



The District School Board
of ESCAMBIA COUNTY

Pensacola, Florida



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Superintendent Malcolm Thomas

District 1 Jeff Bergosh

District 2 Gerald Boone

District 3 Linda Moultrie

District 4 Patty Hightower

District 5 Bill Slayton

FISCAL YEAR ENDED

JUNE 30, 2012

District School Board
Of Escambia County
Pensacola, Florida

Comprehensive Annual
Financial Report

For The
Fiscal Year
Ended June 30, 2012



Prepared By:
Finance Department

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2012

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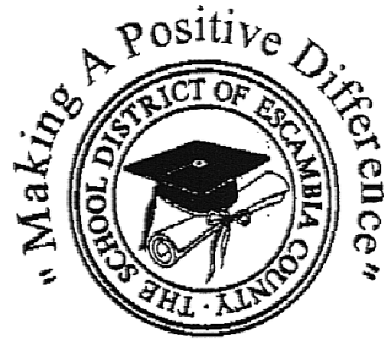
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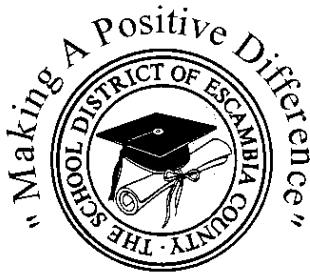
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INTRODUCTORY SECTION



THE SCHOOL DISTRICT OF ESCAMBIA COUNTY

75 North Pace Blvd.
PENSACOLA, FL 32505
PHONE 850/432-6121, FAX 850/469-6379
<http://www.escambia.k12.fl.us>
MALCOLM THOMAS, SUPERINTENDENT

November 30, 2012

To the Honorable Members of the District School Board of Escambia County
and the Citizens of Escambia County, Florida

State law requires that all local governments publish, after the close of each fiscal year, a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP), and audited in accordance with auditing standards generally accepted in the United States of America. Pursuant to this requirement, we hereby issue the comprehensive annual financial report (CAFR) of the District School Board of Escambia County, Florida (District) for the fiscal year ended June 30, 2012.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with GAAP. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management. 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 independent public accounting firm, Moore Stephens Lovelace, P.A. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2012, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the District's basic 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 independent auditor's

To the Honorable Members of the District School Board of Escambia County
and the Citizens of Escambia County, Florida
November 30, 2012

report on the system of internal control and on compliance with applicable requirements is available in the office of the Assistant Superintendent, Finance and Business Services for the District.

This report includes all funds of the District, the Escambia County Public Schools Foundation for Excellence, Inc. (the Foundation), and Charter Schools, which comprise the reporting entity. The Foundation is a separate not-for-profit corporation organized and operated as a direct-support organization. The Foundation's purpose is exclusively educational and charitable for the constituents of Escambia County. Charter Schools are public schools operating under performance contracts with the School Board. The Foundation and the applicable Charter Schools are included as discretely presented component units in the accompanying financial statements.

GAAP requires 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 immediately follows the independent auditor's report.

Profile of the District

The District and its governing board (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 elected Superintendent of Schools (Superintendent) is the executive officer of the Board and is responsible for the administration and management of the schools within the applicable parameters of Florida Statutes, State Board of Education Rules, and School Board policies. The Superintendent is also specifically delegated the responsibility of maintaining a uniform system of records and accounts in the District by Section 1010.01, Florida Statutes, as prescribed by the State Board of Education.

The geographic boundaries of the District are those of Escambia County. During the 2011-12 fiscal year, the District operated 63 schools, special centers, and other programs, including 33 elementary schools, 9 middle schools, 7 high schools, 3 special centers, and 11 other programs. The District also has 8 charter schools that are component units and 1 charter school that is not a component unit of the District.

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 operating through a contract with the District are provided with their proportionate share of these funds, based upon the number of full-time equivalent students enrolled at the charter school.

During the 2011-12 fiscal year, the District provided general, special, vocational, and other educational programs to 40,108 full-time equivalent students (UFTE), an increase of 266 UFTE over the prior year. In addition, the District projects 2012-13 student membership at 40,274 UFTE, which represents an increase of 166 students over the current fiscal year.

The Board 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.

Economic Condition and Outlook

Escambia County, located in the northwestern part of the state, was established July 21, 1821 as a non-charter government when the Provisional Governor Andrew Jackson signed an ordinance making the County one of the first two counties in Florida, the other being St. John's County. Escambia County encompasses approximately 661 square miles, or 420,480 acres, with an additional 64,000 acres of water area and serves a population of approximately 300,000. The population has increased by only 1 percent over the last ten years. The statewide increase during that period has been close to 18 percent. There are two municipalities within the County, the City of Pensacola, which is the County seat, and the Town of Century.

State sales tax revenues have continued to decline, and, although there was a temporary increase in school taxable property values, the short-term outlook does not support an increasing trend. Per pupil funding continued to decline as the Florida Education Finance Program (FEFP) base student allocation decreased, along with the elimination of the ARRA State Fiscal Stabilization Funds, which were not available in the 2011-12 fiscal year.

The economic downturn has continued to keep Escambia County's unemployment rate at about the same level as the prior fiscal year and was comparable to the state-wide unemployment rate of about 9.4 percent.

Major Initiatives

Class Size Reduction

In November 2002, the voters of Florida amended the State Constitution to limit class size. 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) prekindergarten through grade 3, 18 students; (2) grades 4 through 8, 22 students; and (3) grades 9 through 12, 25 students. Based on survey results for the 2011-12 fiscal year, the District was in compliance with all constitutional class size requirements.

Half-Cent Sales Surtax

Section 212.055(6), Florida Statutes, authorizes local school boards to levy a one-half cent School Capital Outlay Sales Surtax (Sales Surtax). The District conducted a referendum and the Sales Surtax was originally approved for five years, beginning January 1, 1998. It was renewed for an additional five years as of January 1, 2003 and an additional ten years as of January 1, 2008. These funds typically provide \$20-21 million per year to meet the District's capital outlay needs. Sales tax proceeds for the year totaled \$20.1 million.

During the 2011-12 fiscal year, Sales Surtax construction projects included the completion of two middle school gymnasiums, completion of a new elementary school in downtown Pensacola, classroom additions at several elementary and middle schools, school cafeteria renovations, and the commencement of a complete rebuild of an existing middle school.

Accomplishments

The District has 197 teachers who 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. Teachers who gain this certification are provided incentives by the state, including salary and mentoring bonuses. In addition, 41% of the District's instructional personnel hold advanced degrees (Master's or higher).

Financial Information

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

Budgetary Controls The District maintains budgetary controls, the objective of which is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the School Board. Activities of all governmental fund types are included in the annual appropriated budget. The level of budgetary control (that is the level at which expenditures cannot exceed the appropriated amount) is established at the object level.

Budgetary information is integrated into the accounting system and to facilitate budgetary control, budget balances are encumbered when purchase orders are issued. Appropriations lapse at year-end and encumbrances outstanding are honored from the subsequent year's appropriations. In order to provide budgetary control for salaries, the District utilizes a centralized position control system. On an annual basis, the Board adopts a District staffing plan that establishes teacher positions based generally on student populations served. Additionally, support and administrative positions are created based on established criteria.

Cash Management and Investments The intention of the cash management system is to limit the amount of funds placed in accounts where low or no interest is paid, but the highest priority of all investments is preservation of principal. Idle cash is invested in various instruments with various maturity dates, depending on the anticipated future cash requirements.

The overall strategy of holding deposits and making investments is to expose the District to a minimum amount of credit and market risks. All bank balances, as of the balance sheet date, are entirely insured by Federal depository insurance and/or collateralized with securities held in Florida's multiple financial institution collateral pool, as required by Chapter 280, Florida Statutes. We discuss our cash management and investment activities in greater detail in Note 3 of the Notes to Financial Statements.

Risk Management The District is self-insured for workers' compensation, general and automobile liability, prescription drug, and medical claims, with outside contractors providing various administrative services. All funds make payment to the District's applicable Internal Service Fund based upon personnel staffing levels. Resources have been accumulated in order to meet potential losses. We discuss our risk management activities in greater detail in Note 19 of the Notes to Financial Statements.

To the Honorable Members of the District School Board of Escambia County
and the Citizens of Escambia County, Florida
November 30, 2012

Acknowledgments

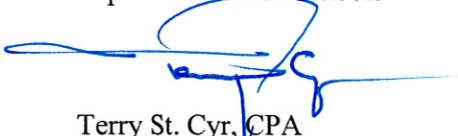
The preparation of this Report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department and coordination with the audit staff of Moore Stephens Lovelace, P.A. Each member of the department and the audit staff has our sincere appreciation for the contributions 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,



Malcolm Thomas
Superintendent of Schools



Terry St. Cyr, CPA
Assistant Superintendent - Finance and Business Services



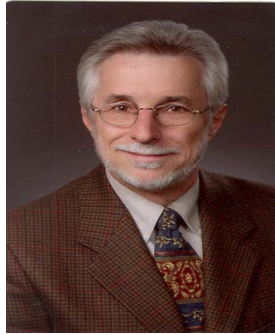
Gloria Johnson, CPA
Director of Accounting Operations

District School Board of Escambia County, Florida

School Board Members and Superintendent (Elected for a four-year term)



