School Board of Sarasota County, Florida

Comprehensive Annual Financial Statement Report

For the Fiscal Year Ended June 30, 2012

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA

Sarasota, Florida

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2012

Prepared By:
Financial Services Department

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2012

Introductory Section

Financial Section

Statistical Section

Single Audit

School Board of Sarasota County, Florida

Comprehensive Annual Financial Statement Report

For the Fiscal Year Ended June 30, 2012

THE SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
OFFICE OF THE SUPERINTENDENT
1960 LANDINGS BOULEVARD SARASOTA, FLORIDA 34231-3331
TELEPHONE (941) 927-9000 FAX (941) 927-2539

December 17, 2012

Dear Chairman, School Board Members, and Citizens of Sarasota County:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the School Board of Sarasota County, Florida (District) for the fiscal year ended June 30, 2012. State law requires that all school districts publish within twelve months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States (GAAP) and audited in accordance with generally accepted auditing standards by an independent certified public accountant. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the District for the fiscal year ended June 30, 2012.

We believe the information, as presented, is accurate in all material aspects; that it is presented in a manner designed to set forth fairly, in all material respects, the financial position and results of operations of the District as measured and reported by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain an adequate understanding of the District's financial affairs have been included. The responsibility for the preparation of the accompanying financial statements and other information contained in this CAFR, based on the above standards, rests with the District's management. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed to compile sufficient reliable information for the District's financial statements in conformance with GAAP. Because the cost of internal controls should not outweigh the benefits, the District's comprehensive framework has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

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

The independent audit of the financial statements of the District was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the United States Office of Management and Budget (OMB) *Circular A-133*, *Audits of States, Local Governments, and Non-Profit Organizations.* The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. Information related to this single audit, including the schedule of expenditures of federal awards, findings and questioned costs, and the independent auditors' report on the system of internal control and on compliance with applicable requirements, are included in the single audit section.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the independent auditor's report.

This accompanying report includes all funds of the District, The Financing Corporation for the School Board of Sarasota County (Corporation), and charter schools, which comprise the reporting entity. The Corporation was formed by the School Board to be the lessor in connection with financing the acquisition and/or construction of certain educational facilities. Charter schools are public schools operating under a performance contract with the School Board. The Corporation was identified as a component unit, requiring blended presentation of the financial statements. The District's charter schools are included as discretely presented component units.

Profile of the Government

The District and its governing board were created pursuant to Section 4, Article IX of the Constitution of the State of Florida. The District is an independent taxing and reporting entity managed, controlled, operated, administered and supervised by the District school officials in accordance with Chapter 1001, Florida Statutes. The Board consists of five elected officials responsible for the adoption of policies, which govern the operation of District public schools. The appointed Superintendent of Schools (Superintendent) is the secretary and executive officer of the Board and is responsible for the administration and management of the schools within the applicable parameters of Florida Statutes, State Board of Education Rules, and School Board policies. The Superintendent is also specifically delegated the responsibility of maintaining a uniform system of records and accounts in the District by Section 1010.01, Florida Statutes, as prescribed by the State Board of Education.

Geographic boundaries of the District correspond with those of Sarasota County. During the 2011-12 fiscal year, the District operated 53 schools, including 23 elementary schools, 7 middle schools, 6 high schools, 9 charter schools, 1 technical center and 7 other types of schools, such as a virtual school and an all gifted school for grades 2 through 12.

The District receives the majority of its operating funds through a State funding formula that is intended to equalize funding received from the State and local property tax between districts within the State. Charter schools operate through a contract with the District and are provided with the proportionate share of these funds, based upon the number of full-time equivalent students enrolled at the charter school. The District provided a full range of educational programs, including kindergarten through 12th grade, basic and enriched programs, and exceptional student education to 40,925 unweighted full-time equivalent students. Student enrollment is expected to increase by 1.3, 0.7 and 0.1 percent each in fiscal years ending June 30, 2013, 2014 and 2015, respectively. The District also provides career technical and adult education programs.

Economic Condition and Outlook

Sarasota County is part of the Sarasota-Bradenton-Venice Metropolitan Statistical Area (MSA) along with Manatee County. According to the Bureau of Economic and Business Research at the University of Florida, the 2012 population of Sarasota County was 383,664 and is projected by the Economic Development Corporation of Sarasota County (the Corporation) to be 534,700 by 2035. The Corporation promotes Sarasota County for its charming cities with world-class arts and culture.

Based upon the last U.S. Census Survey, the population of Sarasota County has increased 16.4 percent from 2000 to 2010 compared to the State of Florida which increased 17.6 percent. The population of the County differs significantly from the State. The largest age group, at 31.2 percent, are persons 65 years and older. The State average for this age group is 17.3 percent. The average household size is 2.13

and the average household income is $52,331. The American Community Survey done by the U.S. Census Bureau shows 91.9 percent of the County residents were high school graduates and 29.9 percent had a bachelor's degree or higher.

The District recognizes that the continued enhancement of the local economy is of mutual benefit to both the District and the County and that an excellent system of public education is a significant factor in attracting new business and industry to the County. The District remains Sarasota County's largest employer, employing 4,976 full and part-time employees, including 2,674 classroom teachers.

Financial Information

The District follows procedures established by Florida Statutes and the State Board of Education rules in establishing and adopting annual budgets for each of the governmental fund types. Budgets are prepared using the same modified accrual basis as is used to account for governmental funds. Appropriations are controlled at the function level (e.g. instruction, pupil personnel services, and school administration) within each fund and may be amended by resolution at any Board meeting prior to the due date for the annual financial report.

The District has an investment policy in place for the investment of temporarily idle funds. The purpose of the policy is to outline the responsibility, authority, and general guidelines for the investment management of the District's cash reserves and to ensure compliance with Florida Statutes.

The District has a policy that the unassigned fund balance in the General Fund will at a minimum be 7.5 percent of the total appropriations and transfers out. The District currently exceeds this policy with an unassigned fund balance at 9.9 percent.

The District has a debt policy that establishes guidance for incurring and managing the debt of the District. The purpose of this policy is to set forth a structure to facilitate the management of debt in accordance with stated objectives.

The District's capital asset policy specifies the categories of capital assets and the dollar thresholds for capitalizing purchases. It also specifies the length of depreciation for each asset category.

The District is self-insured for workers' compensation, general and automobile liability, and certain dental benefits with outside contractors providing various administrative services. All funds make payments to the District's applicable internal service fund based on the personnel staffing levels, number of vehicles, or square feet. Resources have been accumulated in order to meet potential losses.

On March 16, 2010, voters in Sarasota County voted to continue the one-mill levy to preserve quality schools. This vote continued the tax levy that was originally passed by the voters in 2002. This vote allows the District to maintain existing programs and continues the District's commitment to quality education. This revenue source will continue until the fiscal year ended June 30, 2014.

Major Initiatives

Class Size Reduction Amendment

In November 2002, the voters of Florida amended the State Constitution to limit class size. By the beginning of the 2010-11 fiscal year, the amendment established the maximum number of students in core-curricula courses assigned to a teacher in each of the following three grade groupings: (1) pre-kindergarten through grade 3, 18 students; (2) grades 4 through 8, 22 students; and (3) grades 9 through 12, 25 students.

For the 2011-12 fiscal year, the District continued its efforts to meet the constitutional maximums for the three grade groupings at classroom-level. Based on the annual review by the Florida Department of Education, the District fully complied with the constitutional maximums in all classrooms.

Capital Outlay Program

During the 2011-12 fiscal year, the District Capital Outlay program focused primarily on large scale heating, ventilation and air conditioning system upgrades at two schools and three complete school rebuild projects: Booker High School, Venice High School and the Sarasota County Technical Institute.

Accomplishments

One of the ways to judge a school district is to compare the results of its students on national and statewide tests and the accomplishments of its staff. The District believes that its students and staff have performed remarkably well based on various tests and accomplishments as noted below.

Schools throughout Florida are held accountable and receive school grades based on the results of the Florida Comprehensive Assessment Test (FCAT). The 2011-12 fiscal year marks the 13th year of this accountability program and Sarasota County School District continued its tradition of excellence. Preliminary reports from the Florida Department of Education reflect that this year 27 schools received a grade of 'A', 2 received a grade of 'B', and 2 received a grade of 'C'. There are eight schools still awaiting their school grade. They are our six comprehensive high schools, the grades 2 - 12 gifted school and the grades PreK - 12 school for special needs students. The District has received a preliminary overall grade of 'A'.

The Florida Department of Education released their first annual ranking of school districts in the state. Sarasota County ranks fourth in the state out of sixty seven school districts in terms of student achievement for the 2010-11 fiscal year. Results for the 2011-12 fiscal year have not yet been released.

Over 65 percent of Sarasota District teachers have earned Master's degrees or higher.

The School Board of Sarasota County has 155 teachers that have successfully completed the rigorous and time-intensive program of the National Board of Professional Teaching Standards. To achieve the highly esteemed National Certification, teachers are required to provide a portfolio of information regarding teaching styles, examples of work performed by students, and successfully pass an examination.

In October 2011, MGT of America, Inc. (MGT), was awarded a contract by the community based Gulf Coast Community Foundation of Sarasota County to conduct an efficiency and effectiveness review of the District. A Sarasota Community Liaison Committee was organized to work with MGT, providing project oversight. The review was conducted to provide an objective evaluation of the school district's functional areas in order to help the district: 1) provide potential actions that could be implemented to offset continued state and local revenue reductions; 2) identify programs and activities warranting commendations; 3) evaluate program effectiveness and efficiency; and 4) increase parental and community satisfaction with the performance of the school district. MGT reviewed the following administrative and operational areas including processes, procedures, staffing, performance, controls, and spending:

- District Governance and Administration
- Human Resources Management
- Financial Management
- Food Services
- Facility Use and Management
- Transportation
- Technology Management
- Educational Service Delivery, including Special Programs

MGT conducted onsite interviews with numerous staff at more than 30 schools and the District offices, performed focus group interviews, held a community open house and conducted anonymous surveys of administrators and classroom teachers. The results of their review were then compared with five peer districts from the State of Florida and on a national level.

In the executive summary of the final report, MGT had the following comment: "*It is important for the community to understand that SCS is one of the best-run districts that MGT has reviewed. Morale and performance, including innovative practices, are unusually high in SCS; for example, in reviews of districts the size of SCS, MGT typically finds 50 or fewer commendations, while SCS garnered 73.*"

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded to the District a Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials (ASBO) awarded an International Certificate of Excellence in Financial Reporting for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2011. This was the eighth consecutive year that the District has received these prestigious awards. In order to be awarded the Certificate of Achievement for Excellence in Financial Reporting and the Certificate of Excellence in Financial Reporting, the District must publish an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

These awards are valid for one year only. We believe that our current CAFR continues to meet the Certificate Programs' requirements, and we are submitting it to both GFOA and ASBO, to determine its eligibility to receive their respective prestigious awards.

The preparation of this CAFR could not have been accomplished without the commitment and dedication of the Financial Services Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

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

Respectfully submitted,

Lori White

Lori White
Superintendent

Mitsi Corcoran

Mitsi Corcoran
Chief Financial Officer

LIST OF PRINCIPAL OFFICIALS – ELECTED

Mrs. Caroline Zucker, Chair
Term expires November 2016

Dr. Carol Todd, Vice Chair
Term expires November 2014

Mrs. Shirley Brown
Term expires November 2014

Ms. Jane Goodwin
Term expires November 2014

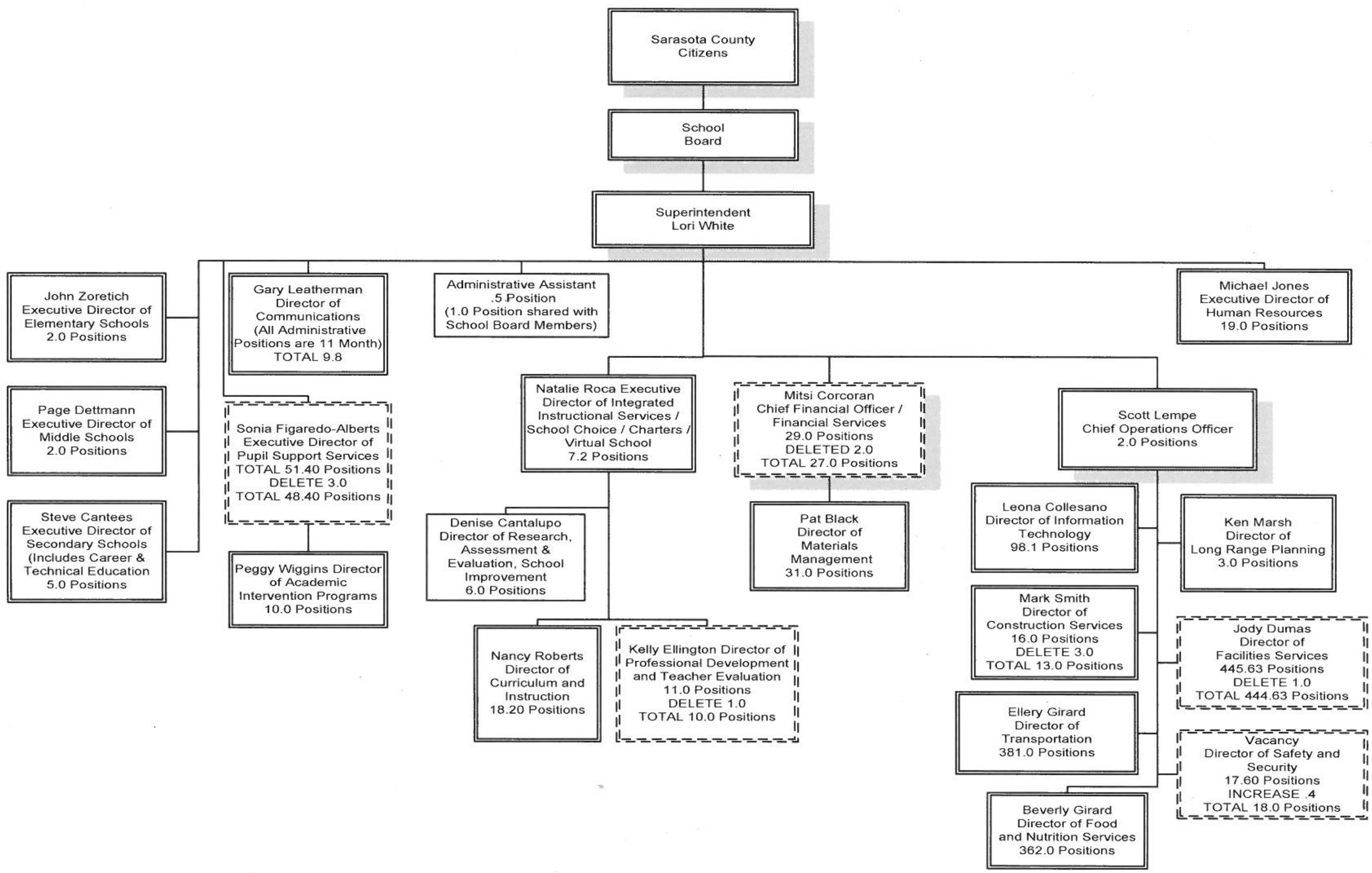
Mr. Frank Kovach
Term expires November 2016

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA

LIST OF PRINCIPAL OFFICIALS – APPOINTED

Mrs. Lori White	**Superintendent**
Mr. Scott Lempe	**Chief Operations Officer**
Mrs. Mitsi Corcoran	**Chief Financial Officer**

The School Board of Sarasota County, Florida
Organization Chart
June 30, 2012



Association of School Business Officials International

The Certificate of Excellence in Financial Reporting Award
is presented to

The School Board of Sarasota County, Florida

For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2011

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

Brian L. Mee, SFO, RSBA
President

John D. Musso, CAE, RSBA
Executive Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

School Board of Sarasota County Florida

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

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

Christopher P Morrill

President

Jeffrey R. Esser

Executive Director

FINANCIAL SECTION

AUDITOR GENERAL
STATE OF FLORIDA

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111 West Madison Street
Tallahassee, Florida 32399-1450

DAVID W. MARTIN, CPA
AUDITOR GENERAL

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

INDEPENDENT AUDITOR'S
REPORT ON FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Sarasota County District School Board, as of and for the fiscal year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of District management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the school internal funds, which represent 17 percent of the assets and 35 percent of the liabilities of the aggregate remaining fund information. In addition, we did not audit the financial statements of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for the school internal funds and the aggregate discretely presented component units, are based on the reports of the other auditors.

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

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information for the Sarasota County District School Board as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the general fund and major special revenue fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report on our consideration of the Sarasota County District School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, the combining and individual fund financial statements and schedules, and the statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Also, the accompanying **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS** is presented for purposes of additional analysis as required by the United States Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The combining and individual fund financial statements and schedules, and **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**, have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the reports of other auditors, the combining and individual fund financial statements and schedules, and **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Respectfully submitted,

David W. Martin, CPA
December 17, 2012
Audit Report No. 2013-070

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Management's Discussion and Analysis
June 30, 2012

The management of the School Board of Sarasota County, Florida (the District) has prepared the following discussion and analysis to (a) assist the reader in focusing on significant financial issues; (b) provide an overview and analysis of the District's financial activities; (c) identify changes in the District's financial position; (d) identify material deviations from the approved budget; and (e) highlight significant issues in individual funds.

Because the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events and conditions, it should be considered in conjunction with the District's financial statements and notes to the basic financial statements.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2011-12 fiscal year are as follows:

- The District's financial position improved during the fiscal year ended June 30, 2012. In total, net assets increased by $10,235,707, or 1.2 percent over the course of the fiscal year.

- General revenues totaled $445,774,393, or 94 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions totaled $26,065,168, or 6 percent. Total revenues decreased from $502,313,710 in fiscal year 2010-11 to $471,839,561 in fiscal year 2011-12. The change is primarily attributed to a decrease in per student funding, a decrease in property tax revenues and the loss of Federal Stimulus funding.

- Expenses totaled $461,603,854 only $26,065,168 of these expenses were offset by program specific charges, with the remainder paid from general revenues. Total revenues exceeded total expenses by $10,235,707. Total expenses decreased $26,760,157 or 5 percent, from $488,364,011 in fiscal year 2010-11. This change is attributed primarily to decreases in salary expenses.

- The unassigned fund balance of the General Fund, representing the net current financial resources available for general appropriation by the Board, totaled $35,337,274 at June 30, 2012 or 9.9 percent of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements consist of three components:

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

In addition, this report presents certain required supplementary information, which includes management's discussion and analysis.

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 activities of the primary government presented on the accrual basis of accounting. The statement of net assets provides information about the government's financial position, its assets and liabilities, using an economic resources measurement focus. The difference between the assets and liabilities, the net assets, is a measure of the financial health of the District. The statement of activities presents information about the change in the District's net assets, the results of operations, during the fiscal year.

The Government-wide statements present the District's activities in two categories:

- Governmental activities – This represents most of the District's services including its educational programs: basic, vocational, adult and exceptional education. Support functions such as transportation and administration are also included. Local property taxes and the State's education finance program provide most of the resources that support these activities.

- Component units –The District presents nine separate legal entities in this report. 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. Eight of these organizations are charter schools. Financial information for these component units is reported separately from the financial information presented for the primary government. The Financing Corporation for the School Board of Sarasota County (Corporation), although also legally separate, was formed to facilitate financing for the acquisition of facilities and equipment. Due to the substantive economic relationship between the Board and the Corporation, the Corporation is included as an integral part of the primary government. Please refer to Note 1 to the basic financial statements for more information on the District's component units.

Over a period of time, changes in the District's net assets are an indication of improving or deteriorating financial condition. This information should be evaluated in conjunction with other non-financial factors, such as changes in the District's property tax base, student enrollment, and the condition of the District's capital assets including its school buildings and administrative facilities.

Fund Financial Statements

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

All of the District's funds may be classified within one of three broad categories:

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the Government-wide financial statements. However, the governmental funds utilize a spendable financial resources measurement focus rather than the economic resources measurement focus found in the Government-wide financial statements. This financial resources measurement focus allows the governmental fund statements to provide information on near-term inflows and outflows of spendable resources as well as balances of spendable resources available at the end of the fiscal year. Consequently, the governmental fund statements provide a detailed short-term view that may be used to evaluate the District's near-term financing requirements. This short-term view is useful when compared to the long-term view presented as governmental activities in the Government-wide financial statements. To facilitate this comparison, both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation of governmental funds to governmental activities.

Proprietary Funds. Proprietary funds may be established to account for activities in which a fee is charged for services. The District maintains one type of proprietary fund, the internal service fund to account for the District's self-insurance programs. Since these services predominantly benefit governmental rather than business-type functions, the internal service funds have been included within governmental activities in the Government-wide financial statements.

Fiduciary Funds. Fiduciary funds are used to report assets held in a trustee or fiduciary capacity for the benefit of external parties, such as student activity funds. Fiduciary funds are not reflected in the Government-wide statements because the resources are not available to support the District's own programs. In its fiduciary capacity, the District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes. The District uses agency funds to account for resources held for student activities and groups.

GOVERNMENT- WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position and provides a perspective of the District as a whole. The following is a summary of the District's net assets as of June 30, 2012, compared to net assets as of June 30, 2011:

	6/30/2012	6/30/2011	Increase (Decrease)	Percentage Change
Current and other assets	$ 306,605,779	$ 357,037,452	$ (50,431,673)	
Capital assets, net	876,986,364	825,119,730	51,866,634	
Total assets	1,183,592,143	1,182,157,182	1,434,961	0%
Other liabilities	37,054,696	34,104,333	2,950,363	
Long-term liabilities, current	32,947,605	32,557,620	389,985	
Long-term liabilities, noncurrent	243,211,772	255,352,866	(12,141,094)	
Total liabilities	313,214,073	322,014,819	(8,800,746)	-3%
Net assets				
Invested in capital assets, net of related debt	723,003,287	712,540,799	10,462,488	
Restricted	118,612,155	112,329,674	6,282,481	
Unrestricted	28,762,628	35,271,890	(6,509,262)	
Total net assets	$ 870,378,070	$ 860,142,363	$ 10,235,707	1%

The largest portion of the District's net assets (83 percent) reflects its investment in capital assets (e.g., land, buildings, furniture and equipment), less any related debt still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending.

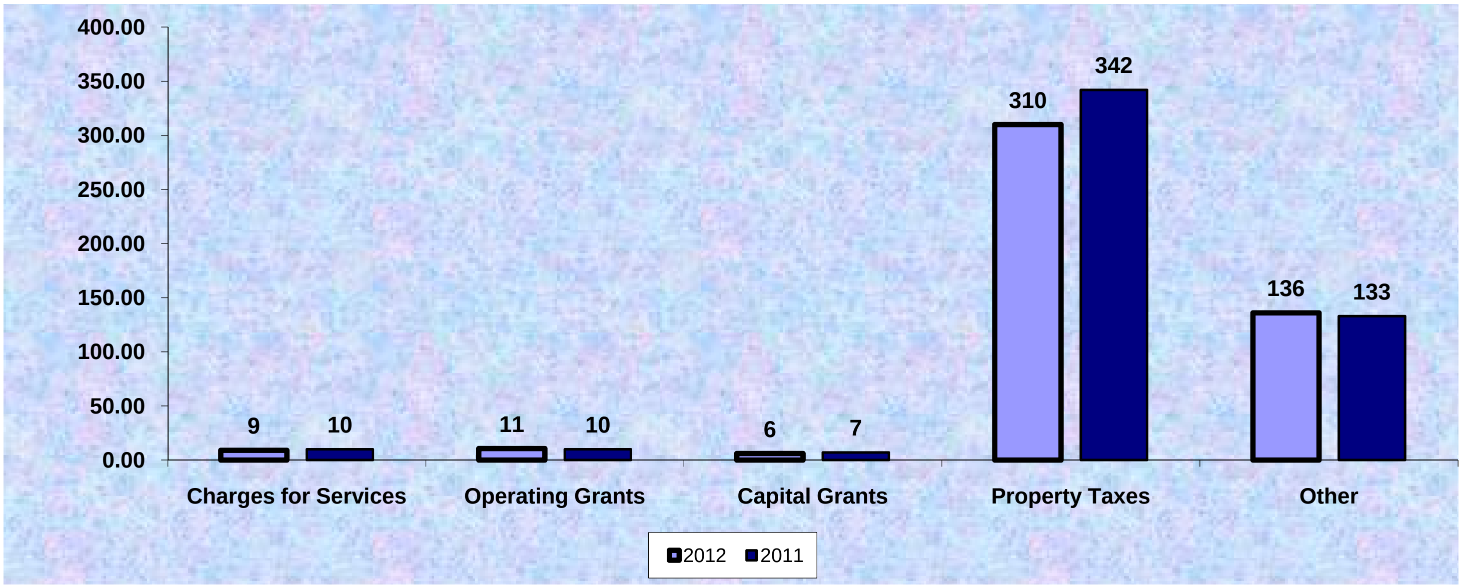
The restricted portion of the District's net assets (14 percent) represents resources that are subject to external restrictions on how they may be used. The unrestricted net assets (3 percent) may be used to meet the government's ongoing obligations to students, employees, and creditors.

The key elements of the changes in the District's net assets for the fiscal years ended June 30, 2012, and June 30, 2011, are shown in the following table and graphs:

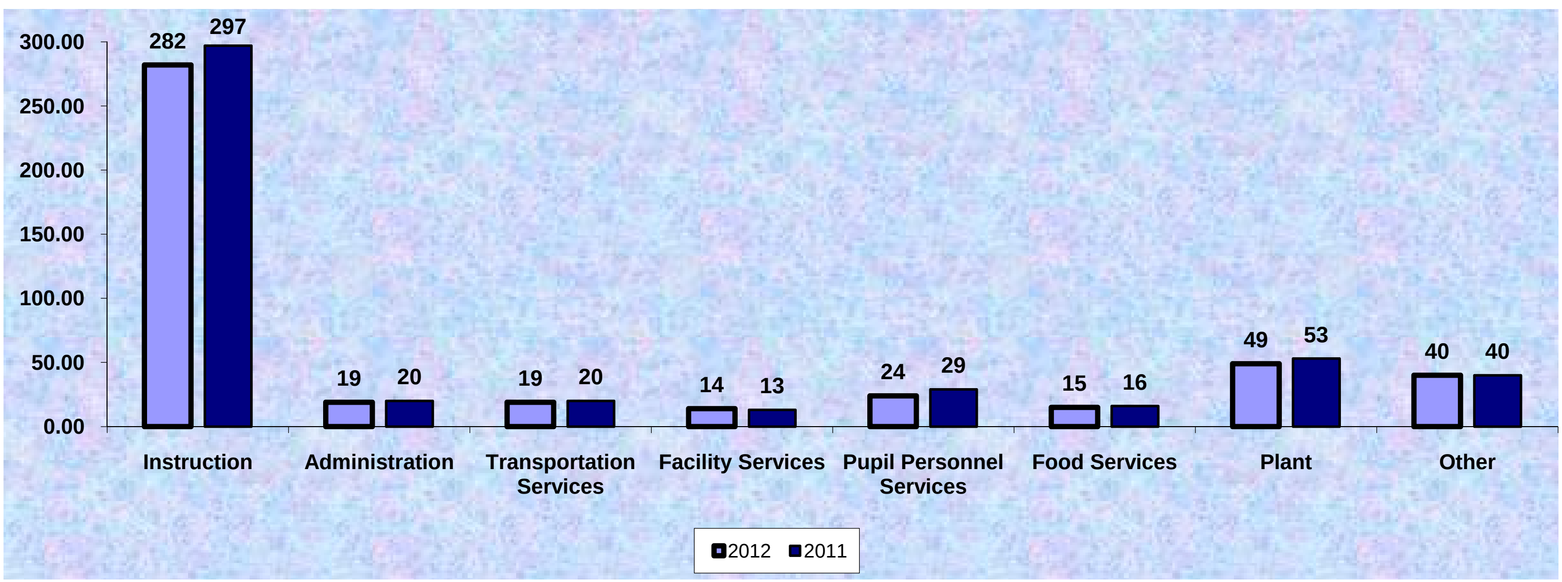
Changes in Net Assets from Operating Results

	Governmental Activities			
	6/30/2012	6/30/2011	Increase (Decrease)	Percentage Change
Revenues:				
Program revenues				
Charges for services	$ 9,501,570	$ 9,679,674	$ (178,104)	-2%
Operating grants and contributions	10,690,392	10,412,253	278,139	3%
Capital grants and contributions	5,873,206	6,549,424	(676,218)	-10%
General revenues				
Property taxes - general	249,145,074	276,860,927	(27,715,853)	-10%
Property taxes - capital projects	60,937,028	64,915,896	(3,978,868)	-6%
Local sales taxes	13,860,532	13,295,558	564,974	4%
Grants and contributions not restricted to specific programs	112,835,562	109,899,786	2,935,776	3%
Miscellaneous	7,466,487	8,938,210	(1,471,723)	-16%
Unrestricted investment earnings	1,529,710	1,761,982	(232,272)	-13%
Total revenues	471,839,561	502,313,710	(30,474,149)	-6%
Expenses:				
Instruction	281,722,647	296,690,439	(14,967,792)	-5%
Pupil personnel services	23,967,492	28,732,840	(4,765,348)	-17%
Instructional media services	4,724,382	5,386,832	(662,450)	-12%
Instruction and curriculum development services	3,434,577	3,844,308	(409,731)	-11%
Instructional staff training services	4,969,184	5,378,038	(408,854)	-8%
Instruction related technology	2,368,817	1,373,380	995,437	72%
Board of education	1,021,338	1,126,670	(105,332)	-9%
General administration	2,559,299	2,951,442	(392,143)	-13%
School administration	16,226,134	17,484,966	(1,258,832)	-7%
Facility services - non-capitalized	13,562,468	13,136,595	425,873	3%
Fiscal services	2,106,502	2,051,350	55,152	3%
Food services	15,439,526	16,391,007	(951,481)	-6%
Central services	6,143,183	6,455,528	(312,345)	-5%
Pupil transportation services	18,989,823	19,524,334	(534,511)	-3%
Operation of plant	33,328,174	35,436,543	(2,108,369)	-6%
Maintenance of plant	15,893,062	17,949,420	(2,056,358)	-11%
Administrative technology services	2,504,196	2,080,924	423,272	20%
Community services	2,318,840	2,457,531	(138,691)	-6%
Interest on long-term debt	10,324,210	9,911,864	412,346	4%
Total expenses	461,603,854	488,364,011	(26,760,157)	-5%
Increase (decrease) in net assets	10,235,707	13,949,699	(3,713,992)	-27%
Beginning net assets	860,142,363	846,192,664	13,949,699	
Ending net assets	$ 870,378,070	$ 860,142,363	$ 10,235,707	

Revenues by Source – Governmental Activities – in Millions of Dollars



Expenses – Governmental Activities – in Millions of Dollars



Overall total revenues decreased by 6 percent from the fiscal year ended June 30, 2011. Revenue decreases are primarily due to a decrease in property taxes. Decreases in property taxes relates to the decline in property values.

