABILITIES		
Current liabilities:		
Salaries and wages payable	57	15
Accounts payable	2	2,667
Due to other agencies	-	7
Compensated absences payable	55	-
Estimated insurance claims payable	-	7,048
Total current liabilities	114	9,737
Long-term liabilities:		
Compensated absences payable	101	-
OPEB payable	210	-
Estimated insurance claims payable	-	9,508
Total long-term liabilities	311	9,508
Total liabilities	425	19,245
NET ASSETS		
Net assets, invested in capital assets	298	-
Unrestricted	3,017	10,606
Total net assets	\$ 3,315	\$ 10,606

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

The School Board of Brevard County, Florida
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2010
(amounts expressed in thousands)

	<u>Business-type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Funds</u>	<u>Internal Service Funds</u>
	<u>Extended Day Program</u>	<u>Self Insurance</u>
OPERATING REVENUES		
Charges for services	\$ 6,490	\$ -
Premium revenues	-	62,452
	<u>6,490</u>	<u>62,452</u>
Total operating revenues	6,490	62,452
OPERATING EXPENSES		
Salaries	4,017	731
Employee benefits	1,423	225
Purchased services	279	254
Material and supplies	360	5
Capital outlay	128	2
Claims expense	-	67,823
Depreciation	250	-
Other expenses	34	-
	<u>6,491</u>	<u>69,040</u>
Total operating expenses	6,491	69,040
Operating loss	<u>(1)</u>	<u>(6,588)</u>
NON-OPERATING REVENUES		
Investment earnings	-	788
	<u>-</u>	<u>788</u>
Total non-operating revenues	-	788
Loss before operating transfers	<u>(1)</u>	<u>(5,800)</u>
Transfers in	2,695	1,300
Transfers out	(340)	-
	<u>2,354</u>	<u>(4,500)</u>
Change in net assets	2,354	(4,500)
Total net assets, beginning	961	15,106
Total net assets, ending	<u>\$ 3,315</u>	<u>\$ 10,606</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, 2010
(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	\$ 6,724	\$ -
Cash received from premiums	-	61,961
Cash payments to suppliers for goods and services	(672)	(67,930)
Cash payments to employees	(5,442)	(954)
Other payments	(128)	630
Net cash provided by (used in) operating activities	482	(6,293)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfer from other funds	2,695	1,300
Transfers to other funds	(340)	-
Net cash provided by noncapital financing sources	2,355	1,300
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(71)	-
Net cash used in capital and related financing activities	(71)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	-	788
Proceeds from sales and maturities of investments	-	5,444
Purchase of investments	-	(335)
Net cash provided by investing activities	-	5,897
Net change in cash and cash equivalents	2,766	904
Cash and cash equivalents, beginning	658	2,753
Cash and cash equivalents, ending	\$ 3,424	\$ 3,657
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating (loss)	\$ (1)	\$ (6,588)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:		
Depreciation	250	-
Changes in assets and liabilities:		
(Increase) in accounts receivable	-	(496)
Decrease in due from other agencies	235	4
Increase in salaries and benefits payable	12	2
Increase in accounts payable	1	885
Increase in due to other agencies	-	7
Increase in OPEB payable	67	-
(Decrease) in compensated absences payable	(82)	-
(Decrease) in estimated liabilities for self-insurance programs	-	(107)
Total adjustments	483	295
Net cash provided by (used in) operating activities	\$ 482	\$ (6,293)

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, 2010
(amounts expressed in thousands)

	School Internal Funds
ASSETS	
Cash and cash equivalents	\$ 6,146
Total assets	\$ 6,146
LIABILITIES	
Internal accounts payable	\$ 6,146
Total liabilities	\$ 6,146

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, 2010

1. Summary of Significant Accounting Policies

➤ **Reporting Entity**

The District School 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 school district is the Brevard County District School Board (Board), which is composed of five elected members. The appointed Superintendent of Schools is the executive officer of the Board. The general operating authority of the Board and the Superintendent is contained in Chapters 1000 through 1013 and 238, Florida Statutes. Geographic boundaries of the District correspond with those of Brevard County.

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

Based on 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 (Leasing Corporation) was formed to facilitate the partial refunding of the Series 1992A Certificates of Participation and the financing of the acquisition of facilities and equipment as further discussed in Note 8. Due to the substantive economic relationship between the Brevard County District School Board and the Leasing Corporation, the financial activities of the Leasing Corporation are included in the accompanying basic financial statements. Separate financial statements for the Leasing Corporation are not published.

Discretely Presented Component Units - The component unit columns in the basic financial statements include the financial data of the Brevard Schools Foundation, Inc. (Foundation) and the District's charter schools for the fiscal year ending June 30, 2010.

The Foundation is a separate not-for-profit corporation organized and operated as a direct-support organization under Section 1001.453, Florida Statutes, to receive, hold, invest, and administer property and to make expenditures to or for the benefit of the District. An annual audit of the Foundation's financial statements is conducted by an independent certified public accountant and is filed in the District's administrative office.

The charter schools are separate not-for-profit corporations organized and operated as charter schools under Section 1002.33, Florida Statutes, to enhance the education of Brevard County students attending these schools. Charter schools are considered to be separate component units operating under a charter approved by the Brevard County School Board as sponsor. The charter schools are considered to be component units of the District since they are fiscally dependent on the District to levy taxes for its support. Annual audits of these charter schools' financial statements are conducted

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by independent certified public accountants and are provided to the District upon completion of each audit.

During the fiscal year ending June 30, 2010, there were nine charter schools under the sponsorship of the Brevard County School Board. 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
8. City of Palm Bay, Florida, d/b/a Palm Bay Community Charter School – Patriot Campus
9. City of Palm Bay, Florida, d/b/a/ Palm Bay Municipal Charter High School

Seven of the nine charter schools listed above are reported as component units of the District and two charter schools, Palm Bay Community Charter School–Patriot Campus, and Palm Bay Municipal Charter High School, are not reported as component units of the District. Both of these schools operate under a charter granted by the School Board of Brevard County, as their sponsor; however, they are reported as a special revenue fund of the City of Palm Bay, Florida, and are not considered to be component units of the School Board.

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

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

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

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

The District eliminates, from the statement of net assets and the statement of activities, most interfund receivables and payables and transfers between funds, as well as the transactions associated with Internal Service Funds, to minimize the effect of duplication. Exceptions include interfund services provided and used and the net residual amounts between governmental and business-type activities.

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

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

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

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

The District reports the following major governmental funds:

- General Fund – to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes. The General Fund is the primary operating fund of the District.
- Special Revenue – ARRA Economic Stimulus Fund – to account for financial resources funded by the American Recovery and Reinvestment Act (ARRA). ARRA provided Federal funds to stimulate the nation's economy and provided targeted funds for educational purposes.

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- Debt Service Fund – Other – to account for the accumulation of resources for, and the payment of, debt principal, interest, and related costs for the District’s certificates of participation.
- Capital Projects – Section 1011.14/1011.15 Notes Fund – to account for the financial resources generated by the District’s Revenue Anticipation Notes, the proceeds of which are used for roofing repairs and heating and air conditioning improvements at District schools.
- 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 non-major governmental funds:

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

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

- Internal Service Funds – to account for the District's individual self-insurance programs.
- Enterprise Fund – Extended Day Program – 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.

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

When both restricted and unrestricted resources are available for use, District policy is to restrict certain fund balances that are constrained by constitutional provision or enabling legislation and to use those funds only for the purpose for which they are intended. When expenditures are incurred for

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which unrestricted resources can be used, it is the District's intention to use committed amounts first, followed by assigned amounts and then unassigned amounts.

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

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

➤ **New Pronouncements**

The GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets* (GASB 51) effective for reporting periods after June 15, 2009. The statement requires that all intangible assets not specifically excluded by its scope provisions be classified as capital assets. The District's financial statements comply with the requirements of GASB 51 for the fiscal year ending June 30, 2010.

The GASB issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* (GASB 53) effective for reporting periods after June 15, 2009. The statement requires governments to measure most derivative instruments at fair value and report those measurements on the face of the financial statements, using the economic resources measurement and accrual basis of accounting. Statement No. 53 also improves disclosures by providing for a summary of derivative instrument activity along with significant terms and risks of that activity. The District has no derivative instruments to report.

The GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54) effective for reporting periods after June 15, 2010. The statement establishes fund balance classifications, provides for a hierarchy of spending constraints for spendable resources and requires disclosure of nonspendable and spendable resources. The District elected early adoption of GASB 54 in the fiscal year 2009 financial statements and has disclosed information about fund balance reporting in Note 22.

➤ **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

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cash flows considers cash and cash equivalents as amounts included in demand deposits, all highly liquid investments with an original maturity of three months or less, cash held by fiscal agents and amounts held on deposit in money market accounts.

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

➤ **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. These capital assets are reported in the government-wide statement of net assets, but are not reported in the fund financial statements.

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

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

<u>Description</u>	<u>Estimated Useful Life</u>
Land	Not depreciated
Construction in progress	Not depreciated
Improvements other than buildings	15 Years
Buildings and fixed equipment	50 Years
Furniture, fixtures and equipment	3-7 Years
Motor vehicles	5-10 Years
AV materials and computer software	3-5 Years
Property under capital lease	5 Years

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➤ **Long-Term Liabilities**

Long-term obligations that will be financed from resources to be received in the future by governmental funds are reported as liabilities in the government-wide statement of net assets. Bond premiums, discounts, and issuance costs, are deferred and amortized over the life of the bonds using the straight-line method 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. Governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued and premiums on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

In the government-wide financial statements, compensated absences, pollution remediation, and arbitrage rebate liabilities are accrued to the extent that it is probable that payment will occur. Pollution remediation and arbitrage rebate liabilities are 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 employee for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability is based on a calculation of the amount of accumulated sick leave by the current employee population at June 30, 2010, that is expected to become eligible for payment at termination. The criteria for determining the vacation and sick leave liability is derived from Board policy, negotiated agreements, and State laws; the liability for compensated absences is reported on the government-wide financial statements. For governmental fund financial statements, the amount of accumulated vacation and sick leave of employees has been recorded as a current liability to the extent that the amounts are due and payable. The liability at year-end includes salary-related payments such as Social Security and Medicare. Changes in long-term liabilities for the current year are reported in note 11.

➤ **State Revenue Sources**

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

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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 unencumbered balance of categorical and earmarked educational program resources.

The State allocates gross receipts taxes annually, generally known as Public Education Capital Outlay. The District is authorized to expend these funds for capital purposes only upon applying for and receiving an encumbrance authorization from the Department of Education. A schedule of revenue from State sources for the current year is presented in note 15.

➤ **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 2009 tax levy on September 3, 2009. 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 16.

➤ **Educational Impact Fees**

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The District receives educational impact fees based on an ordinance adopted by the Brevard County Commission on August 10, 2004. The fees are collected by the County for new residential construction, and can only be used on projects that increase capacity and for the acquisition of fixed assets or additions to fixed assets and expenditures for site acquisition, construction, design, site development, necessary off-site improvements, and equipment.

2. Budgetary Compliance and Accountability

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

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, 2010, all governmental fund types were amended to reflect adjustments to appropriations due to changes in student counts, the addition of new education programs, etc. These amendments were made as part of the routine budget process of the District, none of which were deemed to be significant by management.

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

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3. Cash and Investments

As of June 30, 2010, 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	\$ 64,553,598	\$ 53,478,688	\$ 1,348,454	\$ 7,933,134	\$ 1,793,322
Agencies and instrumentalities	69,461,342	55,155,601	-	6,533,671	7,772,070
Money market funds-First American Treasury	25,954,224	25,954,224	-	-	-
Money market funds-Ridgeworth	9,632,509	9,632,509	-	-	-
Commercial paper	38,688,454	38,688,454	-	-	-
Collateralized investment repurchase agreement	3,082,133	3,082,133	-	-	-
State Board of Administration	341,871	341,871	-	-	-
Total investments	\$ 211,714,131	\$ 186,333,480	\$ 1,348,454	\$ 14,466,805	\$ 9,565,392

Total Investments, Reporting Entity	Statement of Net Assets
Fair Value of investments	\$ 211,714,131
Deposits	14,161,371
Total	\$ 225,875,502
Cash and cash equivalents - statement of net assets	\$ 17,253,427
Investments - statement of net assets	208,622,075
Total	\$ 225,875,502

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 \$14,161,371 were deposited with qualified public depositories as of June 30, 2010, and \$341,871 is held by the State Board of Education (SBA) on behalf of the School Board. School internal funds represent an additional \$6,145,827 of cash deposits held in qualified public depositories as of June 30, 2010.

➤ Interest Rate Risk

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

- The District has \$64,553,598 invested in obligations of the United States Government and \$69,461,342 invested in Government Sponsored Agencies/Federal Instrumentalities that are held by a safekeeping agent in the name of the District. These securities contain embedded options to call the entire security or a portion thereof, at the option of the issuer; or, depending on market conditions, the issuer may decide to leave the security intact, at stated

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interest rates, until final maturity. These securities have various call dates with final maturity between July, 2010 and June, 2013. Securities in this category are the Federal Home Loan Bank, the Federal Home Loan Mortgage Corporation, the Federal Farm Credit Bank, and the Federal National Mortgage Corporation, and are rated AAA by Standard & Poor's (S&P).

- The District has \$25,954,224 in First American Money Market Funds. These securities have average weighted maturities ranging between 38 and 45 days.
- The District has \$9,632,509 in Ridgeworth Money Market Funds. These securities have an average weighted maturity of 24 days.
- The District has \$38,688,454 invested in commercial paper, rated A-1+, P-1, with a final maturity date of December 23, 2010.

➤ **Credit Risk**

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

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

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

The District has \$25,954,224 in First American Money Market Funds. These maturities have a S&P rating of AAAM and a Moody's Investors Services rating of Aaa.

The District has \$9,632,509 in Ridgeworth Money Market Funds. These maturities have a S&P rating of AAAM and a Moody's Investors Services rating of Aaa. The District's investments in the

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SBA 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**

Florida Statute 218.415 (18) requires every security purchased on behalf of the Brevard County 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 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 \$64,553,598 invested in obligations of the United States Government and \$69,461,342 invested in Government Sponsored Agencies/Federal Instrumentalities, \$9,632,509 in Ridgeworth Money Market Funds and \$38,688,454 invested in commercial paper. These securities are held by a third party safekeeping agent in the name of the District. Demand deposits with financial institutions are \$14,161,371.

The District also has \$25,954,224 in First American Money Market Funds of which \$25,423,224 is held for payment of principal and interest due to certificate holders on July 1, 2010, \$531,000 is held for project costs, and \$3,082,133 is held in a collateralized investment repurchase agreement. All of these funds are held with a fiscal agent under a trust agreement for certificates of participation.

➤ **Concentration of Credit Risk**

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

Type of Investment	Maximum
a. Florida Local Government Surplus Trust Funds (SBA)	100%
b. Direct Obligations of US Treasury	100%

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

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

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4. Changes in Capital Assets

Changes in capital assets are presented in the table below:

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 25,124,962	\$ 11,423,000	\$ (660,009)	\$ 35,887,953
Construction in progress	191,588,343	38,024,775	(228,531,431)	1,081,687
Total capital assets, not being depreciated	216,713,305	49,447,775	(229,191,440)	36,969,640
Capital assets, being depreciated:				
Improvements other than buildings	60,306,801	5,295,830	-	65,602,631
Buildings and fixed equipment (1)	1,176,918,232	232,134,276	-	1,409,052,508
Furniture, fixtures and equipment	84,476,903	5,635,436	(4,626,737)	85,485,602
Motor vehicles	44,843,996	389,606	(1,719,593)	43,514,009
AV materials and computer software	17,344,776	482,165	(449,314)	17,377,627
Property under capital lease (1)	2,942,836	-	(2,942,836)	-
Total capital assets, being depreciated	1,386,833,544	243,937,313	(9,738,480)	1,621,032,377
Less accumulated depreciation:				
Improvements other than buildings	(30,483,013)	(3,420,213)	-	(33,903,226)
Buildings and fixed equipment (1)	(513,902,881)	(31,777,024)	-	(545,679,905)
Furniture, fixtures and equipment	(64,483,519)	(10,413,704)	4,626,737	(70,270,486)
Motor vehicles	(26,362,839)	(3,516,181)	1,719,593	(28,159,427)
AV materials and computer software	(13,876,863)	(1,895,862)	449,314	(15,323,411)
Property under capital lease (1)	(2,354,269)	(588,567)	2,942,836	-
Total accumulated depreciation	(651,463,384)	(51,611,551)	9,738,480	(693,336,455)
Total capital assets, net	\$ 952,083,465	\$ 241,773,537	\$ (229,191,440)	\$ 964,665,562
Depreciation expense was charged to functions as follows:				
	<u>Amount</u>			
Governmental activities:				
Pupil transportation services	\$ 2,806,877			
Unallocated (direct depreciation excluded)	45,861,838			
Total depreciation expense-governmental activities (1)	\$ 48,668,715			

- (1) During the 2009-10 fiscal year, the District reclassified property under capital lease to building and fixed equipment, as well as related accumulation depreciation. As a result, additions to accumulated depreciation differ from depreciation expense.

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	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
Business-type activities:				
Capital assets, being depreciated:				
Improvements other than buildings	\$ 90,028	\$ 33,249	\$ -	\$ 123,277
Buildings and fixed equipment	33,471	-	-	33,471
Furniture, fixtures and equipment	1,196,923	26,397	(17,929)	1,205,391
Motor vehicles	13,881	-	-	13,881
Computer software	54,582	10,920	-	65,502
Total capital assets, being depreciated	<u>1,388,885</u>	<u>70,566</u>	<u>(17,929)</u>	<u>1,441,522</u>
Less accumulated depreciation:				
Improvements other than buildings	(16,856)	(8,219)	-	(25,075)
Buildings and fixed equipment	(19,757)	(6,694)	-	(26,451)
Furniture, fixtures and equipment	(841,709)	(218,933)	17,929	(1,042,713)
Motor vehicles	(4,164)	(1,388)	-	(5,552)
Computer software	(29,101)	(14,556)	-	(43,657)
Total accumulated depreciation	<u>(911,587)</u>	<u>(249,790)</u>	<u>17,929</u>	<u>(1,143,448)</u>
Total capital assets, net	<u>\$ 477,298</u>	<u>\$ (179,224)</u>	<u>\$ -</u>	<u>\$ 298,074</u>

5. Changes in Short-Term Debt

The following is a schedule of changes in notes payable:

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
Governmental activities:				
Tax anticipation notes	\$ -	\$ 30,000,000	\$ 30,000,000	\$ -
Revenue anticipation notes	39,000,000	29,000,000	39,000,000	29,000,000
Total governmental activities	<u>\$ 39,000,000</u>	<u>\$ 59,000,000</u>	<u>\$ 69,000,000</u>	<u>\$ 29,000,000</u>

The District issued tax anticipation notes in the amount of \$30,000,000 on September 30, 2009. The note proceeds were utilized by the District to provide interim funds for the payment of operating expenditures for the 2009-10 fiscal year in anticipation of the receipt of ad valorem taxes levied and collected for the same year. The notes were issued at a 2.0% coupon rate with a net interest cost of 0.459%.

On April 22, 2010, the District issued Revenue Anticipation Notes (RAN), Series 2010 in the amount of \$29,000,000. The notes were issued to finance and/or refinance part of the cost of outstanding RAN Series 2009 notes that were issued to fund acquisition and renovation costs for certain facilities and equipment within the District. The notes were issued at a 2.0% coupon rate with a net interest cost of 0.558%, and mature on April 22, 2011. These notes are payable from and secured by a prior lien upon and pledge of the proceeds of the discretionary capital outlay ad valorem tax levy.

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6. Deferred Compensation Plan

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

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

7. Operating Leases

Lessee Currently, the District has five leasing agreements for office/training space. Each of these leases has a five-year term with the earliest beginning August 2005 and the last ending June 2013. Three of the leases were renegotiated for a reduced rate effective July 1, 2009. All leases are cancelable, but if not canceled, the total remaining commitment for the District is \$723,642, with \$253,643 due in the current fiscal year, \$218,013 due in fiscal year 2010-11, and \$125,993 due in fiscal years 2011-12 and 2012-13. Four agreements have a contingency that must include current year appropriations in the District budget or the lease will be terminated at the end of the current year. Of those four leases, two require a 120-day notice, one requires 60 days, and the fourth has no notice requirement. Two leases have renewal clauses to renew for two consecutive five-year periods.