District 1
Jeff Bergosh
6 years
November 2014



District 2
Gerald Boone
6 years
Chairman
November 2014



District 3
Linda Moultrie
4 years
November 2014



District 4
Patty Hightower
8 years
November 2012



District 5
Bill Slayton
4 years
Vice Chairman
November 2012



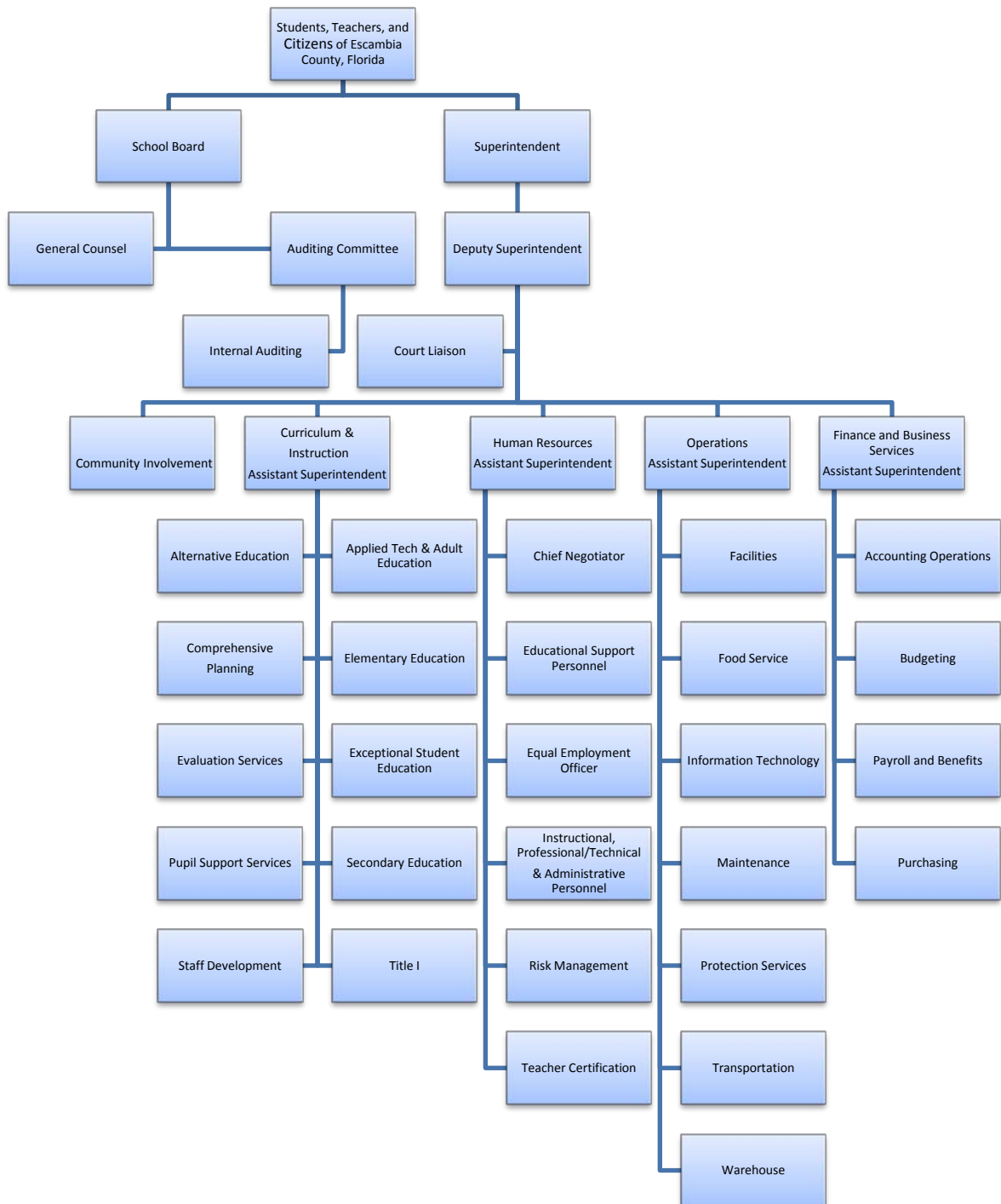
Malcolm Thomas
Superintendent
4 years
November 2012

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA

LIST OF PRINCIPAL OFFICIALS

Norm Ross	Deputy Superintendent
Shawn Dennis	Assistant Superintendent Operations
Steve Marcanio	Assistant Superintendent Curriculum and Instruction
Terry St. Cyr	Assistant Superintendent Finance and Business Services
Dr. Alan Scott	Assistant Superintendent Human Resources

District School Board of Escambia County, Florida Organizational Chart



Association of School Business Officials International



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

District School Board of Escambia 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



A handwritten signature in black ink, reading 'Brian L. Mee', positioned above a horizontal line.

Brian L. Mee, SFO, RSBA
President

A handwritten signature in black ink, reading 'John D. Musso', positioned above a horizontal line.

John D. Musso, CAE, RSBA
Executive Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

District School Board
of Escambia 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. Moynell

President

Jeffrey R. Enos

Executive Director



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FINANCIAL SECTION



MOORE STEPHENS
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Chairman and Members of
The District School Board of Escambia County, Florida

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 District School Board of Escambia County, Florida (the "District"), as of and for the 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 the District's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the aggregate discretely presented component units. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us and, our opinion, insofar as it relates to the amounts included for the discretely presented component units, is based on the reports of those 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 other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of 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 of the District as of June 30, 2012, and the respective changes in financial position, and cash flows, where applicable, thereof and the budgetary comparison for the general fund and major special revenue fund for the 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 our report dated November 30, 2012, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on 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.

INDEPENDENT AUDITOR'S REPORT
(Concluded)

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Schedule of Funding Progress – Other Postemployment Benefits Plan on pages 3 through 11 and page 55, respectively, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a 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 as a whole. The introductory section, combining and individual non-major fund financial statements and schedules, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
November 30, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the District School Board of Escambia County, Florida has prepared the following discussion and analysis to provide an overview of the District's financial activities for the fiscal year ended June 30, 2012. The information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events, and conditions and should be considered in conjunction with the District's financial statements and notes to financial statements.

FINANCIAL HIGHLIGHTS

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

- The assets of the District exceeded its liabilities at June 30, 2012, by \$374.7 million (net assets).
- The District's total net assets decreased by \$7 million from the prior fiscal year (\$381.7 million).
- At June 30, 2012, the District's governmental funds reported combined fund balances of \$152.4 million, a decrease of \$8.8 million from the prior fiscal year (\$161.2 million).
- At June 30, 2012, the assigned and unassigned fund balances for the General Fund approximated \$41 million, or 15.8 percent of total General Fund revenue.
- The District's total long-term debt (Bonds Payable and Certificates of Participation) was \$48.4 million, a decrease of \$4.1 million, or 7.8 percent during the current fiscal year due to payment of principal.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements consist of three components:

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

Government-wide Financial Statements

The government-wide financial statements provide both short-term and long-term information about the District's overall financial condition in a manner similar to those of a private-sector business. The statements include a statement of net assets and a statement of activities that are designed to provide consolidated financial information about the governmental activities of the primary government presented on the accrual basis of accounting. The statement of net assets provides information about the government's financial position, its assets and liabilities, using an economic resources measurement focus. The difference between the assets and liabilities, the net assets, is a measure of the financial health of the District. The statement of activities presents information about the change in the District's net assets, the results of operations, during the fiscal year. An increase or decrease in net assets is an indication of whether the District's financial health is improving or deteriorating.

The government-wide statements present the District's activities in 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 aggregate financial information for the following nine separate legal entities in this report: Escambia Charter School, Inc., Beulah Academy of Science, Inc., Pensacola Beach Elementary School, Inc., Byrneville Elementary School, Inc., Jacqueline Harris Preparatory Academy, A.A. Dixon Charter School of Excellence, Newpoint Pensacola Academy Middle School, Newpoint Pensacola High School, and the Escambia County Public Schools Foundation For Excellence, Inc. Although legally separate organizations, the component units are included in this report because they meet the criteria for inclusion provided by GASB Statement No. 61, as interpreted by the Florida Department of Education and the Florida Auditor General. Financial information for these component units is reported separately from the financial information presented for the primary government.

The Escambia School District Employee Benefit Trust (Trust) has been established to administer the District's employee life, health, and dental insurance programs. The Escambia County District School Board exercises significant oversight responsibility over the Trust, and all activities of the Trust are solely for the benefit of the District and its employees. Therefore, the financial activities of the Trust have been included (blended) as an integral part of the primary government.

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. Certain funds are established by law, while others are created by legal agreements, such as bond covenants. Fund financial statements provide more detailed information about the District's financial activities, focusing on its most significant or "major" funds, rather than fund types. This is in contrast to the entity-wide perspective contained in the government-wide statements. All of the District's funds may be classified within one of three broad categories, as discussed below.

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. The 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.

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.

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the District's most significant funds. The District's major funds are the General Fund, Special Revenue – Other Fund, Special Revenue – Federal Economic Stimulus Program Funds (ARRA), Debt Service – Other Fund, the Capital Projects – Capital Improvement (Millage) Fund, and the Capital Projects - Other Fund. Data from the other governmental funds are combined into a single, aggregated presentation.

The District adopts an annual appropriated budget for its governmental funds. Budgetary comparison statements have been provided for the General Fund, Special Revenue – Other Fund, and Special Revenue – Federal Economic Stimulus Program Funds (ARRA) – Economic Stimulus Funds to demonstrate compliance with the budget.

Proprietary Funds. Proprietary funds, including internal service funds, may be established to account for activities in which a fee is charged for services. Internal service funds are used to report activities that provide goods and services to support the District's other programs and functions through user charges. The District uses the internal service funds to account for risk management, employee benefits, and warehouse activities. 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.

The internal service funds are combined in a single, aggregated column in the proprietary fund 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 and to account for the resources of the District's pre-tax, flexible benefits plan.

Notes to Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

	Net Assets, End of Year	
	Governmental	
	Activities	
	6-30-12	6-30-11
Current and Other Non Current Assets	\$ 196,309,152	\$ 216,433,696
Capital Assets	<u>301,299,968</u>	<u>303,282,834</u>
Total Assets	<u>497,609,120</u>	<u>519,716,530</u>
Long-Term Liabilities	97,898,288	119,205,351
Other Liabilities	<u>24,987,849</u>	<u>18,763,432</u>
Total Liabilities	<u>122,886,137</u>	<u>137,968,783</u>
Net Assets:		
Invested in Capital Assets -		
Net of Debt	254,218,697	252,115,638
Restricted	115,478,880	107,465,893
Unrestricted	<u>5,025,406</u>	<u>22,166,216</u>
Total Net Assets	<u>\$ 374,722,983</u>	<u>\$ 381,747,747</u>

The largest portion of the District's net assets, \$254.2 million, reflects its investment in capital assets (e.g., land, construction in progress, buildings, improvements, equipment, motor vehicles, computer software, and audio visual materials), 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, \$115.5 million, represents resources that are subject to external restrictions on how they may be used. Normally, the unrestricted net assets are used to meet the government's ongoing obligations to students, employees, and creditors. Unrestricted net assets totaled \$5 million.