Total expenses decreased by $26,760,157, or 5 percent from the fiscal year ended June 30, 2011. The decrease was primarily due to negotiated salary reductions, mandated employee retirement contributions, and loss of Federal stimulus funding.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District completed the year with a total governmental fund balance of $247,794,227, a decrease of $52,497,422 from last year's ending fund balance of $300,291,649. The decrease is primarily due to decreases in per student funding, property tax revenues, and the loss of Federal stimulus funding.

Major Governmental Funds

General Fund

The General Fund is the primary operating fund for the District. Presented below is an overall analysis of the General Fund as compared to the prior year:

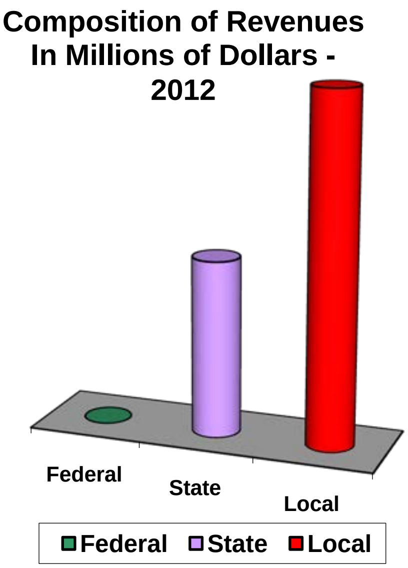
	6/30/2012	6/30/2011	Increase (Decrease)	Percentage Change
Revenue	$ 335,686,382	$ 347,550,711	$ (11,864,329)	-3%
Other financing sources	20,472,315	21,543,723	(1,071,408)	-5%
Beginning fund balance	64,819,785	66,843,311	(2,023,526)	-3%
Decrease in inventory reserve	(12,568)	(5,161)	(7,407)	144%
Total	$ 420,965,914	$ 435,932,584	$ (14,966,670)	-3%
Expenditures	356,416,317	370,413,987	(13,997,670)	-4%
Other financing uses	550,279	698,812	(148,533)	-21%
Ending fund balance	63,999,318	64,819,785	(820,467)	-1%
Total	$ 420,965,914	$ 435,932,584	$ (14,966,670)	-3%

The District's ending fund balance decreased by $820,467 or 1 percent. This decrease is attributed to the approximate 6 percent reduction in property values, State per student funding decrease of 4 percent, and the loss of Federal stimulus revenues. The revenue decreases were offset by a negotiated salary reduction of approximately 4 percent and a decrease in mandated employee retirement contributions. It should be noted that $1,168,013 of ending fund balance has been encumbered for specific projects.

Revenues – Overall revenues decreased by $11,864,329 or 3 percent as follows:

Revenues By Source - General Fund

	6/30/2012	6/30/2011	Increase (Decrease)	Percentage Change
Federal	$ 2,598,829	$ 2,049,249	$ 549,580	27%
State	75,468,945	61,919,491	13,549,454	22%
Local	257,618,608	283,581,971	(25,963,363)	-9%
Total	$ 335,686,382	$ 347,550,711	$ (11,864,329)	-3%

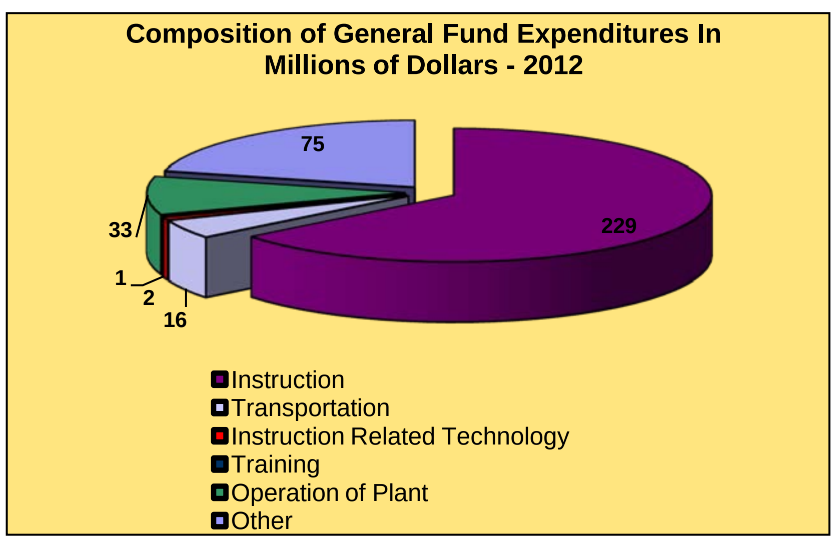


Federal sources increased by $549,580, or 27 percent, mainly attributed to a increase in Medicaid funding.

State sources increased by $13,549,454, or 22 percent, mainly attributed to the increase in the required funding of the Florida Education Program Funding.

Local sources decreased by $25,963,363, or 9 percent, mainly as a result of a decrease in property tax general revenues of $27,715,853.

Expenditures - Total General Fund expenditures decreased by $13,997,670 from $370,413,987 to $356,416,317 for the fiscal year ended June 30, 2012. The decrease of 4 percent is related to salary reductions.



Expenditures By Function - General Fund

	6/30/2012	6/30/2011	Increase (Decrease)	Percentage Change
Instruction	$ 229,122,527	$ 236,828,230	$ (7,705,703)	-3%
Instructional staff training services	1,380,608	1,499,776	(119,168)	-8%
Pupil transportation services	16,341,740	16,953,964	(612,224)	-4%
Operation of plant	33,045,743	34,390,694	(1,344,951)	-4%
Instruction related technology	2,301,261	1,359,233	942,028	69%
Other	74,224,438	79,382,090	(5,157,652)	-6%
Total	$ 356,416,317	$ 370,413,987	$ (13,997,670)	-4%

Special Revenue - Federal Economic Stimulus Fund

The Federal Economic Stimulus Fund is used to account for Federal program revenues and expenditures related to the American Recovery and Reinvestment Act and the Education Jobs Act. Since Federal revenue is recognized to the extent that eligible expenditures have been incurred, these funds do not accumulate a fund balance. The decrease in expenditures is due to the loss of Federal Stimulus revenues. An overall analysis of the District's Special Revenue - Federal Economic Stimulus Fund expenditures is presented below:

Expenditures By Function - Special Revenue - Federal Economic Stimulus Fund

	6/30/2012	6/30/2011	Increase (Decrease)	Percentage Change
Current:				
Instruction	$ 8,197,136	$ 16,737,252	$ (8,540,116)	-51%
Pupil personnel services	3,558	4,283,756	(4,280,198)	-100%
Instructional media services	-	157,373	(157,373)	-100%
Instruction and curriculum development service:	34,261	213,204	(178,943)	-84%
Instructional staff training services	194,049	353,879	(159,830)	-45%
Instruction related technology	423	2,000	(1,577)	-79%
General administration	-	65,033	(65,033)	-100%
Fiscal services	28,759	18,552	10,207	55%
Central services	87,904	51,310	36,594	71%
Pupil transportation services	-	4,725	(4,725)	-100%
Operation of plant	-	799,035	(799,035)	-100%
Capital Outlay:				
Facilities acquisition and construction		46,824	(46,824)	-100%
Other capital outlay	54,879		54,879	100%
Total	$ 8,600,969	$ 22,732,943	$ (14,131,974)	-62%

Debt Service – Other Debt Service Fund

An overall analysis of the District's Other Debt Service Fund is presented below. The increase in expenditures was due to increased debt service payments with a corresponding increase in transfers from the Capital Projects – Local Capital Improvement Tax fund.

	6/30/2012	6/30/2011	Increase (Decrease)	Percentage Change
Revenue	$ 34,151	$ 42,155	$ (8,004)	-19%
Other financing sources	24,279,267	21,864,022	2,415,245	11%
Beginning fund balance	903,299	862,099	41,200	5%
Total	$ 25,216,717	$ 22,768,276	$ 2,448,441	11%
Expenditures	$ 24,280,106	$ 21,864,977	$ 2,415,129	11%
Ending fund balance	936,611	903,299	33,312	4%
Total	$ 25,216,717	$ 22,768,276	$ 2,448,441	11%

Debt Service – ARRA Economic Stimulus Fund

This fund is used to account for the accumulation of resources for and the payment of, sinking fund, interest and related costs on the Certificates of Participation, Series 2010A Qualified School Construction Bonds. This is the second year of this fund. Revenues in this fund are an interest rebate received from the Internal Revenue Service. The fund balance represents amounts placed into the sinking fund to pay the debt when due. Interest payments are made twice a year.

Capital Projects – Local Capital Improvement Tax Fund

An overall analysis of the District's Capital Projects – Local Capital Improvement Tax Fund is presented below:

	6/30/2012	6/30/2011	Increase (Decrease)	Percentage Change
Revenue	$ 61,276,774	$ 65,421,134	$ (4,144,360)	-6%
Other financing sources	-	2,781,361	(2,781,361)	-100%
Beginning fund balance	66,109,265	56,386,128	9,723,137	17%
Total	$ 127,386,039	$ 124,588,623	$ 2,797,416	2%
Expenditures	$ 22,872,849	$ 16,413,252	$ 6,459,597	39%
Other financing uses	45,370,207	42,066,106	3,304,101	8%
Ending fund balance	59,142,983	66,109,265	(6,966,282)	-11%
Total	$ 127,386,039	$ 124,588,623	$ 2,797,416	2%

During the fiscal year 2011-12, revenue in the Capital Projects – Local Capital Improvement Tax Fund decreased by $4,144,360, or 6 percent. This was due to the decrease in property tax revenue as a result of declining property values. Expenditures increased by $6,459,597, or 39 percent. Remodeling, renovations and HVAC work at various locations are the primary reason for the increase. Of the total fund balance, $26,004,839 has been encumbered for specific projects.

Capital Projects - Other Capital Projects Fund

The District's other capital projects fund is primarily used to report revenues and expenditures from sales tax collections and expenditures from the District's Series 2009 and Series 2010B Certificates of Participation issuance. An overall analysis of this fund is presented below:

	6/30/2012	6/30/2011	Increase (Decrease)	Percentage Change
Revenue	$ 18,816,738	$ 20,353,120	$ (1,536,382)	-8%
Other financing sources	5,667,889	86,702,298	(81,034,409)	-93%
Beginning fund balance	126,372,661	80,348,349	46,024,312	57%
Total	$ 150,857,288	$ 187,403,767	$ (36,546,479)	-20%
Expenditures	$ 44,373,765	$ 55,776,436	$ (11,402,671)	-20%
Other financing uses	1,989,379	5,254,670	(3,265,291)	-62%
Ending fund balance	104,494,144	126,372,661	(21,878,517)	-17%
Total	$ 150,857,288	$ 187,403,767	$ (36,546,479)	-20%

Other financing sources decreased by $81,034,409 primarily due to the issuance of the Series 2010B Certificates of Participation in September 2010. Expenditures decreased by $11,402,671 due primarily to completion of part of the rebuild of Sarasota Technical Institute in the prior fiscal year. It should be noted that $68,480,004 of fund balance has been encumbered for specific projects.

Capital Projects - ARRA Economic Stimulus Fund

The District's ARRA Economic Stimulus Capital Project fund is used to report the revenues and expenditures from the District's Series 2010A Certificates of Participation Qualified School Construction Bonds. Of the total fund balance of $10,035,178, $9,922,655 has been encumbered for specific projects.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, the District revised its budget and brought two amendments to the Board. These amendments were needed to adjust to actual revenues and direct resources where needed. The original budget was prepared on a conservative basis as the State was predicting additional budget cuts and State revenue dollars were under projections for fiscal year 2012. The Board approves the final amendment to the budget after year-end. Budgeted expenditures decreased $5,573,377 from the original budget to the final amended budget. The decreases were due in part to, a negotiated salary reduction, mandated employee retirement contribution and an aggressive energy savings program. Actual expenditures were $2,780,271 below the final amended expenditure budget.

CAPITAL ASSETS AND LONG-TERM DEBT

At June 30, 2012, the District had $876,986,364 invested in a broad range of capital assets, including land, buildings and improvements, and equipment. This amount represents a net increase (including additions, deductions and depreciation) of $51,866,634 or 6 percent, from last fiscal year due primarily to the rebuilds at Booker High, Venice High, and Sarasota Technical Institute.

	Governmental Activities			
	6/30/2012	**6/30/2011**	**Change**	**Percentage Change**
Capital assets not being depreciated:				
Land	$ 31,501,233	$ 30,983,697	$ 517,536	2%
Land improvements	68,036,121	67,968,886	67,235	0%
Construction in progress	102,394,924	41,865,008	60,529,916	145%
Capital assets being depreciated:				
Improvements other than buildings	50,493,844	50,177,678	316,166	1%
Buildings and fixed equipment	818,467,275	818,241,205	226,070	0%
Furniture, fixtures and equipment and Audio visual materials	63,201,196	63,975,470	(774,274)	-1%
Motor vehicles	29,981,572	29,345,792	635,780	2%
Equipment under capital leases	25,889,414	20,726,256	5,163,158	25%
Computer software	9,111,162	2,583,108	6,528,054	253%
Total Capital Assets	1,199,076,741	1,125,867,100	73,209,641	7%
Less accumulated depreciation	(322,090,377)	(300,747,370)	(21,343,007)	7%
Total Capital Assets, net	$ 876,986,364	$ 825,119,730	$ 51,866,634	6%

Detailed information regarding the District's capital asset balances and activity for the fiscal year ended June 30, 2012, is provided in Note 5 to the basic financial statements.

Long-Term Debt

At June 30, 2012, the District had $223,435,402 in bonds payable, obligations under capital leases, and certificates of participation versus $237,169,479 last fiscal year, a decrease of 6 percent. A summary of the long-term debt obligations are listed in the following table:

	6/30/2012	6/30/2011	Increase (Decrease)	Percentage Change
Obligations under capital leases	$ 16,679,724	$ 15,459,885	$ 1,219,839	8%
State school bonds	12,645,306	13,758,438	(1,113,132)	-8%
Race track revenue bonds	296,566	710,005	(413,439)	-58%
Qualified academy zone bonds	1,299,696	1,299,696	-	0%
Certificates of participation	192,514,110	205,941,455	(13,427,345)	-7%
Total	$ 223,435,402	$ 237,169,479	$ (13,734,077)	-6%

The District's decrease in debt is primarily due to payments made on Certificates of Participation.

The District has been given the following ratings for their outstanding Certificates of Participation:

Rating Agency	Certificates of Participation Rating	Issue Series
Standard & Poor's	AA-	2009, 2010B
Moody's	Aa2	2004, 2009, 2010B
Fitch IBCA	AA	2004, 2009, 2010B

For more details concerning long-term debt, refer to Notes 7 to 11 in the basic financial statements.

ECONOMIC FACTORS

The unemployment rate in June 2012 for the District was 8.7 percent, which is a decrease of 2.2 percent from June 2011. The State's average unemployment rate in June 2012 was 9 percent. Florida's unemployment rate has decreased 1.9 percent while the nation's decreased .9 percent from the prior year.

The State of Florida funds the District through the Florida Education Finance Program (FEFP) which is based on student enrollment. Through fiscal year 2007-08, the District grew at a steady pace as enrollment increased. Starting in fiscal year 2008-09, and continuing through fiscal year 2011-12, revenue to the District through the State and Local FEFP declined due to the slowing of growth as well as state funding shortfalls. In fiscal year 2012-13, even though we are anticipating a slight increase in enrollment, funding per student will drop by over $750, a 10 percent decrease from 2007-08 fiscal year funding levels.

In fiscal year 2011-12, property values declined for the fourth year in a row. Property values have declined 33 percent from their highest level of $62,663,813 in fiscal year 2007-08.

During the current fiscal year, unassigned fund balance of the General Fund totaled $35,337,274. The District has appropriated $14,081,859 for the 2012-13 fiscal year budget. It is anticipated that the unassigned fund balance at June 30, 2013 will be in excess of the Board required minimum of 7.5 percent of total appropriations and transfers out.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate compliance and accountability for its resources. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Mitsi Corcoran, Chief Financial Officer, 1960 Landings Boulevard, Sarasota, Florida 34231.

BASIC FINANCIAL STATEMENTS

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SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Statement of Net Assets
June 30, 2012

	Primary Government	Component Units
	Governmental Activities	**Charter Schools**
Assets		
Cash and cash equivalents	$ 250,898,766	$ 6,062,356
Investments	47,876,745	380,843
Accounts receivable	30,853	181,265
Deposits receivable	75,000	-
Due from other governmental agencies	1,477,712	109,347
Due from related parties	-	66,918
Inventories	1,281,936	-
Prepaid items	3,853,807	542,578
Deferred charges	1,110,960	639,391
Other	-	163,587
Capital assets:		
Nondepreciable	201,932,278	2,848,456
Depreciable, net	675,054,086	19,597,863
Total assets	1,183,592,143	30,592,604
Liabilities		
Accounts payable and other current liabilities	15,136,185	2,158,341
Due to other governmental agencies	2,934,562	-
Matured debt payable	12,954,000	-
Matured interest payable	4,580,709	-
Accrued interest payable	521,880	-
Unearned revenue	927,360	-
Portion due within one year		
Notes payable	-	295,129
Bonds payable	1,460,000	295,000
Loans payable	-	116,514
Obligations under capital leases	5,117,188	97,189
Certificates of participation payable	13,320,000	-
Liability for compensated absences	9,740,463	1,116
Estimated insurance claims payable	2,767,009	-
Early retirement incentive payable	542,945	-
Portion due in more than one year:		
Notes payable	-	2,021,809
Bonds payable	12,781,568	16,026,469
Loans payable	-	2,617,812
Interest rate swap	-	692,607
Obligations under capital leases	11,562,536	27,386
Certificates of participation payable	179,194,110	-
Liability for compensated absences	24,655,956	24,407
Estimated insurance claims payable	5,792,384	-
Early retirement incentive payable	623,972	-
Other postemployment healthcare benefits payable	8,601,246	-
Total liabilities	313,214,073	24,373,779
Net assets		
Invested in capital assets, net of related debt	723,003,287	763,560
Restricted for:		
Capital projects	105,330,940	119,995
Debt service	6,547,538	1,314,536
Food service	3,053,186	-
State categorical programs	3,680,491	52,449
Unrestricted	28,762,628	3,968,285
Total net assets	$ 870,378,070	$ 6,218,825

The accompanying notes are an integral part of the basic financial statements.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Statement of Activities
For the Fiscal Year Ended June 30, 2012

		Program Revenues		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Primary government:				
Governmental activities:				
Instruction	$ 281,722,647	$ 3,113,655	$ -	$ -
Pupil personnel services	23,967,492	-	-	-
Instructional media services	4,724,382	-	-	-
Instruction and curriculum development services	3,434,577	-	-	-
Instructional staff training services	4,969,184	-	-	-
Instruction related technology	2,368,817	-	-	-
Board of education	1,021,338	-	-	-
General administration	2,559,299	-	-	-
School administration	16,226,134	-	-	-
Facility services - non-capitalized	13,562,468	-	-	2,075,487
Fiscal services	2,106,502	-	-	-
Food services	15,439,526	5,789,837	10,690,392	-
Central services	6,143,183	-	-	-
Pupil transportation services	18,989,823	598,078	-	-
Operation of plant	33,328,174	-	-	-
Maintenance of plant	15,893,062	-	-	-
Administrative technology services	2,504,196	-	-	-
Community services	2,318,840	-	-	-
Interest on long-term debt	10,324,210	-	-	3,797,719
Total primary government	$ 461,603,854	$ 9,501,570	$ 10,690,392	$ 5,873,206
Component units:				
Charter schools	$ 37,468,438	$ 338,095	$ 1,124,079	$ 2,184,540
Total component units	$ 37,468,438	$ 338,095	$ 1,124,079	$ 2,184,540

General revenues:
Property taxes, levied for general purposes
Property taxes, levied for capital projects
Local sales taxes
Grants and contributions not restricted to specific programs
Miscellaneous
Unrestricted investment earnings
Special item: Loss on demolition of school building
Total general revenues and special item

Change in net assets

Total net assets, beginning of year
Total net assets, end of year

The accompanying notes are an integral part of the basic financial statements.

Net (Expense) Revenue and Changes in Net Assets	
Primary Government	**Component Units**
Governmental Activities	**Charter Schools**
$ (278,608,992)	$ -
(23,967,492)	-
(4,724,382)	-
(3,434,577)	-
(4,969,184)	-
(2,368,817)	-
(1,021,338)	-
(2,559,299)	-
(16,226,134)	-
(11,486,981)	-
(2,106,502)	-
1,040,703	-
(6,143,183)	-
(18,391,745)	-
(33,328,174)	-
(15,893,062)	-
(2,504,196)	-
(2,318,840)	-
(6,526,491)	-
(435,538,686)	-
	(33,821,724)
	(33,821,724)
249,145,074	-
60,937,028	-
13,860,532	-
112,835,562	34,852,118
7,466,487	197,893
1,529,710	-
-	(3,279,288)
445,774,393	31,770,723
10,235,707	(2,051,001)
860,142,363	8,269,826
$ 870,378,070	$ 6,218,825

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Balance Sheet
Governmental Funds
June 30, 2012

	General Fund	Special Revenue - Federal Economic Stimulus	Debt Service Funds: Other Debt Service	Debt Service Funds: ARRA Economic Stimulus
Assets				
Cash and cash equivalents	$ 61,337,266	$ -	$ 16,423,094	$ 1,063,311
Investments	974,056	-	936,611	5,130,987
Accounts receivable	30,853	-	-	-
Due from other funds	3,271,776	-	15,837	-
Due from other governmental agencies	398,291	125,768	-	-
Prepaid items	3,800,022	-	-	-
Inventories	886,114	-	-	-
Total assets	$ 70,698,378	$ 125,768	$ 17,375,542	$ 6,194,298
Liabilities and fund balances				
Liabilities:				
Salaries and wages payable	$ 1,025,340	$ 7,468	$ -	$ -
Payroll deductions and withholdings payable	654,317	-	-	-
Accounts payable	2,063,141	5,963	15,522	-
Construction contracts payable	-	-	-	-
Deposits payable	18,350	-	-	-
Due to other funds	-	112,337	315	-
Due to other governmental agencies	2,934,562	-	-	-
Matured debt payable	-	-	12,935,000	-
Matured interest payable	-	-	3,488,094	1,062,742
Deferred revenue	3,350	-	-	-
Total liabilities	6,699,060	125,768	16,438,931	1,062,742
Fund balances:				
Nonspendable	4,686,136	-	-	-
Restricted	3,944,117	-	936,611	5,131,556
Assigned	20,031,791	-	-	-
Unassigned	35,337,274	-	-	-
Total Fund Balances	63,999,318	-	936,611	5,131,556
Total liabilities and fund balances	$ 70,698,378	$ 125,768	$ 17,375,542	$ 6,194,298

The accompanying notes are an integral part of the basic financial statements.

Capital Projects Funds: Local Capital Improvement Tax	Capital Projects Funds: Other Capital Projects	Capital Projects Funds: ARRA Economic Stimulus	Nonmajor Governmental Funds	Total Governmental Funds
$ 64,538,952	$ 80,467,058	$ 2,112,947	$ 4,199,038	$ 230,141,666
1,026,589	28,846,141	10,254,965	367,543	47,536,892
-	-	-	-	30,853
-	73,677	-	125,628	3,486,918
43,682	149,625	-	760,346	1,477,712
-	91	-	-	3,800,113
-	-	-	395,822	1,281,936
$ 65,609,223	$ 109,536,592	$ 12,367,912	$ 5,848,377	$ 287,756,090
$ 4,861	$ 478	$ -	$ 198,733	$ 1,236,880
-	-	-	-	654,317
2,129,947	1,398,403	136,877	271,832	6,021,685
1,322,287	3,643,567	2,195,857	-	7,161,711
-	-	-	-	18,350
3,009,145	-	-	350,492	3,472,289
-	-	-	-	2,934,562
-	-	-	19,000	12,954,000
-	-	-	29,873	4,580,709
-	-	-	924,010	927,360
6,466,240	5,042,448	2,332,734	1,793,940	39,961,863
-	91	-	395,822	5,082,049
59,142,983	97,761,628	10,035,178	3,658,615	180,610,688
-	6,732,425	-	-	26,764,216
-	-	-	-	35,337,274
59,142,983	104,494,144	10,035,178	4,054,437	247,794,227
$ 65,609,223	$ 109,536,592	$ 12,367,912	$ 5,848,377	$ 287,756,090

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SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
June 30, 2012

Total fund balances - governmental funds	$ 247,794,227
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 governmental funds.	876,986,364
Debt issuance costs and underwriter's discounts are not expensed in the government-wide statements, but are reported as deferred charges, and amortized over the life of the debt in the statement of activities.	1,110,960
Interest on long-term debt is accrued as a liability in the government-wide statements, but is not recognized in the governmental funds until due.	(521,880)
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore, are not reported in the funds. Long-term liabilities at year-end consist of:	
Bonds payable	(14,241,568)
Obligations under capital leases	(16,679,724)
Certificates of participation payable	(192,514,110)
Liability for compensated absences (net of $39,420 related to the internal service funds)	(34,356,999)
Early retirement incentive payable	(1,166,917)
Postemployment healthcare benefits payable	(8,601,246)
Internal service funds are used by the District to charge the costs of certain activities such as insurance to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net assets.	12,568,963
Total net assets of governmental activities	$ 870,378,070

The accompanying notes are an integral part of the basic financial statements.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2012

	General Fund	Special Revenue - Federal Economic Stimulus	Debt Service Funds: Other Debt Service	Debt Service Funds: ARRA Economic Stimulus
Revenues				
Federal direct	$ 327,987	$ -	$ -	$ 2,086,761
Federal through state and local	2,270,842	8,600,969	-	-
State sources	75,468,945	-	-	-
Local sources:				
Property taxes levied for operational purposes	249,145,074	-	-	-
Property taxes levied for capital projects	-	-	-	-
Sales tax collections	-	-	-	-
Charges for services	3,711,733	-	-	-
Impact fee collections	-	-	-	-
Other local revenue	4,761,801	-	34,151	157,312
Total revenues	335,686,382	8,600,969	34,151	2,244,073
Expenditures				
Current:				
Instruction	229,122,527	8,197,136	-	-
Pupil personnel services	20,964,443	3,558	-	-
Instructional media services	4,686,980	-	-	-
Instruction and curriculum development services	2,389,837	34,261	-	-
Instructional staff training services	1,380,608	194,049	-	-
Instruction related technology	2,301,261	423	-	-
Board of education	1,005,310	-	-	-
General administration	1,511,726	-	-	-
School administration	16,066,235	-	-	-
Facility services - non-capitalized	1,581	-	-	-
Fiscal services	2,040,299	28,759	-	-
Food services	39,009	-	-	-
Central services	5,390,642	87,904	-	-
Pupil transportation services	16,341,740	-	-	-
Operation of plant	33,045,743	-	-	-
Maintenance of plant	15,510,396	-	-	-
Administrative technology services	2,469,166	-	-	-
Community services	1,579,213	-	-	-
Capital outlay:				
Facilities acquisition and construction	-	-	-	-
Other capital outlay	569,601	54,879	-	
Debt service:				
Principal	-	-	16,878,319	-
Interest		-	7,391,573	2,125,484
Dues and fees	-	-	10,214	7,000
Total expenditures	356,416,317	8,600,969	24,280,106	2,132,484
Excess (deficiency) of revenues over (under) expenditures	(20,729,935)	-	(24,245,955)	111,589
Other financing sources (uses)				
Inception of capital leases	-	-	-	-
Refunding bonds issued	-	-	-	-
Premium on refunding bonds	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-
Sale of capital assets	-	-	-	-
Insurance loss recoveries	11,880	-	-	-
Transfers in	20,460,435	-	24,279,267	2,489,026
Transfers out	(550,279)	-	-	
Total other financing sources (uses)	19,922,036	-	24,279,267	2,489,026
Net change in fund balances	(807,899)	-	33,312	2,600,615
Fund balance - beginning	64,819,785	-	903,299	2,530,941
Decrease in inventory reserve	(12,568)	-	-	-
Fund balance - ending	$ 63,999,318	$ -	$ 936,611	$ 5,131,556

The accompanying notes are an integral part of the basic financial statements.