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

Lessor The District has lease agreements, as lessor, with two charter schools for the use of District school buses. Revenue provided to the District as a result of these leases was \$27,000 from Sculptor Elementary Charter School and \$216,000 from Imagine Schools, for a total of \$243,000 revenue in fiscal year 2009-10.

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
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8. Certificates of Participation

Certificates of Participation at June 30, 2010, are as follows:

Series	Amount Outstanding	Interest Rates (Percent)	Lease Term Maturity	Original Amount
Series 1996A	\$ 13,380,000	5.40	2012	\$ 56,590,000
Series 2002	6,845,000	3.60-4.00	2015	50,945,000
Series 2004A	45,685,000	3.50-5.00	2030	46,805,000
Series 2004B	66,285,000	3.25-5.00	2021	67,640,000
Series 2004-QZAB	4,408,000	(1)	2020	4,408,000
Series 2006A	121,950,000	3.50-5.00	2030	128,440,000
Series 2007A	37,650,000	4.00-5.00	2026	37,740,000
Series 2007B	71,350,000	4.125-5.00	2032	71,350,000
Series 2007C	115,160,000	3.60-5.00	2032	122,995,000
Series 2008A	<u>56,000,000</u>	5.05	2036	<u>56,000,000</u>
Total Certificates of Participation	<u>\$ 538,713,000</u>			<u>\$ 642,913,000</u>

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

The District has entered into financing arrangements, which are characterized as lease-purchase agreements, with the Brevard County School Board Leasing Corporation (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, structure cabling, and telephone equipment at fifteen schools. The initial terms of the leases end on the earlier of the maturity date or the date on which the certificates are paid in full; however, if lease obligations remain outstanding, the ground leases may be renewed for additional terms as specified in the arrangements. The properties covered by the ground leases are, together with improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the leases and to provide for the rent payments through to term, the District may be required to surrender the properties included under the ground lease agreements for the benefit of the securers of the certificates as specified by the arrangement.

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

Series 1996A Certificates of Participation

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

Series 2002 Certificates of Participation

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

Series 2004A Certificates of Participation

Rockledge High School Addition
Viera High School

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Series 2004B Certificates of Participation

Bayside High School
Longleaf Elementary School
Melbourne High School Additions
Pinewood Elementary School Additions
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 States 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
Cocoa Stadium
Melbourne High School
Merritt Island High School
Rockledge High School
Satellite High School
Westshore Jr. /Sr. High School

Series 2008A Certificates of Participation

Heritage High School

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With the exception of the Series 2004-QZAB issue, lease payments are payable semiannually, on July 1 and January 1. The Series 2004-QZAB Certificates of Participation were issued under a special program whereby the certificates, bearing an original issue date of March 26, 2004, will mature on March 26, 2020, for the original \$4,408,000 issue amount. There is no interest cost for borrowing funds under this program. Mandatory lease payment deposits of \$557,309 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.

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

Fiscal Year Ending June 30	Total	Principal	Interest
2011	\$ 38,399,694	\$ 12,995,000	\$ 25,404,694
2012	38,403,011	13,580,000	24,823,011
2013	38,402,444	14,195,000	24,207,444
2014	38,401,466	14,825,000	23,576,466
2015	38,399,619	15,490,000	22,909,619
2016-2020	196,735,294	93,023,000	103,712,294
2021-2025	192,018,793	111,115,000	80,903,793
2026-2030	192,005,587	141,045,000	50,960,587
2031-2035	124,245,535	107,405,000	16,840,535
2036	15,799,520	15,040,000	759,520
Total Minimum Lease Payments	<u>\$ 912,810,963</u>	<u>\$ 538,713,000</u>	<u>\$ 374,097,963</u>

9. 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 \$3,657,123 of which \$3,255,252 relates to debt service.

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Bonds payable at June 30, 2010, are as follows:

Bond Type	Amount Outstanding	Interest Rates (Percent)	Annual Maturity To	Original Amount
State School Bonds:				
Series 2002A	\$ 295,000	4.00-5.00	2022	\$ 400,000
Series 2002B	7,500,000	4.00-5.375	2015	13,495,000
Series 2003A	1,275,000	3.00-4.25	2023	1,845,000
Series 2004A	405,000	3.00-4.625	2024	550,000
Series 2005A	810,000	4.00-5.00	2025	985,000
Series 2005B	2,025,000	5.00	2020	2,305,000
Series 2006A	575,000	4.00-5.00	2026	650,000
Series 2009A	730,000	3.00-5.00	2019	800,000
Total Bonds Payable	<u>\$ 13,615,000</u>			<u>\$ 21,030,000</u>

Annual requirements to amortize all bonded debt outstanding as of June 30, 2010, are as follows:

Fiscal Year Ending June 30	Total	Principal	Interest
State School Bonds:			
2011	\$ 2,413,570	\$ 1,755,000	\$ 658,570
2012	2,414,569	1,845,000	569,569
2013	2,414,649	1,920,000	494,649
2014	2,410,275	2,015,000	395,275
2015	2,375,086	2,085,000	290,086
2016-2020	3,342,146	2,735,000	607,146
2021-2025	1,350,640	1,200,000	150,640
2026	62,775	60,000	2,775
Total Bonds Payable	<u>\$ 16,783,710</u>	<u>\$ 13,615,000</u>	<u>\$ 3,168,710</u>

10. Defeased Debt

Certificates of Participation

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

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State Board of Education Bonds

On August 15, 2009, the Florida Department of Education issued Series 2009A State Board of Education Capital outlay Refunding Bonds to refund the outstanding principal balance of its 1999A Series with maturity dates in the years 2010-2019. Brevard's proportionate share of the outstanding balance of the 1999A refunded bonds is \$840,000. On the August 15, 2009 issuance date, the 1999A refunded bonds were considered to be defeased in substance, by placing the proceeds of the 2009A refunding bond proceeds with an escrow agent to redeem the 1999A refunded bonds on the redemption date of September 24, 2009.

11. Changes in Long-Term Liabilities

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

Description	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010	Due in One Year
Governmental activities					
Bonds payable	\$ 15,330,000	\$ 800,000	\$ 2,515,000	\$ 13,615,000	\$ 1,755,000
Certificates of participation payable	551,158,000	-	12,445,000	538,713,000	12,995,000
Estimated claims payable	16,663,106	67,823,682	67,930,699	16,556,089	7,047,683
Compensated absences payable	38,007,663	19,849,661	19,889,627	37,967,697	4,234,994
OPEB obligation	10,939,654	9,557,077	3,551,594	16,945,137	-
Pollution remediation liability	180,000	50,000	5,000	225,000	-
Arbitrage payable	1,150,525	-	903,125	247,400	-
Total governmental activities	<u>\$ 633,428,948</u>	<u>\$ 98,080,420</u>	<u>\$ 107,240,045</u>	<u>\$ 624,269,323</u>	<u>\$ 26,032,677</u>
Business-type activities					
Compensated absences payable	\$ 238,081	\$ 321,745	\$ 403,494	\$ 156,332	\$ 55,284
OPEB obligation	142,537	108,055	40,156	210,436	-
Total business-type activities	<u>\$ 380,618</u>	<u>\$ 429,800</u>	<u>\$ 443,650</u>	<u>\$ 366,768</u>	<u>\$ 55,284</u>

For the governmental activities, compensated absences, OPEB, Pollution, and estimated claims payable are generally liquidated with resources of the General Fund.

12. Arbitrage Payable

Certain long-term debt obligations are subject to Section 148 of the Internal Revenue Code. The code requires a rebate to the federal government for interest earned on tax exempt proceeds if the earnings exceed the interest cost on the related debt. Pursuant to the IRS regulations, the arbitrage liabilities have been calculated as of June 30, 2010, for Certificates of Participation, Series 2006A, 2007A and 2007B (combined issue) Series 2007C, and 2008A. A long-term liability for arbitrage payable of \$247,400 is due April 13, 2012, for the Certificates of Participation, Series 2007C.

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13. Pollution Remediation

In accordance with GASB 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, the District has estimated remediation obligations identified as petroleum contaminated sections of seven school sites located at six schools. Four 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. Risk of exposure is considered to be low at all seven locations at the six schools affected.

The cost for all three sites actively being remediated by the District is estimated to be \$225,000, and all three sites are expected to be cleaned-up (receiving either a “No Further Action” status or a “Monitoring Only Natural Attenuation” status from the Florida Department of Environmental Protection Agency) by January 1, 2012.

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

14. Interfund Receivables, Payables and Transfers

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

Funds	Interfund	
	Receivables	Payables
Major funds:		
General	\$ 6,785,246	\$ -
Local capital improvement	249,175	-
Special revenue - ARRA economic stimulus		6,372,224
Nonmajor governmental funds:		
Capital projects - PECO	-	249,175
Special revenue - contracted programs	-	413,022
Total	<u>\$ 7,034,421</u>	<u>\$ 7,034,421</u>

The interfund receivables/payables at June 30, 2010, 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 other governmental funds. The interfund receivables and payables represent the payments of expenditures paid by one fund for another fund and will be repaid within 12 months after year-end.

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

Funds	Interfund	
	Tranfers In	Transfers Out
Major funds:		
General	\$ 4,371,044	\$ 3,994,773
Debt service-other	38,142,433	-
Capital projects- local capital improvement	-	31,281,928
Capital projects-section 1011.14/1011.15 notes	10,236,095	-
Other capital projects	437,735	21,565,250
Internal service funds:		
Workers compensation	1,014,000	-
General liability	286,000	-
Medical	-	-
Enterprise	2,694,773	340,129
Total	<u>\$ 57,182,080</u>	<u>\$ 57,182,080</u>

The District transferred \$31,281,928 from the Capital projects - local capital improvement fund. Of this amount, \$16,577,183 was transferred to cover a portion of principal and interest payments due for certificates of participation; other portions of this transfer included \$10,236,095 to cover the principal and interest payment for revenue anticipation notes, \$4,030,915 to cover property insurance expended in the general fund, and \$437,735 to cover other capital expenditures. The District also transferred \$21,565,250 from the Other capital projects fund to cover the remaining portions of the principal and interest payments due for certificates of participation. The District also transferred \$1,300,000 to internal service funds from the general fund to repay the amount transferred to the general fund in the previous fiscal year. An interfund transfer was completed from the General Fund to the Enterprise Fund for \$2,694,773 to reserve for next year's anticipated budget shortfall. This was offset by a \$340,129 interfund transfer from the Enterprise Fund to the General Fund to fulfill the schools' requirement for budget cuts at the District.

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15. Schedule of Revenue Sources

The following is a schedule of the District's State and Federal revenue for the 2009-10 fiscal year:

<u>State Revenue Sources</u>	<u>Amount</u>
Florida education finance program (FEFP)	
ESE guaranteed allocation	\$ 27,754,777
Supplemental academic instruction	19,336,832
Transportation	11,328,350
Instructional materials	5,973,452
Reading allocation	2,611,901
Safe Schools	1,688,687
Teachers lead	906,336
DJJ supplemental allocation	171,503
Merit award program	55,366
FEFP - all other	91,744,703
Categorical educational programs - class size reduction	77,076,882
School recognition program	3,992,467
Workforce development program	2,809,523
Voluntary prekindergarten program	2,416,118
Capital outlay and debt service withheld for SBE bonds	2,372,366
Gross receipts tax (Public education capital outlay)	1,495,191
Charter school capital outlay	1,279,476
Adults with disabilities	472,441
Food service supplement	410,072
Other	
Motor vehicle license tax	253,468
Racing Commission Funds	223,250
Discretionary lottery funds	200,390
Pre-school projects	166,567
Miscellaneous	847,701
Total	<u>\$ 255,587,819</u>

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<u>Federal Revenue Sources</u>	<u>Amount</u>
<u>American Recovery and Reinvestment Act</u>	
State fiscal stabilization	\$ 27,307,284
Targeted Title I	3,946,880
Targeted IDEA	6,408,377
Other ARRA	463,686
<u>Contracted programs</u>	
Title I	14,514,889
IDEA	15,485,287
Other	8,878,682
Food service program	15,786,166
Other Federal funds	<u>2,902,898</u>
 Total	 <u><u>\$ 95,694,149</u></u>

16. Property Taxes

The following table represents a summary of millages and taxes levied for the 2009-10 fiscal year based on the District's final Certification of School Taxable Value received from the Brevard County Property Appraiser on June 28, 2010.

	<u>Millages</u>	<u>Taxes Levied</u>
<u>GENERAL FUND</u>		
Nonvoted school tax:		
Required local effort	5.189	\$ 190,566,331
Basic discretionary local effort	0.748	27,470,344
Board voted critical needs millage-operating	0.250	9,181,265
<u>CAPITAL PROJECTS FUNDS</u>		
Nonvoted tax:		
Local capital improvements	<u>1.500</u>	<u>55,087,588</u>
 TOTAL	 <u><u>7.687</u></u>	 <u><u>\$ 282,305,528</u></u>

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17. State Retirement Program

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

A Deferred Retirement Option Program (DROP) subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an 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 2009-10 fiscal year, contribution rates were as follows:

Class or Plan	Percent of Gross Salary	
	Employee	Employer (A)
Florida Retirement System, Regular	0.00	9.85
Florida Retirement System, Elected County Officers	0.00	16.53
Florida Retirement System, Special Risk	0.00	20.92
Florida Retirement System, Senior Manager	0.00	13.12
State and County Officers and Employees' Retirement System, Plan B	4.00	9.10
Deferred Retirement Option Program - Applicable to members from all of the above classes or plans	0.00	10.91
Florida Retirement System, reemployed retiree	(B)	(B)

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

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

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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, 2008, June 30, 2009, and June 30, 2010, were \$32,651,261, \$31,020,114 and \$30,329,155 respectively, which were equal to the required contributions for each fiscal year.

Defined Contribution Plan Effective July 1, 2002, the Public Employee Optional Retirement Program (PEORP) was implemented as a defined contribution plan alternative available to all FRS members in lieu of the defined benefit plan. Employer contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The PEORP is funded by employer contributions that are based on salary and membership class (Regular Class, Special Risk Class, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Required employer contributions made to the program for the fiscal years ended June 30, 2008, June 30, 2009, and June 30, 2010, were \$4,065,843, \$4,285,784, and \$4,340,898 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.

18. Other Postemployment Benefits Payable (OPEB)

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 plan does not issue a stand-alone report, and is not included in the report of a Public Employee Retirement System or another entity.

Funding Policy The District plans to fund this postemployment benefit on a pay-as-you go basis. As of January 1, 2009, 902 retirees received medical/prescription benefits. The District provided \$3,591,750 toward the annual OPEB cost.

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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)	\$ 4,053,846
18 year amortization of unfunded actuarial accrued liability	5,596,422
Interest on normal cost and amortization	187,254
Annual required contribution	9,837,522
Interest on net OPEB obligation	443,288
Adjustment to annual required contribution	(615,678)
Annual OPEB cost (expense)	9,665,132
Net employer contributions	3,591,750
Increase in net OPEB obligation	6,073,382
Net OPEB obligation, July 1, 2009	11,082,191
Net OPEB obligation, June 30, 2010	\$ 17,155,573

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, 2010 and the preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2008	\$ 9,650,283	56.2%	\$ 5,423,891
June 30, 2009	9,787,157	42.2%	11,082,191
June 30, 2010	9,665,132	37.2%	17,155,573

Funded Status and Funding Progress as of June 30, 2010:

Actuarial accrued liability	\$ 98,779,374
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	98,779,374
Funded ratio	0.0%
Covered payroll (active plan members)	294,679,538
UAAL as a percentage of covered payroll	33.5%

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

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the basic 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, 2009, OPEB actuarial valuation, 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 on a closed basis. The remaining amortization period at June 30, 2010, is 17 years. Because the OPEB liability is currently unfunded, the actuarial assumptions include a four percent discount rate. Compared to the previous valuation, the unfunded actuarial accrued liability decreased moderately while the annual OPEB cost remained relatively unchanged. The actuarial assumption annual healthcare cost trend rate for the 2009-10 fiscal year is ten percent (this does not reflect any cost containment changes to the plan effective on that date) and six percent for premium increases (to reflect actual premium changes). In 2011, the healthcare cost trend rate returns to the same pattern assumed previously: 8.5 percent for year 2011 decreasing by 0.5 percent each subsequent year until reaching the ultimate value of five percent.

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June 30, 2010

19. Commitments

The District uses encumbrance accounting for recording purchase order commitments for goods and services and has recorded \$7,665,724 in encumbrances for major funds and \$288,760 in nonmajor funds at June 30, 2010. The District has also recorded the following construction contract commitments as of June 30, 2010, which may include encumbrances:

Project	Balance Committed
Bayside HS Conduit to Westside El	\$ 5,001
Cocoa High School Addition	20,000
Cocoa High School Roofing	32,665
Cocoa Beach Jr/Sr High Site Drainage & Locker Painting	10,594
Creel Elem Roofing	41,957
Eau Gallie High School	249,628
Edgewood Elevator	161,027
Heritage High	5,000
Holland Entrance Loop	172,544
HVAC Upgrades	132,330
Jackson Middle Chiller CTSI Replacement	466,639
Johnson MS Security Camera	20,675
Lockmar Elem Air Handlers	139,004
Madison Middle Chiller CTSI Replacement	482,639
Malabar Elem Air Handlers	137,659
Meadowlane El Steam Exhaust and Wiring Mods	5,524
Melbourne HS Roof/Blg 6 HVAC Replace	41,829
Merritt Island HS Fac Upgrades	42,341
Ocean Breeze ES Tech Upgrade	39,468
RHS - AHU Phase II	116,430
RHS - AHU Phase III	636,853
RHS - Demo ROTC Area	179
RHS -DX Roof Top Condensor	6,191
RHS - Fire Dampers	110
Satellite HS Misc Renov	18,722
Satellite HS Addition and Renovation	115,078
Satellite HS U/G Elec/Plum Site and Signage	7,693
Satellite HS Orchestra Lift Repairs	2,412
Satellite HS Practice Field	8,769
Satellite HS Jackson Street Entrance	27,370
Satellite HS Security Cameras	76,164
Titusville HS Music Room AC	89,027
West Melbourne ES Tech Upgrade	181,882
	<u>\$ 3,493,404</u>

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2010

20. Risk Management-Self Insured Programs

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

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

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

General liability and automobile liability claims:

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

Errors and omissions liability claims:

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

Self-Insured Health claims:

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

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
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District and a portion is paid by employees through payroll deduction. Retirees are required to pay the full premium amount for plan coverage at the blended employee premium rate.

The liability for workers' compensation, general liability, automobile liability, and medical claims in the amount of \$16,556,089 was determined based on claims adjusters' evaluation of individual claims and management's evaluation, along with actuarial calculations with respect to the probable number and nature of claims arising from losses that have been incurred but have not yet been reported.

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

Fiscal Year	Balance July 1	Current Year Claims	Claims Payments	Balance June 30
2007-08	\$ 16,926,586	\$ 66,297,241	\$ (64,881,279)	\$ 18,342,548
2008-09	18,342,548	68,073,796	(69,753,238)	16,663,106
2009-10	16,663,106	67,823,682	(67,930,699)	16,556,089

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 \$68,000,000 for any one incident.
- Losses related to named windstorms for wind and flood damage are subject to five percent per building's replacement value. The damage when all building damage is totaled must exceed \$500,000 in losses and will pay up to \$48,000,000 maximum coverage.

Boiler and Machinery:

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

Employee Theft/crime:

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

Under and Above Ground Storage Tanks:

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

During the fiscal year ended June 30, 2010 the District did not experience any significant reductions in insurance coverage.

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Notes to the Basic Financial Statements
June 30, 2010

21. Internal Service Funds

The following is a summary of financial information as reported in the Internal Service Funds for the 2009-10 fiscal year:

	<u>Total</u>	<u>Medical Insurance</u>	<u>Worker's Compensation</u>	<u>General/ Auto Liability</u>
Total assets	\$ 29,851,641	\$ 12,249,885	\$ 14,718,418	\$ 2,883,338
Liabilities and net assets:				
Accounts payable	\$ 2,667,029	\$ 1,967,706	\$ 600,024	\$ 99,299
Salaries and benefits payable	14,804	13,375	1,429	-
Due to other agencies	7,038	-	7,038	-
Estimated insurance claims payable	16,556,089	4,512,509	10,603,433	1,440,147
Net assets:				
Unrestricted net assets	10,606,681	5,756,295	3,506,494	1,343,892
Total liabilities and net assets	\$ 29,851,641	\$ 12,249,885	\$ 14,718,418	\$ 2,883,338
Revenues:				
Premium contributions	\$ 62,452,135	\$ 58,059,524	\$ 3,469,971	\$ 922,640
Investment earnings	788,079	409,563	291,161	87,355
Total revenues	63,240,214	58,469,087	3,761,132	1,009,995
Total expenses	(69,040,024)	(63,532,586)	(4,566,041)	(941,397)
Transfers	1,300,000	-	1,014,000	286,000
Change in net assets	\$ (4,499,810)	\$ (5,063,499)	\$ 209,091	\$ 354,598

22. Fund Balance Reporting

The District has adopted GASB 54 as part of its 2009-10 fiscal year reporting. Implementation of GASB 54 is required for fiscal years beginning after June 15, 2010; however the District elected early adoption during the 2008-09 fiscal year. The intention of GASB 54 is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the District's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources. GASB 54 provides for two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an 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.