Total net assets increased during the fiscal year. 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 as follows:

	Operating Results for the Year	
	Governmental Activities	
	6-30-12	6-30-11
Program Revenues:		
Charges for Services	\$ 6,475,164	\$ 6,803,265
Operating Grants and Contributions	15,000,374	14,392,698
Capital Grants and Contributions	1,966,452	11,338,456
General Revenues:		
Property Taxes, Levied for Operational Purposes	92,658,245	99,288,288
Property Taxes, Levied for Capital Projects	21,989,423	18,435,553
Local Sales Taxes	20,135,054	19,643,663
Grants and Contributions Not Restricted to Specific Programs	195,648,584	230,271,976
Unrestricted Investment Earnings	158,475	295,489
Miscellaneous	2,937,726	4,185,317
Total Revenues	356,969,497	404,654,705
Functions/Program Expenses:		
Instruction	197,679,286	209,265,786
Pupil Personnel Services	15,147,309	16,848,558
Instructional Media Services	4,223,246	4,772,147
Instruction and Curriculum Development Services	9,883,085	11,008,291
Instructional Staff Training	7,502,117	8,633,858
Instruction Related Technology	4,054,693	4,254,642
Board of Education	1,353,109	1,444,331
General Administration	1,518,541	2,653,708
School Administration	13,427,115	14,358,227
Facility Services	16,667,247	15,698,815
Fiscal Services	2,180,152	2,299,755
Food Services	20,414,794	18,486,692
Central Services	4,629,028	3,967,315
Pupil Transportation Services	18,651,437	18,863,979
Operation of Plant	28,363,047	28,489,116
Maintenance of Plant	10,749,457	11,255,993
Administrative Technology Services	3,891,979	3,781,038
Community Services	1,253,975	1,084,175
Unallocated Interest on Long-Term Debt	2,404,644	2,643,630
Total Functions/Program Expenses	363,994,261	379,810,056
Increase in Net Assets	(7,024,764)	24,844,649
Beginning Net Assets	381,747,747	356,903,098
Ending Net Assets	\$ 374,722,983	\$ 381,747,747

Governmental Activities decreased the District's net assets by \$7 million. Key elements of the decrease are as follows:

- Unrestricted Net assets decreased \$17.1 million mainly due to (1) the closeout of ARRA funds in the prior 2010-11 fiscal year that supported certain on-going salaries and benefits. Those salary costs reverted to the General Fund in the 2011-12 fiscal year, and (2) a significant decrease in FEFP revenue over the prior fiscal year.
- Investments in Capital Assets, Net of Related Debt, increased by \$2.1 million (\$254.2 million) over the 2010-11 fiscal year (\$252.1 million).
- Restricted Net Assets for Capital Projects increased by \$3 million (\$83.5 million) over the prior fiscal year (\$80.5 million) due to less expensive construction projects requiring funding during the 2011-12 fiscal year.
- Restricted Net Assets for Categorical Carryover Programs (\$10.9 million) and Restricted Net Assets for Other Purposes (\$8.9 million) increased \$3.7 million and \$6.9 million, respectively, along with other less significant changes from the previous fiscal year.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Major Governmental Funds

General Fund. The General Fund is the chief operating fund of the District. The unreserved fund balance at fiscal year end is \$41 million, while the total fund balance is \$55.5 million. The unreserved fund balance decreased by \$15.5 million, while the total fund balance decreased by \$11.4 million during the fiscal year. Key factors for these changes are as follows:

- Salaries and benefits previously charged to ARRA stimulus funds, including State Fiscal Stabilization funds and the Education Jobs Fund, reverted to the General Fund for the 2011-12 fiscal year. These federal funds, which were not subject to supplanting requirements, were no longer available.
- FEFP formula funds declined by approximately \$19 million, including ARRA State Fiscal Stabilization Funds, which were included in the FEFP calculation.
- A decrease to salary and benefits costs occurred, as the Florida Retirement System made a major change in employer contribution requirements. Effective July 1, 2011, employees were required to contribute 3 percent of their pay towards their retirement. This reduced the District's obligation and effectively decreased benefits costs significantly. Employee contributions relieved the General Fund of approximately \$4.5 million in potential retirement expenditures during the 2011-12 fiscal year.

Special Revenue – Other Federal Programs Fund. The Special Revenue – Other Federal Programs Fund had revenues and expenditures of \$30.5 million. The fund includes entitlement grants, such as Title I and Special Education. Funds are typically recorded as revenue when expended.

Special Revenue – Federal Economic Stimulus Program Funds. American Recovery and Reinvestment Funds (ARRA) included Title I Targeted Stimulus Funds, IDEA Targeted Stimulus Funds, Race to the Top Funds, and the Education Jobs Fund Supplemental Allocation.

The District utilized the second year of its \$8.4 million portion of the U.S. Department of Education's Race to the Top (RTTT) initiative. This four-year grant addresses comprehensive reform of Florida's educational system. Race to the Top goals include (1) adopting standards and assessments for student success, (2) building data systems that measure student growth, (3) recruiting, and rewarding effective teachers and principals, and (4) turning around lowest achieving schools. The portion of the award expended during the 2011-12 fiscal year was \$2 million. RTTT expenditures to date total \$3.2 million.

Debt Service – Other Fund. The Debt Service – Other Fund accounts for the debt service activity of the District's Certificates of Participation (COPs). It had expenditures totaling \$6.1 million and a fund balance totaling \$4.8 million at fiscal year end.

Capital Projects – Capital Improvement Fund. The Capital Improvement Fund had a fund balance of \$16.1 million. The fund balance increased by \$1.7 million over the prior 2010-11 fiscal year, mainly due to increased millage revenue, as the Capital Outlay millage rate increased from 1.231 mills (2010-11) to 1.500 mills (2011-12).

Capital Projects – Other Fund. The Capital Projects – Other Fund has a fund balance of \$66.7 million. The fund balance increased from the prior year by \$2.7 million due to decreases in major construction projects during the fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

Final budgeted revenues did not significantly differ from original budgeted revenues, and actual revenues did not differ from budgeted revenues. However, during the 2011-12 fiscal year, the District received less State funding from the Florida Department of Education than projected at the time the budget was developed. This was the result of a state-wide proration of funds due to unexpected student growth. The District's portion of the proration reduced FEFP revenue by \$728 thousand. The District offset the FEFP shortfall by utilizing budgeted reserves within the General Fund.

Actual expenditures were \$32.7 million less than final budgeted expenditures. The instructional function accounted for \$20.4 million of this variance, mainly due to (1) reduced retirement contribution requirements than were budgeted, (2) fewer employee health insurance contributions due to group insurance plan changes and reduced participation, and (3) more efficient staffing of instructional personnel for class size requirements than occurred in the prior fiscal year.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2012, amounts to \$301.3 million (net of accumulated depreciation). This investment in capital assets includes land; improvements other than buildings; buildings and fixed equipment; furniture, fixtures, and equipment; motor vehicles; property under capital lease; construction in progress; and audio visual materials and computer software. The District's investment in capital assets (net of accumulated depreciation) for the current fiscal year, decreased \$1.9 million or less than 1 percent.

Major construction projects initiated, continued, or completed during the current fiscal year included the following:

- New Ferry Pass Middle School gymnasium.
- Completion of a new elementary school - Global Learning Academy.
- Ten (10) classroom additions at Ransom Middle School.
- Ten (10) classroom additions at Workman Middle School.
- Twelve (12) classroom additions at Bellview Elementary School.
- Six (6) classroom additions at McArthur Elementary School.
- New Warrington Middle School gymnasium.
- Covered physical education and play areas at six (6) elementary schools.
- Bailey Middle School technology retrofit and upgrades.
- New Jr. ROTC building at Pine Forest High School.

- Bellview Middle School locker and bathroom renovation.
- Escambia High School kitchen and dining room renovation.
- Escambia High School gymnasium HVAC project.
- Oakcrest Elementary School kitchen and other building renovations.
- Lipscomb Elementary School cafeteria renovation.
- Ensley Elementary School renovation and site work.
- Ernest Ward Middle School facility rebuild.
- Tate High School campus site work and gymnasium ceiling replacement.

Additional information on the District's capital assets can be found in Notes 5 and 13 to the financial statements.

Long-Term Debt

At June 30, 2012, the District has total long-term debt outstanding of \$48.4 million. The District had \$6.4 million outstanding of State School Bonds issued by the State Board of Education (SBE) and backed by the full faith and credit of the State of Florida. The remainder of this debt represents \$42 million in Certificates of Participation.

Additional information on the District's long-term debt can be found in Notes 7 through 10 to the financial statements.

ECONOMIC FACTORS AFFECTING 2012-13 FISCAL YEAR BUDGETS AND RATES

These factors were considered in preparing the District budget for the 2012-13 fiscal year:

FEFP Revenue

FEFP formula funds will increase \$203 per FTE, or 3.4%, mainly due to increases in the base student allocation and certain categorical funding. The amount of total formula funds to be generated in excess of the prior fiscal year amounts to \$9.3 million and is based on projected student enrollment. As actual enrollment changes during the FTE survey periods, funding will adjust accordingly.

General Fund Reserves

The District plans to use \$33.8 million of assigned and unassigned fund balance to cover planned expenditures during the 2012-13 fiscal year. The District anticipates that a portion of the reserves will be replenished at year-end through unspent appropriations and actual property tax revenue receipts in excess of budgeted amounts.

The District anticipates that the fund balance at June 30, 2013, will be in excess of the Board target of 3.5 percent (of anticipated revenue).