Capital Projects Funds				
Local Capital Improvement Tax	Other Capital Projects	ARRA Economic Stimulus	Nonmajor Governmental Funds	Total Governmental Funds
$ -	$ -	$ -	$ 1,295,297	$ 3,710,045
-	-	-	33,467,179	44,338,990
-	2,022,761	-	2,544,413	80,036,119
-	-	-	-	249,145,074
60,937,028	-	-	-	60,937,028
-	13,860,532	-	-	13,860,532
-	-	-	5,789,837	9,501,570
-	146,198	-	-	146,198
339,746	2,787,247	103,299	1,195,415	9,378,971
61,276,774	18,816,738	103,299	44,292,141	471,054,527
-	-	-	15,978,966	253,298,629
-	-	-	2,729,894	23,697,895
-	-	-	9,892	4,696,872
-	-	-	952,470	3,376,568
-	-	-	3,349,318	4,923,975
-	-	-	-	2,301,684
-	-	-	-	1,005,310
-	-	-	765,467	2,277,193
-	-	-	1,686	16,067,921
10,309,590	2,378,030	-	114,150	12,803,351
-	-	-	9,688	2,078,746
-	-	-	15,193,929	15,232,938
-	-	-	86,669	5,565,215
-	-	-	327,793	16,669,533
-	-	-	-	33,045,743
-	-	-	-	15,510,396
-	-	-	-	2,469,166
-	-	-	715,194	2,294,407
12,563,259	41,995,735	26,866,762	301,004	81,726,760
-	-	-	286,739	911,219
-	-	-	1,520,000	18,398,319
-	-	-	650,381	10,167,438
-	-	-	3,156	20,370
22,872,849	44,373,765	26,866,762	42,996,396	528,539,648
38,403,925	(25,557,027)	(26,763,463)	1,295,745	(57,485,121)
-	5,163,158	-	-	5,163,158
-	-	-	550,000	550,000
-	-	-	84,160	84,160
-	-	-	(632,525)	(632,525)
-	373,873	-	-	373,873
-	-	-	-	11,880
-	130,858	-	-	47,359,586
(45,370,207)	(1,989,379)	-	-	(47,909,865)
(45,370,207)	3,678,510	-	1,635	5,000,267
(6,966,282)	(21,878,517)	(26,763,463)	1,297,380	(52,484,854)
66,109,265	126,372,661	36,798,641	2,757,057	300,291,649
-	-	-	-	(12,568)
$ 59,142,983	$ 104,494,144	$ 10,035,178	$ 4,054,437	$ 247,794,227

SCHOOL BOARD OF SARASOTA 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, 2012

Net change in fund balances - total governmental funds		$ (52,484,854)
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 outlays exceed depreciation expense in the current period.		
Capital Outlay	$ 82,637,979	
Less, Depreciation Expense	(30,565,580)	
		52,072,399
The loss on disposal of capital assets during the current period is reported in the statement of activities. In the government funds, the costs of these assets was recognized as an expenditure in the year purchased. Thus the change in net assets differs from the change in fund balances by the undepreciated cost of the disposed assets.		(205,765)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets.		
State Board of Education Bonds, Series 2011A	$ (550,000)	
Capital Leases	(5,163,158)	
		(5,713,158)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount of repayments.		
Certificates of Participation	$ 12,935,000	
State School Bonds	1,720,000	
Racetrack Bonds	410,000	
Capital Leases	3,943,319	
		19,008,319
Issuance costs and premiums on new debt issues are reported when issued as expenditures and other financing sources in the governmental funds, but are deferred and amortized as expenses over the life of the debt in the statement of activities.		
Deferred Charges:		
Current Year	$ 1,110,960	
Less, Prior Year	1,266,557	
Net Decrease in Expenses from Deferred Charges		(155,597)
Unamortized Difference Between Old and New Debt:		
Current Year	$ 292,248	
Less, Prior Year	314,329	
Net Increase in Revenue from Difference Between Old and New Debt		(22,081)
Unamortized Premiums:		
Prior Year	$ 6,508,228	
Less, Current Year	6,047,231	
Net Increase in Expenses from Unamortized Premiums		460,997
The net change in the liability for early retirement benefits is reported in the government-wide statements but not in the governmental funds until due.		354,689
Interest on long-term debt is recognized as an expenditure in the governmental funds when due, but is recognized as interest accrues in the statement of activities.		
Prior Year	$ 545,242	
Less, Current Year	521,880	
Net Reduction in Expenses from Accrued Interest Payable		23,362
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 leave used. This is the net amount of vacation and sick leave earned in excess of the amount used in the current period, net of the amount recorded in the internal service funds.		(41,740)
Internal service funds are used by management to charge the cost of insurance to individual funds. The net revenue of internal service funds is reported with governmental activities.		(1,610,825)
Certain expenses are recognized in the government-wide statements that are not recognized in the governmental funds until due.		(12,568)
The net change in the liability for postemployment healthcare benefits is reported in the government-wide statements, but not in the governmental fund statements		(1,437,471)
Change in net assets of governmental activities		$ 10,235,707

The accompanying notes are an integral part of the basic financial statements.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
Federal direct	$ 350,992	$ 327,987	$ 327,987	$ -
Federal through state and local	1,705,139	2,270,842	2,270,842	-
State sources	75,625,126	75,735,238	75,468,945	(266,293)
Local sources:				
Property taxes levied for operational purposes	247,567,563	249,183,152	249,145,074	(38,078)
Charges for services	2,994,900	3,677,162	3,711,733	34,571
Other local revenue	3,612,388	7,135,596	4,761,801	(2,373,795)
Total revenues	331,856,108	338,329,977	335,686,382	(2,643,595)
Expenditures				
Current:				
Instruction	234,898,088	229,742,895	229,122,527	620,368
Pupil personnel services	21,078,785	21,238,052	20,964,443	273,609
Instructional media services	5,310,391	4,977,279	4,686,980	290,299
Instruction and curriculum development services	2,737,550	2,416,268	2,389,837	26,431
Instructional staff training services	1,690,283	1,455,609	1,380,608	75,001
Instruction related technology	2,386,674	2,401,261	2,301,261	100,000
Board of education	1,041,678	1,095,310	1,005,310	90,000
General administration	1,585,252	1,611,725	1,511,726	99,999
School administration	16,602,815	16,387,675	16,066,235	321,440
Facility services - non-capitalized	-	3,581	1,581	2,000
Fiscal services	1,893,331	2,067,340	2,040,299	27,041
Food services	29,328	41,009	39,009	2,000
Central services	5,634,964	5,481,591	5,390,642	90,949
Pupil transportation services	16,265,149	16,658,258	16,341,740	316,518
Operation of plant	34,024,073	33,334,275	33,045,743	288,532
Maintenance of plant	15,825,357	15,530,810	15,510,396	20,414
Administrative technology services	2,039,121	2,579,167	2,469,166	110,001
Community services	1,727,126	1,604,882	1,579,213	25,669
Capital outlay:				
Other capital outlay	-	569,601	569,601	-
Total expenditures	364,769,965	359,196,588	356,416,317	2,780,271
Deficiency of revenues under expenditures	(32,913,857)	(20,866,611)	(20,729,935)	136,676
Other financing sources (uses)				
Insurance loss recoveries	-	-	11,880	11,880
Transfers in	19,643,296	20,460,435	20,460,435	-
Transfers out	(550,279)	(550,279)	(550,279)	-
Total other financing sources (uses)	19,093,017	19,910,156	19,922,036	11,880
Net change in fund balance	$ (13,820,840)	$ (956,455)	(807,899)	$ 148,556
Fund balance - beginning			64,819,785	
Decrease in inventory reserve			(12,568)	
Fund balance - ending			$ 63,999,318	

The accompanying notes are an integral part of the basic financial statements.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Special Revenue - Federal Economic Stimulus Fund
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
Federal through state and local	$ 9,290,785	$ 8,600,969	$ 8,600,969	$ -
Total revenues	9,290,785	8,600,969	8,600,969	-
Expenditures				
Current:				
Instruction	8,068,930	8,197,136	8,197,136	-
Pupil personnel services	-	3,558	3,558	-
Instruction and curriculum development services	3,000	34,261	34,261	-
Instructional staff training services	393,370	194,049	194,049	-
Instruction related technology	-	423	423	-
Fiscal services	52,388	28,759	28,759	-
Central services	773,097	87,904	87,904	-
Capital outlay:				
Other capital outlay	-	54,879	54,879	-
Total expenditures	9,290,785	8,600,969	8,600,969	-
Excess of revenues over expenditures	$ -	$ -	-	$ -
Fund balance - beginning			-	
Fund balance - ending			$ -	

The accompanying notes are an integral part of the basic financial statements.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Statement of Fund Net Assets
Proprietary Funds
June 30, 2012

		Governmental Activities Internal Service Funds
Assets		
Current assets		
Cash and cash equivalents	$	20,757,100
Investments		339,853
Deposits receivable		75,000
Prepaid items		53,694
Total current assets		21,225,647
Total assets	$	21,225,647
Liabilities and net assets		
Current liabilities		
Accounts payable	$	43,242
Due to other funds		14,629
Estimated insurance claims payable		2,767,009
Total current liabilities		2,824,880
Long-term liabilities		
Liability for compensated absences		39,420
Estimated insurance claims payable		5,792,384
Total long-term liabilities		5,831,804
Total liabilities		8,656,684
Net assets		
Unrestricted		12,568,963
Total net assets		12,568,963
Total liabilities and net assets	$	21,225,647

The accompanying notes are an integral part of the basic financial statements.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2012

	Governmental Activities Internal Service Funds
Operating revenues	
Charges for services	$ 4,794,597
Other operating revenues	175,167
Total operating revenues	4,969,764
Operating expenses	
Salaries	219,959
Employee benefits	49,600
Purchased services	681,772
Materials and supplies	476
Insurance claims	6,274,040
Total operating expenses	7,225,847
Operating loss	(2,256,083)
Nonoperating revenues	
Investment income	94,979
Loss before transfers	(2,161,104)
Transfer in	550,279
Change in net assets	(1,610,825)
Total net assets - beginning	14,179,788
Total net assets - ending	$ 12,568,963

The accompanying notes are an integral part of the basic financial statements.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Statement of Cashflows
Proprietary Funds
For the Fiscal Year Ended June 30, 2012

	Governmental Activities Internal Service Funds
Operating activities	
Cash receipts from interfund services provided	$ 4,794,597
Cash payments to suppliers	(686,695)
Cash payments to employees	(394,406)
Cash payments for insurance claims	(5,304,288)
Cash receipts from other operating revenues	183,826
Net cash used by operating activities	(1,406,966)
Noncapital financing activities	
Transfer from other funds	550,279
Net cash provided by noncapital financing activities	550,279
Investing activities	
Proceeds from the sale and maturities of investments	82,520
Investment income received	59,237
Net cash provided by investing activities	141,757
Net decrease in cash	(714,930)
Cash and cash equivalents - Beginning of year	21,472,030
Cash and cash equivalents - End of year	$ 20,757,100
Reconciliation of operating loss to net cash used by operating activities	
Operating loss	$ (2,256,083)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Increase in prepaid items	(41,813)
Decrease in accounts receivable	48,937
Decrease in due from other funds	1,535
Decrease in liability for compensated absences	(111,306)
Decrease in accounts payable	(4,447)
Increase in due to other funds	14,224
Decrease in due to other governmental agencies	(27,765)
Increase in estimated insurance claims payable	969,752
Total adjustments	849,117
Net cash used by operating activities	$ (1,406,966)
Noncash investing activities:	
Net increase in the fair value of investments	$ 141,757

The accompanying notes are an integral part of the basic financial statements.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2012

		Agency Funds School Internal Accounts
Assets		
Cash and cash equivalents	$	5,272,657
Accounts receivable, net of allowance of $39,863		136,910
Inventories		317,662
Total assets	$	5,727,229
Liabilities		
Accounts payable and other	$	51,261
Internal accounts payable		5,675,968
Total liabilities	$	5,727,229

The accompanying notes are an integral part of the basic financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

➢ Reporting Entity

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

Criteria for determining if other entities are potential component units that should be reported within the District's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) Statement No. 61. The GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34,* (GASB 61) effective for reporting periods after June 15, 2012. As permitted, the District early implemented this statement in the 2011-12 fiscal year. The statement establishes new criteria for reporting component units. The rationale for including charter schools in the District's financial statements is pursuant to Article VII, Section 9 of the Florida Constitution and Section 1002.33(9)(l), Florida Statutes (F.S.), which provides that charter schools do not have the constitutional authority to levy taxes, making charter schools fiscally dependent on school districts. Also pursuant to Section 1002.33(17), F.S., students enrolled in a charter school shall be funded the same as students enrolled in other public schools in the school district. Accordingly, charter schools' full-time equivalent (FTE) student enrollment is the basis for school districts to provide funding to charter schools. Funding is provided to the charter schools by the District. Furthermore, Article IX, Section 4(b) of the Florida Constitution states that, "The school board shall operate, control and supervise all free public schools within the school district and determine the rate of school district taxes within the limits prescribed herein." Because charter schools are fiscally dependent and create a financial burden on school districts, charter schools are considered component units of school districts. The implementation of GASB Statement No. 61 did not result in any changes in composition of component units.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

- Blended Component Unit The Financing Corporation for the School Board of Sarasota County (Corporation), was founded to facilitate financing for the acquisition of facilities and equipment as further discussed in Note 8. Due to the substantive economic relationship between the Board and the Corporation, the financial activities of the Corporation are included in the accompanying basic financial statements. Separate financial statements for the Corporation are not published.

- Discretely Presented Component Units The component units columns in the government-wide financial statements include the financial data of the District's other component units. For financial reporting purposes, eight charter schools are included in the financial statements of the District as discretely presented component units. These schools operate under a charter approved by their sponsor, the Board, and are considered to be component units of the District since they are fiscally dependent on the District to levy taxes for them. The component units are as follows:

  Island Village Montessori Charter School, Inc., Sarasota Suncoast Academy, Inc., Student Leadership Academy of Venice, Inc., Imagine School at North Port, Inc., Sarasota Military Academy, Inc., Sarasota School of Arts and Sciences, Inc., and Suncoast School for Innovative Studies, Inc. (charter schools) are separate not-for-profit corporations organized pursuant to Chapter 617, Florida Statutes, and Section 1002.33, Florida Statutes. Imagine School at Sarasota, LLC, doing business as Imagine School at Palmer Ranch (charter school) is organized as a limited liability company pursuant to Chapter 608, Florida Statutes, and Section 1002.33, Florida Statutes. The Board is responsible for the prudent use of the public funds received for providing an appropriate educational program for its targeted enrollment. The financial data reported on the accompanying statements was derived from the charter schools' audited financial statements for the fiscal year ended June 30, 2012. Audits of the charter schools for the fiscal year ended June 30, 2012, were conducted by independent certified public accountants and are filed at the District's administrative office at 1960 Landings Boulevard, Sarasota, FL 34231.

  The District considered the SKY Academy charter school for inclusion as a component unit of the District. However, it is organized under an existing not-for-profit organization and is not a legally separate entity but is a division of the South County Family YMCA Foundation, Inc., and therefore, is excluded from the District's reporting entity.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

➢ Basis of Presentation

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

Government–wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function. Depreciation expenses are allocated to functions/programs of the primary government. 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, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

The effects of interfund activities have been eliminated from the government-wide financial statements. Interfund transactions, consisting of transactions involving the internal service funds, were eliminated by allocating the change in net assets of internal service funds in direct proportion as they were charged as expenses to the various functions.

Fund Financial Statements - Fund financial statements report detailed information about the District in the governmental, proprietary, and fiduciary funds. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Nonmajor funds are aggregated and reported in a single column. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, a reconciliation is presented with each of the governmental fund financial statements. The District reports the following major governmental funds:

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

- Special Revenue – Federal Economic Stimulus Fund – to account for certain Federal grant program resources related to the American Recovery and Reinvestment Act (ARRA) and Education Jobs Fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- Debt Service – Other Debt Service Fund – to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs on the long-term certificates of participation.

- Debt Service – ARRA Economic Stimulus Fund - to account for the accumulation of resources for, and the payment of, sinking fund, interest and related costs on the Certificates of Participation, 2010A Qualified School Construction Bonds.

- Capital Projects – Local Capital Improvement Tax 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, and renovation and remodeling projects.

- Capital Projects – Other Capital Projects Fund – to account for the financial resources such as sales tax proceeds, impact fees, and certificates of participation, which are used for capital outlay needs.

- Capital Projects – ARRA Economic Stimulus Fund – to account for the proceeds and capital outlay related to the Certificates of Participation, 2010A Qualified School Construction Bonds.

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

- Internal Service Funds - to account for the District's individual self-insurance programs.

- Agency Funds - to account for resources of the school internal funds, which are used to administer moneys collected at the District's schools in connection with school, student athletic, class, and club activities.

➢ Basis of Accounting

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

The government-wide financial statements are prepared using the accrual basis of accounting, as are the proprietary funds and fiduciary funds financial statements. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. Significant revenues susceptible to accrual include ad valorem taxes, reimbursable-type grants and interest on investments. The District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. 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, early retirement incentive payments, postemployment healthcare benefits, and compensated absences, which are recognized when due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

The proprietary funds are accounted for as proprietary activities under standards issued by the Financial Accounting Standards Board through November 1989 and applicable standards issued by GASB. 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 workers' compensation and employee dental insurance. Operating expenses include insurance claims, excess coverage premiums, employee compensation and purchased services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States require 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 balances from the majority of funds are pooled for investment purposes. Earnings from such investments are allocated to the respective funds based on applicable cash participation by each fund. The investment pools are managed such that all participating funds have the ability to deposit and withdraw cash as if they were demand deposit accounts, and therefore all balances representing participants' equity in the investment pools are classified as cash equivalents for purposes of these statements. For investments which are held separately from the pools, those which are highly liquid (including restricted assets) with an original maturity of 90 days or less are considered to be cash equivalents. The amounts reported as cash and cash equivalents consist of cash in demand deposits; amounts placed with the State Board of Administration (SBA) Local Government Surplus Funds Trust Fund Investment Pool (LGIP), which, effective July 1, 2009, is known as Florida PRIME; and amounts placed in the Wells Fargo Advantage Heritage Money Market Fund and the Florida Education Investment Trust Fund.

Cash deposits are held by banks qualified as public depositories under Florida law. All deposits are insured by the Federal Depository Insurance Corporation and collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes. The statement of cash flows considers cash and cash equivalents as those accounts used as demand deposit accounts and all highly liquid investments with an original maturity of 90 days or less.

Investments consist of amounts placed in the SBA debt service accounts for investment of debt service moneys, with SBA for participation in the Florida PRIME and Fund B Surplus Funds Trust Fund (Fund B) investment pools created by Sections 218.405 and 218.417, Florida Statutes, and those made locally. These investment pools operate under investment guidelines established by Section 215.47, Florida Statutes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The District's investments in Florida PRIME and the Florida Education Investment Trust Fund (FEITF), which the SBA and the FEITF indicate are Securities and Exchange Commission Rule 2a7-like external investment pools, as of June 30, 2012, are similar to money market funds in which shares are owned in the fund rather than the underlying investments. These amounts are reported at fair value, which is amortized cost.

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

Investments held locally consist of money market mutual funds, commercial paper, United States Treasury notes and strips, and Obligations of United States Agencies and Instrumentalities, and certificates of deposit and are reported at fair value. Types and amounts of investments held by the District at June 30, 2012 are further described in Note 3.

- **Inventories and Prepaid Items**

Inventories consist of expendable supplies held for consumption in the course of District operations. Inventories are stated at cost on a weighted average basis, except that United States Department of Agriculture donated foods are stated at their fair value as determined at the time of donation to the District's food service program by the Florida Department of Agriculture and Consumer Services, Bureau of Food Distribution. The costs of inventories are recorded as expenditures at the time individual inventory items are requisitioned for consumption, except for transportation parts.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The purchases method is used to account for prepaid items.

- **Capital Assets**

Expenditures for capital assets acquired or constructed for general District purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported in the government-wide statement of net assets but are not reported in the governmental fund financial statements. Capital assets are defined by the District as those costing more than $750. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated assets are recorded at fair value at the date of donation. Capital assets shall be depreciated over their estimated useful lives unless they are inexhaustible (i.e. land and land improvements) or construction in progress. Land improvements consist of betterments, site preparation and site improvements that ready land for its intended use. Land improvements are characterized as having an unlimited life and are therefore not depreciated. The costs of normal maintenance and repairs that does not add to the value of the asset or materially extends the assets lives are not capitalized. Interest costs incurred during construction of capital assets are not considered material and are not capitalized as part of the cost of construction.

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

Description	Estimated Lives
Improvements Other than Buildings	5 – 40 years
Buildings and Fixed Equipment	10 – 50 years
Furniture, Fixtures and Equipment and Audio Visual Materials	3 – 15 years
Motor Vehicles	5 – 10 years
Computer Software	5 - 10 years

Changes in capital assets for the current year are further described in Note 5.

- **Compensated Absences**

Vacation benefits are accrued as a liability as the benefits are earned if the employee’s right to receive compensation is attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method.

The liability is based on the sick leave accumulated at June 30 by those employees who are currently eligible to receive termination payments and those employees for whom it is probable that they will become eligible to receive termination benefits in the future. The criteria for determining the vacation and sick leave liability is derived from Board policy, negotiated agreements, and State law.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, only the amount payable to employees who terminated their employment as of the end of the fiscal year is reported. The liability at year-end includes salary related payments such as Social Security, Medicare and Florida Retirement System contributions.

Changes in compensated absences liability for the current year are further described in Note 11.

- **Long-Term Debt**

Long-term debt 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 and certificates of participation premiums and discounts, differences between the reacquisition price and net carrying amount of the old debt, and issuance costs, are deferred and amortized over the life of the bonds and certificates of participation using the effective interest method. Bonds and certificates of participation payable are reported net of the applicable premium or discount and differences between the reacquisition price and the net carrying amount of the old 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 and certificates of participation premiums and discounts, as well as bond and certificates of participation issuance costs, during the current period. The face amount of debt issued is 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.

Changes in long-term debt obligations for the current year are further described in Note 11.

- **State Revenue Sources**

Significant revenues from State sources for current operations include the Florida Education Finance Program administered by the Florida Department of Education (Department) under the provisions of Section 1011.62, Florida Statutes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

A schedule of revenue from State sources for the current year is further described in Note 15.

- **<u>District Property Taxes</u>**

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

Property taxes consist of ad valorem taxes on real and personal property within the District. Property values are determined by the Sarasota County Property Appraiser, and property taxes are collected by the Sarasota County Tax Collector.

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

Taxes become 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property tax revenues are recognized in the government-wide financial statements when the Board adopts the tax levy. Property tax revenues are recognized in the governmental fund financial statements when taxes are received by the District, except that revenue is accrued for taxes collected by the Sarasota County Tax Collector at fiscal year-end but not yet remitted to the District.

Millage rates and taxes levied for the current year are further described in Note 16.

- **<u>School Capital Outlay Surtax (Local Sales Tax)</u>**

The citizens of Sarasota County on November 4, 1997, approved a one-cent sales tax authorized under Section 212.055(6), Florida Statutes. The Board receives one-fourth of the one-cent sales tax. The surtax levy commenced on September 1, 1999, and remained in effect for a period of 10 years through 2009. The voters of Sarasota County approved the continuation of this tax effective September 1, 2009, which remains in effect for a period of 15 years through 2024.

- **<u>Federal Revenue Sources</u>**

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

2. 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 and time intervals prescribed by law and State Board of Education rules.

- Appropriations are controlled at the function level within each fund (e.g., instruction, pupil personnel services, and school administration) and may be amended by resolution at any Board meeting prior to the due date for the annual financial report.

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

2. BUDGETARY COMPLIANCE AND ACCOUNTABILITY (continued)

- Budgetary information is integrated into the accounting system and, to facilitate budget control, budget balances are encumbered when purchase orders are issued.
- Appropriations lapse at fiscal year-end and encumbrances outstanding are honored from the subsequent year's appropriations.
- The reported budgetary data consists of the original budget as well as the final appropriated budget after amendments approved by the Board.

3. INVESTMENTS

Investments at June 30, 2012, are shown below:

Investments	Maturities	Value
State Board of Administration (SBA):		
Florida PRIME	38 Day Average[(1)]	$ 200,433,865
Fund B Surplus Funds Trust Fund (Fund B)	5.73 Year Average	3,266,255
Debt Service Accounts	6 Months	339,761
Wells Fargo Advantage Heritage Money Market Fund	28 Day Average[(1)]	16,460,447
Florida Education Investment Trust Fund (FEITF)	46 days[(1)]	708,782
United States Treasury Notes	3/15/2013	1,890,450
United States Treasury Strip	5/15/2027[(2)]	5,130,987
Obligations of United States Agencies and Instrumentalities	July 2012-June 2014[(3)]	34,063,571
Commercial Paper	August 2012[(4)]	2,249,110
Obligations of United States Agencies and Instrumentalities - FAMC Discount Note	11/16/2012[(5)]	936,611
Certificates of Deposit	One year or less [(1)]	732,902
Total Investments		$ 266,212,741

[(1)] Investments are reported as cash equivalents.
[(2)] This investment is held under a paying agent agreement in connection with the 2010A Qualified School Construction Bonds (See Note 8).
[(3)] These investments are held under paying agent agreements in connection with the 2010A Qualified School Construction Bonds and 2010B Certificates of Participation financing arrangements (See Note 8).
[(4)] This investment is held under a paying agent agreement in connection with the 2010B Certificates of Participation financing arrangement (See Note 8).
[(5)] This investment is held under a paying agent agreement in connection with the Qualified Zone Academy Bonds financing arrangement (See Note 9).

Interest Rate Risk

- Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Section 218.415, Florida Statutes, limits investment maturities to provide sufficient liquidity to pay obligations as they come due. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses from increasing interest rates.

3. INVESTMENTS (continued)

- Due to the nature of the securities in Fund B, the interest rate risk information required by GASB Statement No. 40 (i.e., specific identification, duration, weighted average maturity, segmented time distribution, or simulation model) is not available. An estimate of the weighted average life (WAL) is available. In the calculation of the WAL, the time at which an expected principal amount is to be received, measured in years, is weighted by the principal amount received at that time divided by the sum of all expected principal payments. The principal amounts used in the WAL calculation are not discounted to present value as they would be in a weighted average duration calculation. The WAL, based on expected future cash flows, of Fund B at June 30, 2012, is estimated at 5.73 years. However, because Fund B consists of restructured or defaulted securities there is considerable uncertainty regarding the WAL. Participation in Fund B is involuntary.

- Florida PRIME had weighted average days to maturity (WAM) of 38 days and FEITF had a WAM of 46 days at June 30, 2012. A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the portfolio to interest rate changes.

Credit Risk

- Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Section 218.415(17), Florida Statutes, limits investments in money market funds to Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; Florida PRIME or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in Section 163.01, Florida Statutes; and investments in interest-bearing time deposits to qualified public depositories, as defined in Section 280.02, Florida Statutes; and direct obligations of the United States Treasury.

- The District's investment policy authorizes the following investments:

    - Savings accounts.
    - Certificates of deposits.
    - Time deposits.
    - Securities of the United States Government including obligations of the United States Treasury.
    - Investment pools managed and directed by an approved agency of the state.

3. INVESTMENTS (continued)

The District's investments in the SBA Debt Service Accounts are to provide for debt service payments on bond debt issued by the State Board of Education for the benefit of the District. The District relies on policies developed by SBA for managing interest rate risk and credit risk on this account.

As of June 30, 2012, the District's investments in the Florida PRIME is rated AAAm by Standard & Poor's. Pool B is unrated.

The Wells Fargo Advantage Heritage Money Market Fund was rated AAAm by Standard & Poor's.

The Florida Education Investment Trust Fund was rated AAAm by Standard & Poor's.

Obligations of United States Agencies and Instrumentalities totaling $34,063,571 were rated Aaa by Moody's.

Commercial paper was rated P-1 short-term by Moody's.

The Certificates of Deposit are in a qualified depository, as required by Chapter 280, Florida Statutes.

- The District's investment in Obligations of United States Agencies and Instrumentalities is authorized under a forward delivery agreement with the Qualified Zone Academy Bonds paying agent. The forward delivery agreement authorizes the investment of the sinking fund amounts in certain eligible securities, including, without limitation, the Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation and Federal Farm Credit Banks. The eligible securities must have a maturity date that is on or before November 16, 2021. The District's investment in the Federal Agriculture Mortgage Corporation discount note is rated Aaa by Moody's.

- The District's investment in Obligations of United States Agencies and Instrumentalities is authorized under the supplemental trust agreement for the 2010A Qualified School Construction Bonds. The agreement authorizes the investment of the sinking fund amounts in certain eligible securities, including, without limitation, U.S. Treasury Strips and Notes and the Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation and Farm Credit Banks. The eligible securities must have a maturity date that is on or before June 15, 2027. Disclosure of credit risk is not required for the District's investment in a United States Treasury Strip.

3. INVESTMENTS (continued)

Custodial Credit Risk

- Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Section 218.415(18), Florida Statutes, requires the District to earmark all investments and 1) if registered with the issuer or its agents, the investment must be immediately placed for safekeeping in a location that protects the governing body's interest in the security; 2) if in book entry form, the investment must be held for the credit of the governing body by a depository chartered by the Federal Government, the State of Florida (State), or any other state or territory of the United States which has a branch or principal place of business in this State, 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 this State, and must be kept by the depository in an account separate and apart from the assets of the financial institution; or 3) if physically issued to the holder but not registered with the issuer or its agents, must be immediately placed for safekeeping in a secured vault. The District does not have a formal investment policy that addresses custodial credit risk.

  The District's $936,611 investment in a FAMC discount note was held in a custody account by the paying agent.

  The District's $5,130,987 investment in the U.S. Treasury Strip was held in a custody account by the paying agent.

Concentration of Credit Risk

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

  The District had investments that represent 5 percent or more of total investments in certain Obligations of United States Agencies and Instrumentalities at June 30, 2012 as follows:

Issuer	Fair Value	Percent of Total Investments, Primary Government
Federal Home Loan Bank	$ 13,379,551	5%
Federal Home Loan Mortgage Corporation	13,236,746	5%
Total	$ 26,616,297	

3. INVESTMENTS (continued)

The Federal Home Loan Bank investments are 44 percent and 31 percent of the investments in the Capital Projects – ARRA Economic Stimulus Fund and Capital Projects – Other Capital Projects Fund, respectively. The Federal Home Loan Mortgage Corporation investments are 42 percent and 31 percent of the investments in the Capital Projects – ARRA Economic Stimulus Fund and Capital Projects – Other Capital Projects Fund, respectively. These investments are made pursuant to agreements with the 2010A Qualified School Construction Bond and 2010B Certificates of Participation paying agents.

4. RECEIVABLES

The majority of receivables are due from other governmental agencies. These receivables and the remaining accounts receivable are considered to be fully collectible. As such, no allowance for uncollectible amounts is accrued.

Due from other governmental agencies at June 30, 2012, are shown below:

Florida Department of Education	$ 783,929
Sarasota County Tax Collector	195,717
US Department of Agriculture	177,531
Sarasota County Sheriff	103,404
Williams Parker Escrow Account	91,339
State of Florida	75,074
US Department of Defense	38,342
Sarasota County Fire Department	8,416
Other Sarasota County Offices	2,203
Patterson Foundation Fine Arts	1,757
	$ 1,477,712

5. CHANGES IN CAPITAL ASSETS

Changes in capital assets are presented in the table below.