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
Notes to the Basic Financial Statements
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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 2,544,772 and inventory of \$3,330,000 totaling \$5,874,772 classified as nonspendable.

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

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

Florida Statute requires that certain revenues be specifically designated for the purposes of capital and debt service requirements and for certain designated state categorical spending. These funds have been included in the restricted category of fund balance. The restricted fund balances for capital projects, food services, state categoricals and debt service total \$87,248,625, and are \$70,554,331, \$5,275,608, \$6,905,156 and \$4,513,530 respectively.

- Assigned for School Operations and Capital Projects:

The School Board has set aside certain spendable fund balances for school operations and capital projects. For fiscal year 2010, the assigned fund balance is \$2,779,362 of which \$1,565,840 is for school operations and \$1,213,522 is for capital projects not restricted for a particular purpose.

- Unassigned:

The unassigned fund balance for the General Fund is \$45,605,441. The Capital Projects fund contains a deficit fund balance of \$20,377,756 for funds related to Section 1011.14/1011.15 notes. The deficit fund balance is expected to be restored in fiscal year 2011 when revenue anticipation notes are issued as part of the District's five-year financing of revenue anticipation notes. The annual proceeds for each note series, along with additional funds from the annual capital outlay millage, are used to repay outstanding revenue anticipation notes.

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2010

	Major Funds						Total Governmental Funds
	General Fund	Debt Service Fund - Other	Capital Projects Section		Capital Projects Other		
			1011.14/1011.15 Notes	Local Capital Improvement	Capital Projects	Nonmajor Governmental Funds	
Fund balances							
Nonspendable:							
Inventory	\$ 1,204,597	\$ -	\$ -	\$ -	\$ -	\$ 2,125,403	\$ 3,330,000
Long-term accounts receivable	1,873,058	-	-	671,714	-	-	2,544,772
Restricted:							
Capital projects	-	-	-	35,079,379	31,770,328	3,704,624	70,554,331
State categoricals	6,905,156	-	-	-	-	-	6,905,156
Debt service	-	4,171,659	-	-	-	341,871	4,513,530
Food services	-	-	-	-	-	5,275,608	5,275,608
Assigned:							
School operations	1,565,840	-	-	-	-	-	1,565,840
Capital projects	-	-	-	-	1,213,522	-	1,213,522
Unassigned:	45,605,441	-	(20,377,756)	-	-	-	25,227,685
Total fund balances	<u>\$ 57,154,092</u>	<u>\$ 4,171,659</u>	<u>\$ (20,377,756)</u>	<u>\$ 35,751,093</u>	<u>\$ 32,983,850</u>	<u>\$ 11,447,506</u>	<u>\$ 121,130,444</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 \$45,605,441.

23. Accounts Receivable

The Brevard County Tax Collector’s office is the agent responsible to hold and distribute revenues for taxing authorities. During fiscal year 2007-08, portions of tax revenues collected by the Tax Collector on behalf of taxing authorities and not yet distributed to those authorities were held with Florida’s Local Government Investment Pool, also known as the Florida SBA. The balances of these funds remaining to be collected, as of the date of this report, are \$1,873,058 for operating revenues and \$671,714 for capital revenues. The School Board believes that all undistributed funds held in the SBA for fiscal year 2007-08 tax revenues will be recovered.

Other components of the District’s accounts receivable include \$10,549,762 due from State and Federal sources.

THE SCHOOL BOARD OF BREVARD COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2010

24. Litigation

The School Board is a defendant in a number of lawsuits as of June 30, 2010. 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.

The School Board of Brevard County, Florida
Required Supplementary Information

Single - Employer Postemployment Benefits Plan

Schedule of Funding Progress

(amounts expressed in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability(AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Jan. 1, 2007	\$ -	\$ 110,060	\$ 110,060	0.0%	\$ 250,349	44.0%
Jan. 1, 2009	\$ -	\$ 98,779	\$ 98,779	0.0%	\$ 294,680	33.5%

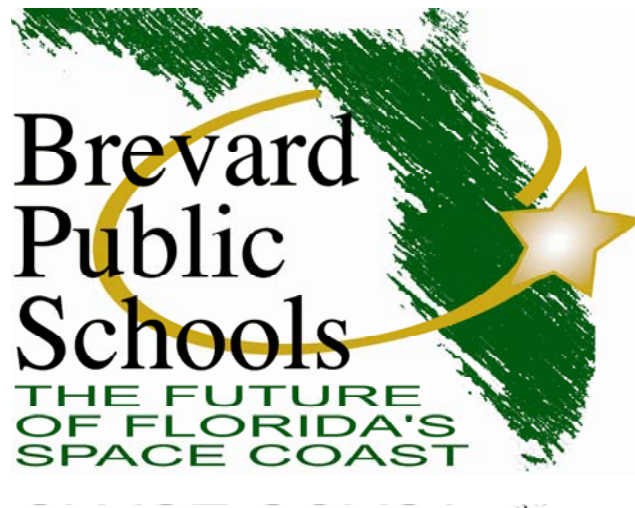
Schedule of Employer Contributions

(amounts expressed in thousands)

Fiscal Year Ending	Annual Required Contribution (ARC)	Amount Contributed	Percentage of Annual Required Contribution	Net OPEB Obligation
6/30/2008	\$ 9,650	\$ 4,226	43.8%	\$ 5,424
6/30/2009	\$ 9,841	\$ 4,129	42.0%	\$ 11,082
6/30/2010	\$ 9,838	\$ 3,592	36.5%	\$ 17,155



COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES



Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

Debt Service Funds

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

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

Capital Projects Funds

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

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

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

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

The School Board of Brevard County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2010
(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	\$ 5,617	\$ -	\$ 5,617
Investments	-	-	-
Accounts Receivable	7	2	9
Due from other agencies	73	1,592	1,665
Inventory	<u>2,126</u>	<u>-</u>	<u>2,126</u>
Total assets	<u>\$ 7,823</u>	<u>\$ 1,594</u>	<u>\$ 9,417</u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts, contracts and retainage payable	\$ 44	\$ 823	\$ 867
Accrued salaries and benefits	21	314	335
Due to other funds	-	413	413
Due to other agencies	1	44	45
Deferred revenue	<u>356</u>	<u>-</u>	<u>356</u>
Total liabilities	<u>422</u>	<u>1,594</u>	<u>2,016</u>
Fund balances:			
Non-spendable	2,126	-	2,126
Restricted	<u>5,275</u>	<u>-</u>	<u>5,275</u>
Total fund balances	<u>7,401</u>	<u>-</u>	<u>7,401</u>
Total liabilities and fund balances	<u>\$ 7,823</u>	<u>\$ 1,594</u>	<u>\$ 9,417</u>

Debt Service	Capital Projects			Total Nonmajor Governmental Funds	
	SBE / COBI Bonds	SBE / COBI Bonds	Capital Outlay and Debt Service		Public Education Capital Outlay
\$ -	\$ 3	\$ 399	\$ -	\$ 402	\$ 6,019
342	1,215	1,871	-	3,086	3,428
-	-	-	-	-	9
-	-	-	555	555	2,220
-	-	-	-	-	2,126
<u>\$ 342</u>	<u>\$ 1,218</u>	<u>\$ 2,270</u>	<u>\$ 555</u>	<u>\$ 4,043</u>	<u>\$ 13,802</u>
\$ -	\$ -	\$ -	\$ 89	\$ 89	\$ 956
-	-	-	-	-	335
-	-	-	249	249	662
-	-	-	-	-	45
-	-	-	-	-	356
-	-	-	338	338	2,354
-	-	-	-	-	2,126
342	1,218	2,270	217	3,705	9,322
342	1,218	2,270	217	3,705	11,448
<u>\$ 342</u>	<u>\$ 1,218</u>	<u>\$ 2,270</u>	<u>\$ 555</u>	<u>\$ 4,043</u>	<u>\$ 13,802</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, 2010
(amounts expressed in thousands)

	Special Revenue		
	Food Services	Contracted Programs	Total Nonmajor Special Revenue
Revenues:			
Local sources:			
Food service sales	\$ 12,720	\$ -	\$ 12,720
Investment income	1	-	1
Other	1	-	1
Total local sources	<u>12,722</u>	<u>-</u>	<u>12,722</u>
State sources:			
Public education capital outlay	-	-	-
Food services	410	-	410
Other	6	53	59
Total state sources	<u>416</u>	<u>53</u>	<u>469</u>
Federal sources:			
Federal direct	-	1,083	1,083
Other federal grants	-	37,796	37,796
Food services	15,786	-	15,786
Total federal sources	<u>15,786</u>	<u>38,879</u>	<u>54,665</u>
Total revenues	<u>28,924</u>	<u>38,932</u>	<u>67,856</u>

<u>Debt Service</u>	<u>Capital Projects</u>			<u>Total</u>	<u>Total</u>
	<u>SBE / COBI</u>	<u>Capital</u>	<u>Public</u>		
<u>Bonds</u>	<u>Bonds</u>	<u>Outlay and</u>	<u>Education</u>	<u>Capital Projects</u>	<u>Governmental</u>
		<u>Debt Service</u>	<u>Capital Outlay</u>		<u>Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,720
-	-	-	-	-	1
-	-	-	-	-	1
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,722</u>
-	-	-	1,495	1,495	1,495
-	-	-	-	-	410
<u>2,374</u>	<u>-</u>	<u>402</u>	<u>-</u>	<u>402</u>	<u>2,835</u>
<u>2,374</u>	<u>-</u>	<u>402</u>	<u>1,495</u>	<u>1,897</u>	<u>4,740</u>
-	-	-	-	-	1,083
-	-	-	-	-	37,796
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,786</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,665</u>
<u>2,374</u>	<u>-</u>	<u>402</u>	<u>1,495</u>	<u>1,897</u>	<u>72,127</u>

Continued on next page.

The School Board of Brevard County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2010
(amounts expressed in thousands)

	<u>Special Revenue</u>		
	<u>Food Services</u>	<u>Contracted Programs</u>	<u>Total Nonmajor Special Revenue</u>
Expenditures:			
Current operating:			
Instructional services	\$ -	\$ 19,614	\$ 19,614
Pupil personnel services	-	6,529	6,529
Instructional media services	-	49	49
Instructional and curriculum development services	-	7,767	7,767
Instructional staff training	-	2,572	2,572
Instruction related technology	-	4	4
General administration	-	1,016	1,016
School administration	-	35	35
Facilities acquisition and construction	-	-	-
Food services	27,082	-	27,082
Central services	-	96	96
Pupil transportation services	-	191	191
Operation of plant	-	18	18
Community services	-	401	401
Capital outlay:			
Facilities	207	14	221
Other capital outlay	551	626	1,177
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>27,840</u>	<u>38,932</u>	<u>66,772</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,084</u>	<u>-</u>	<u>1,084</u>
Other financing sources (uses):			
Payments to refunding bond escrow agent	-	-	-
Refunding bonds issued	-	-	-
Premium on refunding bonds	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,084	-	1,084
Fund balances, beginning of year	6,317	-	6,317
Fund balances, end of year	<u>\$ 7,401</u>	<u>\$ -</u>	<u>\$ 7,401</u>

<u>Debt Service</u>	<u>Capital Projects</u>			<u>Total</u>	<u>Total</u>
	<u>SBE / COBI</u>	<u>Capital</u>	<u>Public</u>		
<u>Bonds</u>	<u>Bonds</u>	<u>Outlay and</u>	<u>Education</u>	<u>Capital Projects</u>	<u>Governmental</u>
		<u>Debt Service</u>	<u>Capital Outlay</u>		<u>Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,614
-	-	-	-	-	6,529
-	-	-	-	-	49
-	-	-	-	-	7,767
-	-	-	-	-	2,572
-	-	-	-	-	4
-	-	-	-	-	1,016
-	-	-	-	-	35
-	-	-	3	3	3
-	-	-	-	-	27,082
-	-	-	-	-	96
-	-	-	-	-	191
-	-	-	-	-	18
-	-	-	-	-	401
-	-	295	4,572	4,867	5,088
-	-	-	13	13	1,190
1,675	-	-	-	-	1,675
747	-	1	-	1	748
<u>2,422</u>	<u>-</u>	<u>296</u>	<u>4,588</u>	<u>4,884</u>	<u>74,078</u>
<u>(48)</u>	<u>-</u>	<u>106</u>	<u>(3,093)</u>	<u>(2,987)</u>	<u>(1,951)</u>
(874)	-	-	-	-	(874)
800	-	-	-	-	800
82	-	-	-	-	82
<u>8</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8</u>
<u>(40)</u>	<u>-</u>	<u>106</u>	<u>(3,093)</u>	<u>(2,987)</u>	<u>(1,943)</u>
382	1,218	2,164	3,310	6,692	13,391
<u>\$ 342</u>	<u>\$ 1,218</u>	<u>\$ 2,270</u>	<u>\$ 217</u>	<u>\$ 3,705</u>	<u>\$ 11,448</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, 2010
(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	\$ 38	\$ -	\$ 295	\$ 295
Total revenues	<u>38</u>	<u>-</u>	<u>295</u>	<u>295</u>
Expenditures:				
Principal	11,360	12,445	12,445	-
Interest and fiscal charges	26,582	26,009	26,009	-
Total expenditures	<u>37,942</u>	<u>38,454</u>	<u>38,454</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(37,904)</u>	<u>(38,454)</u>	<u>(38,159)</u>	<u>295</u>
Other financing sources				
Transfers in	38,501	38,142	38,142	-
Total other financing sources	<u>38,501</u>	<u>38,142</u>	<u>38,142</u>	<u>-</u>
Net change in fund balance	<u>\$ 597</u>	<u>\$ (312)</u>	<u>(17)</u>	<u>\$ 295</u>
Fund balance, beginning of year			4,188	
Fund balance, end of year			<u>\$ 4,171</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, 2010
(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	\$ -	\$ 418	\$ 418	\$ -
Total revenues	<u>-</u>	<u>418</u>	<u>418</u>	<u>-</u>
Expenditures:				
Facilities acquisition and construction	550	705	621	84
Capital outlay:				
Facilities	6,577	6,296	6,132	164
Other capital outlay	509	636	601	35
Debt service:				
Principal	29,000	-	-	-
Interest and fiscal charges	-	653	653	-
Total expenditures	<u>36,636</u>	<u>8,290</u>	<u>8,007</u>	<u>283</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(36,636)</u>	<u>(7,872)</u>	<u>(7,589)</u>	<u>283</u>
Other financing sources:				
Transfers in	-	10,236	10,236	-
Issuance of short-term notes	29,000	-	-	-
Total other financing sources	<u>29,000</u>	<u>10,236</u>	<u>10,236</u>	<u>-</u>
Net change in fund balance	<u>\$ (7,636)</u>	<u>\$ 2,364</u>	<u>2,647</u>	<u>\$ 283</u>
Fund balance, beginning of year			<u>(23,025)</u>	
Fund balance, end of year			<u>\$ (20,378)</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, 2010
 (amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Local sources:				
Ad valorem taxes	\$ 52,524	\$ 53,886	\$ 53,886	\$ -
Investment income	2,000	80	80	-
Total local sources	<u>54,524</u>	<u>53,966</u>	<u>53,966</u>	<u>-</u>
Total revenues	<u>54,524</u>	<u>53,966</u>	<u>53,966</u>	<u>-</u>
Expenditures:				
Facilities acquisition and construction	171	3,039	2,841	198
Capital outlay:				
Facilities	27,456	25,791	18,937	6,854
Other capital outlay	4,497	2,200	1,020	1,180
Principal	10,600	-	-	-
Interest and fiscal charges	600	-	-	-
Total expenditures	<u>43,324</u>	<u>31,030</u>	<u>22,798</u>	<u>8,232</u>
Excess of revenues over expenditures	<u>11,200</u>	<u>22,936</u>	<u>31,168</u>	<u>8,232</u>
Other financing uses:				
Transfers out	<u>(23,346)</u>	<u>(31,282)</u>	<u>(31,282)</u>	<u>-</u>
Total other financing uses:	<u>(23,346)</u>	<u>(31,282)</u>	<u>(31,282)</u>	<u>-</u>
Net change in fund balance	<u>\$ (12,146)</u>	<u>\$ (8,346)</u>	(114)	<u>\$ 8,232</u>
Fund balance, beginning of year			<u>35,865</u>	
Fund balance, end of year			<u>\$ 35,751</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, 2010
 (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	\$ -	\$ 77	\$ 77	\$ -
Impact fees	-	8,434	8,434	-
Other	60	1,051	1,051	-
Total local sources	<u>60</u>	<u>9,562</u>	<u>9,562</u>	<u>-</u>
State sources:				
Other	100	151	151	-
Total state sources	<u>100</u>	<u>151</u>	<u>151</u>	<u>-</u>
Total revenues	<u>160</u>	<u>9,713</u>	<u>9,713</u>	<u>-</u>
Expenditures:				
Facilities acquisition and construction	2,488	3,501	3,028	473
Capital outlay:				
Facilities	17,117	16,216	8,501	7,715
Other capital outlay	3,075	2,943	1,671	1,272
Total expenditures	<u>22,680</u>	<u>22,660</u>	<u>13,200</u>	<u>9,460</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(22,520)</u>	<u>(12,947)</u>	<u>(3,487)</u>	<u>9,460</u>
Other financing sources (uses):				
Sale of capital assets	100	157	157	-
Transfers in	-	438	438	-
Transfers out	(19,455)	(21,565)	(21,565)	-
Total other financing uses	<u>(19,355)</u>	<u>(20,970)</u>	<u>(20,970)</u>	<u>-</u>
Net change in fund balance	<u>\$ (41,875)</u>	<u>\$ (33,917)</u>	<u>(24,457)</u>	<u>\$ 9,460</u>
Fund balance, beginning of year			<u>57,441</u>	
Fund balance, end of year			<u>\$ 32,984</u>	



The School Board of Brevard County, Florida
Food Services Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2010
(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	\$ 14,005	\$ 12,720	\$ 12,720	\$ -
Investment income	22	1	1	-
Other	5	1	1	-
Total local sources	<u>14,032</u>	<u>12,722</u>	<u>12,722</u>	<u>-</u>
State sources:				
Food services	418	410	410	-
Other	3	6	6	-
Total state sources	<u>421</u>	<u>416</u>	<u>416</u>	<u>-</u>
Federal sources:				
Food services	14,199	15,786	15,786	-
Total federal sources	<u>14,199</u>	<u>15,786</u>	<u>15,786</u>	<u>-</u>
Total revenues	<u>28,652</u>	<u>28,924</u>	<u>28,924</u>	<u>-</u>
Expenditures:				
Food service:				
Salaries	8,696	9,168	8,410	758
Employee benefits	3,279	3,443	3,123	320
Purchased services	1,109	1,171	1,152	19
Energy services	746	745	690	55
Materials and supplies	12,781	12,788	12,760	28
Capital outlay	126	252	203	49
Other expenditures	864	863	744	119
Total food service	<u>27,601</u>	<u>28,430</u>	<u>27,082</u>	<u>1,348</u>
Capital outlay:				
Facilities	875	1,072	207	865
Other capital outlay	1,109	1,109	551	558
Total expenditures	<u>29,585</u>	<u>30,611</u>	<u>27,840</u>	<u>2,771</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(933)</u>	<u>(1,687)</u>	<u>1,084</u>	<u>2,771</u>
Net change in fund balance	<u>\$ (933)</u>	<u>\$ (1,687)</u>	<u>1,084</u>	<u>\$ 2,771</u>
Fund balance, beginning of year			<u>6,317</u>	
Fund balance, end of year			<u>\$ 7,401</u>	