Florida Retirement System Contribution Rates

Effective July 1, 2011, all members in both the Pension Plan and the Investment Plan were required to contribute 3% of their gross compensation toward their retirement. The requirement for member contributions is currently in litigation.

REQUESTS FOR INFORMATION

Questions concerning information provided in the MD&A, and financial statements and notes thereto, or requests for additional financial information, should be addressed to the Assistant Superintendent - Finance and Business Services, District School Board of Escambia County, 75 North Pace Boulevard, Pensacola, FL 32505.



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BASIC FINANCIAL STATEMENTS

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
STATEMENT OF NET ASSETS
June 30, 2012

	Primary Governmental Activities	Component Units
ASSETS AND DEFERRALS		
Current Assets:		
Cash and Cash Equivalents	\$ 135,568,126	\$ 3,336,956
Investments	51,138,628	260,311
Accounts Receivable	892,936	167,606
Deposits Receivable	2,000	1,016
Prepaid Items		146,521
Due from Other Agencies	3,310,731	264,134
Inventories	2,495,453	
Total Current Assets	193,407,874	4,176,544
Noncurrent Assets:		
Deferred Charges	1,344,941	
Capital Assets:		
Non-Depreciable Capital Assets	11,643,593	428,690
Depreciable Capital Assets, Net	289,656,375	4,856,018
Total Noncurrent Assets	302,644,909	5,284,708
TOTAL ASSETS	496,052,783	9,461,252
Deferred Outflow of Resources	1,556,337	
TOTAL ASSETS AND DEFERRALS	\$ 497,609,120	\$ 9,461,252
LIABILITIES		
Current Liabilities:		
Payroll Deductions and Withholdings	\$ 358,003	\$ 656,200
Accounts Payable	867,026	
Construction Contracts Payable	3,688	
Construction Contracts Payable - Retainage	473,318	
Due to Other Agencies	24,616	
Deposits Payable	11,063	
Matured Interest Payable	919,356	
Unearned Revenue	3,401,113	
Loan Payable	2,571,706	
Long-Term Liabilities -- Portion Due Within One Year:		
Obligations Under Capital Leases		52,499
Notes Payable		259,583
Bonds Payable	1,160,000	
Estimated Insurance Claims Payable	7,528,729	
Certificates of Participation Payable	3,353,680	
Compensated Absences Payable	4,315,551	27,980
Total Current Liabilities	24,987,849	996,262
Noncurrent Liabilities:		
Long-Term Liabilities -- Portion Due After One Year:		
Obligations Under Capital Leases		8,692
Notes Payable		930,233
Bonds Payable	5,250,160	
Estimated Insurance Claims Payable	20,809,106	
Certificates of Participation Payable	38,662,372	
Compensated Absences Payable	30,452,432	29,280
Derivative Instruments Liability	1,556,337	
Postemployment Health Care Benefits Payable	1,167,881	
Total Noncurrent Liabilities	97,898,288	968,205
Total Liabilities	122,886,137	1,964,467
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	254,218,697	3,888,749
Restricted for:		
State Required Carryover Programs	10,863,861	
Debt Service	4,990,068	140,000
Capital Projects	83,520,181	23,893
Federal Required Carryover Programs	432	
Food Service	7,146,710	
Employee Benefits	4,014,388	
Other Purposes - Other Required Carryover Programs	4,943,240	397,944
Unrestricted	5,025,406	3,046,199
Total Net Assets	374,722,983	7,496,785
TOTAL LIABILITIES AND NET ASSETS	\$ 497,609,120	\$ 9,461,252

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

DISTRICT SCHOOL BOARD OF ESCAMBA COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2012

Functions/Programs	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions
Primary Government			
Governmental Activities:			
Instruction	\$ 197,679,286	\$ 1,302,174	\$
Pupil Personnel Services	15,147,309		
Instructional Media Services	4,223,246		
Instruction and Curriculum Development Services	9,883,085		
Instructional Staff Training Services	7,502,117		
Instruction Related Technology	4,054,693		
Board of Education	1,353,109		
General Administration	1,518,541		
School Administration	13,427,115		
Facility Services	16,667,247		
Fiscal Services	2,180,152		
Food Services	20,414,794	4,734,992	15,000,374
Central Services	4,629,028		
Pupil Transportation Services	18,651,437	437,998	
Operation of Plant	28,363,047		
Maintenance of Plant	10,749,457		
Administrative Technology Services	3,891,979		
Community Services	1,253,975		
Unallocated Interest on Long-Term Debt	2,404,644		
	\$ 363,994,261	\$ 6,475,164	\$ 15,000,374
Total Governmental Activities			
Component Units			
Foundation/Charter Schools	\$ 9,609,375	\$ 217,236	\$ 1,095,883

General Revenues:
Property Taxes, Levied for Operational Purposes
Property Taxes, Levied for Capital Projects
Local Sales Taxes
Grants and Contributions Not Restricted to Specific Programs
Unrestricted Investment Earnings
Miscellaneous

Total General Revenues

Change in Net Assets

Net Assets, July 1, 2011

Net Assets, June 30, 2012

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

Net (Expense) Revenue and Changes in Net Assets		
Capital Grants and Contributions	Primary Government Governmental Activities	Component Units
\$	\$ (196,377,112)	\$
	(15,147,309)	
	(4,223,246)	
	(9,883,085)	
	(7,502,117)	
	(4,054,693)	
	(1,353,109)	
	(1,518,541)	
	(13,427,115)	
532,694	(16,134,553)	
	(2,180,152)	
	(679,428)	
	(4,629,028)	
	(18,213,439)	
	(28,363,047)	
	(10,749,457)	
	(3,891,979)	
	(1,253,975)	
1,433,758	(970,886)	
<u>\$ 1,966,452</u>	<u>(340,552,271)</u>	
<u>\$ 178,570</u>		<u>(8,117,686)</u>
	92,658,245	
	21,989,423	
	20,135,054	
	195,648,584	8,328,120
	158,475	28,798
	2,937,726	27,348
	<u>333,527,507</u>	<u>8,384,266</u>
	(7,024,764)	266,580
	<u>381,747,747</u>	<u>7,230,205</u>
	<u>\$ 374,722,983</u>	<u>\$ 7,496,785</u>

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2012

	General Fund	Special Revenue - Other Federal Programs Fund	Special Revenue - Federal Economic Stimulus Programs Fund
ASSETS			
Cash and Cash Equivalents	\$ 42,088,522	\$	\$
Investments	11,850,735		
Accounts Receivable	565,811	36,188	
Interest Receivable			
Deposits Receivable	2,000		
Due from Other Funds	2,243,193		
Due from Other Agencies	945,857	1,916,750	159,755
Inventories	1,208,455		
	\$ 58,904,573	\$ 1,952,938	\$ 159,755
TOTAL ASSETS			
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Payroll Deductions and Withholdings	\$ 358,004	\$	\$
Accounts Payable	353,944	67,144	5,481
Construction Contracts Payable			
Construction Contracts Payable - Retainage			
Due to Other Funds	111,111	1,885,362	154,274
Due to Other Agencies	24,616		
Deposits Payable	3,819		
Matured Interest Payable			
Loan Payable	2,571,706		
	3,423,200	1,952,506	159,755
Total Liabilities			
Fund Balances:			
Nonspendable:			
Inventories	1,208,455		
Restricted for:			
State Required Carryover Programs	10,863,861		
Debt Service			
Local Sales Tax and Other Tax Levy			
Capital Projects			
Federal Required Carryover Programs		432	
Food Service			
Other Purposes - Other Required Carryover Programs	2,447,787		
Assigned for:			
Contingencies	8,070,898		
Local Carryovers	12,733,693		
Unassigned	20,156,679		
	55,481,373	432	
Total Fund Balances			
TOTAL LIABILITIES AND FUND BALANCES	\$ 58,904,573	\$ 1,952,938	\$ 159,755

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

<u>Other Debt Service Fund</u>	<u>Local Capital Improvement Fund</u>	<u>Capital Projects - Other Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 5,734,732	\$ 13,147,713 3,050,221	\$ 57,040,112 10,117,264	\$ 7,582,487 174,692 1,456	\$ 125,593,566 25,192,912 603,455
				2,000
			4,346	2,247,539
			288,368	3,310,730
			1,286,998	2,495,453
<u>\$ 5,734,732</u>	<u>\$ 16,197,934</u>	<u>\$ 67,157,376</u>	<u>\$ 9,338,347</u>	<u>\$ 159,445,655</u>
\$	\$	\$	\$	\$
	32,247	43,336	1,799	358,004
		3,688		503,951
	19,734	444,524	9,060	3,688
			3,444	473,318
			7,244	2,154,191
919,356				24,616
				11,063
				919,356
				2,571,706
<u>919,356</u>	<u>51,981</u>	<u>491,548</u>	<u>21,547</u>	<u>7,019,893</u>
			1,286,998	2,495,453
4,815,376			174,692	10,863,861
		64,951,503		4,990,068
	16,145,953	1,714,325	708,400	64,951,503
				18,568,678
				432
			7,146,710	7,146,710
				2,447,787
				8,070,898
				12,733,693
				20,156,679
<u>4,815,376</u>	<u>16,145,953</u>	<u>66,665,828</u>	<u>9,316,800</u>	<u>152,425,762</u>
<u>\$ 5,734,732</u>	<u>\$ 16,197,934</u>	<u>\$ 67,157,376</u>	<u>\$ 9,338,347</u>	<u>\$ 159,445,655</u>



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**DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2012**

Total Fund Balances - Governmental Funds		\$	152,425,762
Amounts reported for governmental activities in the statement of net assets are different because:			
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.			301,299,968
Deferred outflow of resources are reported as a result of changes in fair value of hedging derivative instruments in the statement of net assets.			1,556,337
Debt issuance costs are not expensed in the government-wide statements, but are reported as deferred charges and amortized over the life of the debt.			1,344,941
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.			4,014,388
Long-term liabilities are not due and payable in the current fiscal year and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at fiscal year-end consist of:			
Bonds Payable	\$	6,410,160	
Certificates of Participation Payable		42,016,052	
Compensated Absences Payable		34,767,983	
Other Post Employment Benefits		1,167,881	
Derivative Instruments Liability		1,556,337	
		(85,918,413)	
Total Net Assets - Governmental Activities		\$	374,722,983