	Balance 7/1/2011	Additions	Deletions	Balance 6/30/2012
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	$ 30,983,697	$ 594,336	$ 76,800	$ 31,501,233
Land Improvements	67,968,886	67,235	-	68,036,121
Construction in Progress	41,865,008	66,482,581	5,952,665	102,394,924
Total Capital Assets Not Being Depreciated	140,817,591	67,144,152	6,029,465	201,932,278
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	50,177,678	330,897	14,731	50,493,844
Buildings and Fixed Equipment	818,241,205	1,132,777	906,707	818,467,275
Furniture, Fixtures, and Equipment and Audio Visual Materials	63,975,470	3,932,181	4,706,455	63,201,196
Motor Vehicles	29,345,792	3,060,171	2,424,391	29,981,572
Equipment Under Capital Leases	20,726,256	5,163,158	-	25,889,414
Computer Software	2,583,108	7,827,308	1,299,254	9,111,162
Total Capital Assets Being Depreciated	985,049,509	21,446,492	9,351,538	997,144,463
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	(25,435,012)	(2,033,506)	4,901	(27,463,617)
Buildings and Fixed Equipment	(198,342,040)	(17,674,696)	844,955	(215,171,781)
Furniture, Fixtures, and Equipment and Audio Visual Materials	(48,201,993)	(5,714,064)	4,649,072	(49,266,985)
Motor Vehicles	(19,251,896)	(2,115,416)	2,424,391	(18,942,921)
Equipment Under Capital Leases	(7,448,507)	(2,630,737)		(10,079,244)
Computer Software	(2,067,922)	(397,161)	1,299,254	(1,165,829)
Total Accumulated Depreciation	(300,747,370)	(30,565,580)	9,222,573	(322,090,377)
Total Capital Assets Being Depreciated, Net	684,302,139	(9,119,088)	128,965	675,054,086
Governmental Activities Capital Assets, Net	$ 825,119,730	$ 58,025,064	$ 6,158,430	$ 876,986,364

The class of property under capital leases is presented in Note 7.

5. CHANGES IN CAPITAL ASSETS (continued)

Depreciation expense was charged to functions as follows:

Function	Amount
GOVERNMENTAL ACTIVITIES	
Instruction	$ 26,332,265
Pupil Personnel Services	5,441
Instructional Media Services	11,098
Instruction and Curriculum Development Services	37,728
Instructional Staff Training	15,480
Instruction Related Technology	38,215
Board of Education	3,085
General Administration	286,936
School Administration	12,433
Facility Services - Non-Capitalized	721,789
Fiscal Services	7,258
Food Services	52,750
Central Services	536,002
Pupil Transportation Services	2,119,127
Operation of Plant	59,524
Maintenance of Plant	288,275
Administrative Technology Services	25,286
Community Services	12,888
Total Depreciation Expense - Governmental Activities	$ 30,565,580

6. ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES

Accounts payable and other current liabilities at June 30, 2012, are shown below:

Construction Contracts Payable	$ 7,161,711
Accounts Payable	6,064,927
Salary and Wages Payable	1,236,880
Payroll Deductions and Withholdings Payable	654,317
Deposits Payable	18,350
	$ 15,136,185

7. OBLIGATIONS UNDER CAPITAL LEASES

The class and amount of property being acquired under capital leases are as follows:

Asset Description	Asset Balance
Equipment:	
Copier Equipment	$ 1,035,673
Computer Equipment	24,853,741
	$ 25,889,414

Future minimum capital lease obligations and the present value of the minimum lease payments as of June 30 are as follows:

Fiscal Year Ending June 30	Total
2013	$ 5,574,333
2014	5,232,747
2015	3,424,261
2016	2,253,057
2017	1,215,629
Total minimum lease payments	17,700,027
Less interest	(1,020,303)
Present value of minimum payments	$ 16,679,724

The imputed interest rates range from 2.616 to 3.496 percent.

8. CERTIFICATES OF PARTICIPATION PAYABLE

The District entered into a financing arrangement on September 15, 2004. This arrangement was characterized as a lease-purchase agreement, with the Corporation whereby the District secured financing of various educational facilities in the amount of $50,000,000. The financing was accomplished through the issuance of Certificates of Participation, Series 2004, to be repaid from the proceeds of rents paid by the District.

The District also entered into a financing arrangement on March 25, 2009. This arrangement was characterized as a lease-purchase agreement, with the Corporation whereby the District secured financing of various educational facilities in the amount of $75,625,000. The financing was accomplished through the issuance of Certificates of Participation, Series 2009, to be repaid from the proceeds of rents paid by the District.

The District also entered into a financing arrangement on September 1, 2010. This arrangement was characterized as a lease-purchase agreement in the form of Qualified School Construction Bonds, with the Corporation whereby the

8. CERTIFICATES OF PARTICIPATION PAYABLE (continued)

District secured financing of various education facilities and equipment in the amount of $43,026,000. The Qualified School Construction Bond financing was accomplished through the issuance of Certificates of Participation, Series 2010A, to be repaid from the proceeds of rents paid by the District.

Qualified School Construction Bonds provide for a refundable credit from the United States Department of Treasury in accordance with Section 6431(f) of the Internal Revenue Code of 1986, as amended, equal to the lesser of the amount of interest payable with respect to the Certificates on such date or the amount of interest which would have been payable with respect to the Certificates on such date if such interest were determined at the tax credit rate otherwise applicable to such Certificates in accordance with the Code. The tax credit rate set by the Department on August 30, 2010 was 4.85 percent. This interest rate credit will be paid to the District with respect to the Certificates (the "Subsidy Payment").

Lease principal payments in the amount of $2,373,095 are required to be deposited by the District into a sinking fund on an annual basis, and interest at the rate of 4.94 percent is paid semiannually. Sinking fund proceeds are invested and accumulate over the life of the issue, ending in a lump sum repayment to the leaseholders at maturity. The annual principal lease payment is adjusted as required based upon final investment earnings.

The District also entered into a financing arrangement on September 16, 2010. This arrangement was characterized as a lease-purchase agreement, with the Corporation whereby the District secured financing of various education facilities in the amount of $70,070,000. The financing was accomplished through the issuance of Certificates of Participation, Series 2010B, to be repaid from the proceeds of rents paid by the District.

As a condition of the above financing arrangements, the District has given a ground lease on District property to the Corporation with a rental fee of $10 per year. The 2004, 2009, 2010A and 2010B leases have an original term extending to the date that the Certificates of Participation are paid, or prior to July 1, 2015 for the 2004 certificates, prior to July 1, 2024 for the 2009 certificates, prior to July 1, 2025 for the 2010B certificates, and prior to July 1, 2027 for the 2010A certificates. If the District fails to provide for the rent payment through to term, the District may be required to surrender the sites and financed improvements to the Corporation.

The District properties included in the ground lease under this arrangement include:

Series 2004 Certificates of Participation

Phillippi Shores Elementary School
Venice Elementary School
Wilkinson Elementary School

8. CERTIFICATES OF PARTICIPATION PAYABLE (continued)

Series 2009 Certificates of Participation

Atwater Elementary School
Sarasota County Technical Institute

Series 2010A Certificate of Participation (Qualified School Construction Bonds

Booker High School

Series 2010B Certificates of Participation

Booker High School
Venice High School

The lease payments are payable by the District semiannually, on July 1 and January 1, with interest rates ranging from 3.00 to 5.50 percent. The following is a schedule by years of future minimum lease payments as of June 30:

Fiscal Year Ending June 30:	Series 2004 Lease	Series 2009 Lease	Series 2010A Lease	Series 2010B Lease	Total
2013	$ 6,081,750	$ 7,275,619	$ 2,125,484	$ 6,548,845	$ 22,031,698
2014	6,082,550	7,272,869	2,125,484	6,552,445	22,033,348
2015	6,084,750	7,271,869	2,125,484	6,552,445	22,034,548
2016	-	7,272,819	2,125,484	6,548,845	15,947,148
2017		7,272,219	2,125,484	6,551,645	15,949,348
2018-2022	-	36,369,454	10,627,422	32,756,425	79,753,301
2023-2027	-	14,550,244	53,653,424	19,647,620	87,851,288
Total Minimum Lease Payments	18,249,050	87,285,093	74,908,266	85,158,270	265,600,679
Add: Unamortized Premium on Debt	342,420	87,893	-	4,812,798	5,243,111
Less: Interest	(1,529,050)	(23,060,094)	(31,882,266)	(21,858,270)	(78,329,680)
Total Certificates of Participation	$ 17,062,420	$ 64,312,892	$ 43,026,000	$ 68,112,798	$ 192,514,110

9. BONDS PAYABLE

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

Bond Type	Amount Outstanding	Interest Rates (Percent)	Annual Maturity To
State School Bonds:			
Series 2003-A	$ 45,000	3.125	2013
Series 2004-A	850,000	4.000-4.625	2024
Series 2005-B	5,415,000	5.00	2020
Series 2006-A	1,200,000	4.000-4.625	2026
Series 2008-A	1,045,000	3.50-5.00	2028
Series 2009-A	1,370,000	4.00-5.00	2019
Series 2010	1,660,000	3.50-5.00	2030
Series 2011-A	550,000	3.00-5.00	2023
District Revenue Bonds:			
Race Track Revenue, Series 2003	295,000	3.60	2013
Qualified Academy Zone Bonds	1,299,696		2021
Subtotal	13,729,696		
Add: Unamortized Premium on Debt	804,120		
Less: Difference between the Reacquisition Price and Net Carrying Amount of Old Debt	(292,248)		
Total Bonds Payable	$ 14,241,568		

The various bonds were issued to finance capital outlay projects of the District.

The following is a description of the bonded debt issues:

- **State School Bonds**

  These bonds were 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. Additionally, the State's full faith and credit is also pledged as security for these bonds. Principal and interest payments, investment of Debt Service Fund resources, and compliance with reserve requirements are administered by the State Board of Education and the State Board of Administration.

9. BONDS PAYABLE (continued)

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

Fiscal Year Ending June 30: State School Bonds	Total	Principal	Interest
2013	$ 1,763,739	$ 1,165,000	$ 598,739
2014	1,735,933	1,215,000	520,933
2015	1,726,707	1,265,000	461,707
2016	1,744,547	1,345,000	399,547
2017	1,728,466	1,395,000	333,466
2018-2022	4,351,610	3,485,000	866,610
2023-2027	2,073,919	1,760,000	313,919
2028-2030	541,775	505,000	36,775
Total	$ 15,666,696	$ 12,135,000	$ 3,531,696

➢ **District Revenue Bonds**

Race Track Revenue Refunding Bonds - These bonds were issued by the District and are authorized by Chapter 83-250, Laws of Florida, which provides that the bonds be secured from the pari-mutuel tax proceeds distributed annually to Sarasota County from the State's Pari-mutuel Tax Collection Trust Fund pursuant to Chapter 550, Florida Statutes (tax proceeds are distributed pursuant to Section 212.20(6)(d)6.a., Florida Statutes (2011)). The annual distribution is remitted by the Florida Department of Financial Services to the District. As required by the bond resolution, the District has established the sinking fund and reserve account and has accumulated and maintained adequate resources in the sinking fund and reserve account.

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

Fiscal Year Ending June 30: Race Track Revenue Bonds	Total	Principal	Interest
2013	$ 305,620	$ 295,000	$ 10,620
Total	$ 305,620	$ 295,000	$ 10,620

9. BONDS PAYABLE (continued)

- **Qualified Zone Academy Bonds**

The District entered into a purchase contract dated November 1, 2005, under the Qualified Zone Academy Bonds (QZAB) Program. The QZAB program provides no interest cost financing to purchase certain goods or services for schools located in eligible District areas (zones). The District received financing of $1,299,696 from a local bank on November 16, 2005. Interest on the debt is paid by the United States Government through the issuance of Federal income tax credits to the holder of the QZAB debt (the bank). The rate of return to the bank was established by the United States Government at the time of the sale.

Repayment of the original $1,299,696 financing proceeds is due in full on November 16, 2021. In connection with the financing, the District entered into a forward delivery agreement dated November 16, 2005, requiring a single deposit of $726,519 into a sinking fund. The forward delivery agreement provides for a guaranteed investment return of 3.67 percent per annum whereby the required deposit, along with accrued interest, will be sufficient to repay the debt at maturity. The invested assets accumulated pursuant to the forward delivery agreement are held under a custodial agreement until the debt matures. There is $936,611 in this sinking fund at June 30, 2012.

10. DEFEASED DEBT

In prior years, the Board defeased in substance certain outstanding bonds by placing a portion of the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old debt. Accordingly, the trust account assets and the liability for the in-substance defeased bonds are not included in the District's financial statements. On June 30, 2012, debt considered defeased in substance are as follows:

Debt Issue	Amount Outstanding
State School Bonds, Series 2003A	$ 610,000
Total Defeased Debt	$ 610,000

11. CHANGES IN LONG-TERM LIABILITIES

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

Description	Balance 7/1/2011	Additions	Deductions	Balance 6/30/2012	Due in One Year
GOVERNMENTAL ACTIVITIES					
Bonds Payable	$ 15,768,139	$ 634,160	$ 2,160,731	$ 14,241,568	$ 1,460,000
Obligations Under Capital Leases	15,459,885	5,163,158	3,943,319	16,679,724	5,117,188
Certificates of Participation Payable	205,941,455	-	13,427,345	192,514,110	13,320,000
Liability for Compensated Absences	34,465,985	10,030,068	10,099,634	34,396,419	9,740,463
Estimated Insurance Claims Payable	7,589,641	6,274,040	5,304,288	8,559,393	2,767,009
Early Retirement Incentive Payable	1,521,606	-	354,689	1,166,917	542,945
Other Postemployment Healthcare Benefits Payable	7,163,775	2,617,062	1,179,591	8,601,246	-
Total Governmental Activities	$ 287,910,486	$ 24,718,488	$ 36,469,597	$ 276,159,377	$ 32,947,605

For the governmental activities, compensated absences, early retirement incentive, and other postemployment healthcare benefits are generally liquidated with resources of the General Fund. The estimated insurance claims are generally liquidated with resources of the internal service funds as discussed in Note 20.

12. FUND BALANCE REPORTING

There are two major types of fund balances, 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 does not have any nonspendable funds related to endowments. The District has inventories totaling $1,281,936 and prepaid assets totaling $3,800,113 that are considered nonspendable.

Spendable fund balances are classified based on a hierarchy of spending constraints. The District has classified the spendable fund balances as *Restricted, Assigned, and Unassigned* and considered each to have been spent when expenditures are incurred. As such, the District does not report any C*ommitted* fund balance. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned, or unassigned resources are available for use in governmental fund financial statements, it is the District's policy to use committed resources first, followed by assigned resources, and then unassigned resources as they are needed.

- Restricted: The portion of fund balance on which constraints have been placed by creditors, grantors, contributors, laws or regulations of other governments, constitutional provisions, or enabling legislation. Restricted fund balance places the most binding level of constraint on the use of fund balance. The District classifies most of its fund balances other than General Fund as restricted, as well as unspent State categorical and earmarked education funding that are legally or otherwise restricted. The

12. FUND BALANCE REPORTING (continued)

District's restricted fund balance total is $180,610,688 and represents $3,680,491 for categorical programs, $263,626 for grants, $2,657,364 for food service, $7,069,418 for debt service and $166,939,789 for capital projects.

- Committed: The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the highest level of decision-making authority (i.e., the Board).

  Amounts are committed upon a majority vote of the Board at a public meeting.

  These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same action it employed to previously commit the amounts. The District does not report any committed fund balance.

- Assigned: The portion of fund balance that is intended to be used for specific purposes, but is neither restricted nor committed. Assigned amounts include those that have been set aside for a specific purpose by an authorized government body or official, but the constraint imposed does not satisfy the criteria to be classified as restricted or committed. This category includes any remaining positive amounts, for governmental funds other than the General Fund, not classified as nonspendable, restricted, or committed. The District also classifies amounts as assigned that are constrained to be used for a specific purpose based on actions of the Superintendent and the Chief Financial Officer as authorized by Board Policy 7.101 and not included in other categories. The District's assigned fund balance total is $26,764,216 and represents $2,772,485 in District projects, $3,177,447 in school operating budget carryforwards, $6,732,425 in capital projects and $14,081,859 in budgeted expenditures over estimated revenues in the 2012 –13 fiscal year.

- Unassigned: The portion of fund balance that is the residual classification for the General Fund. This balance represents amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned for specific purposes. The unassigned fund balance in the General Fund is $35,337,274.

The District has adopted Board Policy 7.101 that the unassigned fund balance in the General Fund will be, at a minimum, 7.5 percent of the total appropriations and transfers out. The District currently exceeds this policy with an unassigned fund balance at 9.9 percent.

12. FUND BALANCE REPORTING (continued)

The following is a schedule of fund balances by category at June 30, 2012:

	Major Funds						
	General	Special Revenue - Federal Economic Stimulus	Debt Service - Other Debt Service	Debt Service - ARRA Economic Stimulus	Capital Projects - Local Capital Improvement Tax	Capital Projects - Other Capital Projects	Capital Projects-ARRA Economic Stimulus
Fund Balances							
Nonspendable:							
Inventories	$ 886,114	$ -	$ -	$ -	$ -	$ -	$ -
Prepaid items	3,800,022					91	
Spendable:							
Restricted:							
Categorical Programs	3,680,491						
Grants	263,626						
Special Revenue - Food Service							
Debt Service			936,611	5,131,556			
Capital Projects					59,142,983	97,761,628	10,035,178
Assigned:							
School Operations:							
District Projects	2,772,485						
School Carryforwards	3,177,447						
Budgeted Deficit 2012-13	14,081,859						
Capital Projects						6,732,425	
Unassigned	35,337,274						
Total Fund Balances	$ 63,999,318	$ -	$ 936,611	$ 5,131,556	$ 59,142,983	$ 104,494,144	$ 10,035,178

	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances		
Nonspendable:		
Inventories	$ 395,822	$ 1,281,936
Prepaid items		3,800,113
Spendable:		
Restricted:		
Categorical Programs		3,680,491
Grants		263,626
Special Revenue - Food Service	2,657,364	2,657,364
Debt Service	1,001,251	7,069,418
Capital Projects		166,939,789
Assigned:		
School Operations:		
District Projects		2,772,485
School Carryforwards		3,177,447
Budgeted Deficit 2012-13		14,081,859
Capital Projects		6,732,425
Unassigned		35,337,274
Total Fund Balances	$ 4,054,437	$ 247,794,227

13. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

Encumbrances: Appropriations in governmental funds are encumbered upon issuance of purchase order for goods and services. Even through appropriations lapse at the end of the fiscal year, unfilled purchase orders of the current year are carried forward and the next year's appropriations are likewise encumbered.

The following is a schedule of encumbrances at June 30, 2012:

Major Funds						
General	Special Revenue - Federal Economic Stimulus	Capital Projects - Local Capital Improvement Fund	Capital Funds - Other Capital Projects	Capital Funds - ARAA Economic Stimulus	Nonmajor Governmental Funds	Total Governmental Funds
$1,168,013	$ 22,730	$26,004,839	$ 68,480,004	$ 9,922,655	$ 526,821	$ 106,125,062

Construction Contracts: Encumbrances include the following major construction contract commitments at fiscal year-end:

Project Name	Contract Amount	Completed To Date	Balance Committed
Bay Haven	$ 230,000	$ -	$ 230,000
Booker High	36,287,574	23,821,761	12,465,813
Booker Middle	1,957,720	576,161	1,381,559
Englewood	100,000	-	100,000
Fruitville	514,250	12,000	502,250
Glenallen	266,679	63,493	203,186
Gocio	181,900	-	181,900
Laurel Nokomis	7,299,929	3,420,808	3,879,121
Oak Park	217,500	-	217,500
Pineview	110,825	-	110,825
Sarasota County Technical	47,054,426	27,329,591	19,724,835
Sarasota High	2,253,837	46,369	2,207,468
Sarasota Middle	6,421,976	2,446,207	3,975,769
Venice High	66,378,442	30,628,052	35,750,390
Venice Middle	164,104	39,106	124,998
Total	$ 169,439,162	$ 88,383,548	$ 81,055,614

14. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

	Interfund	
Funds	Receivables	Payables
Major Funds:		
General	$ 3,271,776	$ -
Special Revenue:		
Federal Economic Stimulus	-	112,337
Debt Service:		
Other Debt Service	15,837	315
Capital Projects:		
Local Capital Improvement Tax	-	3,009,145
Other Capital Projects	73,677	-
Nonmajor Governmental Funds	125,628	350,492
Internal Service Funds	-	14,629
Total	$ 3,486,918	$ 3,486,918

Interfund receivables and payables are temporary loans of cash between funds allowable under Section 1011.09(2), Florida Statutes, for a period of less than 13 months. The temporary loans do not restrict, impede, or limit implementation or fulfillment of the original purposes for which the monies were received in the fund providing the advancement. All amounts will be repaid within the 2012-13 fiscal year.

14. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (continued)

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

Funds	Interfund Transfers In	Interfund Transfers Out
Major Funds:		
General	$ 20,460,435	$ 550,279
Debt Service:		
Other Debt Service	24,279,267	-
ARRA Economic Stimulus	2,489,026	-
Capital Projects:		
Local Capital Improvement Tax	-	45,370,207
Other Capital Projects	130,858	1,989,379
Internal Service Funds	550,279	-
Total	$ 47,909,865	$ 47,909,865

Interfund transfers of money represent permanent transfers of monies between funds. The transfer from the General Fund to the Internal Service Funds was to reimburse the general liability and automobile liability self-insurance funds. Transfers from the Local Capital Improvement Tax Fund were for the purpose of funding maintenance and equipment expenditures and payment of premiums for property and casualty insurance in the General Fund and for paying debt service expenditures in the Other Debt Service Fund. Transfers from Other Capital Projects Fund were for capital outlay to charter schools, and to reimburse certain capital outlay expenditures.

15. SCHEDULE OF STATE REVENUE SOURCES

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

Source:	Amount
Categorical educational programs - Class size reduction	$ 46,023,875
Florida education finance program	17,015,914
Workforce development program	9,528,420
Motor vehicle license tax (capital outlay & debt service)	1,957,003
Charter school capital outlay	1,858,522
School recognition	1,764,702
Adults with disabilities	515,161
Mobile home license tax	233,495
Food service supplement	169,990
Discretionary lottery funds	135,772
Performance based incentives	108,712
Miscellaneous	724,553
Total	$ 80,036,119

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

16. PROPERTY TAXES

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

Funds	Millage Rates	Taxes Levied
General Fund		
Nonvoted School Tax:		
Required Local Effort	4.387	$ 184,406,224
Basic Discretionary Local Effort	0.748	31,441,955
Voted Tax:		
Operating	1.000	42,034,699
Capital Projects Funds		
Nonvoted Tax:		
Local Capital Improvements	1.500	63,052,048
Total	7.635	$ 320,934,926

17. STATE RETIREMENT PROGRAMS

Florida Retirement System. The Florida Retirement System (FRS) covers all regular employees of the District. The FRS offers employees a defined benefit retirement plan and a defined contribution program. The District is required to make contributions in accordance with rates established by the Florida Legislature. Essentially all regular employees of participating employers are eligible and must enroll as members of the FRS. During the 2011 legislative session, the laws governing the FRS were amended and effective July 1, 2011, requires all employees except Deferred Retirement Option Program (DROP) participants to start contributing 3 percent of their salary into the retirement system, excludes service credit earned after July 1, 2011 from the calculation of a member's cost-of-living increase at the time of retirement, reduces the interest rate earned on DROP participant accounts to 1.3 percent for new participants, and changes the normal retirement age and or years of service requirements, vesting requirements and calculation of average final compensation for members of the FRS initially enrolled on or after July 1, 2011.

Defined Benefit Plan. Most employees working for the District are covered by a State-administered, cost-sharing, multiple-employer defined benefit retirement plan (Plan) under the FRS. Plan provisions are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code, wherein Plan eligibility, contributions, and benefits are defined and described in detail. Employees in the Plan vest at six years of service if enrolled before July 1, 2011. All employees enrolled in the plan on or after July 1, 2011 vest at eight years of service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, which may include up to 4 years of credit for military service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years

17. STATE RETIREMENT PROGRAMS (continued)

of service. Members who enrolled in the plan on or after July 1, 2011 and become vested are eligible for normal retirement benefits at age 65 or at any age after 33 years of service, which may include up to 4 years of credit for military service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. The Plan also includes an early retirement provision but there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, and death benefits and annual cost-of-living adjustments.

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

During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

Defined Contribution Plan. Pursuant to Section 121.4501, Florida Statutes, the Florida Legislature created a defined contribution program called the Florida Retirement System Investment Plan (Investment Plan). Employees in the Investment Plan vest after one year of service. District employees participating in DROP are not eligible to participate in the program. This program is administered by FRS as an option to the defined benefit plan, and is self-directed by the employee. The employees have the responsibility of selecting how their funds are invested within the approved set of investment choices and may take their funds when they leave FRS. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The Investment Plan is funded by employer and employee contributions that are based on salary and membership class (Regular Class, Special Risk Class, etc.). Contributions are directed to the individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. There were 662 District participants in the Investment Plan during the 2011-12 fiscal year. Required employer contributions made to the program totaled $1,226,748 and employee contributions totaled $746,454.

17. STATE RETIREMENT PROGRAMS (continued)

Funding Policy. The contribution rates for Plan members are established and may be amended by the State of Florida. During the 2011-12 fiscal year, contribution rates were amended to require all employees except DROP participants to start contributing 3 percent of their salary into the retirement system and are as follows:

	Percent of Gross Salary	
Membership Class	Employee	Employer (A)
Florida Retirement System, Regular	3.00	4.91
Florida Retirement System, Elected County Officers	3.00	11.14
Florida Retirement System, Senior Management Service	3.00	6.27
Florida Retirement System, DROP	0.00	4.42
Florida Retirement System, Special Risk System	3.00	14.1
Florida Retirement System, Reemployed Retiree	(B)	(B)

Notes: (A) Employer rates include 1.11 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.03 percent for administrative costs of the Investment Plan.

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

The District's liability for participation is limited to the payment of the required contribution at the rates and frequencies established by law on future payrolls of the District. The District's contributions for the fiscal years ended June 30, 2010, June 30, 2011, and June 30, 2012, totaled $22,221,315, $23,822,006, and $9,946,576 respectively, which were equal to the required contributions for each fiscal year. The employees' contributions for the fiscal year ending June 30, 2012 were $5,265,482.

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

18. SPECIAL TERMINATION BENEFITS

On May 18, 1993, the Board approved the establishment of a one-time early retirement incentive program for members of the instructional and classified collective bargaining units and its administrative personnel who signed an agreement to participate in the program and agreed to retire from employment under the provisions of the FRS as explained in Note 17. The early out program was offered only until August 15, 1993.

18. SPECIAL TERMINATION BENEFITS (continued)

Participating employees were required to select an option under the existing provisions of the FRS which pays over the life of the employee the maximum retirement benefit payable, forfeiting an option which would pay decreased retirement benefits for the lifetime of both the employee and a joint annuitant (Survivor). To compensate for the loss of these extended survivor benefits, the District, as part of the Early Out Program, purchased on behalf of participating employees a flexible premium universal life insurance policy to be paid for over the life of the retiree, providing death benefits upon the qualified employee's death equaling the amount the survivor would have received, including a 3 percent annual cost of living adjustment (COLA), had the qualified employee selected the FRS option which paid survivor benefits. Premiums are to be paid for over the life of the participating employee. The District reported a liability of $1,166,917 in the Statement of Net Assets representing the present value of the estimated future payments for life insurance premiums for the remaining 117 employees who elected to retire during the 1992-93 and 1993-94 fiscal years and participate in the program.

19. OTHER POSTEMPLOYMENT BENEFITS

Plan Description – The Other Postemployment Benefits (OPEB) Plan is a single-employer defined benefit plan administered by the District. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees who retire from the District and their eligible dependents may continue to participate in one of four fully insured comprehensive plans for medical and prescription drug coverage. The District subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the OPEB Plan on average than those of active employees. The District does not provide any explicit subsidies for retiree coverage. Retirees are not required to enroll in the Federal Medicare programs parts A and B for their primary coverage as soon as they are eligible. A retiree may also participate in the District's life insurance program that provides $5,000 coverage reducing to $2,500 at age 70. The OPEB Plan does not issue a stand-alone report, and is not included in the report of a public employee retirement system or other entity. A copy of the actuarial report provided by AON Hewitt dated August 28, 2012 is available in the District's Finance Department.

19. OTHER POSTEMPLOYMENT BENEFITS (continued)

Funding Policy – Plan contribution requirements of the District and OPEB Plan members are established and may be amended through action from the Board. The District has not advance-funded or established a funding methodology for the annual OPEB costs or the net OPEB obligation and the OPEB Plan is financed on a pay-as-you-go basis. As of the valuation date there were 411 retirees and 53 eligible dependents receiving postemployment health care benefits and 1,639 receiving life insurance coverage. For the 2011-12 fiscal year, the District provided required contributions of $1,179,591 toward annual OPEB costs, comprised of benefit payments made on behalf of retirees for claims expenses, retention costs, and net of retiree contributions totaling $2,526,019 which is 1.08 percent of the covered payroll.

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

Description	Amount
Normal Cost (service cost for one year)	$ 1,468,226
Amortization of Unfunded Actuarial Accrued Liability	1,018,662
Interest on Normal Cost and Amortization	99,476
Annual Required Contribution	2,586,364
Interest on Net OPEB Obligation	286,551
Adjustment to Annual Required Contribution	(255,853)
Annual OPEB Cost (expense)	2,617,062
Contribution Toward the OPEB Cost	(1,179,591)
Increase in Net OPEB Obligation	1,437,471
Net OPEB Obligation, Beginning of Year	7,163,775
Net OPEB Obligation, End of Year	$ 8,601,246

19. OTHER POSTEMPLOYMENT BENEFITS (continued)

The District's annual OPEB cost, contribution amounts, percentage of annual OPEB cost contributed to the OPEB Plan, and the net OPEB obligation as of June 30, 2012, and the two preceding years, were as follows:

Fiscal Year	Annual OPEB Cost	Amount Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2009-2010	$ 2,741,317	$ 1,208,846	44.1%	$ 5,826,296
2010-2011	2,460,643	1,123,164	45.6%	7,163,775
2011-2012	2,617,062	1,179,591	45.1%	8,601,246

Funded Status and Funding Progress – As of June 30, 2012, the most recent valuation date actuarial accrued liability for benefits was $25,969,958 and the actuarial value of assets was $0, resulting in an unfunded actuarial accrued liability of $25,969,958 and a funded ratio of 0 percent. The covered payroll (annual payroll of active participating employees) was $234,975,704 for the 2011-12 fiscal year, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 11.1 percent.