The School Board of Brevard County, Florida
Contracted Programs Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2010
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
State sources:				
State grants and other	\$ 55	\$ 53	\$ 53	\$ -
Federal sources:				
Federal direct	1,084	1,083	1,083	-
Other Federal grants	42,851	37,796	37,796	-
Total revenues	43,990	38,932	38,932	-
Expenditures:				
Instructional services:				
Salaries	11,066	10,868	10,868	-
Employee benefits	4,122	3,290	3,290	-
Purchased services	4,543	3,554	3,554	-
Materials and supplies	1,255	739	739	-
Capital outlay	777	1,097	1,097	-
Other expenditures	1,140	66	66	-
Total instructional services	22,903	19,614	19,614	-
Pupil personnel services				
Salaries	3,023	2,965	2,965	-
Employee benefits	985	801	801	-
Purchased services	2,260	2,581	2,581	-
Energy services	3	1	1	-
Materials and supplies	210	157	157	-
Capital outlay	24	22	22	-
Other expenditures	2	2	2	-
Total pupil personnel services	6,507	6,529	6,529	-
Instructional media services:				
Salaries	-	22	22	-
Employee benefits	-	9	9	-
Purchased services	-	3	3	-
Capital outlay	-	15	15	-
Total instructional media services	-	49	49	-
Instruction and curriculum development services:				
Salaries	4,847	5,256	5,256	-
Employee benefits	1,360	1,372	1,372	-
Purchased services	824	675	675	-
Materials and supplies	530	326	326	-
Capital outlay	107	130	130	-
Other expenditures	160	8	8	-
Total instruction and curriculum development services	7,828	7,767	7,767	-
Instructional staff training services:				
Salaries	1,564	1,312	1,312	-
Employee benefits	356	288	288	-
Purchased services	1,066	487	487	-
Materials and supplies	567	355	355	-
Capital outlay	108	91	91	-
Other expenditures	20	39	39	-
Total instructional staff training services	3,681	2,572	2,572	-

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Expenditures (continued):				
Instructional Related Technology:				
Purchased services	-	4	4	-
Total instructional related technology	-	4	4	-
General administration:				
Purchased services	7	-	-	-
Other expenditures	1,337	1,016	1,016	-
Total general administration	1,344	1,016	1,016	-
School administration:				
Salaries	35	29	29	-
Employee benefits	7	6	6	-
Total school administration	42	35	35	-
Central services:				
Salaries	95	18	18	-
Employee benefits	8	1	1	-
Purchased services	81	51	51	-
Materials and supplies	21	12	12	-
Other expenditures	9	14	14	-
Total central services	214	96	96	-
Pupil transportation services:				
Salaries	44	72	72	-
Employee benefits	15	20	20	-
Purchased services	3	2	2	-
Energy services	13	6	6	-
Other expenditures	223	91	91	-
Total pupil transportation services	298	191	191	-
Operation of plant:				
Purchased services	23	18	18	-
Total operation of plant	23	18	18	-
Community services:				
Salaries	369	313	313	-
Employee benefits	110	88	88	-
Total community services	479	401	401	-
Capital outlay:				
Facilities	16	14	14	-
Other capital outlay	655	626	626	-
Total capital outlay	671	640	640	-
Total expenditures	43,990	38,932	38,932	-
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balances, beginning of year			-	
Fund balances, end of year			\$ -	

The School Board of Brevard County, Florida
SBE / COBI Bonds Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2010
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
State sources:				
Withheld for SBE/COBI	\$ 2,550	\$ 2,373	\$ 2,373	\$ -
Investment income	-	1	1	-
Total state sources	<u>2,550</u>	<u>2,374</u>	<u>2,374</u>	<u>-</u>
Total revenues	<u>2,550</u>	<u>2,374</u>	<u>2,374</u>	<u>-</u>
Expenditures:				
Principal	2,750	1,675	1,675	-
Interest and fiscal charges	<u>272</u>	<u>747</u>	<u>747</u>	<u>-</u>
Total expenditures	<u>3,022</u>	<u>2,422</u>	<u>2,422</u>	<u>-</u>
Deficiency of revenues under expenditures	<u>(472)</u>	<u>(48)</u>	<u>(48)</u>	<u>-</u>
Other financing sources (uses):				
Payments to refunding bond escrow agent	-	(874)	(874)	-
Refunding bonds issued	-	800	800	-
Premium on refunding bonds	<u>-</u>	<u>82</u>	<u>82</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>8</u>	<u>8</u>	<u>-</u>
Net change in fund balance	<u>\$ (472)</u>	<u>\$ (40)</u>	<u>(40)</u>	<u>\$ -</u>
Fund balance, beginning of year			<u>382</u>	
Fund balance, end of year			<u>\$ 342</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, 2010
 (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:				
Capital outlay:				
Facilities	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning of year			1,218	
Fund balance, end of year			<u>\$ 1,218</u>	

The School Board of Brevard County, Florida
 Capital Outlay and Debt Service Capital Projects Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2010
 (amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
Other	\$ 356	\$ 402	\$ 402	\$ -
Total revenues	<u>356</u>	<u>402</u>	<u>402</u>	<u>-</u>
Expenditures:				
Capital outlay:				
Facilities	300	300	295	5
Interest and fiscal charges	-	1	1	-
Total expenditures	<u>300</u>	<u>301</u>	<u>296</u>	<u>5</u>
Net change in fund balance	<u>\$ 56</u>	<u>\$ 101</u>	106	<u>\$ 5</u>
Fund balance, beginning of year			<u>2,164</u>	
Fund balance, end of year			<u>\$ 2,270</u>	

The School Board of Brevard County, Florida
 Public Education Capital Outlay Capital Projects Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2010
 (amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
Public education capital outlay	\$ 1,495	\$ 1,495	\$ 1,495	\$ -
Total revenues	<u>1,495</u>	<u>1,495</u>	<u>1,495</u>	<u>-</u>
Expenditures:				
Facilities acquisition and construction	-	3	3	-
Capital outlay:				
Facilities	4,804	4,789	4,572	217
Other capital outlay	<u>1</u>	<u>13</u>	<u>13</u>	<u>-</u>
Total expenditures	<u>4,805</u>	<u>4,805</u>	<u>4,588</u>	<u>217</u>
Net change in fund balance	<u>\$ (3,310)</u>	<u>\$ (3,310)</u>	(3,093)	<u>\$ 217</u>
Fund balance, beginning of year			<u>3,310</u>	
Fund balance, end of year			<u>\$ 217</u>	

Brevard Public Schools

THE FUTURE
OF FLORIDA'S
SPACE COAST



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, 2010
(amounts expressed in thousands)

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2010</u>
ASSETS				
Cash and cash equivalents	\$ 6,218	\$ 15,073	\$ 15,145	\$ 6,146
Total Assets	<u>\$ 6,218</u>	<u>\$ 15,073</u>	<u>\$ 15,145</u>	<u>\$ 6,146</u>
LIABILITIES				
Internal accounts payable	\$ 6,218	\$ 15,073	\$ 15,145	\$ 6,146
Total Liabilities	<u>\$ 6,218</u>	<u>\$ 15,073</u>	<u>\$ 15,145</u>	<u>\$ 6,146</u>



Internal Service Funds

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

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

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

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



The School Board of Brevard County, Florida
Combining Statement of Net Assets
Internal Service Funds
June 30, 2010
(amounts expressed in thousands)

	Medical Insurance	Workers' Compensation	General/ Automotive Liability	Totals
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 283	\$ 491	\$ 2,883	\$ 3,657
Investments	11,438	14,200	-	25,638
Accounts receivable	506	-	-	506
Other receivables	23	27	-	50
Total current assets	<u>12,250</u>	<u>14,718</u>	<u>2,883</u>	<u>29,851</u>
Total assets	<u>12,250</u>	<u>14,718</u>	<u>2,883</u>	<u>29,851</u>
LIABILITIES				
Current liabilities:				
Salaries and wages payable	13	2	-	15
Accounts payable	1,968	600	99	2,667
Due to other agencies	-	7	-	7
Estimated insurance claims payable	4,513	1,999	536	7,048
Total current liabilities	<u>6,494</u>	<u>2,608</u>	<u>635</u>	<u>9,737</u>
Long-term liabilities:				
Estimated insurance claims payable	-	8,604	904	9,508
Total liabilities	<u>6,494</u>	<u>11,212</u>	<u>1,539</u>	<u>19,245</u>
NET ASSETS				
Unrestricted	<u>5,756</u>	<u>3,506</u>	<u>1,344</u>	<u>10,606</u>
Total net assets	<u>\$ 5,756</u>	<u>\$ 3,506</u>	<u>\$ 1,344</u>	<u>\$ 10,606</u>

The School Board of Brevard County, Florida
Combining Statement of Revenues, Expenses
and Changes in Fund Net Assets
Internal Service Funds
For the Fiscal Year Ended June 30, 2010
(amounts expressed in thousands)

	Medical Insurance	Workers' Compensation	General/ Automotive Liability	Totals
OPERATING REVENUES				
Premium revenues	\$ 58,059	\$ 3,470	\$ 923	\$ 62,452
Total operating revenues	<u>58,059</u>	<u>3,470</u>	<u>923</u>	<u>62,452</u>
OPERATING EXPENSES				
Salaries	554	86	91	731
Employee benefits	172	26	27	225
Purchased services	151	101	2	254
Material and supplies	4	1	-	5
Capital outlay	1	1	-	2
Claims expenses	62,650	4,351	822	67,823
Total operating expenses	<u>63,532</u>	<u>4,566</u>	<u>942</u>	<u>69,040</u>
Operating loss	<u>(5,473)</u>	<u>(1,096)</u>	<u>(19)</u>	<u>(6,588)</u>
NON-OPERATING REVENUES				
Investment earnings	409	291	88	788
Total non-operating revenues	<u>409</u>	<u>291</u>	<u>88</u>	<u>788</u>
Income (loss) before operating transfers	<u>(5,064)</u>	<u>(805)</u>	<u>69</u>	<u>(5,800)</u>
Transfers in	<u>-</u>	<u>1,014</u>	<u>286</u>	<u>1,300</u>
Change in net assets	<u>(5,064)</u>	<u>209</u>	<u>355</u>	<u>(4,500)</u>
Total net assets, beginning	<u>10,820</u>	<u>3,297</u>	<u>989</u>	<u>15,106</u>
Total net assets, ending	<u>\$ 5,756</u>	<u>\$ 3,506</u>	<u>\$ 1,344</u>	<u>\$ 10,606</u>

The School Board of Brevard County, Florida
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2010
(amounts expressed in thousands)

	Medical Insurance	Workers' Compensation	General/ Automotive Liability	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from premiums	\$ 57,568	\$ 3,470	\$ 923	\$ 61,961
Cash payments to suppliers	(62,496)	(4,561)	(873)	(67,930)
Cash payments to employees	(724)	(112)	(118)	(954)
Other receipts	38	495	97	630
Net cash provided by (used in) operating activities	<u>(5,614)</u>	<u>(708)</u>	<u>29</u>	<u>(6,293)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	-	1,014	286	1,300
Net cash provided by noncapital financing activities	<u>-</u>	<u>1,014</u>	<u>286</u>	<u>1,300</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	409	291	88	788
Proceeds from sales of investments	5,444	-	-	5,444
Purchase of investments	44	(379)	-	(335)
Net cash provided by (used in) investment activities	<u>5,897</u>	<u>(88)</u>	<u>88</u>	<u>5,897</u>
Net change in cash and cash equivalents	283	218	403	904
Cash and cash equivalents, beginning	-	273	2,480	2,753
Cash and cash equivalents, ending	<u>\$ 283</u>	<u>\$ 491</u>	<u>\$ 2,883</u>	<u>\$ 3,657</u>
Reconciliation of operating loss to net cash provided by (used in) operating activities:				
Operating loss	\$ (5,473)	\$ (1,096)	\$ (19)	\$ (6,588)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:				
Changes in assets and liabilities:				
(Increase) in accounts receivable	(496)	-	-	(496)
Decrease in due from other agencies	4	-	-	4
Increase in salaries and benefits payable	2	-	-	2
Increase in accounts payable	195	591	99	885
Increase in due to other agencies	-	7	-	7
Increase (decrease) in estimated liabilities for self-insurance programs	154	(210)	(51)	(107)
Total adjustments	<u>(141)</u>	<u>388</u>	<u>48</u>	<u>295</u>
Net cash provided by (used in) operating activities	<u>\$ (5,614)</u>	<u>\$ (708)</u>	<u>\$ 29</u>	<u>\$ (6,293)</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, Educational Horizons Charter School, Campus Charter School, 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 Assets
Nonmajor Component Units
June 30, 2010
(amounts expressed in thousands)

	Palm Bay Academy, Inc.	Odyssey Charter School, Inc.	Sculptor Charter School	Royal Palm Charter School
ASSETS				
Cash and cash equivalents	\$ 358	\$ 1,244	\$ 838	\$ 142
Investments	-	-	818	-
Accounts receivable, net	-	28	10	-
Due from other agencies	28	-	17	8
Prepaid items	-	-	10	-
Deposits	30	-	-	-
Deferred charges	716	62	335	-
Restricted assets:				
Restricted cash and cash equivalents	1,764	-	-	-
Capital assets (net of accumulated depreciation):				
Land	1,711	1,083	513	-
Improvements other than buildings	40	6	-	246
Buildings and fixed equipment	7,885	6,078	3,610	-
Furniture, fixtures and equipment	257	597	49	10
Motor vehicles	6	285	-	-
Computer software	-	-	-	12
Total assets	12,795	9,383	6,200	418
LIABILITIES				
Payroll deductions and withholdings	211	-	151	36
Accounts payable	47	195	41	2
Unearned revenue	-	-	-	-
Long-term liabilities:				
Portion due or payable within one year:				
Notes payable	-	74	15	20
Obligations under capital leases	29	5	-	5
Bonds payable	130	-	-	-
Portion due or payable after one year:				
Notes payable	-	5,266	4,930	80
Obligations under capital leases	133	27	-	4
Bonds payable	11,934	-	-	-
Total liabilities	12,484	5,567	5,137	147
NET ASSETS				
Invested in capital assets, net of related debt	282	2,677	175	159
Restricted for:				
Debt service	-	-	221	-
Capital projects	28	-	-	-
Other purposes	-	-	-	-
Unrestricted	1	1,139	667	112
Total net assets	\$ 311	\$ 3,816	\$ 1,063	\$ 271

Educational Horizons Charter School	Imagine Schools at West Melbourne	Campus Charter School	Total Charter Schools	Brevard Schools Foundation, Inc.
\$ 87	\$ 177	\$ 94	\$ 2,940	\$ 932
-	-	-	818	565
-	-	-	38	30
2	144	19	218	92
1	38	1	50	1,207
-	5	1	36	-
-	-	-	1,113	-
-	-	-	1,764	-
-	-	-	3,307	-
-	-	26	318	-
-	2	4	17,579	-
-	110	21	1,044	-
-	-	-	291	-
-	-	-	12	-
<u>90</u>	<u>476</u>	<u>166</u>	<u>29,528</u>	<u>2,826</u>
-	162	26	586	47
3	44	22	354	-
-	131	-	131	-
-	-	-	109	-
-	29	2	70	-
-	-	-	130	-
-	-	-	10,276	-
-	35	6	205	-
-	-	-	11,934	-
<u>3</u>	<u>401</u>	<u>56</u>	<u>23,795</u>	<u>47</u>
-	48	42	3,383	-
-	-	-	221	-
-	-	-	28	-
-	-	5	5	2,513
<u>87</u>	<u>27</u>	<u>63</u>	<u>2,096</u>	<u>266</u>
<u>\$ 87</u>	<u>\$ 75</u>	<u>\$ 110</u>	<u>\$ 5,733</u>	<u>\$ 2,779</u>

The School Board of Brevard County, Florida
Combining Statement of Activities
Nonmajor Component Units
June 30, 2010
(amounts expressed in thousands)

	Palm Bay Academy, Inc.	Odyssey Charter School, Inc.	Sculptor Charter School	Royal Palm Charter School
EXPENSES				
Instruction	\$ 2,203	\$ 2,479	\$ 1,965	\$ 706
Pupil personnel services	-	106	-	-
Instructional media services	52	46	22	2
Instructional and curriculum development services	13	-	44	-
Instructional staff training services	-	23	12	-
Instructional related technology	-	7	-	-
Board of education	23	29	-	-
General administration	-	460	-	-
School administration	233	380	463	255
Facilities acquisition and construction	271	-	-	29
Fiscal services	22	47	23	14
Food services	198	211	36	-
Central services	11	20	-	-
Pupil transportation services	58	140	35	-
Operation of plant	324	269	258	378
Maintenance of plant	111	73	14	13
Community services	-	43	-	-
Interest on long-term debt	813	310	372	7
Total expenses	<u>4,332</u>	<u>4,643</u>	<u>3,244</u>	<u>1,404</u>
PROGRAM REVENUES				
Charges for services	51	270	231	-
Operating grants and contributions	180	289	-	102
Capital grants and contributions	261	-	-	-
Total program revenues	<u>492</u>	<u>559</u>	<u>231</u>	<u>102</u>
Net program expense	<u>(3,840)</u>	<u>(4,084)</u>	<u>(3,013)</u>	<u>(1,302)</u>
GENERAL REVENUES				
Grants and contributions not restricted to specific programs	3,059	3,940	3,008	1,223
Investment earnings	4	-	9	-
Miscellaneous	52	146	130	22
Total general revenues	<u>3,115</u>	<u>4,086</u>	<u>3,147</u>	<u>1,245</u>
Change in net assets	(725)	2	134	(57)
Total net assets - July 1, 2009	1,036	3,814	929	328
Total net assets - June 30, 2010	<u>\$ 311</u>	<u>\$ 3,816</u>	<u>\$ 1,063</u>	<u>\$ 271</u>

Educational Horizons Charter School	Imagine Schools at West Melbourne	Campus Charter School	Total Charter Schools	Brevard Schools Foundation, Inc.
\$ 242	\$ 1,953	\$ 391	\$ 9,939	\$ -
-	-	-	106	1,950
-	-	1	123	-
-	-	-	57	-
-	-	-	35	-
-	-	-	7	-
-	20	1	73	-
-	-	-	460	331
136	1,017	229	2,713	-
-	-	-	300	-
10	-	12	128	-
-	219	-	664	-
-	6	-	37	-
-	491	2	726	-
99	1,441	169	2,938	-
2	85	12	310	-
-	18	-	61	223
-	12	-	1,514	-
<u>489</u>	<u>5,262</u>	<u>817</u>	<u>20,191</u>	<u>2,504</u>
-	74	-	626	-
50	931	63	1,615	-
-	25	-	286	-
<u>50</u>	<u>1,030</u>	<u>63</u>	<u>2,527</u>	<u>-</u>
(439)	(4,232)	(754)	(17,664)	(2,504)
420	3,949	767	16,366	2,436
3	-	-	16	89
1	305	21	677	-
<u>424</u>	<u>4,254</u>	<u>788</u>	<u>17,059</u>	<u>2,525</u>
(15)	22	34	(605)	21
102	53	76	6,338	2,758
<u>\$ 87</u>	<u>\$ 75</u>	<u>\$ 110</u>	<u>\$ 5,733</u>	<u>\$ 2,779</u>



Capital Assets Used In The Operation
Of Governmental Funds

The School Board of Brevard County, Florida
 Capital Assets Used in the Operation of Governmental Funds
 Comparative Schedule By Source
 June 30, 2010 and 2009
 (amounts expressed in thousands)

	<u>2010</u>	<u>2009</u>
Governmental funds capital assets:		
Land	\$ 35,888	\$ 25,125
Improvements other than buildings	65,602	60,307
Buildings and fixed equipment	1,409,053	1,176,918
Furniture, fixtures and equipment	85,486	84,477
Motor vehicles	43,514	44,844
Construction in progress	1,081	191,588
AV materials and computer software	17,378	17,345
Property under capital lease	-	2,943
Total governmental funds capital assets	<u>\$ 1,658,002</u>	<u>\$ 1,603,547</u>
Investment in governmental funds capital assets by source:		
General fund	\$ 125,136	\$ 123,902
Special revenue funds	80,316	78,264
Capital projects funds	1,451,600	1,400,431
Other	950	950
Total governmental funds capital assets	<u>\$ 1,658,002</u>	<u>\$ 1,603,547</u>

The School Board of Brevard County, Florida
 Capital Assets Used in the Operation of Governmental Funds
 Comparative Schedule By Function
 June 30, 2010 and 2009
 (amounts expressed in thousands)

	<u>2010</u>	<u>2009</u>
Governmental funds capital assets:		
Land	\$ 35,888	\$ 25,125
Improvements other than buildings	65,602	60,307
Buildings and fixed equipment	1,409,053	1,176,918
Furniture, fixtures and equipment	85,486	84,477
Motor vehicles	43,514	44,844
Construction in progress	1,081	191,588
AV materials and computer software	17,378	17,345
Property under capital lease	-	2,943
Total governmental funds capital assets	<u>\$ 1,658,002</u>	<u>\$ 1,603,547</u>
Investment in governmental funds capital assets by function:		
Instructional	\$ 1,032,166	\$ 1,032,125
Administrative	37,645	37,544
Transportation	40,966	40,983
Facilities acquisitions and maintenance	547,225	492,895
Total governmental funds capital assets	<u>\$ 1,658,002</u>	<u>\$ 1,603,547</u>

The School Board of Brevard County, Florida
Capital Assets Used in the Operation of Governmental Funds
The Schedule of Changes by Function
For Fiscal Year Ended June 30, 2010
(amounts expressed in thousands)

	<u>Instructional</u>	<u>Administrative</u>	<u>Transportation</u>	<u>Facilities Acquisitions and Maintenance</u>	<u>Total</u>
Beginning Balance	\$ 1,032,125	\$ 37,544	\$ 40,983	\$ 492,895	\$ 1,603,547
Additions	2,285	140	359	286,998	289,782
Deletions	(2,244)	(39)	(376)	(232,668)	(235,327)
Ending Balance	<u>\$ 1,032,166</u>	<u>\$ 37,645</u>	<u>\$ 40,966</u>	<u>\$ 547,225</u>	<u>\$ 1,658,002</u>
Governmental funds capital assets:					
Land	\$ 23,125	\$ -	\$ -	\$ 12,763	\$ 35,888
Improvements other than buildings	45,332	117	-	20,153	65,602
Buildings and fixed equipment	875,296	26,559	1,390	505,808	1,409,053
Furniture, fixtures and equipment	69,309	9,015	1,712	5,450	85,486
Motor vehicles	6,367	151	37,096	(100)	43,514
Construction in progress	-	-	-	1,081	1,081
AV materials and software	12,737	1,803	768	2,070	17,378
Total governmental funds capital assets	<u>\$ 1,032,166</u>	<u>\$ 37,645</u>	<u>\$ 40,966</u>	<u>\$ 547,225</u>	<u>\$ 1,658,002</u>

SCHOOL BOARD OF BREVARD COUNTY
STATISTICAL SECTION

June 30, 2010

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 over all financial health.