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

DISTRICT SCHOOL BOARD OF ESCAMBIA 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 - Other Federal Programs Fund	Special Revenue - Federal Economic Stimulus Programs Fund
Revenues			
Intergovernmental:			
Federal Direct	\$ 1,901,089	\$ 1,280,581	\$
Federal Through State and Local State	2,490,548	29,189,192	2,978,055
State	157,833,302		
Local:			
Property Taxes	92,658,245		
Sales Taxes			
Charges for Food Service			
Miscellaneous	4,331,531		
	259,214,715	30,469,773	2,978,055
Total Revenues	259,214,715	30,469,773	2,978,055
Expenditures			
Current - Education:			
Instruction	175,000,689	13,683,222	839,900
Pupil Personnel Services	12,391,279	2,824,384	52,572
Instructional Media Services	4,026,405	112,990	2,691
Instruction and Curriculum Development Services	4,890,923	4,988,660	105,716
Instructional Staff Training Services	2,267,029	4,154,279	1,101,427
Instruction Related Technology	1,444,835	1,851,905	254,284
Board of Education	1,325,749		
General Administration	641,568	693,801	69,914
School Administration	13,453,919	71,598	27,592
Facility Services	494,731	51,333	36,542
Fiscal Services	2,083,687		42,193
Food Services	287,408		7,670
Central Services	4,362,834	83,731	61,486
Pupil Transportation Services	16,382,041	483,777	
Operation of Plant	28,039,022	25,030	10,496
Maintenance of Plant	10,190,075	6,528	
Administrative Technology Services	3,195,409	59,872	174,210
Community Services	461,490	789,830	
Fixed Capital Outlay:			
Facilities Acquisition and Construction	36,351	29,689	34,305
Other Capital Outlay	382,013	562,688	157,057
Debt Service:			
Principal	77,967		
Interest and Fiscal Charges	1,119		
	281,436,543	30,473,317	2,978,055
Total Expenditures	281,436,543	30,473,317	2,978,055
Excess (Deficiency) of Revenues Over Expenditures	(22,221,828)	(3,544)	
Other Financing Sources (Uses)			
Transfers In	11,156,101		
Refunded Bonds Issued			
Premium on Refunded Bonds			
Certificates of Participation Issued			
Proceeds from Sale of Capital Assets			
Insurance Loss Recoveries	45,345		
Payments to Refunded Bond Escrow Agent			
Transfers Out	(392,999)		
	10,808,447		
Total Other Financing Sources (Uses)	10,808,447		
Net Change in Fund Balances	(11,413,381)	(3,544)	
Fund Balances, July 1, 2011	66,894,754	3,976	
	55,481,373	432	0
Fund Balances, June 30, 2012	\$ 55,481,373	\$ 432	\$ 0

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

<u>Other Debt Service Fund</u>	<u>Local Capital Improvement Fund</u>	<u>Capital Projects - Other Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$	\$	\$	\$	\$
			14,682,599	3,181,670
		290,504	1,922,772	49,340,394
	21,989,423			160,046,578
		20,135,054		114,647,668
			4,734,991	20,135,054
1,255	12,209	75,831	9,282	4,734,991
<u>1,255</u>	<u>12,209</u>	<u>75,831</u>	<u>9,282</u>	<u>4,430,108</u>
	22,001,632	20,501,389	21,349,644	356,516,463
				189,523,811
				15,268,235
				4,142,086
				9,985,299
				7,522,735
				3,551,024
				1,325,749
				1,405,283
				13,553,109
	3,888,484	8,407,274	1,568,164	14,446,528
				2,125,880
			19,505,869	19,800,947
				4,508,051
				16,865,818
				28,074,548
				10,196,603
				3,429,491
				1,251,320
	1,423,244	9,882,234		11,405,823
			622,200	1,723,958
3,035,628			1,100,000	4,213,595
<u>1,930,436</u>			<u>363,874</u>	<u>2,295,429</u>
<u>4,966,064</u>	<u>5,311,728</u>	<u>18,289,508</u>	<u>23,160,107</u>	<u>366,615,322</u>
<u>(4,964,809)</u>	<u>16,689,904</u>	<u>2,211,881</u>	<u>(1,810,463)</u>	<u>(10,098,859)</u>
5,000,000				16,156,101
			2,625,000	2,625,000
			255,174	255,174
1,124,561				1,124,561
		1,669,973		1,669,973
				45,345
(1,113,561)			(2,872,719)	(3,986,280)
	(14,965,597)	(1,190,504)		(16,549,100)
<u>5,011,000</u>	<u>(14,965,597)</u>	<u>479,469</u>	<u>7,455</u>	<u>1,340,774</u>
46,191	1,724,307	2,691,350	(1,803,008)	(8,758,085)
<u>4,769,185</u>	<u>14,421,646</u>	<u>63,974,478</u>	<u>11,119,808</u>	<u>161,183,847</u>
<u>\$ 4,815,376</u>	<u>\$ 16,145,953</u>	<u>\$ 66,665,828</u>	<u>\$ 9,316,800</u>	<u>\$ 152,425,762</u>

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2012

Net Change in Fund Balances - Governmental Funds \$ (8,758,085)

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

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

Capital Outlay - Facilities Acquisition and Construction - Capitalized	\$ 9,191,664	
Capital Outlay - Other Capital Outlay - Capitalized	1,723,958	
Less, Depreciation Expense	<u>(11,618,743)</u>	(703,121)

The undepreciated cost of capital assets disposed of during the current fiscal year is expensed in the statement of activities. In the governmental funds, the cost of these assets was recognized as an expenditure in the fiscal year purchased. Thus, the change in net assets differs from the change in fund balances by the undepreciated cost of disposed assets.

(1,279,745)

Governmental funds report the effect of issuance costs, premiums, discounts, and similar items in the fiscal year the debt is issued, but these amounts are deferred and amortized over the life of the debt in the statement of activities.

Amortized Deferred Charges	(133,548)	
Amortized Premiums	<u>(149,560)</u>	(283,108)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which repayments exceeded proceeds in the current fiscal year.

Bond Proceeds	(2,625,000)	
Certificates of Participation Proceeds	(1,124,561)	
Bond Repayments	3,895,000	
Certificates of Participation Repayments	4,145,628	
Obligations under Capital Lease Repayments	<u>77,967</u>	4,369,034

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

3,007,185

The net change in the other postemployment healthcare benefit asset is reported in the government-wide statements, but not in the governmental fund statements.

(2,063,881)

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

(1,313,043)

Change in Net Assets - Governmental Activities **\$ (7,024,764)**

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

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL - GENERAL FUND
For the Fiscal Year Ended June 30, 2012

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	
Revenues				
Intergovernmental:				
Federal Direct	\$ 1,250,000	\$ 1,901,089	\$ 1,901,089	\$
Federal Through State and Local	1,451,572	2,490,548	2,490,548	
State	156,821,328	157,833,302	157,833,302	
Local:				
Property Taxes	90,240,041	92,658,245	92,658,245	
Miscellaneous	3,580,443	4,391,034	4,331,531	(59,503)
Total Revenues	253,343,384	259,274,218	259,214,715	(59,503)
Expenditures				
Current - Education:				
Instruction	192,916,112	195,378,117	175,000,689	20,377,428
Pupil Personnel Services	12,378,123	12,694,830	12,391,279	303,551
Instructional Media Services	4,523,208	4,556,541	4,026,405	530,136
Instruction and Curriculum Development Services	5,136,571	5,151,678	4,890,923	260,755
Instructional Staff Training Services	2,518,418	2,759,959	2,267,029	492,930
Instruction Related Technology	1,583,806	1,628,899	1,444,835	184,064
Board of Education	1,734,052	1,753,803	1,325,749	428,054
General Administration	769,294	711,801	641,568	70,233
School Administration	13,771,878	13,860,905	13,453,919	406,986
Facility Services	1,489,292	988,175	494,731	493,444
Fiscal Services	2,228,836	2,241,757	2,083,687	158,070
Food Services	126,040	298,766	287,408	11,358
Central Services	5,911,303	5,923,769	4,362,834	1,560,935
Pupil Transportation Services	17,355,960	17,374,518	16,382,041	992,477
Operation of Plant	31,175,310	31,197,148	28,039,022	3,158,126
Maintenance of Plant	12,374,958	12,298,429	10,190,075	2,108,354
Administrative Technology Services	3,387,267	3,581,475	3,195,409	386,066
Community Services	700,062	727,791	461,490	266,301
Fixed Capital Outlay:				
Facilities Acquisition and Construction	100,027	82,694	36,351	46,343
Other Capital Outlay	743,727	807,350	382,013	425,337
Debt Service:				
Principal	82,499	82,467	77,967	4,500
Interest and Fiscal Charges	839	1,119	1,119	
Total Expenditures	311,007,582	314,101,991	281,436,543	32,665,448
Excess (Deficiency) of Revenues Over Expenditures	(57,664,198)	(54,827,773)	(22,221,828)	32,605,945
Other Financing Sources (Uses)				
Transfers In	11,819,873	11,156,101	11,156,101	
Transfers Out			(392,999)	(392,999)
Insurance Loss Recoveries		45,345	45,345	
Total Other Financing Sources (Uses)	11,819,873	11,201,446	10,808,447	(392,999)
Net Change in Fund Balances	(45,844,325)	(43,626,327)	(11,413,381)	32,212,946
Fund Balances, July 1, 2011	66,894,754	66,894,754	66,894,754	
Fund Balances, June 30, 2012	\$ 21,050,429	\$ 23,268,427	\$ 55,481,373	\$ 32,212,946

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

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL - MAJOR SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2012