Actuarial valuations of an ongoing OPEB 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 OPEB Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The required supplementary schedule of funding progress immediately following the notes to the financial statements present multiyear trend information about whether the actuarial value of OPEB Plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions –Projections of benefits for financial reporting purposes are based on the substantive OPEB 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 of benefit costs between the employer and participating members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

19. OTHER POSTEMPLOYMENT BENEFITS (continued)

The District's OPEB actuarial valuation for the 2011-12 fiscal year used the entry age normal cost actuarial method to estimate both the unfunded actuarial liability and to determine the annual required contribution. Because the OPEB liability is currently unfunded, the actuarial assumptions include a 4 percent rate of return on invested assets, which is the District's long-term expectation of investment returns under its investment policy. The actuarial assumptions also include a payroll growth rate of 3.50 percent per year, general inflation is 2.5 percent, and an annual healthcare cost trend rate of 9.5 percent initially (7.5 percent for Medicare eligible) for the 2011-12 fiscal year, reduced to an ultimate rate of 5.50 percent for fiscal year ending June 30, 2018. The unfunded actuarial accrued liability and gains/losses are being amortized as a level percentage of projected payroll on a closed basis over 30 years. The remaining amortization period at June 30, 2012 was 24 years.

20. RISK MANAGEMENT PROGRAMS

The District has established a cafeteria plan under Section 125 of the Internal Revenue Code whereby the District will purchase various insurance products for the employee. In addition, an employee may purchase additional insurance, which qualifies for salary reduction under Internal Revenue Service guidelines. The cafeteria plan is accounted for as an Internal Service Fund.

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Workers' compensation, automobile liability, and general liability coverage, and certain dental benefits contained within the District's cafeteria plan, are being provided on a self-insured basis up to specified limits.

The District has contracted with an insurance administrator to administer the workers' compensation and dental benefits self-insurance programs, including the processing, investigation, and payment of claims. The District has entered into an insurance agreement for their workers' compensation plan to provide specific excess coverage of claim amounts above the stated amount on an individual claim basis and aggregate excess coverage up to $25 million. For automobile and general liability coverage the District depends on the Florida Sovereign Immunity Act, Section 768.28, Florida Statutes, to limit its potential tort liability to $200,000 per person or $300,000 per occurrence.

Property protection, employee blanket crime policy and fidelity bond, and other coverages deemed necessary by the Board are provided through purchased commercial insurance. Settled claims resulting from the risks described above have not exceeded commercial insurance coverage in any of the past three fiscal years.

The District's health and hospitalization insurance program is administered by an insurance carrier under an agreement wherein premium payments are made monthly for covered employees and their dependents.

20. RISK MANAGEMENT PROGRAMS (continued)

A liability in the amount of $8,444,699 for the workers' compensation, the general liability, the automobile liability, and the dental liability funds was actuarially determined to cover estimated incurred but not reported insurance claims payable at June 30, 2012, and is net of excess insurance recoverable on unpaid claims. A liability in the amount of $114,694 relates to the District's cafeteria plan fund. Non-incremental claims expense has been included as part of the liabilities.

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

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
2010-2011	$ 7,502,696	$ 4,356,026	$ (4,269,081)	$ 7,589,641
2011-2012	7,589,641	6,274,040	(5,304,288)	8,559,393

21. LITIGATION

The District is contingently liable with respect to lawsuits and other claims that arise in the ordinary course of its operations. Management believes that any liability arising from such claims would be immaterial to the financial statements.

22. CONTINGENCY

The District receives grant funds from the Federal government. Certain expenditures of these funds are subject to audit by the grantor, and the reporting entity is contingently liable to refund amounts received in excess of allowable expenditures. In the opinion of the management of the District, no material refunds will be required as a result of expenditures disallowed by the grantors.

23. SUBSEQUENT EVENTS

The District has evaluated subsequent events from July 1, 2012 through December 17, 2012, in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued. No subsequent events occurred which would have a material impact on the District's financial statements.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Required Supplementary Information -
Schedule of Funding Progress
Other Postemployment Benefits Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
June 30, 2010	-	$ 26,578,634	$ 26,578,634	0.0%	$ 260,504,372	10.2%
June 30, 2011	-	24,397,512	24,397,512	0.0%	255,540,172	9.5%
June 30, 2012	-	25,969,958	25,969,958	0.0%	234,975,704	11.1%

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA

Nonmajor Governmental Funds

Special Revenue Funds

The Special Revenue Funds account for certain revenues derived from the State of Florida, the Federal Government and other local and private sources that are required to finance designated activities. Activities included within the funds are as follows:

Food Service Fund – To account for and report on activities of the food service program in serving breakfast and lunch at the schools.

Contracted Programs Fund – To account for and report on activities of various programs of different funding sources according to the specifications and requirements of each funding source.

Debt Service Funds

The Debt Service Funds are used to account for the payment of interest and principal of the current portion of long-term debt.

State Board of Education Bonds Fund – To account for and report on 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.

Special Act Bonds Fund – To account for and report on the payment of principal, interest, and related charges on the District's Race-Track Revenue Bonds, which are payable from the District's portion of race track and jai-alai fronton receipts.

District Bonds Fund – To account for bonds issued by the District as authorized by vote of the people of the District.

(continued)

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA

Nonmajor Governmental Funds (continued)

Capital Projects Funds

The Capital Projects Funds are used to account for the financing and acquisition or construction of major capital facilities, such as new school buildings or additions to existing buildings, or for major renovation projects. Specific funding sources included herein are:

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.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2012

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	$ 3,498,192	$ 700,846	$ -	$ 4,199,038
Investments	18,265	349,278	-	367,543
Due from other funds	125,628	-	-	125,628
Due from other governmental agencies	760,346	-	-	760,346
Inventories	395,822	-	-	395,822
Total assets	$ 4,798,253	$ 1,050,124	$ -	$ 5,848,377
Liabilities and fund balances				
Liabilities:				
Salaries and wages payable	$ 198,733	$ -	$ -	$ 198,733
Accounts payable	271,832	-	-	271,832
Due to other funds	350,492	-	-	350,492
Matured debt payable	-	19,000	-	19,000
Matured interest payable	-	29,873	-	29,873
Deferred revenue	924,010	-	-	924,010
Total liabilities	1,745,067	48,873	-	1,793,940
Fund balances:				
Nonspendable	395,822	-	-	395,822
Restricted	2,657,364	1,001,251	-	3,658,615
Total fund balances	3,053,186	1,001,251	-	4,054,437
Total liabilities and fund balances	$ 4,798,253	$ 1,050,124	$ -	$ 5,848,377

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2012

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Federal direct	$ 1,295,297	$ -	$ -	$ 1,295,297
Federal through state and local	33,467,179	-	-	33,467,179
State sources	169,990	2,157,458	216,965	2,544,413
Local Sources:				
Charges for services	5,789,837	-	-	5,789,837
Other local revenue	1,192,491	2,924	-	1,195,415
Total revenues	41,914,794	2,160,382	216,965	44,292,141
Expenditures				
Current:				
Instruction	15,978,966	-	-	15,978,966
Pupil personnel services	2,729,894	-	-	2,729,894
Instructional media services	9,892	-	-	9,892
Instruction and curriculum development services	952,470	-	-	952,470
Instructional staff training services	3,349,318	-	-	3,349,318
General administration	765,467	-	-	765,467
School administration	1,686	-	-	1,686
Facility services - non-capitalized	114,150	-	-	114,150
Fiscal Services	9,688	-	-	9,688
Food services	15,193,929	-	-	15,193,929
Central services	86,669	-	-	86,669
Pupil transportation services	327,793	-	-	327,793
Community services	715,194	-	-	715,194
Capital outlay:				
Facilities acquisition and construction	84,563	-	216,441	301,004
Other capital outlay	286,739	-	-	286,739
Debt service:				
Principal	-	1,520,000	-	1,520,000
Interest	-	650,381	-	650,381
Dues and fees	-	2,632	524	3,156
Total expenditures	40,606,418	2,173,013	216,965	42,996,396
Excess (deficiency) of revenues over (under) expenditures	1,308,376	(12,631)	-	1,295,745
Other financing sources (uses)				
Refunding bonds issued	-	550,000	-	550,000
Premium on refunding bonds	-	84,160	-	84,160
Payments to refunded bond escrow agent	-	(632,525)	-	(632,525)
Total other financing sources (uses)	-	1,635	-	1,635
Net change in fund balances	1,308,376	(10,996)	-	1,297,380
Fund balance - beginning	1,744,810	1,012,247	-	2,757,057
Fund balance - ending	$ 3,053,186	$ 1,001,251	$ -	$ 4,054,437

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2012

	Food Service Fund	Contracted Programs Fund	Total Nonmajor Special Revenue Funds
Assets			
Cash and cash equivalents	$ 2,909,454	$ 588,738	$ 3,498,192
Investments	4,616	13,649	18,265
Due from other funds	12,453	113,175	125,628
Due from other governmental agencies	177,531	582,815	760,346
Inventories	395,822	-	395,822
Total assets	$ 3,499,876	$ 1,298,377	$ 4,798,253
Liabilities and fund balances			
Liabilities:			
Salaries and wages payable	$ -	$ 198,733	$ 198,733
Accounts payable	45,593	226,239	271,832
Due to other funds	214,091	136,401	350,492
Deferred revenue	187,006	737,004	924,010
Total liabilities	446,690	1,298,377	1,745,067
Fund balances:			
Nonspendable	395,822	-	395,822
Restricted	2,657,364	-	2,657,364
Total fund balances	3,053,186	-	3,053,186
Total liabilities and fund balances	$ 3,499,876	$ 1,298,377	$ 4,798,253

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2012

	Food Service Fund	Contracted Programs Fund	Total Nonmajor Special Revenue Funds
Revenues			
Federal direct	$ -	$ 1,295,297	$ 1,295,297
Federal through state and local	10,520,402	22,946,777	33,467,179
State sources	169,990	-	169,990
Local Sources:			
Charges for services	5,789,837	-	5,789,837
Other local revenue	22,076	1,170,415	1,192,491
Total revenues	16,502,305	25,412,489	41,914,794
Expenditures			
Current:			
Instruction	-	15,978,966	15,978,966
Pupil personnel services	-	2,729,894	2,729,894
Instructional media services	-	9,892	9,892
Instruction and curriculum development services	-	952,470	952,470
Instructional staff training services	-	3,349,318	3,349,318
General administration	-	765,467	765,467
School administration	-	1,686	1,686
Facility services - non-capitalized	-	114,150	114,150
Fiscal services	-	9,688	9,688
Food services	15,193,929	-	15,193,929
Central services	-	86,669	86,669
Pupil transportation services	-	327,793	327,793
Community services	-	715,194	715,194
Capital outlay:			
Facilities acquisition and construction	-	84,563	84,563
Other capital outlay	-	286,739	286,739
Total expenditures	15,193,929	25,412,489	40,606,418
Excess of revenues over expenditures	1,308,376	-	1,308,376
Fund balance - beginning	1,744,810	-	1,744,810
Fund balance - ending	$ 3,053,186	$ -	$ 3,053,186

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2012

	State Board of Education Bonds Fund	Special Act Bonds Fund	District Bonds Fund	Total Nonmajor Debt Service Funds
Assets				
Cash and cash equivalents	$ -	$ 657,292	$ 43,554	$ 700,846
Investments	339,761	9,517	-	349,278
Total assets	$ 339,761	$ 666,809	$ 43,554	$ 1,050,124
Liabilities and fund balances				
Liabilities:				
Matured debt payable	$ -	$ -	$ 19,000	$ 19,000
Matured interest payable	-	5,319	24,554	29,873
Total liabilities	-	5,319	43,554	48,873
Fund balances:				
Restricted for debt service	339,761	661,490	-	1,001,251
Total fund balances	339,761	661,490	-	1,001,251
Total liabilities and fund balances	$ 339,761	$ 666,809	$ 43,554	$ 1,050,124

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Fiscal Year Ended June 30, 2012

	State Board of Education Bonds Fund	Special Act Bonds Fund	District Bonds Fund	Total Nonmajor Debt Service Funds
Revenues				
State sources	$ 1,710,958	$ 446,500	$ -	$ 2,157,458
Local Sources:				
Other local revenue	-	2,924	-	2,924
Total revenues	1,710,958	449,424	-	2,160,382
Expenditures				
Debt service:				
Principal	1,110,000	410,000	-	1,520,000
Interest	625,411	24,970	-	650,381
Dues and fees	2,632	-	-	2,632
Total expenditures	1,738,043	434,970	-	2,173,013
Excess (deficiency) of revenues over (under) expenditures	(27,085)	14,454	-	(12,631)
Other financing sources (uses)				
Refunding bonds issued	550,000	-	-	550,000
Premium on refunding bonds	84,160	-	-	84,160
Payments to refunded bond escrow agent	(632,525)	-	-	(632,525)
Total other financing sources (uses)	1,635	-	-	1,635
Net change in fund balances	(25,450)	14,454	-	(10,996)
Fund balance - beginning	365,211	647,036	-	1,012,247
Fund balance - ending	$ 339,761	$ 661,490	$ -	$ 1,001,251

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Balance Sheet
Nonmajor Capital Projects Fund
June 30, 2012

	Capital Outlay and Debt Service Fund
Assets	
Total assets	$ -
Liabilities and fund balances	
Total liabilities and fund balances	$ -

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Fund
For the Fiscal Year Ended June 30, 2012

	Capital Outlay and Debt Service Fund
Revenues	
State sources	$ 216,965
Total revenues	216,965
Expenditures	
Capital outlay:	
Facilities acquisition and construction	216,441
Debt service:	
Dues and fees	524
Total expenditures	216,965
Excess of revenues over expenditures	-
Fund balance - beginning	-
Fund balance - ending	$ -

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Food Service - Nonmajor Special Revenue Fund
For the Fiscal Year Ended June 30, 2012

	Food Service			
	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual Amounts	(Negative)
Revenues				
Federal through state sources:				
Food service	$ 10,405,323	$ 10,779,063	$ 10,520,402	$ (258,661)
Total federal through state	10,405,323	10,779,063	10,520,402	(258,661)
State sources:				
Food service	170,427	169,990	169,990	-
Total state sources	170,427	169,990	169,990	-
Local sources:				
Food service	5,983,803	5,811,950	5,789,837	22,113
Interest income	14,000	3,642	4,876	(1,234)
Other local sources	208,675	16,000	17,200	(1,200)
Total local sources	6,206,478	5,831,592	5,811,913	19,679
Total revenues	16,782,228	16,780,645	16,502,305	(238,982)
Expenditures				
Current:				
Food services	16,147,793	15,451,457	15,193,929	257,528
Total expenditures	16,147,793	15,451,457	15,193,929	257,528
Excess of revenues over expenditures	$ 634,435	$ 1,329,188	1,308,376	$ (20,812)
Fund balance - beginning			1,744,810	
Fund balance - ending			$ 3,053,186	

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Contracted Programs - Nonmajor Special Revenue Fund
For the Fiscal Year Ended June 30, 2012

	Contracted Programs			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Federal direct	$ 1,490,858	$ 1,295,297	$ 1,295,297	$ -
Federal through state	25,530,332	22,946,777	22,946,777	-
Local Sources:				
Other local revenue	1,137,846	1,170,415	1,170,415	-
Total revenues	28,159,036	25,412,489	25,412,489	-
Expenditures				
Current:				
Instruction	17,227,840	15,978,966	15,978,966	-
Pupil personnel services	3,183,644	2,729,894	2,729,894	-
Instructional media services	-	9,892	9,892	-
Instruction and curriculum development services	1,323,495	952,470	952,470	-
Instructional staff training services	4,143,693	3,349,318	3,349,318	-
General administration	782,195	765,467	765,467	-
School administration	-	1,686	1,686	-
Facility services - non-capitalized	-	114,150	114,150	-
Fiscal services	-	9,688	9,688	-
Central services	116,060	86,669	86,669	-
Pupil transportation services	596,741	327,793	327,793	-
Operation of plant	11,286	-	-	-
Community services	774,082	715,194	715,194	-
Capital outlay:				
Facilities acquisition and construction	-	84,563	84,563	-
Other capital outlay	-	286,739	286,739	-
Total expenditures	28,159,036	25,412,489	25,412,489	-
Excess of revenues over expenditures	$ -	$ -	-	$ -
Fund balance - beginning			-	
Fund balance - ending			$ -	

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Other Debt Service - Major Debt Service Fund
For the Fiscal Year Ended June 30, 2012

	Other Debt Service			
	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
Local sources:				
Interest income	$ -	$ 34,151	$ 34,151	$ -
Total revenues	-	34,151	34,151	-
Expenditures				
Debt service:				
Principal	17,445,730	16,878,320	16,878,319	1
Interest	7,490,427	7,391,573	7,391,573	-
Dues and fees	7,600	10,214	10,214	-
Total expenditures	24,943,757	24,280,107	24,280,106	1
Deficiency of revenues under expenditures	(24,943,757)	(24,245,956)	(24,245,955)	1
Other financing sources				
Transfers in	24,943,757	24,279,268	24,279,267	(1)
Total other financing sources	24,943,757	24,279,268	24,279,267	(1)
Net change in fund balance	$ -	$ 33,312	33,312	$ -
Fund balance - beginning			903,299	
Fund balance - ending			$ 936,611	

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
ARRA Economic Stimulus - Major Debt Service Fund
For the Fiscal Year Ended June 30, 2012

	ARRA Economic Stimulus			
	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
Federal direct	$ 2,086,761	$ 2,086,761	$ 2,086,761	$ -
Local sources:				
Interest income	-	157,313	157,312	(1)
Total revenues	2,086,761	2,244,074	2,244,073	(1)
Expenditures				
Debt service:				
Interest	2,125,485	2,125,485	2,125,484	1
Dues and fees	2,500	7,000	7,000	-
Total expenditures	2,127,985	2,132,485	2,132,484	1
Excess (deficiency) of revenues over (under) expenditures	(41,224)	111,589	111,589	-
Other financing sources				
Transfers in	2,565,710	2,489,026	2,489,026	-
Total other financing sources	2,565,710	2,489,026	2,489,026	-
Net change in fund balance	$ 2,524,486	$ 2,600,615	2,600,615	$ -
Fund balance - beginning			2,530,941	
Fund balance - ending			$ 5,131,556	

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
State Board of Education Bonds - Nonmajor Debt Service Fund
For the Fiscal Year Ended June 30, 2012

	State Board of Education Bonds			
	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
State sources:				
CO&DS withheld for SBE Bonds	$ 1,734,511	$ 1,711,152	$ 1,710,958	$ (194)
Total revenues	1,734,511	1,711,152	1,710,958	(194)
Expenditures				
Debt service:				
Principal	1,110,000	1,110,000	1,110,000	-
Interest	624,511	625,411	625,411	-
Dues and fees	1,500	2,632	2,632	-
Total expenditures	1,736,011	1,738,043	1,738,043	-
Deficiency of revenues under expenditures	(1,500)	(26,891)	(27,085)	(194)
Other financing sources (uses)				
Refunding bonds issued	-	550,000	550,000	-
Premium on refunding bonds	-	84,160	84,160	-
Payments to refunded bond escrow agent	-	(632,525)	(632,525)	-
Total other financing sources (uses)	-	1,635	1,635	-
Net change in fund balance	$ (1,500)	$ (25,256)	(25,450)	$ (194)
Fund balance - beginning			365,211	
Fund balance - ending			$ 339,761	

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Special Act Bonds - Nonmajor Debt Service Fund
For the Fiscal Year Ended June 30, 2012

	Special Act Bonds			
	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues				
State sources:				
Racing commission funds	$ 446,500	$ 446,500	$ 446,500	$ -
Local sources:				
Interest income	-	2,924	2,924	-
Total revenues	446,500	449,424	449,424	-
Expenditures				
Debt service:				
Principal	410,000	410,000	410,000	-
Interest	24,970	24,970	24,970	-
Total expenditures	434,970	434,970	434,970	-
Excess of revenues over expenditures	$ 11,530	$ 14,454	14,454	$ -
Fund balance - beginning			647,036	
Fund balance - ending			$ 661,490	

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Local Capital Improvement Tax - Major Capital Projects Fund
For the Fiscal Year Ended June 30, 2012

	Local Capital Improvement Tax			
	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Local sources:				
Property taxes levied for capital projects	$ 60,529,966	$ 60,937,028	$ 60,937,028	$ -
Interest income	-	339,746	339,746	-
Total revenues	60,529,966	61,276,774	61,276,774	-
Expenditures				
Current:				
Facility services - non-capitalized	72,834,023	57,210,570	10,309,590	46,900,980
Capital outlay:				
Facilities acquisition and construction	-	12,563,259	12,563,259	-
Total expenditures	72,834,023	69,773,829	22,872,849	46,900,980
Excess (deficiency) of revenues over (under) expenditures	(12,304,057)	(8,497,055)	38,403,925	46,900,980
Other financing uses				
Transfers out	(45,410,384)	(45,410,384)	(45,370,207)	40,177
Total other financing uses	(45,410,384)	(45,410,384)	(45,370,207)	40,177
Net change in fund balance	$ (57,714,441)	$ (53,907,439)	(6,966,282)	$ 46,941,157
Fund balance - beginning			66,109,265	
Fund balance - ending			$ 59,142,983	

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Other Capital Projects - Major Capital Projects Fund
For the Fiscal Year Ended June 30, 2012

	Other Capital Projects			
	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
State sources:				
Charter school capital outlay funding	$ 1,742,379	$ 1,858,522	$ 1,858,522	$ -
Miscellaneous state revenue	-	164,239	164,239	-
Local sources:				
Sales tax collections	12,607,200	13,860,532	13,860,532	-
Impact fee collections	-	146,198	146,198	-
Interest income	680,000	469,735	469,735	-
Miscellaneous local revenue	1,822,500	2,317,512	2,317,512	-
Total revenues	16,852,079	18,816,738	18,816,738	-
Expenditures				
Current:				
Facility services - non-capitalized	130,992,141	88,738,606	2,378,030	86,360,576
Capital outlay:				
Facilities acquisition and construction	-	41,995,735	41,995,735	-
Total expenditures	130,992,141	130,734,341	44,373,765	86,360,576
Deficiency of revenues under expenditures	(114,140,062)	(111,917,603)	(25,557,027)	86,360,576
Other financing sources (uses)				
Inception of capital leases	-	5,163,158	5,163,158	-
Sale of capital assets	-	373,873	373,873	-
Transfer in	-	130,858	130,858	-
Transfer out	(1,742,379)	(1,989,380)	(1,989,379)	1
Total other financing sources (uses)	(1,742,379)	3,678,509	3,678,510	1
Net change in fund balance	$ (115,882,441)	$ (108,239,094)	(21,878,517)	$ 86,360,577
Fund balance - beginning			126,372,661	
Fund balance - ending			$ 104,494,144	

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
ARRA Economic Stimulus - Major Capital Projects Fund
For the Fiscal Year Ended June 30, 2012

	ARRA Economic Stimulus			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Local sources:				
Interest income	$ -	$ 103,299	$ 103,299	$ -
Total revenues	-	103,299	103,299	-
Expenditures				
Current:				
Facility services - non-capitalized	36,798,641	9,931,879	-	9,931,879
Capital outlay:				
Facilities acquisition and construction	-	26,866,762	26,866,762	-
Total expenditures	36,798,641	36,798,641	26,866,762	9,931,879
Deficiency of revenues under expenditures	$ (36,798,641)	$ (36,695,342)	(26,763,463)	$ 9,931,879
Fund balance - beginning			36,798,641	
Fund balance - ending			$10,035,178	

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Capital Outlay and Debt Service - Nonmajor Capital Projects Fund
For the Fiscal Year Ended June 30, 2012

	Capital Outlay and Debt Service			
	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
State sources:				
CO&DS Distribution	$ 238,633	$ 216,965	$ 216,965	$ -
Total revenues	238,633	216,965	216,965	-
Expenditures				
Capital outlay:				
Facilities acquisition and construction	238,633	216,441	216,441	-
Debt service:				
Issue costs	-	524	524	-
Total expenditures	238,633	216,965	216,965	-
Excess of revenues over expenditures	$ -	$ -	-	$ -
Fund balance - beginning			-	
Fund balance - ending			$ -	

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SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA

Internal Service Funds

Internal Service funds are used to account for the District's individual self-insurance programs.

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

General Liability Insurance Fund – To account for the financial activities of the District's self-insured general liability coverages.

Cafeteria Plan Funds – To account for self-insured dental and Internal Revenue Code Section 125 benefits for employees.

Automobile Liability Insurance Fund – To account for the financial activities of the District's self-insured automobile liability coverage.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Combining Schedule of Fund Net Assets
Internal Service Funds
June 30, 2012

	Workers' Compensation Insurance	General Liability Insurance
Assets		
Current Assets		
Cash and cash equivalents	$ 12,025,785	$ 3,926,411
Investments	196,566	64,256
Deposits receivable	75,000	-
Prepaid items	41,813	11,881
Total current assets	12,339,164	4,002,548
Total assets	$ 12,339,164	$ 4,002,548
Liabilities and net assets		
Current liabilities		
Accounts payable	$ 18,376	$ 5,000
Due to other funds	14,629	-
Estimated insurance claims payable	2,038,900	249,100
Total current liabilities	2,071,905	254,100
Long-term liabilities		
Liability for compensated absences	23,603	4,321
Estimated insurance claims payable	5,018,907	530,615
Total long-term liabilities	5,042,510	534,936
Total liabilities	7,114,415	789,036
Net assets		
Unrestricted	5,224,749	3,213,512
Total net assets	5,224,749	3,213,512
Total liabilities and net assets	$ 12,339,164	$ 4,002,548

Cafeteria Plan		Automobile	Internal Service
Dental Insurance	Cafeteria	Liability Insurance	Funds Total
$ 1,535,850	$ 560,617	$ 2,708,437	$ 20,757,100
25,489	9,092	44,450	339,853
-	-	-	75,000
-	-	-	53,694
1,561,339	569,709	2,752,887	21,225,647
$ 1,561,339	$ 569,709	$ 2,752,887	$ 21,225,647
$ 15,527	$ 3,468	$ 871	$ 43,242
-	-	-	14,629
137,915	114,694	226,400	2,767,009
153,442	118,162	227,271	2,824,880
-	7,174	4,322	39,420
-	-	242,862	5,792,384
-	7,174	247,184	5,831,804
153,442	125,336	474,455	8,656,684
1,407,897	444,373	2,278,432	12,568,963
1,407,897	444,373	2,278,432	12,568,963
$ 1,561,339	$ 569,709	$ 2,752,887	$ 21,225,647

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Combining Schedule of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Fiscal Year Ended June 30, 2012

	Workers' Compensation Insurance	General Liability Insurance
Operating revenues		
Charges for services	$ 2,423,755	$ -
Other operating revenues	172,623	-
Total operating revenues	2,596,378	-
Operating expenses		
Salaries	131,235	18,693
Employee benefits	22,651	4,949
Purchased services	418,243	22,748
Materials and supplies	106	-
Insurance claims	3,702,440	354,030
Total operating expenses	4,274,675	400,420
Operating income (loss)	(1,678,297)	(400,420)
Nonoperating revenues		
Investment income	58,549	17,612
Income (loss) before transfers	(1,619,748)	(382,808)
Transfer in	-	279,490
Change in net assets	(1,619,748)	(103,318)
Total net assets - beginning	6,844,497	3,316,830
Total net assets - ending	$ 5,224,749	$ 3,213,512

Cafeteria Plan		Automobile	Internal Service
Dental Insurance	Cafeteria	Liability Insurance	Funds Total
$ 2,190,066	$ 180,776	$ -	$ 4,794,597
-	2,544	-	175,167
2,190,066	183,320	-	4,969,764
-	53,128	16,903	219,959
-	17,675	4,325	49,600
187,613	42,420	10,748	681,772
-	370	-	476
1,911,736	-	305,834	6,274,040
2,099,349	113,593	337,810	7,225,847
90,717	69,727	(337,810)	(2,256,083)
5,533	2,371	10,914	94,979
96,250	72,098	(326,896)	(2,161,104)
-	-	270,789	550,279
96,250	72,098	(56,107)	(1,610,825)
1,311,647	372,275	2,334,539	14,179,788
$ 1,407,897	$ 444,373	$ 2,278,432	$ 12,568,963

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Combining Schedule of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2012

	Workers' Compensation Insurance	General Liability Insurance
Cash flows from operating activities		
Cash receipts from interfund services provided	$ 2,423,755	$ -
Cash payments to suppliers	(442,120)	(20,698)
Cash payments to employees	(181,083)	(58,606)
Cash payments for insurance claims	(3,040,849)	(257,106)
Cash receipts from other operating revenues	179,747	-
Net cash provided (used) by operating activities	(1,060,550)	(336,410)
Cash flows from noncapital financing activities		
Transfers from other funds	-	279,490
Net cash provided by noncapital financing activities	-	279,490
Cash flows from Investing activities		
Proceeds from the sale and maturities of investments	60,902	13,414
Interest income received	35,501	11,372
Net cash provided by investing activities	96,403	24,786
Net increase (decrease) in cash	(964,147)	(32,134)
Cash and cash equivalents - Beginning of year	12,989,932	3,958,545
Cash and cash equivalents- End of year	$ 12,025,785	$ 3,926,411
Reconciliation of operating income (loss) to net cash provided (used) by operating activities		
Operating income (loss)	$ (1,678,297)	$ (400,420)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Change in assets and liabilities		
Increase in prepaid items	(41,813)	-
Decrease in accounts receivable	48,937	-
Decrease in due from other funds	-	-
Decrease in liability for compensated absences	(31,353)	(28,853)
Increase (decrease) in accounts payable	(23,771)	2,050
Increase (decrease) in due to other funds	14,279	-
Decrease in due to other governmental agencies	(10,123)	(6,111)
Increase (decrease) in estimated insurance claims payable	661,591	96,924
Total adjustments	617,747	64,010
Net cash provided (used) by operating activities	$ (1,060,550)	$ (336,410)
Noncash investing activities:		
Net increase in the fair value of investments	$ 96,403	$ 24,786

Cafeteria Plan		Automobile	Internal Service
Dental Insurance	Cafeteria	Liability Insurance	Funds Total
$ 2,190,066	$ 180,776	$ -	$ 4,794,597
(172,086)	(41,914)	(9,877)	(686,695)
-	(98,526)	(56,191)	(394,406)
(1,917,821)	(20,578)	(67,934)	(5,304,288)
1,535	2,544	-	183,826
101,694	22,302	(134,002)	(1,406,966)
-	-	270,789	550,279
-	-	270,789	550,279
2,499	1,159	4,546	82,520
3,321	1,568	7,475	59,237
5,820	2,727	12,021	141,757
107,514	25,029	148,808	(714,930)
1,428,336	535,588	2,559,629	21,472,030
$ 1,535,850	$ 560,617	$ 2,708,437	$ 20,757,100
$ 90,717	$ 69,727	$ (337,810)	$ (2,256,083)
-	-	-	(41,813)
-	-	-	48,937
1,535	-	-	1,535
-	(22,248)	(28,852)	(111,306)
15,527	876	871	(4,447)
-	(55)	-	14,224
-	(5,420)	(6,111)	(27,765)
(6,085)	(20,578)	237,900	969,752
10,977	(47,425)	203,808	849,117
$ 101,694	$ 22,302	$ (134,002)	$ (1,406,966)
$ 5,820	$ 2,727	$ 12,021	$ 141,757

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA

Agency Funds

Agency funds are used to account for assets held by the District in a trustee capacity.