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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



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

	Fiscal Year Ending								
	<u>June 30, 2002</u>	<u>June 30, 2003</u>	<u>June 30, 2004</u>	<u>June 30, 2005</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>June 30, 2008</u>	<u>June 30, 2009</u>	<u>June 30, 2010</u>
GOVERNMENTAL ACTIVITIES:									
Invested in capital assets									
net of related debt	\$ 242,749	\$ 268,164	\$ 254,733	\$ 246,372	\$ 220,495	\$ 363,718	\$ 386,592	\$ 420,217	\$ 413,560
Restricted	30,351	53,295	43,386	85,374	151,517	34,504	36,539	14,474	27,067
Unrestricted	<u>(10,339)</u>	<u>(37,916)</u>	<u>6,929</u>	<u>23,439</u>	<u>41,207</u>	<u>53,110</u>	<u>62,887</u>	<u>32,259</u>	<u>34,086</u>
Total governmental activities net assets	<u>\$ 262,761</u>	<u>\$ 283,543</u>	<u>\$ 305,048</u>	<u>\$ 355,185</u>	<u>\$ 413,219</u>	<u>\$ 451,332</u>	<u>\$ 486,018</u>	<u>\$ 466,950</u>	<u>\$ 474,713</u>
BUSINESS-TYPE ACTIVITIES:									
Invested in capital assets									
net of related debt	\$ -	\$ -	\$ 169	\$ 537	\$ 991	\$ 866	\$ 714	\$ 477	\$ 298
Unrestricted	<u>1,058</u>	<u>1,405</u>	<u>1,389</u>	<u>1,484</u>	<u>1,214</u>	<u>1,514</u>	<u>460</u>	<u>484</u>	<u>3,017</u>
Total business-type activities net assets	<u>1,058</u>	<u>1,405</u>	<u>1,558</u>	<u>2,021</u>	<u>2,205</u>	<u>2,380</u>	<u>1,174</u>	<u>961</u>	<u>3,315</u>
PRIMARY GOVERNMENT:									
Invested in capital assets									
net of related debt	242,749	268,164	254,902	246,909	221,486	364,584	387,306	420,694	413,858
Restricted	30,351	53,295	43,386	85,374	151,517	34,504	36,539	14,474	27,067
Unrestricted	<u>(9,281)</u>	<u>(36,511)</u>	<u>8,318</u>	<u>24,923</u>	<u>42,421</u>	<u>54,624</u>	<u>63,347</u>	<u>32,743</u>	<u>37,103</u>
Total primary government net assets	<u>\$ 263,819</u>	<u>\$ 284,948</u>	<u>\$ 306,606</u>	<u>\$ 357,206</u>	<u>\$ 415,424</u>	<u>\$ 453,712</u>	<u>\$ 487,192</u>	<u>\$ 467,911</u>	<u>\$ 478,028</u>

Source: District records

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

See page 132 for fund balances of governmental funds.

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

	Fiscal Year Ending								
	<u>June 30, 2002</u>	<u>June 30, 2003</u>	<u>June 30, 2004</u>	<u>June 30, 2005</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>June 30, 2008</u>	<u>June 30, 2009</u>	<u>June 30, 2010</u>
EXPENSES									
Governmental activities:									
Instruction	\$ 248,214	\$ 245,565	\$ 279,380	\$ 284,024	\$ 309,781	\$ 362,787	\$ 373,608	\$ 370,649	\$ 356,678
Pupil personnel services	15,253	15,052	16,417	16,256	18,099	21,396	23,235	22,776	24,949
Instructional media services	10,689	9,978	11,152	11,140	9,963	9,302	9,500	9,444	9,056
Instruction and curriculum development services	11,687	11,204	13,387	13,798	17,251	21,615	22,524	21,415	22,040
Instructional staff training services	3,739	3,036	3,380	4,533	4,597	5,711	4,806	3,972	5,322
Instruction related technology	-	-	-	-	2,880	6,087	6,828	7,575	7,771
School board	705	967	911	802	814	768	924	1,260	1,424
General administration	2,941	3,093	3,220	2,623	2,516	3,253	3,355	3,200	4,235
School administration	28,914	28,327	31,905	27,572	31,407	38,716	40,060	39,907	37,766
Facilities acquisition & construction	18,796	14,343	18,629	16,768	21,824	24,938	23,839	11,109	7,609
Fiscal services	2,064	1,830	1,745	1,666	1,897	2,190	2,220	2,333	2,470
Food services	18,981	19,421	21,379	22,388	24,767	26,250	27,751	27,896	27,638
Central services	9,714	8,963	9,114	9,023	6,818	8,731	8,435	6,424	5,852
Pupil transportation services	15,597	15,815	17,218	18,743	20,672	23,189	25,244	25,027	23,378
Operation of plant	36,466	37,133	39,882	43,547	44,869	56,575	52,871	50,688	47,150
Maintenance of plant	5,987	10,047	2,515	9,068	7,536	8,621	6,316	4,085	4,869
Administrative technology services	-	-	-	-	2,331	2,986	3,091	4,279	3,983
Community services	23	212	390	419	414	621	384	667	647
Interest and fiscal charges	9,433	11,292	10,361	13,604	15,463	21,443	28,666	29,558	28,390
Depreciation - unallocated	27,042	30,171	29,147	27,858	27,547	32,510	34,590	39,968	45,862
Total governmental activities expenses	<u>466,245</u>	<u>466,449</u>	<u>510,132</u>	<u>523,832</u>	<u>571,446</u>	<u>677,689</u>	<u>698,247</u>	<u>682,232</u>	<u>667,089</u>
Business type activities									
Extended day program	3,954	5,162	5,757	6,025	7,529	8,200	8,315	7,333	6,491
Total business type activities expenses	<u>3,954</u>	<u>5,162</u>	<u>5,757</u>	<u>6,025</u>	<u>7,529</u>	<u>8,200</u>	<u>8,315</u>	<u>7,333</u>	<u>6,491</u>
Total primary government expenses	<u>\$ 470,199</u>	<u>\$ 471,611</u>	<u>\$ 515,889</u>	<u>\$ 529,857</u>	<u>\$ 578,975</u>	<u>\$ 685,889</u>	<u>\$ 706,562</u>	<u>\$ 689,565</u>	<u>\$ 673,580</u>

	Fiscal Year Ending								
	<u>June 30, 2002</u>	<u>June 30, 2003</u>	<u>June 30, 2004</u>	<u>June 30, 2005</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>June 30, 2008</u>	<u>June 30, 2009</u>	<u>June 30, 2010</u>
PROGRAM REVENUES									
Governmental activities:									
Charges for services									
Food services	\$ 12,200	\$ 12,526	\$ 13,328	\$ 13,750	\$ 14,587	\$ 14,564	\$ 14,141	\$ 13,505	\$ 12,720
Other	592	418	863	514	203	435	612	1,222	960
Operating grants and contributions	18,552	21,118	21,235	23,433	23,003	25,755	26,173	26,401	27,524
Capital grants and contributions	13,248	9,368	23,037	10,901	11,096	22,607	20,702	8,562	12,303
Total governmental activities program revenues	<u>44,592</u>	<u>43,430</u>	<u>58,463</u>	<u>48,598</u>	<u>48,889</u>	<u>63,361</u>	<u>61,628</u>	<u>49,690</u>	<u>53,507</u>
Business type activities:									
Extended day program	4,320	5,508	5,908	6,480	7,681	8,342	7,830	7,120	6,490
Total business type activities program revenues	<u>4,320</u>	<u>5,508</u>	<u>5,908</u>	<u>6,480</u>	<u>7,681</u>	<u>8,342</u>	<u>7,830</u>	<u>7,120</u>	<u>6,490</u>
Total primary government program revenues	<u>\$ 48,912</u>	<u>\$ 48,938</u>	<u>\$ 64,371</u>	<u>\$ 55,078</u>	<u>\$ 56,570</u>	<u>\$ 71,703</u>	<u>\$ 69,458</u>	<u>\$ 56,810</u>	<u>\$ 59,997</u>
Net (expense)/revenue									
Governmental activities	\$ (421,653)	\$ (423,019)	\$ (451,669)	\$ (475,234)	\$ (522,557)	\$ (614,328)	\$ (636,619)	\$ (632,542)	\$ (613,582)
Business-type activities	366	346	151	455	152	142	(485)	(213)	(1)
Total primary government net expense	<u>\$ (421,287)</u>	<u>\$ (422,673)</u>	<u>\$ (451,518)</u>	<u>\$ (474,779)</u>	<u>\$ (522,405)</u>	<u>\$ (614,186)</u>	<u>\$ (637,104)</u>	<u>\$ (632,755)</u>	<u>\$ (613,583)</u>
GENERAL REVENUES AND OTHER									
CHANGES IN NET ASSETS									
Governmental activities:									
Property taxes									
Levied for operational purposes	118,223	125,892	137,259	152,100	177,938	215,255	219,788	234,639	221,528
Levied for capital projects	35,414	38,106	42,842	49,001	61,264	76,003	79,458	69,531	53,886
Grants and contributions									
Not restricted to specific programs	260,126	271,485	287,874	304,593	309,393	324,936	341,241	293,892	321,166
Miscellaneous	3,203	5,583	3,293	1,948	23,598	22,207	9,924	9,108	24,697
Unrestricted investment earnings	2,998	2,735	1,906	4,984	8,398	18,513	14,095	6,304	2,423
Insurance recoveries	-	-	-	12,745	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	(2,355)
Total governmental activities	<u>419,964</u>	<u>443,801</u>	<u>473,174</u>	<u>525,371</u>	<u>580,591</u>	<u>656,914</u>	<u>664,506</u>	<u>613,474</u>	<u>621,345</u>
Business type activities:									
Extended day program	-	1	2	8	32	33	-	-	-
Transfers	-	-	-	-	-	-	-	-	2,355
Total business type activities	<u>-</u>	<u>1</u>	<u>2</u>	<u>8</u>	<u>32</u>	<u>33</u>	<u>-</u>	<u>-</u>	<u>2,355</u>
Total primary government	<u>419,964</u>	<u>443,802</u>	<u>473,176</u>	<u>525,379</u>	<u>580,623</u>	<u>656,947</u>	<u>664,506</u>	<u>613,474</u>	<u>623,700</u>
CHANGE IN NET ASSETS									
Governmental activities	\$ (1,689)	\$ 20,782	\$ 21,505	\$ 50,137	\$ 58,034	\$ 42,586	\$ 27,887	\$ (19,068)	\$ 7,763
Business-type activities	366	347	153	463	184	175	(485)	(213)	2,354
Total primary government	<u>\$ (1,323)</u>	<u>\$ 21,129</u>	<u>\$ 21,658</u>	<u>\$ 50,600</u>	<u>\$ 58,218</u>	<u>\$ 42,761</u>	<u>\$ 27,402</u>	<u>\$ (19,281)</u>	<u>\$ 10,117</u>

Source: District records

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



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

<u>Fiscal Year Ending</u>	<u>Property Tax</u>		<u>Total</u>
	<u>General Purpose</u>	<u>Capital Projects</u>	
June 30, 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
June 30, 2003	125,892	38,106	163,998
June 30, 2002	118,223	35,414	153,637
June 30, 2001	113,553	32,861	146,414

Source: District records

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

Pre-GASB 54

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

Post-GASB 54

	Fiscal Year Ending			
	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010
GENERAL FUND				
Nonspendable	\$ 3,363	\$ 7,320	\$ 2,513	\$ 3,077
Restricted	11,929	9,649	6,204	6,905
Assigned	3,687	3,252	2,636	1,566
Unassigned	21,316	29,193	31,026	45,606
Total General Fund	<u>\$ 40,295</u>	<u>\$ 49,414</u>	<u>\$ 42,379</u>	<u>\$ 57,154</u>
ALL OTHER GOVERNMENTAL FUNDS				
Nonspendable	\$ 1,951	\$ 2,320	\$ 1,881	\$ 2,798
Restricted	302,761	219,970	108,802	80,343
Assigned	-	-	202	1,213
Unassigned	(15,039)	(20,556)	(23,025)	(20,378)
Total all other governmental funds	<u>\$ 289,673</u>	<u>\$ 201,734</u>	<u>\$ 87,860</u>	<u>\$ 63,976</u>
Total governmental funds	<u>\$ 329,968</u>	<u>\$ 251,148</u>	<u>\$ 130,239</u>	<u>\$ 121,130</u>

Source: District records

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

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

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

	Fiscal Year Ending								
	June 30, 2002	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010
FEDERAL DIRECT SOURCES									
Reserve officers training corps (ROTC)									
Miscellaneous federal direct	\$ 4,137	\$ 4,191	\$ 2,689	\$ 7,019	\$ 4,825	\$ 5,563	\$ 4,402	\$ 2,649	\$ 1,968
Total federal direct	4,137	4,191	2,689	7,019	4,825	5,563	4,402	2,649	1,968
FEDERAL THROUGH STATE SOURCES									
Food service	7,924	10,279	10,027	11,430	11,300	12,313	12,969	14,279	15,786
Other federal through state grants	27,713	31,012	37,378	36,942	36,646	36,557	36,065	36,465	77,940
Total federal through state grants	35,637	41,291	47,405	48,372	47,946	48,870	49,034	50,744	93,726
STATE SOURCES									
Florida education finance program (FEFP)	195,132	208,952	208,887	206,883	197,361	194,873	191,901	152,985	161,572
Workforce development	-	-	-	-	-	-	-	-	2,810
Categorical educational programs	21,072	20,042	19,566	20,539	19,977	91,170	107,411	104,775	77,077
District discretionary lottery funds	6,535	5,180	3,436	4,029	3,566	2,928	3,541	1,780	-
Public education capital outlay	10,655	6,769	6,429	5,929	6,681	8,529	10,856	5,734	1,495
Food services	262	250	331	368	357	350	387	418	410
State grants and other state sources	18,497	15,298	43,401	45,786	62,228	20,536	16,395	8,461	12,224
Total state sources	252,153	256,491	282,050	283,534	290,170	318,386	330,491	274,153	255,588
LOCAL SOURCES									
Ad valorem taxes	153,637	163,998	180,102	201,101	239,202	291,258	299,246	304,170	275,414
Food service sales	12,200	12,526	13,328	13,750	14,649	14,563	14,175	13,611	12,720
Interest income and others	2,566	2,753	1,773	4,984	8,426	18,513	15,753	5,794	732
Impact fees	-	-	-	-	-	-	-	-	8,434
Local grants and other local sources	3,416	5,591	4,110	5,795	23,110	21,830	13,847	9,319	10,140
Total local sources	171,819	184,868	199,313	225,630	285,387	346,164	343,021	332,894	307,440
Total revenues	\$ 463,746	\$ 486,841	\$ 531,457	\$ 564,555	\$ 628,328	\$ 718,983	\$ 726,948	\$ 660,440	\$ 658,722

Continued on next page.

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

	Fiscal Year Ending								
	June 30, 2002	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010
EXPENDITURES									
Current:									
Instruction	\$ 250,557	\$ 252,109	\$ 278,293	\$ 298,182	\$ 321,809	\$ 355,086	\$ 371,212	\$ 360,012	\$ 348,063
Pupil personnel services	-	-	16,333	17,300	18,933	20,884	23,079	22,100	24,370
Instructional media services	41,430	40,172	11,094	11,863	10,551	8,985	9,411	9,184	8,819
Instruction and curriculum development services	-	-	13,289	15,200	18,489	20,822	22,272	20,806	21,455
Instructional staff training services	-	-	3,367	4,727	4,777	5,584	4,763	3,871	5,221
Instruction related technology	-	-	-	-	2,892	6,010	6,775	7,345	7,594
School board	-	-	911	802	815	768	924	1,249	1,416
General administration	15,525	16,385	3,203	2,808	2,668	3,160	3,332	3,194	4,211
School administration	28,358	29,257	31,593	31,663	34,844	36,498	39,357	38,616	36,837
Facilities acquisition & construction	-	-	15,839	756	841	22,984	23,600	10,554	7,651
Fiscal services	-	-	1,739	1,815	1,980	2,141	2,212	2,236	2,387
Food service	-	-	21,358	22,741	25,124	26,050	27,681	27,491	27,322
Central services	19,843	20,022	8,411	9,551	7,305	8,469	8,366	6,241	5,699
Pupil transportation services	13,885	13,948	15,211	17,050	18,981	20,504	22,444	21,486	20,215
Operation of plant	42,898	47,447	39,846	44,118	45,430	56,223	52,760	49,926	46,547
Maintenance of plant	-	-	2,495	9,392	7,866	8,424	6,272	3,804	4,806
Administrative technology services	-	-	-	-	2,351	2,927	3,067	4,190	3,893
Community services	358	220	385	511	519	546	362	642	630
CAPITAL OUTLAY									
Capital outlay	44,141	63,113	56,747	76,187	110,539	174,483	205,362	153,735	39,118
Other Capital Outlay	-	-	-	-	-	-	-	-	6,076
DEBT SERVICE									
Principal	7,341	30,226	6,617	7,449	9,358	10,059	13,045	13,601	14,120
Interest and fiscal charges	9,433	12,000	10,312	13,352	16,914	23,147	28,569	29,792	27,893
Total expenditures	473,769	524,899	537,043	585,467	662,986	813,754	874,865	790,075	664,343
Deficiency of revenues under expenditures	(10,023)	(38,058)	(5,586)	(20,912)	(34,658)	(94,771)	(147,917)	(129,635)	(5,621)

	Fiscal Year Ending								
	June 30, 2002	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010
OTHER FINANCIAL SOURCES (USES)									
Issuance of refunding certificates of participatio	-	-	-	69,746	128,440	232,085	56,000	-	-
Inception of capital lease	-	-	-	2,942	-	-	-	-	-
Premium on refunding bonds	166	65,483	6,235	49,633	650	2,258	-	-	82
Payment to refunded certificates escrow agent	400	-	-	(70,537)	4,967	(39,575)	-	-	(874)
Premium on sale of bonds/notes	-	-	-	-	-	6,755	965	-	-
Refunding bonds issued	-	-	-	-	-	-	-	-	800
Reissuance premium	-	-	-	-	-	-	-	7,020	-
Sale of capital assets	86	220	28	271	104	27	124	97	157
Loss recoveries	-	-	-	12,745	630	14	102	309	2
Transfers in	20,501	35,414	21,551	23,257	50,276	33,844	58,821	56,089	53,187
Transfers out	(20,501)	(35,414)	(21,551)	(23,257)	(50,276)	(33,844)	(46,915)	(54,789)	(56,842)
Total other financing sources (uses)	652	65,703	6,263	64,800	134,791	201,564	69,097	8,726	(3,488)
Net change in fund balance	(9,371)	27,645	677	43,888	100,133	106,793	(78,821)	(120,909)	(9,109)
Fund balance, beginning	57,596	48,225	75,870	76,547	120,434	220,567	329,968	251,148	130,239
Prior year adjustments	-	-	-	-	2,608	-	-	-	-
Fund balance ending	<u>\$ 48,225</u>	<u>\$ 75,870</u>	<u>\$ 76,547</u>	<u>\$ 120,435</u>	<u>\$ 220,567</u>	<u>\$ 329,968</u>	<u>\$ 251,148</u>	<u>\$ 130,239</u>	<u>\$ 121,130</u>
Debt service as a percentage of noncapital expenditures	3.81%	8.99%	3.63%	3.99%	4.63%	5.15%	6.21%	6.82%	6.97%

Source: District records

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

Four years of data available for GASB 54 compliance.