	Other Federal Programs Fund			
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental:				
Federal Direct	\$ 1,127,697	\$ 1,862,624	\$ 1,280,581	\$ (582,043)
Federal Through State and Local	34,951,842	36,134,266	29,189,192	(6,945,074)
Total Revenues	36,079,539	37,996,890	30,469,773	(7,527,117)
Expenditures				
Current - Education:				
Instruction	14,889,650	16,808,940	13,683,222	3,125,718
Pupil Personnel Services	3,671,899	3,445,276	2,824,384	620,892
Instructional Media Services	128,111	152,674	112,990	39,684
Instruction and Curriculum Development Services	5,828,431	5,640,238	4,988,660	651,578
Instructional Staff Training Services	5,969,541	5,572,081	4,154,279	1,417,802
Instruction Related Technology	1,913,791	1,971,902	1,851,905	119,997
General Administration	999,744	1,007,025	693,801	313,224
School Administration	52,747	72,605	71,598	1,007
Facility Services	61,483	62,150	51,333	10,147
Central Services	104,916	121,838	83,731	38,107
Pupil Transportation Services	1,118,072	1,151,838	483,777	668,061
Operation of Plant	34,072	31,811	25,030	6,781
Maintenance of Plant	6,647	13,041	6,528	6,513
Administrative Technology Services	73,989	70,704	59,872	10,832
Community Services	238,818	998,825	789,830	208,995
Fixed Capital Outlay:				
Facilities Acquisition and Construction	24,001	29,986	29,689	297
Other Capital Outlay	967,603	849,932	562,688	287,244
Total Expenditures	36,083,515	38,000,866	30,473,317	7,527,549
Deficiency of Revenues Over Expenditures	(3,976)	(3,976)	(3,544)	432
Net Change in Fund Balances	(3,976)	(3,976)	(3,544)	432
Fund Balances, July 1, 2011	3,976	3,976	3,976	
Fund Balances, June 30, 2012	\$ 0	\$ 0	\$ 432	\$ 432

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

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL - MAJOR SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2012

	Federal Economic Stimulus Programs Fund			
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental:				
Federal Through State and Local	\$ 3,714,004	\$ 3,945,088	\$ 2,978,055	\$ (967,033)
Total Revenues	<u>3,714,004</u>	<u>3,945,088</u>	<u>2,978,055</u>	<u>(967,033)</u>
Expenditures				
Current - Education:				
Instruction	563,809	1,109,510	839,900	269,610
Pupil Personnel Services	38,544	94,543	52,572	41,971
Instructional Media Services	2,994	2,700	2,691	9
Instruction and Curriculum Development Services	119,883	111,223	105,716	5,507
Instructional Staff Training Services	1,374,041	1,268,349	1,101,427	166,922
Instruction Related Technology	713,867	479,205	254,284	224,921
General Administration	201,286	144,697	69,914	74,783
School Administration	3,410	50,368	27,592	22,776
Facility Services	28,086	36,678	36,542	136
Fiscal Services	47,931	43,145	42,193	952
Food Services	44	50,000	7,670	42,330
Central Services	46,253	96,820	61,486	35,334
Pupil Transportation Services	19,401	3,111		3,111
Operation of Plant	145	70,000	10,496	59,504
Maintenance of Plant	125			
Administrative Technology Services	171,075	185,698	174,210	11,488
Fixed Capital Outlay:				
Facilities Acquisition and Construction	57,627	36,408	34,305	2,103
Other Capital Outlay	325,483	162,633	157,057	5,576
Total Expenditures	<u>3,714,004</u>	<u>3,945,088</u>	<u>2,978,055</u>	<u>967,033</u>
Excess (Deficiency) of Revenues Over Expenditures				
Net Change in Fund Balances				
Fund Balances, July 1, 2011				
Fund Balances, June 30, 2012	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

DISTRICT SCHOOL BOARD OF ESCAMBA COUNTY, FLORIDA
STATEMENT OF NET ASSETS -
PROPRIETARY FUNDS
June 30, 2012

	<u>Governmental Activities - Internal Service Funds</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 35,920,277
Accounts Receivable	185,958
Due From Other Funds	11,111
	11,111
TOTAL ASSETS	\$ 36,117,346
LIABILITIES	
Current Liabilities:	
Accounts Payable	\$ 363,074
Due to Other Funds	936
Unearned Revenue	3,401,113
Estimated Insurance Claims Payable	7,528,729
	7,528,729
Total Current Liabilities	11,293,852
Noncurrent Liabilities:	
Estimated Insurance Claims Payable	20,809,106
	20,809,106
Total Liabilities	32,102,958
NET ASSETS	
Restricted for Employee Benefits	4,014,388
	4,014,388
TOTAL LIABILITIES AND NET ASSETS	\$ 36,117,346

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

DISTRICT SCHOOL BOARD OF ESCAMBA COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS -
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2012

	<u>Governmental Activities - Internal Service Funds</u>
OPERATING REVENUES	
Premium Revenues	\$ 43,043,135
Other	300,775
	<hr/>
Total Operating Revenues	43,343,910
OPERATING EXPENSES	
Salaries	484,608
Employee Benefits	114,630
Purchased Services	3,940,631
Energy Services	2,339
Materials and Supplies	5,226
Insurance Claims	37,219,412
Other	3,303,156
	<hr/>
Total Operating Expenses	45,070,002
Operating Loss	(1,726,092)
NONOPERATING REVENUES	
Interest	20,050
	<hr/>
Total Nonoperating Revenues	20,050
Loss Before Transfers	(1,706,042)
Transfers In	392,999
	<hr/>
Change in Net Assets	(1,313,043)
Total Net Assets, July 1, 2011	5,327,431
	<hr/>
Total Net Assets, June 30, 2012	\$ 4,014,388
	<hr/> <hr/>

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

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2012

	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Board Funds and Participants	\$ 43,475,023
Cash Payments to Suppliers for Goods and Services	(5,689,330)
Cash Payments to Employees for Services	(599,129)
Cash Payments for Insurance Claims	(38,424,294)
	(1,237,730)
Net Cash Used by Operating Activities	(1,237,730)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfer from Other Funds	392,999
	392,999
Net Cash Provided by Noncapital Financing Activities	392,999
CASH FLOWS FROM INVESTING ACTIVITIES	
Sale of Investments	7,001,601
Interest Income	21,866
	7,023,467
Net Cash Provided by Investing Activities	7,023,467
Net Decrease in Cash and Cash Equivalents	6,178,736
Beginning Cash and Cash Equivalents	29,741,541
	29,741,541
Ending Cash and Cash Equivalents	\$ 35,920,277
 Reconciliation of Operating Loss to Net Cash Used by Operating Activities:	
Operating Loss	\$ (1,726,092)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Changes in Assets and Liabilities:	
Increase in Accounts Receivable	(5,134)
Increase in Due From Other Funds	(11,111)
Decrease in Accounts Payable	(30,794)
Increase in Due to Other Funds	108
Decrease in Due to Other Agencies	(4,741)
Increase in Unearned Revenue	147,360
Increase in Estimated Insurance Claims Payable	392,674
	488,362
Total Adjustments	488,362
Net Cash Used by Operating Activities	\$ (1,237,730)

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

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES -
FIDUCIARY FUNDS
June 30, 2012

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 3,247,706
LIABILITIES	
Due to Other Funds	\$ 103,523
Payroll Deductions and Withholdings	536,540
Internal Accounts Payable	<u>2,607,643</u>
Total Liabilities	<u>\$ 3,247,706</u>

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



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**DISTRICT SCHOOL BOARD OF
ESCAMBIA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
June 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

➤ **Reporting Entity**

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

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

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

- **Blended Component Unit.** The Escambia School District Employee Benefit Trust (Trust) has been established to administer the District's employee life, health, and dental insurance programs. Assets necessary to fund the programs are transferred to the Trust; however, under the terms of the Trust Agreement, the Board retains control of the assets. Due to the substantive economic relationship between the District and the Trust, the financial activities of the Trust are reported in the accompanying basic financial statements as an internal service fund.
- **Discretely Presented Component Units.** The component unit columns in the basic financial statements, include the financial data of the District's other component units, as follows:

The Escambia County Public Schools Foundation for Excellence, Inc. (Foundation) is a separate, not-for-profit corporation organized and operated as a direct-support organization under Section 1001.453, Florida Statutes, and, as such, the Foundation is approved by the Board. The Foundation was formed to provide charitable and educational aid to the District and to receive, hold, invest and administer property and to make expenditures for the benefit of the District, which is able to impose its will on the Foundation.

Charter schools are separate, not-for-profit corporations, each with a separate board directors organized pursuant to Chapter 617, Florida Statutes, the Florida Not for Profit Corporation Act, and Section 1002.33, Florida Statutes. Charter schools operate under a charter of the sponsoring school district and are considered component units according to the interpretation of GASB Statement No. 61 by the Florida Department of Education and The Florida Auditor General. The District has entered into charters with the following charter schools that are considered part of the District's reporting entity:

Escambia Charter School, Inc. was established to provide an alternate educational system for "at risk" students.

(Continued)
DISTRICT SCHOOL BOARD OF
ESCAMBIA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

Jacqueline Harris Preparatory Academy was established to provide alternate programs of education, training, and related services for elementary students who are considered “at risk” of academic failure. Jacqueline Harris Preparatory Academy, operated by New Road to Learning, Inc., is a separate, not-for-profit entity.

Beulah Academy of Science, Inc. was established to provide an agriculture and science program for middle school students.

Byrneville Elementary School, Inc., Pensacola Beach Elementary School, Inc., and A.A. Dixon Charter School of Excellence were established to provide education, training, and related services to elementary students.

Newpoint Pensacola Academy Middle School was established during the 2011-12 fiscal year to provide education, training, and related services to middle school students.

Newpoint Pensacola High School was established during the 2011-12 fiscal year to provide education, training, and related services to high school students.

Audits of the Foundation’s financial statements and the charter schools’ financial statements for the fiscal year ended June 30, 2012, are conducted by an independent certified public accountant and are filed in the District’s administrative office at 75 North Pace Boulevard, Pensacola, Florida.