School Internal Accounts – To account for resources of the school internal funds which are used to administer moneys collected at the schools in connection with school, student athletic, class, and club activities.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Combining Schedule of Changes in Fiduciary Assets and Liabilities
Fiduciary Funds
For the Fiscal Year Ended June 30, 2012

	School Internal Accounts			
	Beginning Balance	**Additions**	**Deductions**	**Ending Balance**
Assets				
Cash and cash equivalents	$ 5,110,121	$ 11,343,799	$ 11,181,263	$ 5,272,657
Accounts receivable, net of allowance of $39,863	175,527	136,910	175,527	136,910
Inventories	194,173	317,662	194,173	317,662
Total assets	$ 5,479,821	$ 11,798,371	$ 11,550,963	$ 5,727,229
Liabilities				
Accounts payable and other	$ 55,912	$ 51,261	$ 55,912	$ 51,261
Internal accounts payable	5,423,909	11,854,283	11,602,224	5,675,968
Total liabilities	$ 5,479,821	$ 11,905,544	$ 11,658,136	$ 5,727,229

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SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA

Discretely Presented Component Units

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

Charter Schools – The following charter schools are considered discretely presented component units: Island Village Montessori Charter School, Inc., Sarasota Suncoast Academy, Inc., Student Leadership Academy of Venice, Inc., Imagine School at North Port, Inc., Sarasota Military Academy, Inc., Sarasota School of Arts and Sciences, Inc., and Suncoast School for Innovative Studies, Inc. (charter schools), are separate not-for-profit corporations organized pursuant to Chapter 617, Florida Statutes, and Section 1002.33, Florida Statutes. Imagine School at Sarasota, LLC, doing business as Imagine School at Palmer Ranch (charter school) is organized as a limited liability company pursuant to Chapter 608, Florida Statues, and Section 1002.33, Florida Statutes.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Combining Statement of Net Assets
Component Units - Charter Schools
June 30, 2012

	Island Village Montessori Charter School, Inc.	Sarasota Suncoast Academy, Inc.	Student Leadership Academy of Venice, Inc.	Imagine School at North Port, Inc.
Assets				
Cash and cash equivalents	$ 539,662	$ 270,921	$ 338,946	$ 1,085,795
Investments	-	-	-	-
Accounts receivable	94,592	-	-	-
Due from other governmental agencies	-	5,675	817	12,113
Due from related parties	-	-	-	279
Prepaid items	13,676	324,924	8,922	-
Deferred charges	-	-	-	-
Other	92,406	-	600	9,316
Capital assets:				
Land	712,990	-	-	-
Construction In Process	-	-	-	54,000
Improvements Other Than Buildings	16,616	15,319	-	-
Leasehold Improvements	-	329,703	573,745	594,657
Buildings and Fixed Equipment	4,535,700	-	-	7,615
Furniture, Fixtures and Equipment	835,811	364,566	443,304	652,768
Motor Vehicles	20,472	11,000	-	360,180
Capital Lease	-	-	-	-
Less Accumulated Depreciation	(1,396,041)	(369,611)	(454,509)	(424,901)
Total assets	5,465,884	952,497	911,825	2,351,822
Liabilities				
Salaries and wages payable	-	192,891	-	-
Due to related parties	-	-	-	68,254
Accounts payable	28,184	21,732	20,044	2,134
Other	-	-	158,296	546,263
Noncurrent liabilities:				
Portion due within one year:				
Notes payable	75,667	-	-	45,143
Bonds payable	-	-	-	-
Loans Payable	116,514	-	-	-
Obligations under capital leases	-	-	-	79,877
Liability for compensated absences	-	-	1,116	-
Portion due after one year:				
Notes payable	1,518,083	-	-	279,346
Bonds payable	-	-	-	-
Loans Payable	2,617,812	-	-	-
Interest rate swap	-	-	-	-
Obligations under capital leases	-	-	-	-
Liability for compensated absences	-	-	10,282	-
Total liabilities	4,356,260	214,623	189,738	1,021,017
Net assets				
Invested in capital assets, net of related debt	397,472	350,977	562,540	839,953
Restricted for capital projects	-	-	4,835	-
Restricted for debt service	-	-	-	-
Restricted for state categorical programs	-	-	80	12,113
Unrestricted	712,152	386,897	154,632	478,739
Total net assets	$ 1,109,624	$ 737,874	$ 722,087	$ 1,330,805

Imagine School at Palmer Ranch	Sarasota Military Academy, Inc.	Sarasota School of Arts and Sciences, Inc.	Suncoast School for Innovative Studies, Inc.	Total Component Units
$ 287,145	$ 677,972	$ 2,802,014	$ 59,901	$ 6,062,356
-	380,843	-	-	380,843
-	170	86,374	129	181,265
40,256	50,486	-	-	109,347
66,639	-	-	-	66,918
-	94,025	78,690	22,341	542,578
-	230,837	408,554	-	639,391
10,020	8,500	22,745	20,000	163,587
-	973,750	77,625	-	1,764,365
-	6,810	1,023,281	-	1,084,091
-	50,420	-	-	82,355
-	-	2,683	510,087	2,010,875
-	6,698,299	6,352,925	-	17,594,539
133,345	1,071,325	921,103	169,738	4,591,960
129,333	189,630	152,064	-	862,679
-	-	402,721	-	402,721
(97,520)	(1,799,556)	(1,048,397)	(356,731)	(5,947,266)
569,218	8,633,511	11,282,382	425,465	30,592,604
-	-	197,588	-	390,479
16,651	-	-	-	84,905
5,122	28,733	2,589	10,445	118,983
229,008	276,846	353,561	-	1,563,974
88,293	-	70,846	15,180	295,129
-	170,000	125,000	-	295,000
-	-	-	-	116,514
-	-	17,312	-	97,189
-	-	-	-	1,116
197,178	-	-	27,202	2,021,809
-	5,260,097	10,766,372	-	16,026,469
-	-	-	-	2,617,812
-	692,607	-	-	692,607
-	-	27,386	-	27,386
-	14,125	-	-	24,407
536,252	6,442,408	11,560,654	52,827	24,373,779
75,312	1,067,974	(2,811,380)	280,712	763,560
-	-	115,160	-	119,995
-	-	1,314,536	-	1,314,536
40,256	-	-	-	52,449
(82,602)	1,123,129	1,103,412	91,926	3,968,285
$ 32,966	$ 2,191,103	$ (278,272)	$ 372,638	$ 6,218,825

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Combining Statement of Activities
Component Units - Charter Schools
For the Fiscal Year Ended June 30, 2012

	Island Village Montessori Charter School, Inc.	Sarasota Suncoast Academy, Inc.	Student Leadership Academy of Venice, Inc.	Imagine School at North Port, Inc.
Expenses:				
Instruction	$ 2,084,551	$ 1,603,880	$ 1,491,239	$ 3,429,567
Pupil personnel services	158,255	-	79,144	59,014
Instructional media services	-	-	32,271	143,781
Instructional curriculum development services	-	-	-	128,601
Instructional staff training services	-	1,500	2,467	9,628
Instruction related technology	-	3,484	-	-
Board of education	-	145,980	17,150	15,250
General administration	-	-	34,099	748,647
School administration	807,433	246,170	398,825	575,985
Facility services - non-capitalized	54,573	1,098,047	-	-
Fiscal services	-	46,381	18,075	60,892
Food services	-	31,295	9,857	6,972
Central services	-	-	-	2,363
Pupil transportation services	-	19,653	68,192	129,922
Operation of plant	118,025	330,791	338,445	1,655,342
Maintenance of plant	58,293	53,015	45,632	93,405
Community services	-	46,962	-	96,680
Loss on disposal of fixed assets	-	-	-	-
Interest on long-term debt	126,148	3,750	-	23,950
Unallocated depreciation	219,775	78,955	-	-
Total expenses	3,627,053	3,709,863	2,535,396	7,179,999
Program Revenues:				
Charges for services	14,196	58,476	-	141,788
Operating grants and contributions	59,344	18,351	-	158,861
Capital grants and contributions	555,347	653,407	4,098	-
Total program revenues	628,887	730,234	4,098	300,649
Net program expense	(2,998,166)	(2,979,629)	(2,531,298)	(6,879,350)
General Revenues:				
Grants and contributions not restricted to specific programs	3,448,408	3,040,891	2,501,588	7,556,781
Other state and local sources	87,396	49,777	14,004	16,474
Total general revenues	3,535,804	3,090,668	2,515,592	7,573,255
Special Item:				
Loss on demolition of school building	-	-	-	-
Change in net assets	537,638	111,039	(15,706)	693,905
Total net assets - beginning	571,986	626,835	737,793	636,900
Total net assets - ending	$ 1,109,624	$ 737,874	$ 722,087	$ 1,330,805

Imagine School at Palmer Ranch	Sarasota Military Academy, Inc.	Sarasota School of Arts and Sciences, Inc.	Suncoast School for Innovative Studies, Inc.	Total Component Units
$ 2,088,394	$ 3,906,993	$ 3,203,246	$ 1,306,235	$ 19,114,105
85	345,712	34,993	-	677,203
31,580	246,134	93,610	-	547,376
10,026	-	-	-	138,627
4,775	-	8,813	-	27,183
-	-	-	-	3,484
16,077	-	51,742	14,591	260,790
461,720	-	48,947	88,569	1,381,982
315,618	1,366,537	715,077	902,833	5,328,478
-	-	-	350,380	1,503,000
62,087	99,929	28,242	10,225	325,831
13,651	-	-	-	61,775
2,483	-	-	6,320	11,166
66,287	283,193	111,836	100,224	779,307
1,403,014	431,125	342,686	238,288	4,857,716
20,671	61,189	286,125	30,549	648,879
66,272	-	-	-	209,914
-	-	123,440	-	123,440
14,456	273,584	725,698	1,866	1,169,452
-	-	-	-	298,730
4,577,196	7,014,396	5,774,455	3,050,080	37,468,438
112,946	-	-	10,689	338,095
276,397	332,864	34,457	243,805	1,124,079
-	719,932	-	251,756	2,184,540
389,343	1,052,796	34,457	506,250	3,646,714
(4,187,853)	(5,961,600)	(5,739,998)	(2,543,830)	(33,821,724)
4,315,747	5,778,166	5,835,166	2,375,371	34,852,118
-	(50,411)	15,215	65,438	197,893
4,315,747	5,727,755	5,850,381	2,440,809	35,050,011
				-
-	-	(3,279,288)	-	(3,279,288)
127,894	(233,845)	(3,168,905)	(103,021)	(2,051,001)
(94,928)	2,424,948	2,890,633	475,659	8,269,826
$ 32,966	$ 2,191,103	$ (278,272)	$ 372,638	$ 6,218,825

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STATISTICAL SECTION

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Statistical Section

This part of The School Board of Sarasota County, Florida's comprehensive annual financial report presents detail information as a context for understanding what the information in the financial statements, notes disclosures and required supplementary information says about the School Board's overall financial health.

Contents **Page**

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Net Assets by Component
Last 10 Fiscal Years
(Unaudited)

	Fiscal Year			
Net asset components	**June 30, 2003**	**June 30, 2004**	**June 30, 2005**	**June 30, 2006**
Primary government				
Invested in capital assets, net of related debt	$ 338,457,486	$ 378,703,842	$ 394,541,772	$ 466,284,259
Restricted	53,559,156	53,373,292	83,717,983	79,306,831
Unrestricted	23,020,976	31,779,519	26,964,755	21,309,850
Total primary government net assets	$ 415,037,618	$ 463,856,653	$ 505,224,510	$ 566,900,940

The increase in unrestricted net assets after 2003 is due to collections of the voted one mill property tax levy.

Source: District records

Table 1

Fiscal Year					
June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012
$ 528,236,762	$ 629,612,938	$ 683,452,772	$ 707,136,203	$ 712,540,799	$ 723,003,287
131,953,410	117,008,881	101,262,108	100,813,654	112,329,674	118,612,155
23,801,166	31,288,602	28,594,130	38,944,347	35,271,890	28,762,628
$ 683,991,338	$ 777,910,421	$ 813,309,010	$ 846,894,204	$ 860,142,363	$ 870,378,070

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Expenses, Program Revenues and Net (Expense)/Revenue
Last 10 Fiscal Years
(Unaudited)

	Fiscal Year			
	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006
Primary Government				
Expenses				
Governmental activities:				
Instruction [a]	$ 181,083,738	$ 207,730,199	$ 233,185,107	$ 257,897,300
Pupil personnel services	16,451,426	20,723,261	24,232,443	27,207,302
Instructional media services	5,309,259	5,976,778	6,672,205	5,575,610
Instruction and curriculum development services	3,896,628	3,478,065	5,183,796	5,386,657
Instructional staff training services	2,463,932	3,557,832	5,874,238	8,195,277
Instruction related technology	-	-	-	5,713,311
Board of education	1,555,003	922,043	949,399	1,226,200
General administration	2,286,528	2,981,360	2,962,401	3,318,674
School administration	12,058,633	13,499,658	16,074,405	17,583,450
Facility services - non-capitalized	19,465,222	24,140,689	21,520,131	25,269,288
Fiscal services	1,527,119	1,654,038	1,875,597	2,078,552
Food services	12,261,858	13,002,571	14,044,865	14,788,117
Central services	7,716,625	8,683,906	9,537,256	7,091,071
Pupil transportation services	13,920,782	15,256,247	16,821,952	19,250,296
Operation of plant	22,520,649	24,734,255	27,720,445	30,327,497
Maintenance of plant	10,983,063	13,615,303	15,265,066	16,481,878
Administrative technology services	-	-	-	2,097,590
Community services	1,745,450	1,632,683	1,774,211	1,326,509
Interest on long-term debt	4,308,690	2,826,348	3,495,834	4,621,914
Loss on disposal of assets	254,418	395,809	1,811,401	580,294
Total expenses	$ 319,809,023	$ 364,811,045	$ 409,000,752	$ 456,016,787
Program Revenues				
Governmental activities:				
Charges for services				
Instruction	$ 1,576,039	$ 2,030,539	$ 2,339,858	$ 2,299,622
Food	6,863,324	7,458,783	8,201,660	8,765,289
Transportation	-	-	-	-
Operating grants and contributions	12,374,826	12,582,433	13,499,585	13,812,394
Capital grants and contributions [b]	6,217,310	15,083,451	11,199,114	21,970,232
Total program revenues	27,031,499	37,155,206	35,240,217	46,847,537
Primary government net expense	$ (292,777,524)	$ (327,655,839)	$ (373,760,535)	$ (409,169,250)

[a] The District's expenses, particularly for instruction, have increased significantly as a result of the state's class size reduction law.

[b] In conjunction with the state's class size reduction law, the district received additional funding for school construction and expansion. That funding ceased in 2009 due to funding cuts.

Source: District records

Table 2

Fiscal Year					
June 30, 2007	**June 30, 2008**	**June 30, 2009**	**June 30, 2010**	**June 30, 2011**	**June 30, 2012**
$ 280,629,797	$ 297,901,222	$ 298,584,873	$ 292,676,391	$ 296,690,439	$ 281,722,647
29,165,173	30,325,345	28,222,953	28,441,735	28,732,840	23,967,492
6,364,718	5,905,210	6,137,851	5,294,666	5,386,832	4,724,382
8,844,988	6,187,932	5,258,883	3,677,673	3,844,308	3,434,577
9,659,899	13,498,341	7,366,429	5,137,212	5,378,038	4,969,184
7,313,334	8,129,129	2,891,781	1,396,745	1,373,380	2,368,817
990,629	1,350,453	1,201,716	2,021,403	1,126,670	1,021,338
3,595,878	3,146,996	3,397,495	3,694,955	2,951,442	2,559,299
18,363,321	18,772,984	18,352,757	17,856,861	17,484,966	16,226,134
27,089,488	27,421,208	20,860,191	13,279,770	13,136,595	13,562,468
2,182,470	2,308,943	2,225,376	2,085,840	2,051,350	2,106,502
15,666,988	15,918,869	16,059,192	15,747,007	16,391,007	15,439,526
7,854,963	7,380,444	6,841,163	6,214,941	6,455,528	6,143,183
23,219,538	22,371,308	21,089,902	19,525,725	19,524,334	18,989,823
34,389,933	35,228,040	36,378,916	36,822,811	35,436,543	33,328,174
16,142,678	16,031,105	18,436,686	17,342,439	17,949,420	15,893,062
2,095,439	2,150,968	2,064,623	2,414,933	2,080,924	2,504,196
1,305,084	1,494,913	1,536,844	1,771,570	2,457,531	2,318,840
2,515,380	2,169,385	4,673,833	5,766,106	9,911,864	10,324,210
-	-	-	-	-	-
$ 497,389,698	$ 517,692,795	$ 501,581,464	$ 481,168,783	$ 488,364,011	$ 461,603,854
$ 2,496,679	$ 2,400,410	$ 2,598,848	$ 3,070,864	$ 2,994,646	$ 3,113,655
8,894,983	8,200,630	7,372,093	6,833,017	6,195,344	5,789,837
-	-	525,511	496,302	489,684	598,078
16,001,462	15,283,133	15,321,080	9,967,097	10,412,253	10,690,392
36,756,130	23,384,964	7,639,232	6,078,399	6,549,424	5,873,206
64,149,254	49,269,137	33,456,764	26,445,679	26,641,351	26,065,168
$ (433,240,444)	$ (468,423,658)	$ (468,124,700)	$ (454,723,104)	$ (461,722,660)	$ (435,538,686)

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
General Revenues and
Total Changes in Net Assets
Last 10 Fiscal Years
(Unaudited)

	Fiscal Year			
	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006
Net (Expense)				
Total primary government net expense	$ (292,777,524)	$ (327,655,839)	$ (373,760,535)	$ (409,169,250)
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Taxes				
Property taxes, levied for general purposes [a]	221,025,180	223,682,403	237,166,152	263,419,295
Property taxes, levied for capital projects	47,549,085	65,855,565	74,530,028	89,881,339
Local sales taxes	12,590,838	13,835,823	15,472,027	16,601,829
Grants and contributions				
Not restricted to specific programs	57,300,663	66,853,738	79,305,558	84,374,487
Miscellaneous	5,309,955	4,346,074	4,079,285	7,887,638
Unrestricted investment earnings	2,503,648	1,901,271	4,575,342	8,681,092
Total primary government	346,279,369	376,474,874	415,128,392	470,845,680
Change in Net Assets				
Total primary government	$ 53,501,845	$ 48,819,035	$ 41,367,857	$ 61,676,430

[a] Changes in property tax revenues are a product of underlying changes in property values and tax rates.
[b] Changes in Net Assets in 2007 due to a large increase in assessed taxable property values.
[c] Changes in Net Assets in 2009 due to a large decrease in assessed taxable values and a legislative reduction in maximum capital outlay tax levy.

Source: District records

Table 3

Fiscal Year					
June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012
$ (433,240,444)	$ (468,423,658)	$ (468,124,700)	$ (454,723,104)	$ (461,722,660)	$ (435,538,686)
296,843,842	309,870,020	286,459,398	282,106,749	276,860,927	249,145,074
113,936,426	120,956,816	94,721,430	71,468,723	64,915,896	60,937,028
16,453,038	14,850,716	13,422,199	12,880,581	13,295,558	13,860,532
96,569,779	100,984,457	99,090,763	112,699,479	109,899,786	112,835,562
14,031,997	6,967,194	9,205,352	6,498,942	8,938,210	7,466,487
12,495,760	8,713,538	624,147	2,653,824	1,761,982	1,529,710
550,330,842	562,342,741	503,523,289	488,308,298	475,672,359	445,774,393
$ 117,090,398 [b]	$ 93,919,083	$ 35,398,589 [c]	$ 33,585,194	$ 13,949,699	$ 10,235,707

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Fund Balances, Governmental Funds (A)
Last 10 Fiscal Years
(Unaudited)

	Fiscal Year			
	2003	2004	2005	2006
General Fund				
Reserved	$ 3,412,221	$ 5,080,282	$ 6,218,253	$ 3,771,836
Unreserved	53,117,465	61,004,090	55,374,160	47,308,999
Total general fund	$ 56,529,686	$ 66,084,372	$ 61,592,413	$ 51,080,835
All Other Governmental Funds				
Reserved	$ 38,736,411	$ 51,929,561	$ 42,521,301	$ 45,463,536
Unreserved, reported in:				
Capital projects funds	13,488,917	(8,660,757)	28,540,690	24,187,552
Debt Service	-	-	-	789,122
Special revenue funds	1,055,375	925,495	1,119,637	955,725
Total all other governmental funds	$ 53,280,703	$ 44,194,299	$ 72,181,628	$ 71,395,935

General Fund	
Nonspendable	
Restricted	
Assigned	
Unassigned	
Total General Fund	
All Other Governmental Funds	
Nonspendable	
Restricted	
Assigned	
Unassigned	
Total all other governmental funds	

Note: (A) Includes all governmental fund types
GASB Statement No. 54 was implemented for the 2010-11 fiscal year.
Fiscal year 2009-10 GASB 54 compliant fund balance is unaudited and shown for comparative purposes only.

[a] The increase is due to the balance of unspent proceeds related to the issuance of the Certificates of Participation, Series 2010A and 2010B.

[b] The decrease is due to decreases in per student funding, property tax revenues, and the loss of Federal Stimulus funding.

Source: District records

Table 4

Fiscal Year					
2007	2008	2009	2010	2011	2012
$ 4,480,699	$ 5,374,137	$ 6,705,148	$ 5,178,957		
54,670,550	56,579,914	52,325,727	61,664,354		
$ 59,151,249	$ 61,954,051	$ 59,030,875	$ 66,843,311		
$ 76,629,184	$ 99,169,076	$ 76,532,149	$ 76,946,550		
51,701,565	14,937,827	80,355,779	62,724,039		
782,457	1,780,555	-	-		
19,957	6,190	221,254	971,341		
$ 129,133,163	$ 115,893,648	$ 157,109,182	$ 140,641,930		
			$ 3,048,627	$ 3,022,373	$ 4,686,136
			4,203,910	4,463,012	3,944,117
			16,085,961	19,885,279	20,031,791
			43,504,813	37,449,121	35,337,274
			$ 66,843,311	$ 64,819,785	$ 63,999,318
			$ 325,354	$ 460,304	$ 395,913
			133,142,006	228,682,195	176,666,571
			3,473,030	4,017,253	6,732,425
			-	2,312,112	-
			$ 136,940,390	$ 235,471,864 [a]	$ 183,794,909 [b]

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Governmental Funds Revenues (A)
Last 10 Fiscal Years
(Unaudited)

	Fiscal Year			
	2003	**2004**	**2005**	**2006**
Revenues				
Federal sources:				
Federal grants	$ 18,794,016	$ 18,944,852	$ 21,206,226	$ 21,296,728
Food services	5,442,515	6,812,883	6,380,608	6,218,085
Total federal sources	24,236,531	25,757,735	27,586,834	27,514,813
State sources:				
Florida education finance program	13,915,022	16,697,408	18,492,045	15,326,282
Public education capital outlay	-	3,709,656	3,589,035	7,418,890
Food services	150,726	136,663	151,721	157,278
State grants and other	37,590,519	48,218,160	50,128,637	59,450,786
Total state sources	51,656,267	68,761,887	72,361,438	82,353,236
Local sources:				
Ad valorem taxes	268,574,266	289,537,968	311,696,180	353,316,447
Food service sales	6,883,554	7,476,537	8,201,660	8,765,289
Interest and other income	2,299,872	1,739,793	4,222,565	4,265,347
Other revenues	18,769,996	19,891,034	25,470,697	40,048,173
Total local sources	296,527,688	318,645,332	349,591,102	406,395,256
Total revenues	$ 372,420,486	$ 413,164,954	$ 449,539,374	$ 516,263,305

Note: (A) Includes all governmental fund types

Source: District records

Table 5

			Fiscal Year			
2007	2008	2009		2010	2011	2012
$ 21,020,923	$ 23,039,187	$ 23,337,833		$ 47,811,371	$ 48,044,321	$ 37,528,633
6,546,549	7,415,005	8,402,604		9,810,993	10,245,493	10,520,402
27,567,472	30,454,192	31,740,437		57,622,364	58,289,814	48,049,035
14,817,885	10,547,459	10,604,605		6,005,237	3,093,335	17,015,914
10,538,636	8,080,289	3,093,362		784,890	2,149,547	-
181,407	155,052	155,255		156,104	166,759	169,990
86,910,926	87,739,209	75,451,244		62,382,285	63,098,786	62,850,215
112,448,854	106,522,009	89,304,466		69,328,516	68,508,427	80,036,119
410,780,268	430,826,836	381,180,828		353,575,472	341,776,823	310,082,102
9,884,189	8,319,301	7,372,093		10,327,655	6,214,575	5,789,837
12,495,760	8,713,067	660,303		809,681	745,590	1,435,216
34,662,569	25,612,832	26,347,457		20,662,975	26,062,544	25,662,218
467,822,786	473,472,036	415,560,681		385,375,783	374,799,532	342,969,373
$ 607,839,112	$ 610,448,237	$ 536,605,584		$ 512,326,663	$ 501,597,773	$ 471,054,527

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Governmental Funds Expenditures and Debt Service Ratios
Last 10 Fiscal Years
(Unaudited)

	Fiscal Year			
	2003	2004	2005	2006
Expenditures:				
Instruction	$ 165,718,380	$ 191,944,926	$ 216,279,716	$ 240,739,506
Pupil personnel services	16,210,280	20,597,947	24,180,157	27,229,460
Instructional media services	5,256,899	5,916,203	6,536,392	5,605,383
Instruction and curriculum development services	3,881,192	3,466,155	5,164,216	5,167,001
Instructional staff training services	2,347,592	3,435,650	5,727,951	8,116,892
Instruction related technology	-	-	-	5,685,909
Board of education	1,546,841	916,050	942,274	1,215,542
General administration	2,160,679	2,833,368	2,803,097	3,121,207
School administration	12,050,448	13,503,541	16,042,734	17,680,518
Facility services - non-capitalized	-	-	-	25,991,220
Fiscal services	1,494,363	1,628,731	1,853,645	2,066,910
Food services	12,015,804	12,896,708	13,944,723	14,770,445
Central services	6,793,407	7,841,414	8,664,140	6,564,895
Pupil transportation services	12,278,635	13,414,943	14,900,983	16,491,954
Operation of plant	22,388,206	24,674,201	27,696,037	30,316,553
Maintenance of plant	10,234,739	12,980,795	14,497,219	15,726,868
Administrative technology services	-	-	-	1,918,449
Community services	1,735,000	1,626,000	1,761,530	1,315,817
Capital Outlay:				
Facilities acquisition and construction	61,294,523	81,489,958	100,295,481	79,846,343
Other capital outlay	2,747,398	3,800,894	3,722,243	2,548,271
Debt Service:				
Principal	7,800,000	8,841,951	9,529,713	14,204,533
Interest and fiscal charges	5,306,427	2,450,366	4,195,284	3,820,416
Total expenditures	$ 353,260,813	$ 414,259,801	$ 478,737,535	$ 530,144,092
Debt service as a percentage of noncapital expenditures	4.5%	3.4%	3.7%	4.0%

Debt service as a percentage of noncapital expenditures has decreased in 2004. This is a result of savings from refunding lease revenue and race track bonds during fiscal year 2003.