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

	Fiscal Year Ending			
	June 30, 2001	June 30, 2002	June 30, 2003	June 30, 2004
FEDERAL SOURCES				
Federal direct	\$ 1,301	\$ 1,473	\$ 1,519	\$ 1,920
Total federal direct	<u>1,301</u>	<u>1,473</u>	<u>1,519</u>	<u>1,920</u>
FEDERAL THROUGH STATE SOURCES				
Other federal through state grants	1,078	966	868	-
Total federal through state grants	<u>1,078</u>	<u>966</u>	<u>868</u>	<u>-</u>
STATE SOURCES				
Florida education finance program	202,511	195,132	208,952	208,887
Workforce development	-	-	-	-
Categorical programs	20,315	21,072	20,042	19,566
Lottery enhancement	5,379	6,535	5,180	3,436
Other	11,022	13,688	12,324	26,360
Total state sources	<u>239,227</u>	<u>236,427</u>	<u>246,498</u>	<u>258,249</u>
LOCAL SOURCES				
Ad valorem taxes	113,553	118,223	125,892	137,259
Investment income	3,741	874	892	1,000
Other	6,814	3,185	5,112	3,621
Total local sources	<u>124,108</u>	<u>122,282</u>	<u>131,896</u>	<u>141,880</u>
Total revenues	<u>365,714</u>	<u>361,148</u>	<u>380,781</u>	<u>402,049</u>
EXPENDITURES: (by object)				
Salaries	234,901	242,569	246,843	258,641
Employee benefits	64,692	68,866	66,525	76,271
Purchased services	26,306	27,743	29,737	32,595
Energy services	10,037	10,222	10,126	11,128
Material and supplies	12,026	12,060	12,129	11,379
Capital outlay	13,920	7,481	7,259	6,545
Other expenditures	1,608	1,456	1,828	1,450
Total expenditures	<u>363,490</u>	<u>370,397</u>	<u>374,447</u>	<u>398,009</u>
Excess (deficiency) of revenues over expenditures	<u>2,226</u>	<u>(9,249)</u>	<u>6,334</u>	<u>4,040</u>
Other financing sources	<u>(1,839)</u>	<u>188</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>387</u>	<u>(9,061)</u>	<u>6,334</u>	<u>4,040</u>
Beginning fund balances	<u>32,195</u>	<u>32,582</u>	<u>22,829</u>	<u>29,163</u>
Prior period adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending fund balances	<u>\$ 32,582</u>	<u>\$ 23,521</u>	<u>\$ 29,163</u>	<u>\$ 33,203</u>

Source: District records

Fiscal Year Ending

June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010
\$ 4,748	\$ 1,104	\$ 1,654	\$ 1,365	\$ 1,351	\$ 885
<u>4,748</u>	<u>1,104</u>	<u>1,654</u>	<u>1,365</u>	<u>1,351</u>	<u>885</u>
1,395	1,226	-	774	350	2,018
<u>1,395</u>	<u>1,226</u>	<u>-</u>	<u>774</u>	<u>350</u>	<u>2,018</u>
206,883	197,361	194,873	191,901	152,985	161,572
-	-	-	-	-	2,810
24,568	19,977	91,170	107,411	104,775	77,077
40,398	3,566	2,928	3,541	1,780	-
-	57,768	6,249	6,324	5,436	9,238
<u>271,849</u>	<u>278,672</u>	<u>295,220</u>	<u>309,177</u>	<u>264,976</u>	<u>250,697</u>
152,100	177,938	215,255	219,788	234,639	221,528
1,964	4,490	4,900	2,857	1,765	279
4,130	4,505	3,515	7,584	5,969	8,670
<u>158,194</u>	<u>186,933</u>	<u>223,670</u>	<u>230,229</u>	<u>242,373</u>	<u>230,477</u>
436,186	467,935	520,544	541,545	509,050	484,077
280,066	300,039	330,595	349,431	336,006	300,723
81,532	89,255	92,349	103,127	98,872	89,060
36,672	40,453	57,798	49,809	45,818	48,018
12,235	15,104	16,485	18,732	16,967	15,460
15,189	14,830	16,905	13,893	15,331	10,098
8,860	7,006	9,621	6,197	4,490	3,660
2,010	2,469	2,220	3,244	4,544	2,661
<u>436,564</u>	<u>469,156</u>	<u>525,973</u>	<u>544,433</u>	<u>522,028</u>	<u>469,680</u>
(378)	(1,221)	(5,429)	(2,888)	(12,978)	14,397
9,745	630	1,147	12,007	5,943	378
9,367	(591)	(4,282)	9,119	(7,035)	14,775
33,203	42,570	41,979	40,295	49,414	42,379
-	-	2,598	-	-	-
<u>\$ 42,570</u>	<u>\$ 41,979</u>	<u>\$ 40,295</u>	<u>\$ 49,414</u>	<u>\$ 42,379</u>	<u>\$ 57,154</u>



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

	Fiscal Year Ending
	June 30, 2010
FEDERAL THROUGH STATE SOURCES	
Other federal through state grants	38,126
Total federal through state grants	38,126
Total revenues	38,126
EXPENDITURES: (by object)	
Salaries	24,705
Employee benefits	6,665
Purchased services	1,271
Material and supplies	2,278
Capital outlay	1,837
Other expenditures	1,370
Total expenditures	38,126
Excess (deficiency) of revenues over expenditures	-
Other financing sources	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	-
Beginning fund balances	-
Prior period adjustments	-
Ending fund balances	\$ -

Source: District records

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, 2001	June 30, 2002	June 30, 2003	June 30, 2004
FEDERAL SOURCES				
Federal direct	\$ 1,126	\$ 2,736	\$ 2,741	\$ 882
Other federal direct	24,352	26,747	30,144	37,378
Total federal sources	<u>25,478</u>	<u>29,483</u>	<u>32,885</u>	<u>38,260</u>
State sources	-	-	-	-
Total revenues	<u>25,478</u>	<u>29,483</u>	<u>32,885</u>	<u>38,260</u>
EXPENDITURES				
Salaries	12,077	13,241	16,466	17,779
Employee benefits	3,242	3,723	4,268	5,093
Purchased services	3,780	5,441	5,658	5,770
Material and supplies	1,533	1,936	1,683	2,012
Capital outlay	4,387	4,489	3,926	6,260
Other expenditures	459	653	884	1,346
Total expenditures	<u>25,478</u>	<u>29,483</u>	<u>32,885</u>	<u>38,260</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, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010
\$ 2,377	\$ 3,815	\$ 3,909	\$ 3,037	\$ 1,298	\$ 1,083
35,547	35,420	36,557	35,291	36,115	37,796
<u>37,924</u>	<u>39,235</u>	<u>40,466</u>	<u>38,328</u>	<u>37,413</u>	<u>38,879</u>
-	-	80	93	81	53
<u>37,924</u>	<u>39,235</u>	<u>40,546</u>	<u>38,421</u>	<u>37,494</u>	<u>38,932</u>
18,415	18,913	20,434	20,569	20,394	20,855
5,294	5,761	6,070	6,274	5,839	5,875
7,399	7,322	7,788	5,862	6,202	7,375
2,229	2,359	2,242	2,185	2,162	1,589
3,230	3,835	2,976	2,474	1,833	1,995
1,357	1,045	1,036	1,057	1,064	1,243
<u>37,924</u>	<u>39,235</u>	<u>40,546</u>	<u>38,421</u>	<u>37,494</u>	<u>38,932</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Fiscal Year Ending			
	June 30, 2001	June 30, 2002	June 30, 2003	June 30, 2004
FEDERAL THROUGH STATE SOURCES				
Food service	\$ 6,502	\$ 6,472	\$ 7,842	\$ 8,785
Donated foods	1,142	1,452	2,437	1,242
Total federal through state grants	<u>7,644</u>	<u>7,924</u>	<u>10,279</u>	<u>10,027</u>
STATE SOURCES				
Food service	260	262	250	343
Total state sources	<u>260</u>	<u>262</u>	<u>250</u>	<u>343</u>
LOCAL SOURCES				
Food service sales	11,424	12,200	12,526	13,328
Interest income and others	153	67	73	73
Total local services	<u>11,577</u>	<u>12,267</u>	<u>12,599</u>	<u>13,401</u>
Total revenues	<u>19,481</u>	<u>20,453</u>	<u>23,128</u>	<u>23,771</u>
EXPENDITURES: (by object)				
Salaries	5,998	6,039	6,260	6,807
Employee benefits	2,508	2,428	2,299	2,680
Purchased services	2,087	2,254	1,595	1,493
Energy services	181	379	353	485
Material and supplies	6,331	8,110	8,808	9,110
Capital outlay	1,814	142	748	614
Other expenditures	370	1,028	335	370
Total expenditures	<u>19,289</u>	<u>20,380</u>	<u>20,398</u>	<u>21,559</u>
Excess (deficiency) of revenues over expenditures	<u>192</u>	<u>73</u>	<u>2,730</u>	<u>2,212</u>
Other financing sources (uses)	<u>-</u>	<u>(1,300)</u>	<u>(2,500)</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>192</u>	<u>(1,227)</u>	<u>230</u>	<u>2,212</u>
Beginning fund balance	5,808	6,000	4,773	5,003
Ending fund balance	<u>\$ 6,000</u>	<u>\$ 4,773</u>	<u>\$ 5,003</u>	<u>\$ 7,215</u>

Source: District records

Fiscal Year Ending

June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010
\$ 8,998	\$ 9,991	\$ 11,139	\$ 11,511	\$ 12,567	\$ 14,202
2,432	1,309	1,174	1,458	1,712	1,584
<u>11,430</u>	<u>11,300</u>	<u>12,313</u>	<u>12,969</u>	<u>14,279</u>	<u>15,786</u>
380	357	362	397	422	416
<u>380</u>	<u>357</u>	<u>362</u>	<u>397</u>	<u>422</u>	<u>416</u>
13,750	14,405	14,563	14,175	13,611	12,720
109	182	224	55	31	2
<u>13,859</u>	<u>14,587</u>	<u>14,787</u>	<u>14,230</u>	<u>13,642</u>	<u>12,722</u>
<u>25,669</u>	<u>26,244</u>	<u>27,462</u>	<u>27,596</u>	<u>28,343</u>	<u>28,924</u>
7,131	7,529	8,237	8,701	8,696	8,410
2,867	3,084	3,266	3,378	3,279	3,123
1,338	1,566	1,569	1,398	1,051	1,152
558	646	750	808	724	690
10,080	11,418	11,376	12,492	12,646	12,760
1,039	2,418	3,259	1,611	761	961
347	422	476	531	760	744
<u>23,360</u>	<u>27,083</u>	<u>28,933</u>	<u>28,919</u>	<u>27,917</u>	<u>27,840</u>
2,309	(839)	(1,471)	(1,323)	426	1,084
-	-	-	-	-	-
<u>2,309</u>	<u>(839)</u>	<u>(1,471)</u>	<u>(1,323)</u>	<u>426</u>	<u>1,084</u>
7,215	9,524	8,685	7,214	5,891	6,317
<u>\$ 9,524</u>	<u>\$ 8,685</u>	<u>\$ 7,214</u>	<u>\$ 5,891</u>	<u>\$ 6,317</u>	<u>\$ 7,401</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, 2001	June 30, 2002	June 30, 2003	June 30, 2004
STATE SOURCES				
CO & DS withheld for SBE/COBI bonds	\$ 2,133	\$ 2,137	\$ 2,146	\$ 2,226
SBE/COBI bond interest	24	12	20	5
Racing commission	223	223	223	223
Total state sources	<u>2,380</u>	<u>2,372</u>	<u>2,389</u>	<u>2,454</u>
LOCAL SOURCES				
Interest income and others	347	126	25	21
Total local sources	<u>347</u>	<u>126</u>	<u>25</u>	<u>21</u>
Total revenues	<u>2,727</u>	<u>2,498</u>	<u>2,414</u>	<u>2,475</u>
EXPENDITURES: (by object)				
Debt service:				
Principal	8,647	7,320	16,715	6,580
Interest and fiscal charges	8,963	8,508	10,537	9,643
Total expenditures	<u>17,610</u>	<u>15,828</u>	<u>27,252</u>	<u>16,223</u>
Deficiency of revenues under expenditures	<u>(14,883)</u>	<u>(13,330)</u>	<u>(24,838)</u>	<u>(13,748)</u>
Other financing sources:	<u>15,049</u>	<u>13,352</u>	<u>21,470</u>	<u>13,870</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>166</u>	<u>22</u>	<u>(3,368)</u>	<u>122</u>
Beginning fund balance	5,761	5,927	5,949	2,581
Adjustments to fund balance				
Ending fund balance	<u>\$ 5,927</u>	<u>\$ 5,949</u>	<u>\$ 2,581</u>	<u>\$ 2,703</u>

Source: District records

Fiscal Year Ending

June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010
\$ 2,254	\$ 2,318	\$ 2,363	\$ 2,369	\$ 2,371	\$ 2,373
4	62	16	20	1	1
223	223	-	-	-	-
<u>2,481</u>	<u>2,603</u>	<u>2,379</u>	<u>2,389</u>	<u>2,372</u>	<u>2,374</u>
409	394	49	32	9	295
<u>409</u>	<u>394</u>	<u>49</u>	<u>32</u>	<u>9</u>	<u>295</u>
<u>2,890</u>	<u>2,997</u>	<u>2,428</u>	<u>2,421</u>	<u>2,381</u>	<u>2,669</u>
6,905	8,790	9,470	12,435	12,970	14,120
10,213	13,042	19,225	26,195	27,338	26,756
<u>17,118</u>	<u>21,832</u>	<u>28,695</u>	<u>38,630</u>	<u>40,308</u>	<u>40,876</u>
<u>(14,228)</u>	<u>(18,835)</u>	<u>(26,267)</u>	<u>(36,209)</u>	<u>(37,927)</u>	<u>(38,207)</u>
<u>15,891</u>	<u>18,651</u>	<u>25,706</u>	<u>36,684</u>	<u>38,391</u>	<u>38,150</u>
1,663	(184)	(561)	475	464	(57)
2,703	4,366	4,182	3,631	4,106	4,570
		10			
<u>\$ 4,366</u>	<u>\$ 4,182</u>	<u>\$ 3,631</u>	<u>\$ 4,106</u>	<u>\$ 4,570</u>	<u>\$ 4,513</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, 2001	June 30, 2002	June 30, 2003	June 30, 2004
REVENUES				
State sources:				
CO & DS distributed to district	\$ -	\$ -	\$ -	\$ -
Public education capital outlay	8,371	10,655	6,769	6,429
Classroom first program/class size reduction	9,545	-	-	-
State grants and other state sources	7,945	2,365	532	14,462
Total state sources	<u>25,861</u>	<u>13,020</u>	<u>7,301</u>	<u>20,891</u>
Local sources:				
Ad valorem taxes	32,861	35,414	38,106	42,843
Interest income and others	2,294	1,532	1,798	743
Local grants and other local sources	73	198	428	425
Total local sources	<u>35,228</u>	<u>37,144</u>	<u>40,332</u>	<u>44,011</u>
Total revenues	<u>61,089</u>	<u>50,164</u>	<u>47,633</u>	<u>64,902</u>
EXPENDITURES: (by object)				
Library books	291	89	134	127
Audio visual materials	37	10	15	44
Buildings and fixed materials	12,240	16,595	24,848	27,374
Furniture, fixtures and equipment	3,937	1,497	2,241	3,493
Motor vehicles	2,173	658	986	3,237
Land	8	-	-	5
Improvements other than buildings	1,388	556	832	1,854
Remodeling and renovations	33,465	17,457	26,140	26,453
Computer software	141	385	576	48
Debt service	717	434	650	357
Total expenditures	<u>54,397</u>	<u>37,681</u>	<u>56,422</u>	<u>62,992</u>
Excess (deficiency) of revenues over expenditures	<u>6,692</u>	<u>12,483</u>	<u>(8,789)</u>	<u>1,910</u>
Other financing sources (uses)	<u>(10,624)</u>	<u>(11,588)</u>	<u>33,238</u>	<u>(7,607)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(3,932)</u>	<u>895</u>	<u>24,449</u>	<u>(5,697)</u>
Beginning fund balance	<u>17,712</u>	<u>13,780</u>	<u>14,675</u>	<u>39,124</u>
Ending fund balance	<u>\$ 13,780</u>	<u>\$ 14,675</u>	<u>\$ 39,124</u>	<u>\$ 33,427</u>

Source: District records

Fiscal Year Ending

June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010
\$ 444	\$ -	\$ -	\$ 356	\$ 414	\$ 402
5,929	6,681	8,529	10,856	5,734	1,495
2,345	-	11,314	-	-	-
-	1,825	502	7,223	153	151
<u>8,718</u>	<u>8,506</u>	<u>20,345</u>	<u>18,435</u>	<u>6,301</u>	<u>2,048</u>
49,001	61,264	76,003	79,458	69,531	53,885
2,556	3,173	13,356	12,811	3,998	157
1,611	18,975	18,299	6,261	3,341	9,904
<u>53,168</u>	<u>83,412</u>	<u>107,658</u>	<u>98,530</u>	<u>76,870</u>	<u>63,946</u>
<u>61,886</u>	<u>91,918</u>	<u>128,003</u>	<u>116,965</u>	<u>83,171</u>	<u>65,994</u>
141	174	292	332	190	244
27	37	43	92	35	48
42,500	57,781	77,127	106,658	55,424	3,667
3,321	5,008	13,033	17,687	15,552	9,152
762	3,829	3,973	2,413	5,095	-
12	880	3,460	2,000	-	-
934	1,694	5,322	11,193	3,493	848
20,505	32,607	82,287	81,458	80,175	33,922
106	64	333	304	365	353
2,194	3,598	3,737	2,324	1,999	655
<u>70,502</u>	<u>105,672</u>	<u>189,607</u>	<u>224,462</u>	<u>162,328</u>	<u>48,889</u>
(8,616)	(13,754)	(61,604)	(107,497)	(79,157)	17,105
<u>39,164</u>	<u>115,500</u>	<u>174,711</u>	<u>20,406</u>	<u>(35,607)</u>	<u>(42,016)</u>
30,548	101,746	113,107	(87,091)	(114,764)	(24,911)
<u>33,427</u>	<u>63,975</u>	<u>165,721</u>	<u>278,828</u>	<u>191,737</u>	<u>76,973</u>
<u>\$ 63,975</u>	<u>\$ 165,721</u>	<u>\$ 278,828</u>	<u>\$ 191,737</u>	<u>\$ 76,973</u>	<u>\$ 52,062</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
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	10,306,822	71,367,922	22,664,665	7,775,969	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%
2002-03	28,575,379	9,363,734	37,939,113	10,700,218	7,495,587	19,743,308	8.605	52.04%
2001-02	26,400,596	8,267,869	34,668,465	9,930,936	6,421,157	18,316,372	8.674	52.83%
2000-01	24,185,123	7,513,161	31,698,284	8,793,395	5,979,942	16,924,947	8.908	53.39%

Source: Brevard County Property Appraiser

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

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			
	2001	2002	2003	2004
COUNTY -WIDE				
Brevard County	5.5032	5.6143	5.8395	5.8342
Brevard County School District	8.9080	8.6740	8.6050	8.4050
St. Johns River Water Management	0.4720	0.4620	0.4620	0.4620
Florida Inland Navigation District	0.0410	0.0385	0.0385	0.0385
Total county-wide	<u>14.9242</u>	<u>14.7888</u>	<u>14.9450</u>	<u>14.7397</u>
COUNTY TAXING DISTRICTS				
District I	5.3234	6.5153	6.5318	7.1508
District II	3.7346	4.7678	4.7076	6.5848
District III	3.9664	4.7780	4.7075	4.5705
District IV	4.5024	5.8769	5.7928	5.7899
District V	4.0190	4.8491	4.7833	4.6463
CITIES				
Cape Canaveral	2.0004	2.0040	2.7064	3.4564
Cocoa	4.1321	4.4068	4.4068	4.5228
Cocoa Beach	5.1174	5.0374	4.8900	4.7800
Grant-Valkaria	-	-	-	-
Indialantic	4.8451	4.8451	5.0089	5.0089
Indian Harbour Beach	4.6400	4.6900	4.8545	4.9765
Malabar	1.6212	1.7642	1.7642	1.7642
Melbourne	4.5228	4.5228	4.5228	4.7856
Melbourne Beach	4.2887	3.9336	3.7959	3.7676
Melbourne Village	4.1766	4.0360	4.3529	4.5224
Palm Bay	7.6563	7.6563	7.6394	7.5301
Rockledge	5.7000	5.7000	5.7000	5.7000
Satellite Beach	6.2687	6.5265	6.6404	6.5953
Titusville	7.0313	6.8403	5.8504	5.8504
West Melbourne	-	-	-	-

Source: Brevard County Comprehensive Annual Financial Report
for the fiscal year ended September 30, 2009.