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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Government-wide Financial Statements - The Government-wide financial statements are prepared under the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions in which the District gives or receives value without directly receiving or giving value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The Statement of Net Assets and the Statement of Activities present financial information about the District’s governmental activities. These statements include the financial activities of the government in its entirety, except for those that are fiduciary. Governmental activities, which normally are supported by taxes and inter-governmental revenues, are reported separately from business-type activities, which are generally supported by fees charged. The District currently does not have any business-type activities.

The Statement of Net Assets includes all assets and liabilities of the District. The Statement of Activities presents a comparison between the 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 program of function and, therefore, are clearly identifiable to a particular function. Depreciation expenses are allocated to functions based on actual and estimated usage of the assets in those functions.

Amounts reported as program revenues include 1) charges for services provided to students for tuition, fees, rental, material, supplies, or other services, 2) operating grants and contributions, and 3) capital grants and contributions. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

(Continued)
DISTRICT SCHOOL BOARD OF
ESCAMBIA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

The District eliminates from the Statement of Net Assets and the Statement of Activities most interfund receivables and payables and transfers between funds, as well as the transactions associated with its internal service funds.

Fund Financial Statements – The Governmental Fund Financial Statements are prepared utilizing the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become susceptible to accrual, that is, both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Significant revenues “susceptible to accrual” include ad valorem taxes, reimbursable-type grants, and interest on investments. The District considers revenues from property taxes as available if they are collected within sixty (60) days after fiscal year-end. Expenditures are recorded when the fund liability is incurred. However, exceptions include unmatured principal and interest on general long-term debt and accumulated sick and vacation pay, which are recorded when payment is due.

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

Agency (Fiduciary) funds are purely custodial in nature (assets equal liabilities) and, as such, do not have a measurement focus. Agency funds use the accrual basis of accounting to recognize receivables and payables.

The Proprietary Fund Financial Statements are prepared under the economic resources measurement focus and the accrual basis of accounting.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the District’s internal service funds are for self-insurance (property, casualty, liability, and workers’ compensation), employee benefits (health, life, dental and prescription). Operating expenses for the internal service funds include salaries, employee benefits, purchased services, energy services, materials and supplies, capital outlay, and insurance claims. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The fund statements provide information about the District’s funds, including fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds. 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 - Other Federal Programs Fund – to account for certain Federal grant program resources.
- Special Revenue - Federal Economic Stimulus Programs Fund – to account for Federal funds received by the State as part of the American Recovery and Reinvestment Act (ARRA) and other Federal stimulus programs.

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DISTRICT SCHOOL BOARD OF
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- Debt Service – Other Fund – to account for the financial resources used to service the debt obligations of the District’s outstanding certificates of participation.
- Capital Projects - Capital Improvement Fund – to account for the financial resources generated by local property taxes according to Section 1011.71(2), Florida Statutes.
- Capital Projects – Other Fund – to account for the financial resources generated by the local voted sales tax and various other financial resources restricted for educational capital outlay needs, including new construction, renovation, and remodeling projects.

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 District’s pre-tax flexible benefits plan and the school internal funds, which are used to administer monies collected at the schools in connection with school, student athletic, class, and club activities.

Discretely Presented Component Unit – The Foundation is accounted for under the not-for-profit basis of accounting and uses the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred.

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

➤ **Deposits and Investments**

The District’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term, highly liquid investments with original maturities of three months or less. Investments classified as cash equivalents include amounts placed with the State Board of Administration (SBA) in Florida Prime.

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

Investments consist of amounts placed in SBA Debt Service accounts for investment of debt service monies, amounts placed with SBA for participation in the Florida PRIME, and those made locally. Investments made locally consist of an intergovernmental investment pool, consisting of money market mutual funds and short-term government bond funds. The intergovernmental investment pool is reported at fair value and is described in a subsequent note on investments.

The District’s investments in Florida PRIME, which SBA indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, as of June 30, 2012, are similar to money market funds in which shares are owned in the fund, rather than the underlying investments. These investments are reported at fair value, which is amortized cost. Florida PRIME operates under investment guidelines established by Section 215.47, Florida Statutes.

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 DISTRICT SCHOOL BOARD OF
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➤ **Inventories**

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

➤ **Capital Assets**

Expenditures for capital assets acquired or constructed for general District purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of net assets but are not reported in the governmental fund financial statements. Capital assets are defined by the District as those costing more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at fair value at the date of donation. Interest costs incurred during the construction of capital assets are not considered material and are not capitalized as part of the cost of construction.

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

<u>Description</u>	<u>Estimated Lives</u>
Improvements Other than Buildings	15 years
Buildings and Fixed Equipment	20 - 55 years
Furniture, Fixtures, and Equipment	5 - 15 years
Motor Vehicles	10 - 20 years
Audio Visual Materials and Computer Software	10 - 15 years

Current fiscal year information relative to changes in capital assets is described in a subsequent note.

➤ **Long-Term Liabilities**

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

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

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**DISTRICT SCHOOL BOARD OF
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In the government-wide financial statements, compensated absences (i.e., paid absences for employee vacation leave and sick leave) are accrued as liabilities to the extent that it is probable that the benefits will result in termination payments. A liability is reported for compensated absences in the governmental fund financial statements only if they have matured (i.e., unused reimbursable leave still outstanding following an employee's resignation or retirement).

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

➤ **State Revenue Sources**

Revenues from State sources for current operations are primarily from the Florida Education Finance Program administered by the Florida Department of Education (Department) under the provisions of Section 1011.62, Florida Statutes. In accordance with this law, the District determines and reports the number of full-time equivalent (FTE) students and related data to the Department. The Department performs certain edit checks on the reported number of FTE and related data, and calculates the allocation of funds to the District. The District is permitted to amend its original reporting according to a calendar established by the Department. Such amendments may impact funding allocations for subsequent fiscal 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 fiscal 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 fiscal 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 fund financial statements for the unspent balance of categorical and earmarked educational program resources.

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

➤ **District Property Taxes**

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

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

The School Board adopted the 2011 tax levy on September 15, 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.

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 Escambia County Tax Collector at fiscal year-end but not yet remitted to the District.

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

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**DISTRICT SCHOOL BOARD OF
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➤ **School Capital Outlay Surtax**

The citizens of Escambia County, on September 5, 2006, approved a 0.5 percent school capital outlay sales surtax authorized under Section 212.055(6), Florida Statutes. The surtax proceeds are to be used for fixed capital expenditures or fixed capital costs associated with the construction, reconstruction, or improvement of school facilities and campuses which have a useful life expectancy of five or more years, and retrofitting and technology implementation and any land acquisition, land improvement, design, and engineering costs related thereto.

➤ **Federal Revenue Sources**

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

2. 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 object level (e.g., salaries, purchased services, and capital outlay) within each activity (e.g., instruction, pupil personnel services, and school administration) and may be amended by resolution at any Board meeting no later than the due date for the annual financial report.
- Budgets are prepared using the same modified accrual basis as is used to account for governmental funds.
- Budgetary information is integrated into the accounting system and, to facilitate budget control, budget balances are encumbered when purchase orders are issued. Appropriations lapse at fiscal year-end and encumbrances outstanding are honored from the subsequent fiscal year's appropriations.

3. INVESTMENTS

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

Investment	Maturities	Fair Value
Bank of America Treasury Reserves (1)(2)	51 Day Average	\$ 923,899
State Board of Administration		
Florida PRIME (2)	38 Days	25,022,510
Debt Service Accounts	6 months	174,692
Florida Fixed Income Trust (FL FIT)		
Florida FIT 90	206 Days	8,010,511
Florida FIT 180	434 Days	9,512,679
Florida FIT 1 Year	619 Days	7,494,337
		<hr/>
Total Investments, Primary Government		<u>\$ 51,138,628</u>

Notes: (1) These investments are held under trust agreements in connection with the Certificates of Participation, Series 1996, 2002, 2004, 2005, and 2006 financing arrangements.

(2) Investments reported as cash equivalents for financial statement reporting purposes.

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DISTRICT SCHOOL BOARD OF
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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(17), Florida Statutes, limits investment maturities to provide sufficient liquidity to pay obligations as they become due. In order to provide sufficient liquidity to pay obligations as they become due, the District's investment policy limits the length of investments as follows: (1) investments of current operating funds shall have maturities of no longer than two years, and (2) investments of bond reserves, construction funds, and other nonoperating funds shall have a term appropriate for the need for the funds and in accordance with debt covenants, but in no event shall exceed five years.
- Florida PRIME had a weighted average in days to maturity (WAM) of 38 days at June 30, 2012. A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the portfolio to interest rate changes.
- Florida Fixed Income Trust (FL FIT) had the following WAM for each portfolio: FL FIT 90 – 206 days, FL FIT 180 – 434 days, FL FIT 1 Year – 619 days.

Credit Risk

- Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's investment policy limits authorized investments to the State Board of Administration Local Government Surplus Funds Trust Fund Investment Pool, which is known as Florida PRIME; direct obligations of the United States Government Agencies; certain Federal Instrumentalities; interest-bearing time deposits or savings accounts in qualified public depositories, as defined in Section 280.02, Florida Statutes; repurchase agreements secured by the collateral composed of negotiable direct obligations of the United States Government, Government Agencies, and Federal Instrumentalities that have a market value of 102 percent of the value of the repurchase agreement; commercial paper of the highest credit rating; certain Banker's Acceptances; certain highly rated state and local government taxable or tax-exempt debt; shares of open-end, no-load mutual funds registered under the Investment Company Act of 1940, provided that the portfolio invests primarily in short-term government bonds and money market funds operated in accordance with 17 CFR 270.2a-7, provided the funds are rated AAA or better by Standard & Poor's, or the equivalent by another rating agency; and any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, as provided in Section 163.01, Florida Statutes, provided that the said funds contain no derivatives. Investment in any derivative products or the use of reverse repurchase agreements requires specific Board approval.