Source: District records

Table 6

Fiscal Year					
2007	**2008**	**2009**	**2010**	**2011**	**2012**
$ 256,946,940	$ 271,323,020	$ 268,425,220	$ 265,811,151	$ 266,581,120	$ 253,298,629
28,948,930	30,195,029	28,073,008	28,407,978	28,493,209	23,697,895
6,053,112	5,813,674	6,132,968	5,296,556	5,359,753	4,696,872
8,469,582	5,862,954	5,188,321	3,630,588	3,788,923	3,376,568
9,531,003	13,397,827	7,308,599	5,110,661	5,340,332	4,923,975
6,071,627	6,766,334	2,856,419	1,375,951	1,363,247	2,301,684
969,522	1,333,359	1,181,284	2,005,951	1,111,754	1,005,310
3,353,244	2,833,221	3,087,799	3,396,131	2,653,620	2,277,193
18,271,940	18,738,880	18,362,541	27,072,936	17,381,348	16,067,921
110,523	33,649,291	20,353,217	3,493,719	12,490,422	12,803,351
2,154,917	2,288,599	2,199,020	2,070,591	2,025,671	2,078,746
15,491,356	15,847,930	15,958,579	15,699,502	16,218,563	15,232,938
6,990,947	6,808,436	6,325,951	5,717,568	5,995,234	5,565,215
18,057,575	19,537,524	18,032,493	17,127,826	17,258,729	16,669,533
34,066,726	34,868,202	36,208,129	36,725,942	35,189,729	33,045,743
15,146,073	15,319,147	17,756,455	16,840,599	17,444,372	15,510,396
2,035,824	2,124,392	2,020,762	2,392,633	2,069,903	2,469,166
1,283,031	1,462,921	1,505,642	1,762,846	2,442,909	2,294,407
92,840,335	113,133,250	76,790,460	51,016,090	68,170,877	81,726,760
1,922,626	2,493,800	26,471,971	-	231,822	911,219
14,477,828	14,690,677	15,470,158	21,156,712	16,209,613	18,398,319
3,448,699	3,108,218	4,425,405	6,073,650	10,356,962	10,187,808
$ 546,642,360	$ 621,596,685	$ 584,134,401	$ 522,185,581	$ 538,178,112	$ 528,539,648
4.0%	3.5%	4.3%	5.8%	5.7%	6.4%

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Other Financing Sources and Uses and Net Changes in Fund Balance, Governmental Funds
Last 10 Fiscal Years
(Unaudited)

	Fiscal Year			
	2003	2004	2005	2006
Excess (deficiency) of revenues over (under) expenditures	$ 19,159,673	$ (1,094,847)	$ (29,198,161)	$ (13,880,787)
Other Financing Sources (Uses)				
Long-term debt issued	914,703	2,005,934	52,457,063	2,814,696
Premium on sale of bonds	-	-	-	-
Inception of capital leases	-	-	469,793	-
Refunding bonds issued	-	-	-	7,860,000
Premium on refunding bonds	-	-	-	765,091
Discount on sale of bonds	-	-	-	(7,658)
Payments to refunded bond escrow agent	-	-	-	(8,595,518)
Sale of capital assets	-	86,000	-	-
FEMA loss recovery	-	-	438,240	438,765
Insurance loss recoveries	-	-	-	-
Transfers in	25,323,251	25,024,054	25,667,628	32,819,053
Transfers out	(26,872,095)	(25,553,360)	(26,345,197)	(33,515,312)
Total other financing sources (uses)	(634,141)	1,562,628	52,687,527	2,579,117
Net change in fund balances	$ 18,525,532	$ 467,781	$ 23,489,366	$ (11,301,670)

Source: District records

Table 7

Fiscal Year					
2007	**2008**	**2009**	**2010**	**2011**	**2012**
$ 61,196,752	$ (11,148,448)	$ (47,528,817)	$ (9,858,918)	$ (36,580,339)	$ (57,485,121)
-	1,150,000	75,625,000	-	114,841,000	-
-	41,521	119,854	-	5,528,547	-
-	-	10,562,139	-	10,254,654	5,163,158
-	-	-	1,860,000	-	550,000
-	-	-	186,454	145,198	84,160
-	-	-	-	-	-
-	-	-	(2,029,565)	-	(632,525)
5,065,250	46,646	13,043	1,762,564	10,000	373,873
-	-	-	-	-	-
202,865	33,487	42,350	86,780	12,861	11,880
26,220,779	30,552,099	40,772,772	48,333,427	49,578,490	47,359,586
(26,913,564)	(31,114,202)	(41,313,942)	(48,998,608)	(50,277,302)	(47,909,865)
4,575,330	709,551	85,821,216	1,201,052	130,093,448	5,000,267
$ 65,772,082	$ (10,438,897)	$ 38,292,399	$ (8,657,866)	$ 93,513,109	$ (52,484,854)

Table 8

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Assessed Value and Estimated Actual Value of Taxable Property
Last 10 Fiscal Years
(in thousands of dollars)
(Unaudited)

Fiscal Year	Assessed Value: Residential and Commercial Property	Assessed Value: Personal Property	Less: Exemptions	Total Taxable Value	Total Direct Rate(1)
2003	$ 35,502,248	$ 2,855,384	$ 8,458,202	$ 29,899,430	9.287
2004	42,072,743	3,081,984	11,040,724	34,114,003	8.793
2005	49,021,600	3,299,142	13,544,250	38,776,492	8.366
2006	58,973,841	4,380,022	16,901,193	46,452,670	7.861
2007	76,796,905	6,432,934	24,313,875	58,915,964	7.210
2008	78,936,448	6,365,749	22,638,384	62,663,813	7.123
2009	67,743,874	7,291,518	19,191,350	55,844,042	7.045
2010	57,691,815	6,632,664	15,025,342	49,299,137	7.427
2011	50,678,383	2,190,004	8,088,600	44,779,787	7.901
2012	47,796,116	2,069,404	7,849,112	42,016,408	7.635

Note: Assessed values approximate estimated actual values. For each fiscal year ending June 30, property is valued as of the preceding January 1st.

(1) Per $1,000 of assessed value

Source: Sarasota County Property Appraiser

Table 9

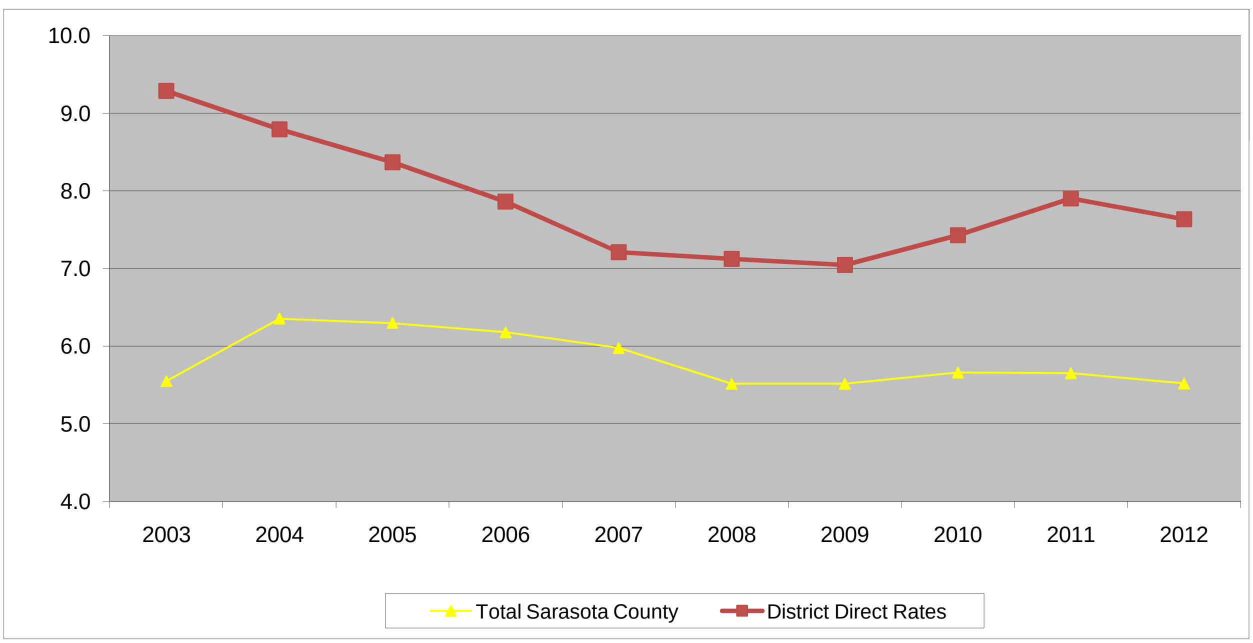
SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Direct and Overlapping Property Tax Rates
Last 10 Fiscal Years
(Unaudited)
(per $1,000 assessed valuation)

	District Direct Rates			Overlapping Rates [1]				
Fiscal Year	General Purposes	Capital Purposes	Total	Sarasota County	City of Sarasota	City of Venice	Town of Longboat Key [2]	City of North Port
2003	7.643	1.644	9.287	5.549	3.237	3.355	2.424/3.205	4.500
2004	6.793	2.000	8.793	6.353	3.150	3.275	2.171/2.690	5.000
2005	6.366	2.000	8.366	6.294	3.018	3.512	1.836/2.287	4.900
2006	5.861	2.000	7.861	6.176	3.009	3.395	1.729/2.163	4.900
2007	5.210	2.000	7.210	5.976	3.000	3.344	1.627/2.006	3.300
2008	5.123	2.000	7.123	5.514	3.166	2.939	1.635/2.011	2.981
2009	5.295	1.750	7.045	5.514	3.106	2.984	1.696/2.110	2.981
2010	5.927	1.500	7.427	5.659	3.152	3.004	1.709/2.170	3.340
2011	6.401	1.500	7.901	5.649	3.198	3.004	1.958/1.958	3.340
2012	6.135	1.500	7.635	5.517	3.355	3.195	1.955/1.955	3.568

(1) Additional millages for incorporated areas include levies for operating and debt service costs.
(2) Inland/Beach side

Source: Sarasota County Property Appraiser

County and School District Millages



SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA

Table 10

Principal Property Taxpayers
Current Year and 9 Years Ago
(Unaudited)

Taxpayer	Rank	January 1, 2012 Taxable Value	January 1, 2012 Percentage of Total Taxable Value	Rank	January 1, 2003 Taxable Value	January 1, 2003 Percentage of Total Taxable Value
Florida Power & Light Co.	1	$ 334,853,920	0.86 %	2	$ 237,664,546	0.70 %
Verizon Florida, Inc.	2	198,734,525	0.51	1	326,935,645	0.96
Westfield/Southgate & Sarasota Shoppingtown	3	138,441,497	0.35	7	56,204,420	0.16
MHC Mobile Home Communities	4	88,012,513	0.22	9	44,617,812	0.13
Sarasota Doctors Hospital, Inc. Columbia Healthcare	5	87,372,276	0.22	3	91,056,859	0.27
Wal-Mart Stores/Sam's East Inc.	6	78,159,115	0.20	-	-	-
Publix Super Markets	7	76,450,249	0.20	10	38,279,569	0.11
The Glenridge on Palmer Ranch	8	70,428,552	0.18	-	-	-
Venice HMA	9	68,917,511	0.18	-	-	-
Comcast/Storer Cable	10	59,670,503	0.15	8	44,847,298	0.13
Coyote Sarasota Square Mall	-	-	-	5	58,198,067	0.17
Osprey S A	-	-	-	6	56,672,077	0.17
Slab/Ritz Carlton Hotel Co.	-	-	-	4	83,612,204	0.24
Total		$ 1,201,040,661	3.07 %		$ 1,038,088,497	3.04 %

Source: Sarasota County Property Appraiser

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Property Tax Levies and Collections
Last 10 Fiscal Years
(Unaudited)

Table 11

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy: Amount	Collected within the Fiscal Year of the Levy: Percentage of Levy	Collections in Subsequent Years	Total Collections to Date: Amount	Total Collections to Date: Percentage of Levy
2003	$ 277,676,006	$ 268,263,729	96.61 %	$ 500,842	$ 268,764,571	96.79 %
2004	300,036,373	289,537,968	96.50	419,201	289,957,169	96.64
2005	324,404,132	311,696,180	96.08	368,388	312,064,568	96.20
2006	365,164,439	353,300,634	96.75	680,559	353,981,193	96.94
2007	424,784,100	410,780,268	96.70	567,988	411,348,256	96.84
2008	446,354,340	430,826,836	96.52	1,620,743	432,447,579	96.88
2009	386,044,194	379,560,085	98.32	1,291,417	380,851,502	98.65
2010	366,144,690	352,996,495	96.41	578,977	353,575,472	96.57
2011	353,805,097	341,469,125	96.51	307,698	341,776,823	96.60
2012	320,795,275	309,805,201	96.57	276,901	310,082,102	96.66

Source: Sarasota County Property Appraiser

Table 12

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Outstanding Debt by Type
Last 10 Fiscal Years
(dollars in thousands, except per capita)
(Unaudited)

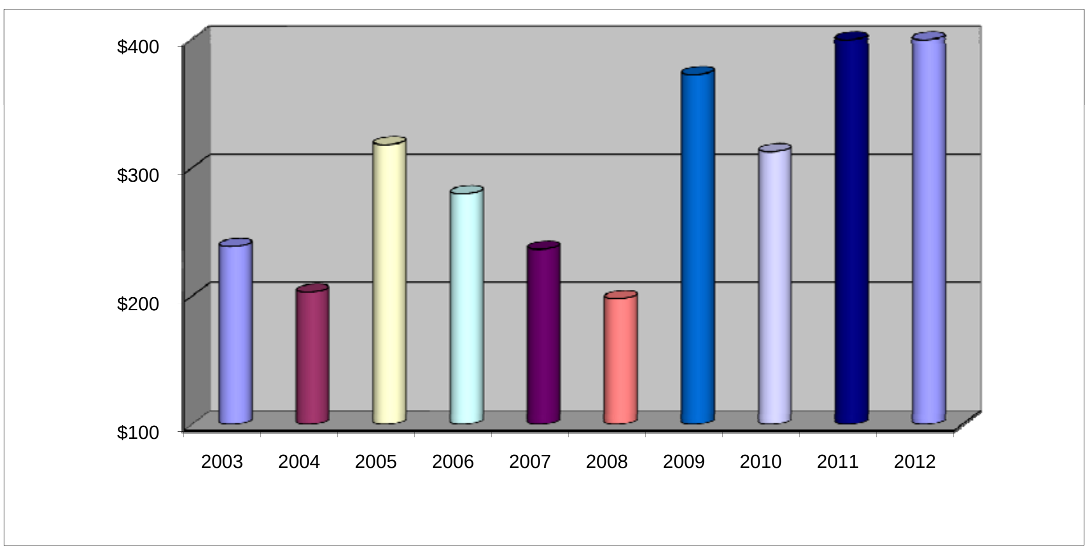
Fiscal Year	State Board of Education Bonds	Qualified Zone Academy Bonds	Certificates of Participation	Race Track Revenue Bonds	Capital Leases	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2003	$ 17,152	$ -	$ 60,421	$ 3,175	$ 373	$ 81,120	0.56 %	$ 239
2004	14,300	-	52,569	3,175	840	70,884	0.43	203
2005	14,780	-	95,440	2,905	935	114,061	0.63	318
2006	15,540	1,300	82,525	2,565	585	102,515	0.53	280
2007	14,380	1,300	69,321	2,215	286	87,502	0.42	237
2008	14,650	1,300	55,759	1,855	145	73,709	0.36	198
2009	13,963	1,300	117,574	1,504	10,156	144,497	0.70	373
2010	12,960	1,300	99,565	1,114	8,180	123,119	N/A	313
2011	13,305	1,300	200,206	705	15,460	230,976	N/A	606
2012	12,135	1,300	187,271	295	16,680	217,681	N/A	567

Note: The lease revenue bonds were repaid with the proceeds of certificates of participation in 2003.
Details regarding the District's outstanding debt can be found in the notes to the basic financial statements.
N/A = Data not currently available

(1) Population and personal income data can be found in Table 16

Source: District records

Debt Per Capita



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SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Direct and Overlapping Governmental Activities Debt
as of June 30, 2012
(dollars in thousands)
(Unaudited)

Governmental Unit	General Obligation Bonded Debt Outstanding	State Board of Education (SBE) Bonded Debt Outstanding	Revenue Bonds Outstanding	Qualified Zone Academy Bonds or Special Obligation Bonds Outstanding	Certificates of Participation Outstanding
Sarasota County Board of County Commissioners	$ -	$ -	$ 306,010	$ -	$ -
City of Sarasota	43,949	-	-	37,614	-
City of Venice	7,915	-	-	-	-
Town of Longboat Key	2,070	-	-	-	-
School District of Sarasota County	-	12,135	295	1,300	187,271
Totals	$ 53,934	$ 12,135	$ 306,305	$ 38,914	$ 187,271

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 recognizes 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 the debt of each overlapping government.

Source: Taxable value data used to estimate applicable percentages provided by County Property Appraiser.
Debt outstanding data provided by each governmental unit as of 09/30/2011.

Commercial Paper Outstanding	Capital Leases Loans and Notes Outstanding	Total Debt Outstanding	**Direct Debt-100%** Amount Applicable to This Governmental Unit	**Direct and Overlapping Debt** Estimated Percentage Applicable[a]	Estimated Share of Direct and Overlapping Debt
$ 7,322	$ 16,423	$ 329,755	$ -	100.00 %	$ 329,755
-	5,170	86,733	-	13.67	11,856
-	-	7,915	-	5.44	431
-	-	2,070	-	1.18	24
-	16,680	217,681	217,681		
$ 7,322	$ 38,273	$ 644,154	$ 217,681		$ 342,066

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Legal Debt Margin Information
Last 10 Fiscal Years
(dollars in thousands)
(Unaudited)

Legal Debt Margin Calculation for Fiscal Year 2012

Assessed value 2012 tax roll	$ 42,016,408
Limit of bonded indebtedness, 10% of net assessed taxable property value	4,201,641
Amount of debt applicable to the debt limit	217,681
Legal Debt Margin	$ 3,983,960

	Fiscal Year			
	2003	2004	2005	2006
Debt limit	$ 2,989,943	$ 3,411,400	$ 3,877,649	$ 4,645,267
Total debt applicable to limit	81,120	70,884	114,061	102,515
Legal debt margin	$ 2,908,823	$ 3,340,516	$ 3,763,589	$ 4,542,752
Total debt applicable as a percentage of debt limit	2.71%	2.08%	2.94%	2.21%

Note: This schedule was previously presented as a requirement of State Board of Education Rule 6A-1.037(2), Florida Administrative code which established a legal debt limit of 10 percent of the assessed valuation of the District. This rule was repealed in March 2006, however, management believes this information may still be of value to users.

Source: District records
Assessed value data provided by the Sarasota County Property Appraiser.

Fiscal Year					
2007	2008	2009	2010 [1]	2011 [2]	2012
$ 5,891,596	$ 6,266,381	$ 5,584,404	$ 4,929,914	$ 4,477,979	$ 4,201,641
87,502	73,709	144,497	123,119	230,976	217,681
$ 5,804,094	$ 6,192,672	$ 5,439,907	$ 4,806,795	$ 4,247,003	$ 3,983,960
1.49%	1.18%	2.59%	2.50%	5.16%	5.18%

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Pledged-Revenue Coverage,
Last Ten Fiscal Years
(Unaudited)

Table 15

		Race Track Revenue Bonds [1]				State Board of Education Bonds			
Fiscal Year		Racing Commission Funds	Debt Service Principal	Debt Service Interest	Coverage	Motor Vehicle License Tax	Debt Service Principal	Debt Service Interest	Coverage
2003		$ 446,500	$ 230,000	$ 214,120	1.01	$ 1,297,102	$ 585,000	$ 729,791	0.99
2004	(2)	446,500	-	103,447	4.32	1,378,457	650,000	721,663	1.00
2005		446,500	270,000	96,730	1.22	1,455,168	720,000	730,105	1.00
2006		446,500	340,000	89,980	1.04	1,449,261	790,000	703,821	0.97
2007		446,500	350,000	81,480	1.03	1,533,496	845,000	1,110,299	0.78
2008		446,500	360,000	71,855	1.03	1,527,268	880,000	1,102,775	0.77
2009		446,500	365,000	61,055	1.05	1,967,296	935,000	674,779	1.22
2010		446,500	385,000	50,105	1.03	1,608,606	1,000,000	588,482	1.01
2011		446,500	400,000	38,170	1.02	1,682,213	1,055,000	612,530	1.01
2012		446,500	410,000	24,970	1.03	1,711,152	1,110,000 (3)	625,411	0.99

Note: Details regarding the District's outstanding debt can be found in Note 9 of the notes to the basic financial statements.

(1) Bonds are issued by the District and secured from pari-mutuel tax proceeds distributed annually to Sarasota County from the State's Pari-Mutuel Tax Collection Trust Fund pursuant to Florida Statutes.
(2) Bonds were refunded in fiscal year 2004. Racetrack Revenue Refunding Bonds, Series 2003 were issued.
(3) Excludes $610,000 related to the refunding of the 2003-A bonds.

Source: District records

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Demographic and Economic Statistics
Last 10 Fiscal Years
(Unaudited)

Calendar Year	Estimated Population[1]	Personal Income [2] (thousands of dollars)	Per Capita Personal Income	Student Membership[3]	Unemployment Rate[4]
2003	339,684	$ 14,421,000	$ 41,618	38,026	3.3
2004	348,761	16,448,000	46,361	39,519	3.1
2005	358,307	18,000,000	49,455	38,850	3.5
2006	366,256	19,436,000	52,772	41,884	2.6
2007	369,535	20,605,000	55,559	42,190	3.5
2008	372,073	20,659,000	57,179	42,013	5.9
2009	387,461	20,765,000	51,347	41,057	10.4
2010	393,608	19,887,936	52,331	41,281	12.3
2011	381,319	N/A	N/A	40,899	11.3
2012	383,664	N/A	N/A	41,076	8.7

N/A = Data not currently available

Source: (1) Bureau of Economic and Business Research
(2) US Department of Commerce, Bureau of Economic Analysis
(3) The Florida Department of Education's Statistical Brief entitled "Membership in Florida's Public Schools Fall" for each respective year
(4) Florida Agency for Workforce Innovation, Office of Workforce Information Services, Labor Market Statistics (12 month average)

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA

Table 17

Principal Employers
Current Year and 9 Years Ago
(Unaudited)

	2012			2003		
Employer	**Rank**	**Employees**	**Percentage of Total County Employment**	**Rank**	**Employees**	**Percentage of Total County Employment**
School Board of Sarasota County, Florida	1	4,239	2.87 %	1	4,417	2.86 %
Sarasota Memorial Hospital	2	2,996	2.03	2	3,400	2.20
Sarasota County Government	3	1,942	1.31	4	2,500	1.62
Publix Super Markets, Inc.	4	1,474	1.00	3	3,300	2.14
Venice Regional Medical Center	5	1,400	0.95	5	1,428	0.93
PGT Industries	6	1,118	0.76	6	1,350	0.87
Sun Hydraulics Corporation	7	686	0.46	-	-	-
Tervis Tumbler	8	670	0.45	-	-	-
HCA Doctors Hospital	9	624	0.42	-	-	-
Sunset Automotive Group	10	600	0.41	-	-	-
Wal-Mart	-	-	-	7	963	0.62
Charter One Hotels				8	950	0.62
FCCI Insurance Group	-	-	-	9	862	0.56
Sarasota Herald - Tribune	-	-	-	10	600	0.39
Total		15,749	10.65 %		19,770	12.81 %
Total Sarasota County Employment		147,870			154,290	

Source: Sarasota Chamber of Commerce and Florida Dept of Economic Opportunity

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SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Full-Time Equivalent District Employees by Type
Last 10 Fiscal Years
(Unaudited)

	2003	2004	2005	2006
Supervisory				
Administrators	36	42	41	43
Consultants/supervisors of instruction	5	5	5	7
Principals	36	37	38	48
Assistant principals	50	53	58	69
Curriculum coordinators	-	-	-	-
Total supervisory	127	137	142	167
Instruction				
Elementary classroom teachers	886	985	1,101	1,168
Secondary classroom teachers	809	899	979	1,124
ESE teachers	428	479	519	565
Other teachers (adult)	21	45	45	71
Other professionals (instructional)	91	118	150	179
Aides	522	562	626	610
Total instructional	2,757	3,088	3,420	3,717
Student Services				
Guidance counselors	54	66	76	95
Visiting teachers/Social workers	9	10	12	16
Psychologists	15	18	22	22
Librarians	15	18	19	19
Other professionals (non-instructional)	137	151	162	170
Technicians	55	43	43	46
Total student services	285	306	334	368
Support and Administration				
Clerical/secretarial	331	355	387	409
Service workers	900	932	995	1,098
Skilled crafts	120	127	128	128
Unskilled laborers	28	28	32	33
Total support and administration	1,379	1,442	1,542	1,668
Total employees	4,548	4,973	5,438	5,920

Note: Employee data includes only full-time staff.
Information presented above excludes Charter Schools and
Second Chance Schools. The number of personnel is total employees.

Source: Florida Department of Education Statistical Brief entitled
"Staff in Florida's Public Schools"

Table 18

2007	2008	2009	2010	2011	2012
42	41	41	40	39	40
6	7	7	6	8	7
44	52	47	54	45	54
71	69	61	60	53	54
-	-	-	5	3	60
163	169	156	165	148	215
1,170	1,210	1,126	1,188	1,158	1,151
1,040	1,111	1,005	1,037	1,057	1,055
523	542	514	493	498	485
71	72	29	36	41	40
185	190	176	155	163	131
531	536	504	542	543	516
3,520	3,661	3,354	3,451	3,460	3,378
93	102	87	85	86	78
15	15	17	15	18	17
21	24	22	21	22	20
22	25	26	14	15	15
168	190	176	182	172	167
46	45	94	92	90	84
365	401	422	409	403	381
391	403	377	360	350	277
1,087	1,098	1,107	1,095	1,056	405
137	127	86	86	81	79
50	51	46	52	51	43
1,665	1,679	1,616	1,593	1,538	804
5,713	5,910	5,548	5,618	5,549	4,778

Table 19

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Operating Statistics - General
Last 10 Fiscal Years
(Unaudited)

Fiscal Year	Operating Expenditures (1)	Fall Student Memberships (2)	Cost per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio
2003	$ 267,249,584	38,026	$ 7,028	5.18 %	2,144	17.7
2004	310,056,455	39,519	7,846	11.64	2,408	16.4
2005	352,355,192	41,158	8,561	9.11	2,644	15.6
2006	405,210,263	41,884	9,675	8.55	2,928	14.3
2007	434,592,467	42,190	10,301	6.39	2,804	15.0
2008	455,663,146	42,013	10,846	9.54	2,935	14.3
2009	440,341,271	41,057	10,725	(1.00)	2,674	15.4
2010	430,432,805	41,281	10,427	(2.78)	2,754	15.0
2011	429,450,566	40,899	10,500	0.70	2,754	14.9
2012	403,329,297	41,076	9,819	(6.49)	2,731	15.0

Note: Expenditures only include General and Special Revenue Funds.
Community service expenditures are not included in total expenditure amounts.

Source: (1) District records
(2) DOE Education Information and Accountability Services: Data Report-Membership in FL Public Schools

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Operating Statistics-Food Service
Last 10 Fiscal Years
(Unaudited)

Table 19
(continued)

Fiscal Year	Total Days Meals Were Served	Number of Free and Reduced Meals Served	Percentage of Free and Reduced Meals to Total Meals Served	Total Meals Served
2003	180	3,084,050	57 %	5,418,219
2004	180	3,244,310	57	5,706,790
2005	178	3,376,704	57	5,904,361
2006	179	3,351,614	54	6,181,508
2007	180	3,348,590	54	6,201,092
2008	180	3,380,045	60	5,633,408
2009	180	3,632,140	65	5,587,908
2010	180	3,892,057	70	5,560,082
2011	180	3,941,469	72	5,474,263
2012	180	3,720,862	74	5,006,232

Source: District records - Budget book

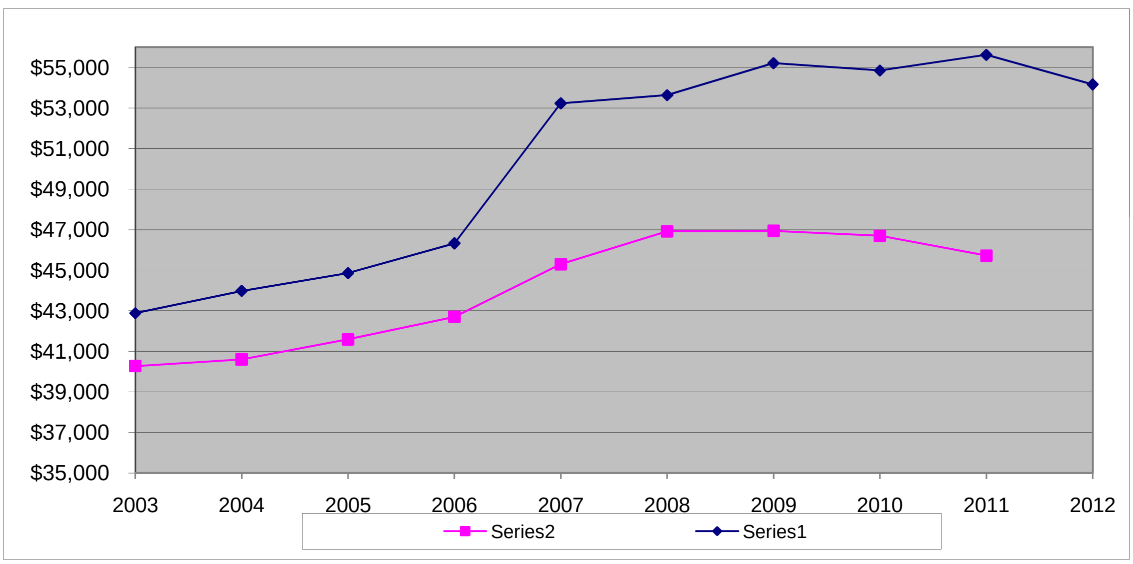
SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA **Table 20**

Teacher Salaries
Last 10 Fiscal Years
(Unaudited)

Fiscal Year	Minimum Salary[(1)]	Maximum Salary[(1)]	Sarasota Average Salary[(1)]	Statewide Average Salary[(2)]
2003	$ 27,599	$ 49,018	$ 42,879	$ 40,275
2004	30,233	51,101	43,980	40,598
2005	31,518	53,273	44,860	41,590
2006	34,024	66,944	46,329	42,702
2007	37,038	72,874	53,231	45,296
2008	38,611	75,060	53,636	46,922
2009	38,530	75,811	55,213	46,938
2010	38,997	75,811	54,852	46,696
2011	38,997	75,811	55,623	45,723
2012	38,599	75,037	54,170	N/A

Source: (1) District records
(2) Florida Department of Education

Teacher Average Salary



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SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
School Building Information
Last 10 Fiscal Years
(Unaudited)