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

Fiscal Year

2005	2006	2007	2008	2009	2010
5.4032	4.8245	4.9370	4.6210	4.6762	4.5211
8.1940	7.9630	7.6670	7.5310	7.6610	7.6870
0.4620	0.4620	0.4620	0.4158	0.4158	0.4158
0.0385	0.0385	0.0385	0.0345	0.0345	0.0345
14.0977	13.2880	13.1045	12.6023	12.7875	12.6584
6.8696	6.3774	3.9600	3.8564	3.7642	3.7449
5.5686	5.4617	2.6555	2.6470	2.6433	2.7488
4.6863	4.3537	2.5865	2.6065	2.5546	2.6512
5.9678	5.4839	3.3304	3.2455	3.1528	3.2494
4.7984	4.4641	2.7039	2.6374	2.5821	2.6787
3.3740	3.0000	3.0000	2.7816	3.0671	3.0671
4.8074	4.8026	4.5705	4.4891	4.4891	4.4891
4.5000	4.1000	3.5800	3.4642	3.7186	4.0000
-	-	-	0.4261	0.4976	1.0000
4.8451	4.6203	4.3313	4.3313	4.9810	5.5374
4.9733	4.7050	4.3675	4.0118	4.2037	4.7697
1.7642	1.5994	1.3970	1.2693	1.4676	1.6630
4.7856	4.7415	4.5081	4.4751	4.4751	5.1287
3.2774	3.0443	2.7808	2.7920	2.9543	3.9950
4.5221	4.5890	4.5384	4.5384	5.5656	6.1796
6.9900	5.9804	4.6000	4.7429	5.3000	6.8165
5.7000	5.2900	4.9500	4.8105	5.3500	5.3500
6.3812	6.3596	5.9000	6.1742	7.1207	7.8193
5.8504	6.0597	5.1990	5.0263	5.2694	6.3307
-	1.9344	1.5899	1.5899	1.5899	2.2975

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

Taxpayer	2010			2001		
	Taxes	Percentage of Total Taxes	Rank	Taxes	Percentage of Total Taxes	Rank
Florida Power and Light Company	\$ 7,156,359	0.97%	1	\$ 7,610,895	2.34%	1
Oleander Power Project LTD	3,491,687	0.47%	2	-	-	
AT& T Florida	2,832,542	0.38%	3	4,280,965	1.32%	2
Harris Corporation	2,660,808	0.36%	4	4,185,442	1.29%	3
Walmart Stores Inc.	1,894,643	0.26%	5	843,279	0.26%	4
Florida East Coast Railroad	1,350,635	0.18%	6	548,407	0.17%	9
Bright House Networks	1,150,756	0.16%	7	-	-	
The Viera Company	1,128,588	0.15%	8	-	-	
Cape Caribe Inc.	921,721	0.13%	9	-	-	
Reliant Energy Indian River LLC	872,246	0.12%	10	-	-	
Intersil Corp	-	-		789,845	0.24%	5
Time Warner Entertainment	-	-		738,225	0.23%	6
Canaveral Port Authority	-	-		698,345	0.21%	7
John Hancock Mutual Insurance	-	-		606,701	0.19%	8
Melbourne-FPC Assoc Ltd.	-	-		537,721	0.17%	10
Total taxable assessed value of 10 largest taxpayers	<u>23,459,985</u>	<u>3.18%</u>		<u>\$ 20,839,825</u>	<u>6.41%</u>	
Total property taxes collected (lagged one year)	<u>\$ 736,464,106</u>			<u>\$ 325,199,029</u>		

Source: Brevard County Comprehensive Annual Financial Report for the fiscal year ended September 30, 2009.

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	
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
2002-03	19,695,633,660	6.605	2.000	8.605	169,480,928
2001-02	18,316,371,454	6.674	2.000	8.674	158,876,206
2000-01	16,924,947,000	6.908	2.000	8.908	150,767,428

Fiscal Year	Total Tax Levy	Collected to End of Tax Year		Delinquent Collections	Collected in Fiscal Year	
		Current Tax Collections	Percent of Levy		Total Collections	Percent of Levy
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
2002-03	169,480,928	163,997,409	96.76	-	163,997,409	96.76
2001-02	158,876,206	153,636,394	96.70	-	153,636,394	96.70
2000-01	150,767,428	146,414,331	97.11	-	146,414,331	97.11

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 FY2000 -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		
2009-10	\$ 13,615,000	\$ 538,713,000	\$ -	\$ 552,328,000	Unavailable	\$ 994
2008-09	15,330,000	551,158,000	631,417	567,119,417	2.95%	1,020
2007-08	16,940,000	562,518,000	631,416	580,089,416	3.08%	1,051
2006-07	18,490,000	517,403,000	1,241,103	537,134,103	2.96%	989
2005-06	19,970,000	331,093,000	1,829,808	352,892,808	2.07%	663
2004-05	20,695,000	208,688,000	2,398,252	231,781,252	1.47%	445
2003-04	20,455,000	164,738,000	39,516	185,232,516	1.27%	365
2002-03	19,820,000	165,615,000	77,078	185,512,078	1.34%	375
2001-02	21,005,000	120,055,000	10,081,506	151,141,506	1.13%	312
2000-01	21,605,000	124,190,000	12,212,075	158,007,075	1.23%	332

Source: Governmental Activities from District records
Total Primary Government debt divided by Personal Income and Population from page 160.

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

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)
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
2002-03	165,615	110	165,505	0.84%	335
2001-02	120,055	3,522	116,533	0.64%	240
2000-01	124,190	3,602	120,588	0.71%	253

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

- (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 149 for property value data.
- (3) Population data can be found in the Schedule of Demographic and Economic Statistics on page 160.

The School Board of Brevard County, Florida
Computation of Direct and Overlapping Bonded Debt
June 30, 2010
(unaudited)

<u>Governmental Unit</u>	<u>Net Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes: Brevard County	\$ 163,166,587	100.00%	\$ 163,166,587
City of Titusville	8,820,000	100.00%	8,820,000
Subtotal, overlapping debt			<u>171,986,587</u>
School Board of Brevard County direct debt	-		-
Total direct and overlapping debt	<u>\$ 171,986,587</u>		<u>\$ 171,986,587</u>

Source: Brevard County Comprehensive Annual Financial Report for the fiscal period ending September 30, 2009
City of Titusville Comprehensive Annual Financial Report for the fiscal period ending September 30, 2009

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
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
2002-03	2002	19,695,633,660	5,385,000	8,612,557	13,997,557	0.748 mills
2001-02	2001	18,316,371,454	4,135,000	6,675,910	10,810,910	0.621 mills
2000-01	2000	16,924,947,000	3,915,000	6,896,905	10,811,905	0.672 mills

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, 2001	June 30, 2002	June 30, 2003	June 30, 2004
Assessed Value	\$ 16,924,947	\$ 18,316,371	\$ 19,695,634	\$ 22,087,436
Debt Limit on Assessed Value	16,924,947	18,316,371	19,695,634	22,087,436
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	\$ 16,924,947	\$ 18,316,371	\$ 19,695,634	\$ 22,087,436
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

<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>
\$ 25,334,959	\$ 31,060,244	\$ 39,311,748	\$ 40,927,288	\$ 41,345,105	\$ 36,725,460
25,334,959	31,060,244	39,311,748	40,927,288	41,345,105	36,725,460
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 25,334,959</u>	<u>\$ 31,060,244</u>	<u>\$ 39,311,748</u>	<u>\$ 40,927,288</u>	<u>\$ 41,345,105</u>	<u>\$ 36,725,460</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)
2009-10	2009	555,657	\$ (3)	\$ (3)	43.5	12.1%	72,564	\$ 667,089	\$ 9
2008-09	2008	556,213	19,209,134 (4)	35,803 (4)	43.9	6.5%	72,757	682,232	9
2007-08	2007	552,109	18,839,369	35,213	43.5	4.4%	73,579	698,247	9
2006-07	2006	543,050	18,129,724	34,361	43.3	3.4%	74,425	677,689	9
2005-06	2005	531,970	17,023,185	32,266	43.0	3.7%	74,688	571,446	8
2004-05	2004	521,422	15,785,327	30,597	42.8	4.4%	74,066	523,832	7
2003-04	2003	507,810	14,586,155	28,999	42.6	5.2%	73,178	510,132	7
2002-03	2002	494,102	13,853,189	28,028	42.2	5.7%	71,777	466,449	6
2001-02	2001	485,178	13,327,716	27,432	41.9	4.4%	70,722	466,245	6
2000-01	2000	476,230	12,865,456	26,932	41.4	3.6%	69,463	(3)	n/a

(1) Brevard County Comprehensive Annual Financial Report for fiscal period ended September 30, 2009.

- (2) District records
(3) Data unavailable
(4) Estimated

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					
	2009-2010			2000-2001		
	Employees	Rank	Percentage of total MSA Employment	Employees	Rank	Percentage of total MSA Employment
Brevard County School Board	8,800	1	3.71%	7,915	1	3.54%
Harris Corporation	6,550	2	2.76%	6,000	2	2.68%
Health First	6,420	3	2.71%	4,300	4	1.92%
United Space Alliance	6,000	4	2.53%	6,000	3	2.68%
Walmart	3,140	5	1.32%	-	-	-
Publix Supermarkets	2,820	6	1.19%	-	-	-
Brevard County Board of County Commissioners	2,720	7	1.15%	2,592	7	1.16%
Wuesthoff Health System	2,440	8	1.03%	2,018	8	0.90%
NASA	2,170	9	0.91%	2,663	6	1.19%
U.S. Department of Defense	1,870	10	0.79%	-	-	-
Northrup Grumman Corporation	-	-	-	2,000	9	0.89%
Boeing Company	-	-	-	2,900	5	1.30%
Brevard Community College	-	-	-	1,812	10	0.81%
Total	<u>42,930</u>		<u>18.10%</u>	<u>38,200</u>		<u>17.07%</u>
Total employees	<u>237,304</u>			<u>223,587</u>		

Source: Brevard County Comprehensive Annual Financial Report for the fiscal year ended September 30, 2009

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

	Fiscal Year Ending							
	2010	2009	2008	2007	2006	2005	2004	2003
SCHOOLS								
Elementary								
Permanent Buildings:								
Number	462	451	448	445	441	439	448	434
Square Feet	5,328,245	5,320,314	5,322,401	5,387,763	4,881,050	4,006,575	4,686,574	4,546,669
Portables:								
Number	164	158	163	155	166	174	150	107
Square Feet	126,212	120,728	123,724	116,014	126,046	128,634	108,380	71,142
Student Stations	44,781	44,638	44,656	44,727	45,393	43,633	50,158	39,312
Enrollment	36,120	36,346	36,551	36,798	37,481	37,717	37,435	37,193
Middle								
Permanent Buildings:								
Number	76	75	75	73	73	70	73	70
Square Feet	1,610,150	1,611,462	1,609,800	1,628,297	1,554,178	1,312,055	1,528,176	1,528,176
Portables:								
Number	26	29	18	18	18	21	22	14
Square Feet	21,032	23,008	13,504	13,504	13,740	15,816	15,784	9,096
Student Stations	12,192	12,326	12,033	12,033	12,442	12,266	13,045	11,434
Enrollment	8,246	8,321	8,564	8,867	9,128	9,260	9,561	9,690
High								
Permanent Buildings:								
Number	335	312	306	296	271	278	273	266
Square Feet	4,379,955	4,024,169	3,995,526	4,051,872	3,431,690	2,944,637	3,062,245	3,033,419
Portables:								
Number	174	192	229	271	232	167	149	104
Square Feet	139,975	155,247	183,089	216,159	180,504	128,156	113,179	72,499
Student Stations	33,097	31,397	31,816	33,154	33,315	31,589	29,135	25,641
Enrollment	22,705	22,990	23,567	23,810	23,766	23,440	22,997	22,146
Other								
Permanent Buildings:								
Number	42	50	51	51	59	58	58	48
Square Feet	211,247	228,066	231,125	231,136	270,010	238,491	246,587	265,209
Portables:								
Number	61	67	56	57	65	55	51	52
Square Feet	41,290	45,254	37,908	39,190	44,548	37,235	34,675	34,505
Student Stations	190	184	716	716	1,244	1,244	1,282	1,204
Enrollment	1,433	1,320	1,207	1,115	1,022	1,169	1,089	932
ADMINISTRATIVE								
Permanent Buildings	14	6	6	6	5	5	5	5
Square Feet	228,437	212,133	207,938	207,938	185,323	184,081	184,081	189,472
Portables	0	0	0	0	0	0	0	0

Source: District Records

Note: Data not available for fiscal years 2001-2002
Some data for fiscal year 2003 is estimated

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

	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>
<u>ELEMENTARY SCHOOLS</u>										
Allen	547	581	661	691	734	782	812	743	659	658
Andersen	847	837	856	715	691	651	654	634	673	698
Apollo	955	958	972	962	941	849	714	706	704	733
Atlantis	772	754	849	832	810	810	783	776	752	717
Audubon	708	699	757	753	726	704	673	626	591	487
Cambridge	667	683	608	583	611	616	554	495	507	535
Cape View	503	456	434	405	371	353	372	349	368	375
Challenger 7	591	583	660	660	645	535	520	490	485	486
Columbia	755	700	658	684	644	661	603	580	606	555
Coquina	560	574	527	441	441	449	443	419	403	443
Creel	997	1,017	1,072	1,026	985	983	842	833	785	780
Croton	497	498	484	460	609	565	552	528	513	533
Discovery	1,032	967	920	972	923	991	1,037	1,065	1,002	942
Endeavour	650	677	645	615	581	558	560	560	613	580
Enterprise	854	797	928	901	936	891	880	892	839	769
Fairglen	886	845	799	790	808	796	753	704	722	731
Gardendale	676	663	663	610	619	582	512	470	459	435
Gemini	734	673	646	659	632	598	596	584	616	633
Golfview	645	576	615	523	590	590	616	613	642	638
Harbor City	591	584	511	499	499	455	420	468	455	486
Holland	498	479	496	524	442	431	409	431	404	380
Imperial Estates	528	526	510	545	537	623	669	673	641	694
Indialantic	791	770	744	791	809	828	798	762	760	768
Jupiter	885	810	833	844	790	833	844	862	835	840
Lewis Carroll	883	896	883	946	932	903	900	852	784	742
Lockmar	960	922	885	926	852	783	764	717	748	773
Longleaf	1,047	1,050	1,055	1,062	836	749	698	691	693	712
Manatee	-	-	-	724	809	808	824	837	980	1,042
McAuliffe	851	863	840	840	914	923	936	955	895	825
Meadowlane Primary	949	951	790	835	921	959	989	696	740	755
Meadowlane Intermediate	-	-	-	-	-	-	-	517	506	564
Mila	492	475	430	448	428	409	390	361	396	440
Mims	637	666	646	636	602	607	581	564	520	472
Oak Park	906	892	850	848	835	798	749	705	704	658
South Pine Grove	18	-	-	-	-	-	-	-	-	-
Ocean Breeze	641	624	628	615	620	633	593	566	552	552
Palm Bay	710	701	691	681	685	711	715	683	673	733
Pinewood	512	473	439	398	395	416	433	415	433	412
Port Malabar	908	867	853	830	851	775	771	742	755	731
Quest	-	-	-	-	561	687	783	901	846	844
Riverview	386	374	396	388	434	499	519	458	458	402
Riviera	758	707	686	712	678	637	616	562	577	580
Roosevelt	679	635	628	579	533	525	510	422	402	427
Sabal	557	471	459	468	550	580	551	569	584	569
Saturn	796	737	794	746	766	746	733	730	703	725
Sea Park	468	442	432	468	387	370	315	314	310	323
Sherwood	786	792	761	744	718	679	644	631	610	601
South Lake	499	418	462	441	467	504	483	441	459	390
Sunrise	-	-	-	-	-	-	614	753	774	832
Suntree	1,065	1,173	1,203	1,141	907	866	830	814	842	841
Surfside	572	565	494	479	486	458	411	410	411	432
Tropical	926	916	852	840	883	858	817	771	738	713
Turner	720	679	689	667	686	734	759	764	741	693
University Park	566	551	529	542	548	591	563	585	551	509
Westside	883	942	955	1,126	1,185	1,276	806	820	871	859
Williams	977	1,133	1,039	751	802	793	819	815	787	807
Total Elementary Schools	37,321	36,622	36,217	36,366	36,645	36,411	35,732	35,324	35,077	34,854

Continued on next page.