School	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Elementary										
Alta Vista (1955)										
Square feet	91,196	95,116	96,746	96,746	122,939	122,727	122,455	122,455	122,455	122,455
Student Stations	820	1,110	1,110	1,155	968	968	972	967	953	953
Enrollment	632	686	695	703	703	682	689	640	624	575
Ashton (1976)										
Square feet	123,208	129,480	130,555	126,044	126,044	115,724	110,855	110,855	112,423	112,423
Student Stations	1,324	1,682	1,682	1,555	1,062	1,062	938	938	908	908
Enrollment	1,281	1,313	1,225	898	873	838	812	837	819	807
Atwater (2010)										
Square feet	-	-	-	-	-	-	-	134,578	130,501	130,501
Student Stations	-	-	-	-	-	-	-	1,066	1,028	1,028
Enrollment	-	-	-	-	-	-	-	686	672	705
Bay Haven (1926)										
Square feet	68,454	68,454	72,576	71,440	71,440	70,305	70,305	70,305	70,305	70,305
Student Stations	581	641	641	841	701	701	701	701	701	701
Enrollment	576	530	545	570	582	588	589	583	584	578
Emma Booker (1990)										
Square feet	112,583	118,071	118,071	118,064	118,344	119,064	119,105	119,105	119,105	119,105
Student Stations	948	1,335	1,335	1,375	1,146	900	882	882	882	882
Enrollment	599	646	665	648	648	560	523	490	522	513
Brentwood (1958)										
Square feet	110,363	141,631	140,395	136,450	136,450	137,040	137,040	137,040	137,040	133,899
Student Stations	987	1,534	1,534	1,336	1,114	1,061	1,061	1,061	1,043	1,043
Enrollment	930	954	939	812	741	733	709	674	656	651
Cranberry (2003)										
Square feet	110,113	110,113	118,053	134,496	133,945	132,377	132,377	132,377	131,474	129,122
Student Stations	753	983	983	1,294	1,079	1,043	1,043	1,043	985	985
Enrollment	-	585	750	859	843	879	805	810	747	747
Englewood (1928)										
Square feet	102,436	104,788	104,788	104,788	104,788	104,027	104,027	104,027	103,953	103,953
Student Stations	655	873	873	837	698	698	698	698	698	698
Enrollment	543	531	534	486	449	420	405	402	384	429
Fruitville (1941)										
Square feet	86,169	117,480	110,442	112,566	112,406	112,399	112,389	113,631	115,914	115,917
Student Stations	701	1,329	1,329	1,112	949	984	984	966	1,014	1,014
Enrollment	804	771	782	672	684	680	693	719	715	748
Garden (1965)										
Square feet	87,638	87,638	87,638	88,184	88,184	86,892	86,892	86,892	83,463	83,463
Student Stations	716	1,016	1,016	1,003	836	821	821	821	751	751
Enrollment	610	623	668	658	638	628	617	609	600	576
Glenallen (1984)										
Square feet	99,568	113,680	120,032	173,605	168,891	165,538	156,358	156,276	143,398	143,398
Student Stations	1,028	1,697	1,697	1,924	1,426	1,382	1,208	1,208	1,020	1,020
Enrollment	988	1,093	1,195	1,274	875	868	774	714	684	707
Gocio (1966)										
Square feet	116,692	121,396	120,062	122,730	121,895	120,904	119,353	119,353	119,353	120,261
Student Stations	925	1,279	1,279	1,419	1,183	1,183	1,111	1,111	844	844
Enrollment	962	916	877	927	898	812	736	755	749	783
Gulf Gate (1963)										
Square feet	132,212	132,212	132,212	136,531	154,346	154,265	154,265	154,265	154,265	154,265
Student Stations	882	1,190	1,190	1,095	913	913	913	913	913	913
Enrollment	944	964	927	894	778	792	804	735	751	767
Lakeview (1987)										
Square feet	81,284	85,988	85,988	85,988	86,439	95,871	84,776	83,967	83,967	82,395
Student Stations	827	1,106	1,106	1,166	1,192	1,190	940	922	922	922
Enrollment	851	831	977	828	790	750	772	697	635	648
Lamarque (2006)										
Square feet	-	-	-	-	150,688	158,548	158,548	158,185	164,485	164,485
Student Stations	-	-	-	-	1,295	1,295	1,295	1,282	1,430	1,430
Enrollment	-	-	-	-	1,011	1,131	1,055	1,044	1,013	946
Phillippi Shores (1953)										
Square feet	82,593	82,593	119,168	120,900	121,160	121,160	121,162	121,162	121,162	121,162
Student Stations	617	806	806	867	723	731	731	731	731	731
Enrollment	507	486	491	591	569	628	659	665	646	674
Southside (1926)										
Square feet	75,936	75,936	73,660	127,155	119,822	108,019	108,019	108,019	108,019	110,371
Student Stations	540	601	601	1,524	1,058	826	826	826	851	851
Enrollment	769	743	730	675	640	646	640	705	736	724
Tatum Ridge (2005)										
Square feet	-	-	-	122,673	126,495	129,651	129,646	129,646	129,651	129,651
Student Stations	-	-	-	890	835	889	889	889	893	893
Enrollment	-	-	-	698	766	833	849	805	754	724
Taylor Ranch (1989)										
Square feet	10,089	14,793	20,389	111,247	142,727	142,713	139,360	139,360	137,550	137,550
Student Stations	887	1,264	1,264	1,371	1,143	1,143	1,075	1,075	1,057	1,057
Enrollment	834	867	918	875	863	846	840	803	704	680
Toledo Blade (1992)										
Square feet	129,172	129,172	138,725	142,361	171,183	185,307	178,014	178,014	140,937	140,921
Student Stations	849	1,577	1,577	1,998	1,773	2,025	1,761	1,761	987	987
Enrollment	1,483	1,044	1,276	1,511	1,417	1,564	1,320	677	646	652
Tuttle (1963)										
Square feet	120,847	121,631	121,631	124,844	129,058	122,388	122,387	122,387	133,027	133,027
Student Stations	877	1,201	1,201	1,238	1,032	921	921	921	921	921
Enrollment	812	880	847	891	788	727	697	629	626	661
Venice (1953)										
Square feet	97,939	97,939	128,259	133,267	131,371	131,371	131,371	131,371	131,371	131,371
Student Stations	777	1,033	1,033	993	828	828	828	828	784	784
Enrollment	588	624	678	674	651	652	682	609	603	597
Wilkinson (1967)										
Square feet	88,180	103,860	144,479	142,499	142,499	144,395	144,395	144,862	144,862	144,862
Student Stations	882	1,166	1,166	943	786	786	786	786	786	786
Enrollment	776	783	788	780	718	638	572	553	529	502

Table 21

School	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Middle										
Booker (1992)										
Square feet	180,888	212,196	208,117	208,117	208,117	210,232	209,394	209,394	209,394	209,394
Student Stations	1,413	2,195	2,195	2,221	1,851	2,057	2,013	2,014	1,810	1,810
Enrollment	1,140	1,264	1,207	1,015	938	893	890	887	854	845
Brookside (1955)										
Square feet	193,366	207,312	207,303	207,303	208,812	208,812	208,812	208,812	208,812	208,812
Student Stations	1,251	1,723	1,723	1,794	1,484	1,649	1,649	1,649	1,484	1,484
Enrollment	1,352	1,263	1,200	1,122	1,097	1,075	1,135	1,077	1,036	898
Heron Creek (2003)										
Square feet	-	231,009	241,609	242,903	242,903	226,037	219,907	219,903	218,937	218,937
Student Stations	-	2,157	2,157	2,533	2,174	2,005	1,897	1,897	1,643	1,643
Enrollment	-	1,431	1,730	1,789	1,977	2,071	1,278	1,176	1,116	1,052
McIntosh (1961)										
Square feet	214,842	214,842	216,660	219,000	219,000	218,814	218,814	218,814	219,237	219,237
Student Stations	1,555	1,492	1,492	1,550	1,292	1,437	1,437	1,437	1,275	1,275
Enrollment	1,112	1,054	1,092	1,096	1,105	1,063	978	891	867	879
Sarasota (1992)										
Square feet	189,830	189,830	189,730	188,097	188,097	183,172	183,172	185,264	185,264	189,980
Student Stations	1,277	1,882	1,882	1,963	1,636	1,697	1,697	1,698	1,508	1,508
Enrollment	1,325	1,342	1,397	1,266	1,203	1,169	1,148	1,142	1,142	1,149
Venice (1984)										
Square feet	155,677	160,381	167,301	170,608	170,608	170,061	170,061	170,061	169,752	169,752
Student Stations	987	1,458	1,458	1,796	1,497	1,664	1,664	1,664	1,497	1,497
Enrollment	705	739	781	908	887	870	791	755	731	639
Woodland (2008)										
Square feet	-	-	-	-	-	-	211,591	250,557	227,483	227,483
Student Stations	-	-	-	-	-	-	1,567	1,567	1,410	1,410
Enrollment	-	-	-	-	-	-	719	767	669	657
High										
Booker (1953)										
Square feet	377,318	383,590	353,517	359,684	359,684	366,630	366,630	366,630	299,500	269,174
Student Stations	1,790	2,276	2,276	2,671	2,240	2,272	2,272	2,272	3,821	1,492
Enrollment	1,575	1,597	1,596	1,662	1,711	1,536	1,255	1,142	1,073	1,017
Cyesis (1993)										
Square feet	38,288	38,680	38,680	38,680	39,090	39,090	-	-	-	-
Student Stations	286	345	345	394	329	329	-	-	-	-
Enrollment	179	149	132	144	130	143	-	-	-	-
NorthPort (2001)										
Square feet	341,862	341,862	389,694	466,254	296,971	418,243	418,257	476,402	481,947	479,575
Student Stations	1,615	1,781	1,781	3,551	2,882	3,049	3,037	3,040	2,842	2,842
Enrollment	1,017	1,516	1,810	2,089	2,438	2,709	2,540	2,587	2,472	2,334
Riverview (1957)										
Square feet	308,040	312,744	313,627	324,327	310,282	310,282	486,698	495,696	494,051	494,051
Student Stations	2,799	3,202	3,202	4,131	3,347	3,434	3,195	2,936	2,786	2,786
Enrollment	2,559	2,582	2,657	2,687	2,548	2,454	2,532	2,670	2,742	2,640
Sarasota (1926)										
Square feet	414,688	414,688	423,101	422,111	422,111	457,608	457,612	459,673	462,600	462,600
Student Stations	2,713	2,878	2,878	3,841	3,201	3,264	3,264	3,298	2,516	2,516
Enrollment	2,655	2,638	2,619	2,673	2,669	2,533	2,373	2,235	2,018	1,965
Suncoast Polytechnical (2008)										
Square feet	-	-	-	-	-	-	72,943	78,177	78,177	78,177
Student Stations	-	-	-	-	-	-	606	606	545	545
Enrollment	-	-	-	-	-	-	150	308	436	549
Venice (1955)										
Square feet	338,471	338,471	338,797	348,832	353,177	356,526	364,482	364,482	550,330	541,926
Student Stations	2,367	2,716	2,716	3,264	2,706	2,899	2,919	2,941	4,854	2,215
Enrollment	2,225	2,157	2,178	2,204	2,141	2,112	2,019	1,960	1,951	1,899
Other										
Laurel Nokomis (1991)										
Square feet	23,667	28,371	23,598	214,260	214,260	214,229	216,825	216,122	215,197	221,485
Student Stations	1,780	2,414	2,414	2,415	2,013	2,236	2,237	2,237	1,963	1,963
Enrollment	1,723	1,785	1,535	1,318	1,232	1,153	1,067	1,080	1,096	1,089
Oak Park (1993)										
Square feet	143,903	145,471	148,647	156,997	179,189	170,757	169,171	169,171	169,171	169,171
Student Stations	479	580	580	877	731	731	706	706	666	666
Enrollment	362	378	439	439	408	414	412	428	393	349
Pineview (1993)										
Square feet	174,742	206,050	210,814	216,360	216,360	225,307	225,269	225,269	225,269	225,269
Student Stations	1,448	1,998	1,998	2,505	2,254	2,464	2,464	2,464	1,974	1,974
Enrollment	1,675	1,799	1,948	2,061	2,200	2,210	2,116	2,170	2,210	2,196
Phoenix Academy (2005)										
Square feet	-	-	26,808	26,657	26,647	26,863	26,863	26,863	26,863	26,863
Student Stations	-	-	282	345	288	288	288	288	288	288
Enrollment	-	-	203	157	163	172	191	193	201	181

Sources: (1) District Records
(2) Florida Inventory of School Houses

Notes: Capacity information reported for fiscal year ended 2003 reflects adjustments due to the Class Size Reduction Amendment.
Rebuilt schools only include information after rebuilding.
Booker High and Venice High square footage and student stations reflect the old and new buildings on campus as these schools are currently being rebuilt. These numbers will be updated in FISH once construction is complete.

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Federal Reports and Schedules

AUDITOR GENERAL
STATE OF FLORIDA

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The President of the Senate, the Speaker of the
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Legislative Auditing Committee

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Sarasota County District School Board as of and for the fiscal year ended June 30, 2012, which collectively comprise the District's basic financial statements, and have issued our report thereon under the heading **INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS.** Our report on the basic financial statements includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the school internal funds and the aggregate discretely presented component units, as described in our report on the Sarasota County District School Board's financial statements. For the school internal funds and 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. 2013-068.

Our **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*** is 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 17, 2012
Audit Report No. 2013-070

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

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

As described in Federal Awards Findings Nos. 1 and 2 in the **SCHEDULE OF FINDINGS AND QUESTIONED COSTS** section of this report, the District did not comply with requirements regarding Special Tests and Provisions that are applicable to its Educational Technology State Grants program and the Supplement not Supplant and Allowable Costs/Cost Principles that are applicable to its Improving Teacher Quality State Grants program. Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to those programs.

In our opinion, except for the noncompliance described in the preceding paragraph, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the fiscal year ended June 30, 2012. The results of our auditing procedures also disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the **SCHEDULE OF FINDINGS AND QUESTIONED COSTS** section of this report as Federal Awards Finding No. 3.

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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and another deficiency that we consider to be a significant deficiency.

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 control 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. We consider the deficiencies in internal control over compliance described in the **SCHEDULE OF FINDINGS AND QUESTIONED COSTS** section of this report as Federal Awards Finding Nos. 1 and 2 to be material weaknesses.

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. We consider the deficiency in internal control over compliance described in the **SCHEDULE OF FINDINGS AND QUESTIONED COSTS** section of this report as Federal Awards Finding No. 3 to be a significant deficiency.

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.

Restricted Purpose Relating to Testing of Internal Control Over Compliance

The purpose of the provisions of this report addressing internal control over compliance is solely to describe the scope of our testing of internal control over compliance with the requirements that could have a direct and material effect on a major Federal program, and the results of that testing, and not to provide an opinion on the effectiveness of internal control over compliance. These provisions of our report are an integral part of an audit performed in accordance with *Government Auditing Standards* and OMB Circular A-133 in considering the entity's internal control over compliance. Accordingly, these provisions of our report are not suitable for any other purpose.

Respectfully submitted,

David W. Martin, CPA
December 17, 2012
Audit Report No. 2013-070

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2012

Federal Grantor / Pass-Through Grantor Program Title or Cluster Title	Federal CFDA#	Pass-Through Grantor Number	Federal Expenditures (1)	Amount Provided to Subrecipients
United States Department of Agriculture:				
Indirect:				
Child Nutrition Cluster:				
Florida Department of Agriculture and Consumer Services:				
School Breakfast Program	10.553	321	$ 942,774	$ -
National School Lunch Program	10.555[(2)]	300, 350	5,573,313	-
Summer Food Service Program for Children	10.559	323	164,096	-
Florida Department of Education:				-
School Breakfast Program	10.553	321	524,294	-
National School Lunch Program	10.555	300, 350	2,928,301	-
Summer Food Service Program for Children	10.559	323	174,581	-
Total Child Nutrition Cluster			10,307,359	-
Florida Department of Education:				
Fresh Fruit and Vegetable Program	10.582	330	200,267	-
Total United States Department of Agriculture			**10,507,626**	**-**
United States Department of Transportation:				
Direct:				
Highway Planning and Construction	20.205	N/A	22,339	-
Total United States Department of Transportation			**22,339**	**-**
National Science Foundation:				
Indirect:				
State College of Florida, Manatee-Sarasota:				
Education and Human Resources	47.076	None	1,908	-
Total United States National Science Foundation			**1,908**	**-**
United States Department of Energy:				
Indirect:				
University of Central Florida:				
ARRA - State Energy Program	81.041[(3)]	None	42,062	-
Total United States Department of Energy			**42,062**	**-**
United States Department of Education:				
Direct:				
Student Financial Assistance Cluster:				
Federal Supplemental Educational Opportunity Grants	84.007	N/A	85,000	-
Federal Pell Grant Program	84.063	N/A	590,178	-
Total Student Financial Assistance Cluster			675,178	-
Safe and Drug-Free Schools and Communities - National Programs	84.184	N/A	158,906	-
Fund for the Improvement of Education	84.215	N/A	461,213	294
Total United States Department of Education Direct			**1,295,297**	**294**
Indirect:				
Title I Part A Cluster:				
Florida Department of Education:				
Title I Grants to Local Educational Agencies	84.010	212,222,226,228	8,696,902	249,769
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	212,226	816	-
Total Title I, Part A Cluster			8,697,718	249,769
Special Education Cluster:				
Florida Department of Education:				
Special Education - Grants to States	84.027	262,263	9,638,241	262,384
Special Education - Preschool Grants	84.173	266,267	308,963	-
ARRA - Special Education - Grants to States, Recovery Act	84.391	263	1	-
ARRA - Special Education - Preschool Grants, Recovery Act	84.392	267	56,980	-
Total Special Education Cluster			10,004,185	262,384
Education for Homeless Children and Youth Cluster:				
Florida Department of Education:				
Education for Homeless Children and Youth	84.196	127	100,000	-
ARRA - Education for Homeless Children and Youth, Recovery Act	84.387	127	3,558	-
Total Education for Homeless Children and Youth Cluster			103,558	
Educational Technology State Grants Cluster:				
Florida Department of Education:				
Educational Technology State Grants	84.318	121	149,331	-
ARRA - Education Technology State Grants, Recovery Act	84.386	121	7,578	-
Total Educational Technology State Grants Cluster			156,909	

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2012

Federal Grantor / Pass-Through Grantor Program Title or Cluster Title	Federal CFDA#	Pass-Through Grantor Number	Federal Expenditures (1)	Amount Provided to Subrecipients
United States Department of Education (continued):				
Indirect:				
Florida Department of Education:				
Adult Education - Basic Grants to States	84.002	191,193	445,591	-
Migrant Education - State Grant Program	84.011	217	34,081	-
Career and Technical Education - Basic Grants to States	84.048	151,161	420,665	-
Charter Schools	84.282	298	325,000	325,000
Twenty-First Century Community Learning Centers	84.287	244	886,245	-
English Language Acquisition Grants	84.365	102	290,982	-
Improving Teacher Quality State Grants	84.367	224	1,347,207	11,027
ARRA - State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	RL111	552,519	-
Education Jobs Fund	84.410	541	7,979,517	15,029
Total United States Department of Education Indirect			**31,244,177**	**863,209**
Total United States Department of Education			**32,539,474**	**863,503**
United States Department of Health and Human Services:				
Indirect:				
Florida Department of Health:				
The Affordable Care Act: Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	COH7R	81,588	-
Total United States Department of Health and Human Services			**81,588**	**-**
United States Department of Homeland Security:				
Indirect:				
Homeland Security Cluster:				
Florida Department of Community Affairs:				
State Domestic Preparedness Equipment Support Program	97.004	532	148,188	-
Homeland Security Grant Program	97.067	532	49,546	-
Total United States Department of Homeland Security			**197,734**	**-**
United States Department of Defense:				
Direct:				
Army Junior Reserve Officers Training Corps	None	N/A	177,433	-
Marine Junior Reserve Officers Training Corps	None	N/A	83,540	-
Navy Junior Reserve Officers Training Corps	None	N/A	67,013	-
Total United States Department of Defense			**327,987**	**-**
Total Expenditures of Federal Awards			**$ 43,720,717**	**$ 863,503**

See accompanying notes to Schedule of Expenditures of Federal Awards

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

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

Note 2 – Noncash Assistance – National School Lunch Program includes $734,475 of donated food received during the fiscal year. Donated foods are valued at fair value as determined at the time of donation.

Note 3 – Noncash Assistance – State Energy Program includes $42,062 representing the Federally-paid portion of solar panels and related site preparation and installation costs.

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

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	Yes
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 except for the Educational Technology State Grants Cluster (CFDA No. 84.318) and the Improving Teacher Quality State Grants (CFDA No. 84.367) which were qualified.
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	Yes
Identification of major programs:	Child Nutrition Cluster (CFDA Nos. 10.553, 10.555, and 10.559); Educational Technology State Grants Cluster (CFDA Nos. 84.318 and 84.386 - ARRA); Improving Teacher Quality State Grants (CFDA No. 84.367); and State Fiscal Stabilization Fund (SFSF) – Race-to-the-Top Incentive Grants (CFDA No. 84.395 - ARRA)
Dollar threshold used to distinguish between Type A and Type B programs:	$1,311,621
Auditee qualified as low-risk auditee?	Yes

FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Federal Awards Finding No. 1 :
Federal Agency: United States Department of Education
Pass-Through Entity: Florida Department of Education
Program: Educational Technology State Grants (CFDA No. 84.318)
Finding Type: Material Noncompliance and Material Weakness
Questioned Costs: $149,331

Special Tests and Provisions – Private School Participation. Title 34, Section 299.6, Code of Federal Regulations, requires that District services and other benefits provided to eligible private school students and teachers must be equitable to services and other benefits provided to District public school students and teachers. During preparation of the Educational Technology grant application (award period July 1, 2010 to December 31, 2011), District personnel identified the District schools that would benefit most from the grant and indicated that they selected differentiated accountability schools with documented evidence of poor mathematics and science performance and higher percentages of economically-disadvantaged students and subpopulations that had shown no improvement over several years.

For the 2011-12 fiscal year, the District had Educational Technology program expenditures totaling $149,331 and District records evidenced that 11 private schools requested the opportunity to participate in the program. Florida Department of Education (FDOE) guidance provides that differentiated accountability categories, used to assess public schools grades, do not apply to private schools. Because differentiated accountability categories do not apply to private schools, and the District did not request information from the 11 private schools to make a comparable determination of eligibility, these schools were not provided the opportunity to participate in the program. As such, program expenditures of $149,331 represent questioned costs subject to disallowance by the grantor.

Professional auditing standards require that when an auditee does not comply, in all material respects, with a compliance requirement that could have a direct and material effect on one of its major Federal programs, appropriate disclosures (qualifications) should be made in the auditor's report. As the District did not comply with the requirement regarding Special Tests and Provisions – Private School Participation that is applicable to its Educational Technology program, our report on the District's compliance with that requirement includes a qualification to that effect.

Recommendation: The District should enhance procedures to ensure private schools are provided the opportunity to participate in Federally-funded programs. In addition, the District should document to the grantor (FDOE) the allowability of the $149,331 of questioned costs or restore this amount to the Educational Technology program.

District Contact Person: Dr. Denise Cantalupo, Director of Research, Assessment, & Evaluation and School Improvement, Amy Donner, Grant Program Specialist

Federal Awards Finding No. 2:
Federal Agency: United States Department of Education
Pass-Through Entity: Florida Department of Education
Program: Improving Teacher Quality State Grants (CFDA No. 84.367)
Finding Type: Material Noncompliance and Material Weakness
Questioned Costs: $132,668

Supplement Not Supplant and Allowable Costs/Cost Principles. Title 20, Section 6623(b), United States Code, provides that Improving Teacher Quality (ITQ) program funds must be used only to supplement, and not supplant, the funds that would be available in the absence of these program funds. Also, the United States Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* provides that it is presumed supplanting has occurred if the District has used Federal funds to provide services that the District provided with non-Federal funds in the prior year. In addition, according to United States Department of Education (ED) nonregulatory guidance dated October 2006, ITQ program funds that are used for teachers' salaries must be used to pay highly qualified (HQ) teachers to reduce class size or to certain teachers who provide or coordinate professional development services for other teachers.

The District reported ITQ program expenditures of $1,347,207 for the 2011-12 fiscal year and we tested salaries and benefits of $812,543 for propriety. Our tests of salaries and benefits of 17 employees charged entirely or partially to the ITQ program disclosed that 2 teachers provided the same type services for the 2010-11 and 2011-12 fiscal year; however, their salaries and benefits totaling $132,668 for the 2011-12 fiscal year were charged to the ITQ program while their salaries and benefits were charged to another funding source for the 2010-11 fiscal year. In addition, District records did not evidence that the 2 teachers reduced class size or provided or coordinated professional development services for other teachers.

District personnel indicated that assignments of the 2 teachers were based on initial determinations of the number of HQ teachers needed at the school. However, because $132,668 of ITQ program moneys used for salaries and benefits of the 2 teachers supplanted other District moneys, and were used for purposes contrary to ED guidance, these program expenditures represent questioned costs.

Professional auditing standards require that when an auditee does not comply, in all material respects, with a compliance requirement that could have a direct and material effect on one of its major Federal programs, appropriate disclosures (qualifications) should be made in the auditor's report. As the District did not comply with the requirements regarding Supplement Not Supplant and Allowable Costs/Cost Principles that are applicable to its ITQ program, our report on the District's compliance with those requirements includes a qualification to that effect.

Recommendation: **The District should enhance procedures to ensure that ITQ program funds are used only to supplement, and not supplant, other District funds and used consistent with ED guidance. In addition, the District should document to the grantor (FDOE) the allowability of the $132,668 of questioned costs or restore this amount to the ITQ program.**

District Contact Person: Kelly Ellington, Director of Professional Development

Federal Awards Finding No. 3:
Federal Agency: United States Department of Education
Pass-Through Entity: Florida Department of Education
Program: Improving Teacher Quality State Grants (CFDA No. 84.367) and State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants (CFDA No. 84.395-ARRA)
Finding Type: Noncompliance and Significant Deficiency

Allowable Costs/Costs Principles – Documentation of Time and Effort. OMB Circular A-87 requires that charges to Federal awards for salaries and wages be based on payrolls documented in accordance with generally accepted practices of the governmental unit and approved by a responsible official of the governmental unit. Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages are to be supported by periodic certifications, prepared at least semiannually, that the employees worked solely on that program for the period covered by the certification.

For the 2011-12 fiscal year, the District reported Improving Teacher Quality (ITQ) and Race-to-the-Top (RT) program expenditures of $1,347,207 and $552,519, respectively, of which salary and benefit expenditures totaled $1.2 million and $97,000, respectively. To determine the propriety of ITQ and RT program expenditures, we tested expenditures of $812,543 paid to 17 employees and $70,000 paid to 3 employees, respectively. Our tests disclosed that 2 employees paid ITQ program salaries and benefits totaling $234,000 and 3 employees paid RT program salaries and benefits totaling $70,000 did not maintain the required semiannual certifications, although the salaries and benefits of these employees were funded 100 percent from these respective programs.

District personnel were unaware of the Federal recordkeeping requirements and District records evidenced that certifications were only completed for activities performed in October 2011 and February 2012. Although District personnel did not maintain the required documentation, our discussions with District personnel confirmed that the salaries and benefits charged to the two programs were allowable charges. When Federally-funded employees do not delineate their job responsibilities and work activities by properly maintaining required semiannual certifications, there is an increased risk that personnel costs may be inappropriately charged to a Federal program.

Recommendation: The District should enhance its procedures to ensure that employees who work 100 percent for Federal grants prepare required semiannual certifications.

District Contact Person: Sandy Gannon, Special Revenue Fund Specialist

PRIOR AUDIT FOLLOW-UP

The District had taken corrective actions for findings included in previous audit reports.

MANAGEMENT'S RESPONSE

Management's response is included as Exhibit A.

SARASOTA COUNTY
DISTRICT SCHOOL BOARD
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS - FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2012

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

Audit Report No. and Federal Awards Finding No.	Program/Area	Brief Description	Status	Comments
Cherry, Bekaert, & Holland, LLP		There were no prior year Federal audit findings.		

EXHIBIT A
MANAGEMENT'S RESPONSE

THE SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
OFFICE OF THE SUPERINTENDENT
1960 Landings Boulevard Sarasota, Florida 34231
Telephone: (941) 927-9000 Fax: (941) 927-2539
Email: lori_white@sarasota.k12.fl.us

December 17, 2012

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

Dear Mr. Martin,

Pursuant to Section 11.45(4)(d), Florida Statutes, included below please find the School Board of Sarasota County, Florida (District) responses to your preliminary and tentative audit findings and recommendations on our financial and Federal audit for the fiscal year ended June 30, 2012.

Federal Awards Finding #1 – Education Technology State Grants (CFDA No. 84.318)

The District noted in its grant proposal, *Growing a STEM Learning Culture (GSLC)* that it was focusing on schools with:

> "…the district's lowest performing students and highest poverty rates. These high schools have a history of offering less challenging courses, lacking solid career pathways, and possessing lower academic standing."

The proposal provided documented evidence that the targeted high schools and their feeder middle schools showed poor mathematics and science performance, high percentages of economically-disadvantaged students, lagging performance in certain subpopulations, low graduation rates, and few advanced math or science coursework.

Based on the targeted schools' extreme needs, the District assumed that local private schools would not meet the criteria for full project inclusion. The District believed private schools would demonstrate higher math and science achievement, graduation rates, number of advanced courses, and socio-economic status than the schools targeted for *GSLC*.

The recent finding from the Auditor General suggested this may have been an incorrect assumption. On December 3, 2012, the District sent an email to the 11 private schools which requested the opportunity to participate in the program, providing performance data included in the proposal and asking if their school should have been included. At least one follow-up phone call was made to schools which did not immediately reply, and additional information was sent or calls/emails were made to those not responding after several days.

Of the 11 schools, seven replied that they were not qualified for full inclusion. The other four schools did not respond, even after repeated attempts to reach them. Given several opportunities to demonstrate need, none of the 11 schools stepped forward to say they met the required criteria. The survey results show that even if the district had reached out to private schools before submitting the proposal, it would have included the same five public schools, and no additional private schools would have demonstrated adequate need to be included.

It is important to note that the District is committed to providing services developed with grant funds to the interested private schools, as outlined in the original proposal:

- Professional development
- Enhanced curricula
- Texcellence computer program
- Formative assessments

To prevent this type of problem in the future, the District is making changes to ensure better communication between the Finance, Grants, and State and Federal Projects offices. The District is speaking with candidates to serve as an internal evaluator who will suggest ways to change processes and improve compliance. In addition, the invitation to the annual Private School Meeting will include a new letter asking private schools to provide academic, socio-economic, graduation and other information which could be used to establish baseline data and determine need for future proposals. This would allow the District to have the information on hand when developing future proposals. The District also will modify the private school interest form and distribute it more widely to clarify expectations and ensure interested private schools are contacted.

Federal Award Finding #2 – Improving Teacher Quality State Grants (CFDA No. 84.367)

To ensure that the program funding for the Improving Teacher Quality (ITQ) grant is properly allocated and used only to supplement, not supplant other District funds, the District has modified its grant procedures. For the ITQ grant, the procedures have been updated as follows:

The grant project director will annually analyze instructional staff at each school to determine those schools that have the highest number of teachers who are not highly qualified. Teachers that are highly qualified (now called in-field and certified to teach the assigned subjects) will be assigned to those schools needing assistance.

Federal Award Finding #3 – Improving Teacher Quality State Grants (CFDA No. 84.367) and State Fiscal Stabilization Fund (SFSF) – Race-to-the-Top Incentive Grants (CFDA No. 84.395-ARRA)

The District has enhanced its procedures to include semi-annual certifications for all employees paid from Federal grant funds who work on a single cost objective. These certifications will be conducted in January for the time period of July through December and in July for the time period of January through June. The certification forms will be signed by the employee's supervisor, principal or director and maintained in the Finance Department.

If you have any questions or need further clarification, please do not hesitate to contact myself or Mitsi Corcoran, Chief Financial Officer at (941) 927-9000 ext. 31300.

Sincerely,

Lori M. White

Lori M. White
Superintendent