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

	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>
<u>MIDDLE SCHOOLS</u>										
Central	1,160	1,191	1,273	1,301	1,296	1,198	1,154	955	946	944
Clearlake	601	612	577	529	527	471	418	393	423	416
DeLaura	852	916	908	866	813	756	693	686	698	662
Hoover	533	588	605	594	546	503	473	456	438	421
Jackson	677	634	613	661	630	626	653	608	557	596
Jefferson	527	517	514	609	672	727	702	693	654	671
Johnson	981	992	1,050	1,075	1,022	978	967	939	919	859
Kennedy	589	645	713	711	663	638	603	623	674	713
Madison	789	801	833	740	680	657	633	641	557	546
McNair	414	426	421	375	399	420	466	550	506	453
Southwest	1,298	1,336	1,463	1,378	1,323	1,433	1,437	1,381	1,316	1,304
Stone	806	776	720	722	689	721	668	639	633	661
Total Middle Schools	<u>9,227</u>	<u>9,434</u>	<u>9,690</u>	<u>9,561</u>	<u>9,260</u>	<u>9,128</u>	<u>8,867</u>	<u>8,564</u>	<u>8,321</u>	<u>8,246</u>
<u>HIGH SCHOOLS</u>										
Astronaut	1,416	1,549	1,605	1,516	1,453	1,379	1,334	1,256	1,208	1,160
Bayside	1,601	1,693	1,812	2,000	2,116	2,277	2,477	2,630	2,615	2,127
Cocoa Beach Jr/Sr	1,186	1,262	1,360	1,455	1,462	1,497	1,490	1,475	1,446	1,361
Cocoa	1,121	1,184	1,270	1,280	1,223	1,190	1,138	1,075	1,010	941
Eau Gallie	1,907	2,008	2,118	2,190	2,262	2,244	1,941	1,798	1,631	1,585
Edgewood Jr/Sr	483	485	530	563	641	795	920	915	926	931
Heritage	-	-	-	-	-	-	-	-	-	863
Melbourne	2,086	2,214	2,152	2,211	2,196	2,190	2,243	2,153	2,068	1,901
Merritt Island	1,706	1,736	1,772	1,734	1,674	1,568	1,471	1,487	1,441	1,449
Palm Bay	1,677	1,772	2,047	2,258	2,412	2,418	2,379	2,294	2,190	2,024
Rockledge	1,455	1,521	1,530	1,562	1,618	1,672	1,466	1,331	1,206	1,157
Satellite	1,822	1,850	1,921	2,007	2,003	1,998	1,614	1,408	1,215	1,164
Space Coast Jr/Sr	1,148	1,220	1,150	1,512	1,779	2,086	2,062	2,062	1,870	1,737
Titusville	2,001	2,087	1,958	1,780	1,666	1,519	1,478	1,372	1,339	1,371
Viera	-	-	-	-	-	-	880	1,380	1,885	1,983
West Shore Jr/Sr	806	916	921	929	935	933	917	931	940	951
Total High Schools	<u>20,415</u>	<u>21,497</u>	<u>22,146</u>	<u>22,997</u>	<u>23,440</u>	<u>23,766</u>	<u>23,810</u>	<u>23,567</u>	<u>22,990</u>	<u>22,705</u>
<u>SPECIAL CENTERS</u>										
Brevard County Jail	11	7	8	6	-	-	-	-	-	-
Brevard Virtual Instruction	-	-	-	-	-	-	-	-	22	42
Center/ drug free liv.	-	-	-	23	15	12	25	24	28	29
Cogswell Offsite/ Central Alternative	105	111	116	118	114	85	65	76	68	62
Crosswinds	12	16	15	16	16	16	18	13	-	9
Detention Center	56	29	59	-	65	34	-	36	-	5
Devereux Hospital	146	100	126	61	40	45	47	31	33	38
Devereux So. Pine Grove	46	36	-	-	-	-	-	-	-	-
Drug-Free Living Center	13	18	19	-	-	-	-	-	-	-
Early Intervention Center	64	57	48	38	-	-	-	-	-	-
Fieldston Preparatory	-	-	-	77	88	86	75	72	74	74
Halfway House	20	20	19	21	19	22	29	25	22	26
Horace Mann Academy	-	-	-	131	165	151	137	131	117	115
Infants and Toddlers	63	99	67	130	167	173	257	386	542	618
South Alternative Learning Center	-	-	-	-	-	152	205	177	200	179
Meadowlane Offsite	144	127	188	210	222	-	-	-	-	-
Normandy-Devereux	64	31	-	-	-	-	-	-	-	-
Devereux North	-	56	33	-	-	-	-	-	-	-
Outward Bound	-	1	-	8	4	6	-	-	-	10
Pre-Kindergarten	137	132	-	-	-	-	-	-	-	-
Riverdale Country Day	-	85	113	137	156	166	168	135	133	133
Space Coast Marine	27	33	36	29	18	31	30	33	33	33
North Alternative Learning Center	-	-	-	-	-	43	59	68	48	60
Whispering Hills Offsite	120	85	85	84	80	-	-	-	-	-
Total - Special Centers	<u>1,028</u>	<u>1,043</u>	<u>932</u>	<u>1,089</u>	<u>1,169</u>	<u>1,022</u>	<u>1,115</u>	<u>1,207</u>	<u>1,320</u>	<u>1,433</u>
Source: District Records										

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

	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>
<u>MILLENNIUM SCHOOLS</u>										
Freedom 7	143	255	338	401	421	418	413	399	425	404
Stevenson	129	248	282	269	255	248	248	416	437	452
West Melbourne	175	260	356	399	396	404	405	412	407	410
Total Millennium Schools	447	763	976	1,069	1,072	1,070	1,066	1,227	1,269	1,266
<u>CHARTER SCHOOLS</u>										
Campus Primary	60	64	80	128	135	213	165	137	114	125
Educational Horizons	51	64	54	55	70	71	70	52	66	68
Einstein Montessori	-	-	-	96	106	107	109	-	-	-
Explorer	175	186	199	222	236	269	232	-	-	-
Imagine School of West Melbourne	-	-	-	-	-	-	-	-	364	589
Milestones	139	191	188	138	-	-	-	-	-	-
Oakwood	-	-	-	-	-	28	41	-	-	-
Odyssey	143	150	158	187	360	489	503	526	543	526
Osprey	-	-	-	-	-	184	162	-	-	-
Palm Bay Academy	150	180	203	213	210	244	344	400	504	476
Palm Bay Community/Patriot	-	-	-	-	-	-	735	897	708	648
Palm Bay Municipal High School	-	-	-	-	-	-	-	-	-	19
River's Edge Academy	-	-	-	-	439	512	316	284	-	-
Royal Palm	28	79	105	128	107	119	113	173	179	201
Sculptor	279	330	325	354	357	388	392	393	418	448
Sawgrass Academy	-	-	-	-	-	107	73	-	-	-
Stepping Stones	-	119	134	164	-	-	-	-	-	-
Summit Quest	-	-	114	-	-	-	-	-	-	-
Total Charter Schools	1,025	1,363	1,560	1,685	2,020	2,731	3,255	2,862	2,896	3,100
Other: Home Ed. Migrant, McKay Scholarship recipients	-	-	256	411	460	560	580	828	884	960
Total District	69,463	70,722	71,777	73,178	74,066	74,688	74,425	73,579	72,757	72,564

Source: District records

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

<u>Fiscal Year</u>	<u>Instructional</u>	<u>Administrative</u>	<u>Support</u>	<u>Total</u>	(1) <u>Ratio Students to Instructional</u>	<u>Ratio Instructors to School Administrators</u>
2009-10	5,333	275	3,802	9,410	13.61 : 1	19.39 : 1
2008-09	5,253	290	3,899	9,442	13.85 : 1	18.11 : 1
2007-08	5,432	292	4,003	9,727	13.55 : 1	18.60 : 1
2006-07	5,371	286	3,921	9,578	13.86 : 1	18.78 : 1
2005-06	5,231	281	3,765	9,277	14.28 : 1	18.62 : 1
2004-05	5,124	267	3,641	9,032	14.45 : 1	19.19 : 1
2003-04	4,909	262	3,438	8,609	14.91 : 1	18.74 : 1
2002-03	4,665	260	3,345	8,270	15.39 : 1	17.94 : 1
2001-02	4,590	258	3,272	8,120	15.41 : 1	17.79 : 1
2000-01	4,497	259	3,153	7,906	15.45 : 1	17.36 : 1

Source: District Records

(1) Student membership

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

<u>Fiscal</u> <u>Year</u>	<u>Minimum</u> <u>Salary</u>	<u>Maximum</u> <u>Salary</u>	<u>Median</u> <u>Salary</u>
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
2002-03	30,000	48,480	39,240
2001-02	28,250	47,400	37,825
2000-01	27,250	46,650	36,950

Source: District records

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

	Fiscal Year Ending									
	June 30, 2001	June 30, 2002	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010
Days meals were served - total	180	180	180	180	174	180	180	180	178	180
Average number of free and reduced meals served daily	18,461	17,799	22,535	24,739	25,209	26,142	28,026	28,843	30,843	32,384
Number of free and reduced meals served	3,322,951	3,203,734	4,056,374	4,453,056	4,386,369	4,705,694	5,044,678	5,191,817	5,490,005	5,829,068
Average daily subsidy received	\$ 42,468	\$ 44,020	\$ 57,104	\$ 55,705	\$ 65,692	\$ 62,778	\$ 68,405	\$ 72,051	\$ 80,219	\$ 87,701
Total subsidy received	\$ 7,644,187	\$ 7,923,657	\$ 10,278,700	\$ 10,026,832	\$ 11,430,423	\$ 11,300,021	\$ 12,312,753	\$ 12,969,118	\$ 14,278,997	\$ 15,786,166
Average number of meals served daily	32,453	32,641	40,702	43,906	45,433	49,559	51,693	52,842	52,517	52,212
Number of full paid meals served	2,518,661	2,671,585	3,269,993	3,450,058	3,519,037	4,214,943	4,259,913	4,319,715	3,858,005	3,569,110
Average daily revenue	\$ 108,228	\$ 113,628	\$ 128,488	\$ 132,059	\$ 147,523	\$ 145,799	\$ 152,567	\$ 153,313	\$ 159,232	\$ 160,687
Total revenue	\$ 19,480,994	\$ 20,453,037	\$ 23,127,751	\$ 23,770,539	\$ 25,668,970	\$ 26,243,774	\$ 27,462,067	\$ 27,596,366	\$ 28,343,225	\$ 28,923,745
Average daily cost	\$ 107,164	\$ 113,221	\$ 113,323	\$ 119,768	\$ 134,251	\$ 150,462	\$ 160,741	\$ 163,762	\$ 156,841	\$ 154,664
Total cost	\$ 19,289,581	\$ 20,379,807	\$ 20,398,175	\$ 21,558,323	\$ 23,359,598	\$ 27,083,158	\$ 28,933,340	\$ 29,477,101	\$ 27,917,777	\$ 27,839,470

Source: District records

**BREVARD COUNTY
DISTRICT SCHOOL BOARD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2010**

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:				
Florida Department of Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	321	\$ 3,929,687	
National School Lunch Program	10.555	300, 350	10,070,761	
Summer Food Service Program for Children	10.559	323	49,039	
Florida Department of Agriculture and Consumer Services:				
National School Lunch Program	10.555 (2)(A)	None	1,584,065	
Total Child Nutrition Cluster			15,633,552	-
Florida Department of Education				
Child and Adult Care Food Program	10.558	302	111,257	
ARRA - Child Nutrition Discretionary Grants Limited Availability	10.579	371	155,056	
Fresh Fruit and Vegetable Program	10.582	330	41,356	
Total United States Department of Agriculture			15,941,221	-
United States Department of Education:				
Direct:				
Impact Aid Cluster:				
Impact Aid	84.041	N/A	885,336	
Fund for the Improvement of Education	84.215	N/A	232,497	
Total Direct			1,117,833	-
Indirect:				
Special Education Cluster:				
Florida Department of Education:				
Special Education - Grants to States	84.027	262, 263	15,927,666	
Special Education - Preschool Grants	84.173	266, 267	608,053	
ARRA - Special Education - Grants to States, Recovery Act	84.391	263	6,278,600	
ARRA - Special Education - Preschool Grants, Recovery Act	84.392	267	129,778	
Total Special Education Cluster			22,944,097	-
Title I, Part A Cluster:				
Florida Department of Education:				
Title I Grants to Local Educational Agencies	84.010	212, 220, 221, 226, 228	14,479,480	
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	212	3,946,880	
Total Title I, Part A Cluster			18,426,360	-
Education Technology State Grants Cluster				
Florida Department of Education:				
Education Technology State Grants	84.318	121	107,533	
ARRA - Education Technology State Grants, Recovery Act	84.386	121	278,932	
Total Educational Technology State Grants Cluster			386,465	-
Education of Homeless Children and Youth Cluster				
Florida Department of Education:				
Education of Homeless Children and Youth	84.196	127	45,000	
ARRA - Education of Homeless Children and Youth Recovery Act	84.387	127	29,698	
Total Education of Homeless Children and Youth Grants Cluster			74,698	-

**BREVARD COUNTY
DISTRICT SCHOOL BOARD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2010**

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
State Fiscal Stabilization Fund Cluster:				
Florida Department of Education:				
ARRA - State Fiscal Stabilization Fund (SFSF):				
Education State Grants, Recovery Act	84.394	591	23,619,481	
Government Services, Recovery Act	84.397	592	<u>3,687,802</u>	
Total State Fiscal Stabilization Fund Cluster			27,307,283	-
Florida Department of Education:				
Adult Education - Basic Grants to States	84.002	191-195	544,175	
Migrant Education-State Grant Program	84.011	217	79	
Career and Technical Education - Basic Grants to States	84.048	151	739,798	
Safe and Drug-Free Schools and Communities - State Grants	84.186	103	250,478	
Even Start - State Educational Agencies	84.213	219	292,887	
Charter Schools	84.282	298	131,538	131,538
Twenty-First Century Community Learning Centers	84.287	244	1,065,611	
Reading First State Grants	84.357	247	28,003	
English Language Acquisition Grants	84.365	102	426,811	
Improving Teacher Quality State Grants	84.367	224	3,046,339	
School Improvement Grants	84.377	126	<u>35,330</u>	
Total Indirect			<u>75,699,952</u>	<u>131,538</u>
Total United States Department of Education			<u>76,817,785</u>	<u>131,538</u>
Corporation for National and Community Service:				
Indirect:				
Florida Department of Education:				
Learn and Serve America - School and Community Based Programs	94.004	234	<u>75,424</u>	-
United States Department of Homeland Security:				
Indirect:				
Florida Department of Community Affairs:				
Hazard Mitigation Grant	97.039(2)(B)	None	<u>3,095,817</u>	-
United States Department of Defense:				
Direct:				
Army Junior Reserve Officers Training Corps	None	N/A	341,796	
Air Force Junior Reserve Officers Training Corps	None	N/A	270,455	
Navy Junior Reserve Officers Training Corps	None	N/A	134,315	
Marines Junior Reserve Officers Training Corps	None	N/A	<u>104,320</u>	
Total United States Department of Defense:			<u>850,886</u>	-
Total Expenditures of Federal Awards			<u>\$ 96,781,133</u>	<u>\$ 131,538</u>

- 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 reported.
- (2) Noncash Assistance.
- (A) National School Lunch Program. Represents the amount of donated food received during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.
- (B) Hazard Mitigation Grant. Represents the Federally-paid portion of emergency shelter generators totaling \$1,156,239 and Federally-paid installation costs of \$1,939,578.



DAVID W. MARTIN, CPA
AUDITOR GENERAL

AUDITOR GENERAL STATE OF FLORIDA

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



PHONE: 850-488-5534
FAX: 850-488-6975

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

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

We have audited the financial statements of the governmental activities, the 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, 2010, which collectively comprise the District's basic financial statements, and have issued our report thereon under the heading **INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS**. Our report on the basic financial statements was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Other auditors audited the financial statements of the aggregate discretely presented component units, as described in our report on the Brevard County District School Board's financial statements. For the aggregate discretely presented component units, this report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

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

We noted certain matters that we reported to District management in our operational audit report No. 2011-060, dated December 2010.

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

Respectfully submitted,



David W. Martin, CPA

December 3, 2010

Audit Report No. 2011-068



DAVID W. MARTIN, CPA
AUDITOR GENERAL

AUDITOR GENERAL STATE OF FLORIDA

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



PHONE: 850-488-5534
FAX: 850-488-6975

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

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

Compliance

We have audited the Brevard County District School Board's compliance with the types of compliance requirements described in the *United States Office of Management and Budget (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, 2010. The District's major Federal programs are identified in the **SUMMARY OF AUDITOR'S RESULTS** section of the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major Federal programs is the responsibility of District management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2010. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which are required to be reported in accordance with OMB *Circular A-133* and which is described in the **SCHEDULE OF FINDINGS AND QUESTIONED COSTS** section of this report as Federal Awards Finding No. 1.

Internal Control Over Compliance

District management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to Federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major Federal program to determine auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB *Circular A-133*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

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

Respectfully submitted,



David W. Martin, CPA

December 3, 2010

Audit Report No. 2011-068

**BREVARD COUNTY
DISTRICT SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be a material weakness(es)?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be a material weakness(es)?	Yes
Type of report the auditor issued on compliance for major programs:	Unqualified for all major programs
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB <i>Circular A-133</i> ?	Yes
Identification of major programs:	Special Education Cluster (CFDA Nos. 84.027, 84.173, 84.391, and 84.392); Title I Part A Cluster (CFDA No. 84.010 and 84.389); State Fiscal Stabilization Fund Cluster (CFDA No. 84.394, 84.396 and 84.397); Educational Technology State Grants Cluster (CFDA 84.318 and 84.386); and Hazard Mitigation Grant (CFDA 97.039)
Dollar threshold used to distinguish between Type A and Type B programs:	\$2,903,433
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, 2010**

FEDERAL AWARDS FINDING

Federal Awards Finding No. 1:

Federal Agency: United States Department of Education

Pass-Through Entity: Florida Department of Education

Program: Special Education Cluster (CFDA Nos. 84.027, 84.173, 84.391-ARRA, and 84.392-ARRA)

Finding Type: Noncompliance and Significant Deficiency

Questioned Costs: Not Applicable

Level of Effort – Maintenance of Effort. Title 34, Sections 300.203 and 300.204, Code of Federal Regulations, require that the amount of State and local funds expended by the District on special education related services during the audit period be at least equal, in total or average per capita, to that of the prior fiscal year. However, allowances for decreases in maintenance of effort may be made for certain reasons such as the departure of special education personnel; a decrease in the enrollment of children with disabilities; and the termination of costly expenditures for long-term purchases, such as the acquisition of equipment and the construction of school facilities.

Our review disclosed that the District did not have procedures to monitor its compliance with the maintenance of effort requirements during the fiscal year. Our initial review of State and local expenditures for special education services indicated that the District may not have complied with maintenance of effort requirements, either in total or average per capita, during the 2009-10 fiscal year.

Subsequent to our inquiries, District personnel determined that charter school expenditures were incorrectly classified as regular education, rather than special education, expenditures for the 2009-10 fiscal year. By including the charter school expenditures as special education expenditures, the 2009-10 fiscal year State and local expenditures for special education services exceeded the prior fiscal year expenditures by approximately \$71,500 and the District met the maintenance of effort requirements. However, without procedures to monitor maintenance of effort requirements, the risk increases that State and local funds will not be properly allocated and expended for special education services.

Recommendation: The District should enhance its controls over State and local resources allocated and expended for District special education programs to ensure compliance with Federal maintenance of effort requirements.

District Contact Person: Pamela Treadwell, Director of Administrative Support Services – Exceptional Student Education

PRIOR AUDIT FOLLOW-UP

Except as discussed in our operational audit report No. 2011-060, dated December 2010, the District had taken corrective actions for findings included in previous audit reports.

MANAGEMENT'S RESPONSE

Management's response is included as Exhibit A.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

*BREVARD COUNTY
DISTRICT SCHOOL BOARD
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS - FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2010*

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 2009-1	Improving Teacher Quality State Grants (CFDA No. 84.367)/Reporting	The District reported expenditures approximately \$221,000 higher than actual expenditures incurred on its annual report submitted to the Florida Department of Education (FDOE).	Corrected	The District submitted a corrected expenditure report. Procedures are in place to report actual expenditures rather than budgeted amounts.
2009-2	Improving Teacher Quality State Grants (CFDA No. 84.367)/Allowable Costs/Cost Principles	Teaching personnel paid from grant funds did not complete semi-annual certifications to evidence that they engaged solely in program activities.	Corrected	Semi-annual certifications were completed for teaching personnel paid from grant funds to evidence that they were engaged solely in program activities.

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



December 1, 2010

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 provided to the School Board of Brevard County for the fiscal year ending June 30, 2010.

Federal Awards Finding No. 1: Level of Effort – Maintenance of Effort:

In the past, the District has utilized the Cost Report to determine whether or not Maintenance of Effort (MOE) has been met and in the past, when student enrollment and funding were increasing, which allowed for increases in salaries, there was little doubt that the District would meet MOE. However, beginning with the 2007-08 fiscal year, Florida Education Funding Program (FEFP) funding has been on the decline. This phenomenon, combined with the poor state of the economy, has resulted in making it much more difficult for the District to ensure that MOE has been met.

As a result of this audit finding, the District will no longer rely totally on the Cost Report, which is not available until well after the fiscal year has concluded. The District will begin the monitoring process by comparing the current year adopted budget to actual expenditures for the previous year. Further, the District will monitor actual expenditures compared to budget at the end of the second quarter and then monthly thereafter, to ensure that MOE will indeed be met at year end. As a result, the District will be using actual expenditure data in addition to the cost report to determine MOE compliance.

It should be noted that in order to ensure that exceptional education students are not harmed by providing fewer services during times of declines in both student enrollment and FEFP funding, it will be necessary to eliminate services for basic education students by a disproportionate share. This unintended consequence should be addressed by the state legislature and the Florida Department of Education (FLDOE). While it is not possible for an individual school district to request a waiver concerning MOE from the federal government, the District believes that it is possible for FLDOE to request a waiver on behalf of all school districts in the state. We believe that this option needs to be explored.

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



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EXHIBIT A
MANAGEMENT'S RESPONSE (CONTINUED)

I would like to thank you and your staff from the Fort Pierce office for your support and cooperation during the FY10 audit. I look forward to the completion of the final report.

Sincerely,



Brian T. Binggeli, Ed.D
Superintendent

C: Board Members
Audit Committee
Judy Preston