As of June 30, 2012 the District's investments are rated as follows:

- The District's investments in the Bank of America Treasury Reserves are rated AAAM by Standard & Poor's and Aaa by Moody's Investors Service.
- The District's investment in the State Board of Administration Florida PRIME is rated AAAM by Standard and Poor's.
- The District's investments in FL FIT are unrated.
- The District's investments in the State Board of Administration 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 the State Board of Administration for managing credit risk for this account.

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

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**DISTRICT SCHOOL BOARD OF
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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, 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's investment policy requires that securities shall be held with a third party custodian; and all securities purchased by and all collateral obtained by the District should be properly designated as an asset of the District. As of June 30, 2012, all investments are held with an appropriate custodian or trustee or are held in accounts in the name of and belonging to the District.

All District investments are in compliance with District policy in relation to interest rate risk, credit risk, and custodial credit risk.

4. RECEIVABLES

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

5. CHANGES IN CAPITAL ASSETS

Changes in capital assets are presented in the table below:

	Balance 7-1-11	Additions	Deletions	Balance 6-30-12
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	\$ 9,316,972	\$ -	\$ 235,977	\$ 9,080,995
Construction in Progress	28,753,383	9,220,536	35,411,321	2,562,598
Total Capital Assets Not Being Depreciated	38,070,355	9,220,536	35,647,298	11,643,593
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	14,133,695	1,907,334	-	16,041,029
Buildings and Fixed Equipment	350,613,284	33,705,497	834,094	383,484,687
Furniture, Fixtures, and Equipment	15,373,305	1,146,165	750,097	15,769,373
Motor Vehicles	39,044,770	81,200	1,144,830	37,981,140
Property Under Capital Lease	2,791,380	-	2,791,380	-
Audio Visual Materials and Computer Software	9,636,105	266,212	15,338	9,886,979
Total Capital Assets Being Depreciated	431,592,539	37,106,408	5,535,739	463,163,208
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	5,584,792	940,158	-	6,524,950
Buildings and Fixed Equipment	128,750,407	7,352,128	73,299	136,029,236
Furniture, Fixtures, and Equipment	10,135,196	927,055	633,246	10,429,005
Motor Vehicles	13,131,555	1,953,435	978,707	14,106,283
Property Under Capital Lease	2,791,380	-	2,791,380	-
Audio Visual Materials and Computer Software	5,986,730	445,967	15,338	6,417,359
Total Accumulated Depreciation	166,380,060	11,618,743	4,491,970	173,506,833
Total Capital Assets Being Depreciated, Net	265,212,479	25,487,665	1,043,769	289,656,375
Governmental Activities Capital Assets, Net	<u>\$ 303,282,834</u>	<u>\$ 34,708,201</u>	<u>\$ 36,691,067</u>	<u>\$ 301,299,968</u>

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**DISTRICT SCHOOL BOARD OF
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Depreciation expense was charged to functions as follows:

Function	Amount
GOVERNMENTAL ACTIVITIES	
Instruction	\$ 6,825,071
Pupil Personnel Services	7,601
Instructional Media Services	70,604
Instruction and Curriculum Development Services	39,394
Instructional Staff Training Services	12,517
Instruction Related Technology	489,071
Board of Education	12,623
General Administration	108,807
School Administration	59,071
Facility Services	51,419
Fiscal Services	27,041
Food Services	735,481
Central Services	117,071
Pupil Transportation Services	1,734,978
Operation of Plant	214,408
Maintenance of Plant	561,929
Administrative Technology Services	549,003
Community Services	2,654
	<hr/>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 11,618,743</u></u>

6. SCHOOL DISTRICT LOAN PROGRAM

In accordance with the School District Loan Program authorized by Chapter 2006-25, Laws of Florida, the District applied for and received an interest-free loan from the Florida Department of Education totaling \$2,571,706, which is included as a liability of the General Fund. The loan enabled the District to meet operating expenses while awaiting resolution of litigation regarding school property taxes for Pensacola Beach property owners. Loan provisions require District personnel to notify the Florida Department of Education within 5 business days after the resolution of the litigation. Repayment of the loan must be made within 20 business days following the resolution of the litigation or the District may submit a repayment plan not to exceed two fiscal years.

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**DISTRICT SCHOOL BOARD OF
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7. CERTIFICATES OF PARTICIPATION

The District entered into financing arrangements, characterized as lease purchase agreements, with the Florida School Boards Association, Inc., whereby the District secured financing of various educational facilities. The financing was accomplished through the issuance of Certificates of Participation to be repaid from the proceeds of rents paid by the District. The following schedule describes the current status of these issues at June 30, 2012:

Issue	Original	Principal		Refunded By Series	Balance 6-30-12
	Amount	Paid	Refunded		
Series 1992	\$ 55,830,000	\$ 15,030,000	\$ 40,800,000	1996-1, 2002	\$ -
Series 1996-1	26,740,000	6,485,000	20,255,000	2005, 2006, 2011	-
Series 1996-2	21,645,000	-	21,645,000	2004	-
Series 2002	16,745,000	16,745,000	-		-
Series 2004	22,725,000	690,000	-		22,035,000
Series 2005	10,000,000	301,375	-		9,698,625
Series 2006	10,000,000	363,493	-		9,636,507
Series 2011	1,124,561	891,773	-		232,788
	<u>\$ 164,809,561</u>	<u>\$ 40,506,641</u>	<u>\$ 82,700,000</u>		<u>\$ 41,602,920</u>

As a condition of the financing arrangements, the District has given ground leases on District property to the Florida School Boards Association, Inc. The ground leases on the property associated with the Series 1992, 1996-1, 2002, 2005, 2006, and 2011 Certificates end on the earlier of (a) the date on which the Series 1996-1, 2005, 2006, and 2011 Certificates, and any Certificates of Participation refunding such Certificates, have been paid in full or provision for their payment has been made or, (b) June 30, 2028. The ground leases on the property associated with the Series 1996-2 and 2004 Certificates end on the earlier of (a) the date on which the series of Certificates has been paid in full or, (b) June 30, 2032. The properties covered by the ground leases are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the leases and to provide for the rent payments through to term, the District may be required to surrender the sites included under the ground lease agreements for the benefit of the securers of the Certificates until the end of the ground leases.

The District properties included in the ground leases under these arrangements include the following:

Certificates of Participation Series 1992, 1996-1, 2002, 2005, 2006, and 2011:

- Hellen Caro Elementary School
- C.A. Weis Elementary School
- R.C. Lipscomb Elementary School
- Jim Allen Elementary School – Administrative Suite/Media Center
- Bellview Elementary School – Classroom Building
- Cordova Park Elementary School – Five Classroom Additions/Media Center
- Edgewater Elementary School – Classroom Wing/Media Center
- Escambia Westgate Center – Pre-Kindergarten Classroom Renovation
- Holm Elementary School – Classrooms/Media Center
- Myrtle Grove Elementary School – Classroom Addition
- Navy Point Elementary School – Classroom Addition/Administrative Suite
- Pine Meadow Elementary School – Media Center/Kindergarten Classrooms/Administrative Suite

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 DISTRICT SCHOOL BOARD OF
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- Pleasant Grove Elementary School – Dining/Classroom Addition/Administrative Suite
- Scenic Heights Elementary School – Pre-Kindergarten Classrooms/Media Center
- Sherwood Elementary School – Pre-Kindergarten Classrooms/Media Center
- Jim C. Bailey Middle School
- Northview High School
- West Florida School of Advanced Technology (the portion formerly known as Beggs Educational Center and used primarily for instructional purposes)
- Tate High School – Physical Education Facility

Certificates of Participation Series 1996-2 and 2004:

- N.B. Cook Elementary School
- Tate High School – Cafeteria/Media Center Addition and Renovation/ESE/ROTC Classroom Building
- Myrtle Grove Elementary School – Media Center/Classroom Building Renovation
- Navy Point Elementary School – ESE Classroom Building
- Ferry Pass Middle School – ESE Classroom Building
- Carver/Century K-8 Elementary School – Physical Education Building/Media Center/Classroom Additions

The lease payments are payable by the District, semiannually, on August 1 and February 1 at interest rates ranging from 1.24 to 5.5 percent. The following is a schedule by years of future minimum lease payments under the lease agreements, together with the present value of minimum lease payments as of June 30, 2012:

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 5,128,900	\$ 3,353,680	\$ 1,775,220
2014	5,134,381	3,497,828	1,636,553
2015	5,109,849	3,620,768	1,489,081
2016	5,208,957	3,870,613	1,338,344
2017	5,208,528	4,026,723	1,181,805
2018-2022	26,205,615	23,233,308	2,972,307
Total Minimum Lease Payments	51,996,230	41,602,920	10,393,310
Unamortized Premium	413,132	413,132	-
Total Certificates of Participation	<u>\$ 52,409,362</u>	<u>\$ 42,016,052</u>	<u>\$ 10,393,310</u>

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**DISTRICT SCHOOL BOARD OF
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8. DERIVATIVE INSTRUMENTS LIABILITY

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2012, and the changes in fair value of such derivative instruments for the fiscal year then ended, as reported in the basic financial statements, are as follows (debit (credit)):

Description	Change in Fair Value		Fair Value at June 30, 2012		
	Classification	Amount	Classification	Amount	Notional
GOVERNMENTAL ACTIVITIES					
Cash Flow Hedges:					
2005 Pay-fixed Interest Rate Swap	Deferred Outflow of Resources	\$ 12,689	Derivative Instrument Liability	\$ (919,868)	\$ 9,698,626
2006 Pay-fixed Interest Rate Swap	Deferred Outflow of Resources	<u>209,592</u>	Derivative Instrument Liability	<u>(636,469)</u>	<u>9,636,507</u>
Total		<u><u>\$ 222,281</u></u>		<u><u>\$ (1,556,337)</u></u>	<u><u>\$ 19,335,133</u></u>

Objectives of Hedging Derivative Instruments – In order to protect against the potential of rising interest rates, the District entered into pay-fixed, receivable-variable interest rate swap agreements with Bank of America (the counterparty), for both the \$10,000,000 Series 2005 and \$10,000,000 Series 2006 Certificates of Participation. Effectively, the swap agreements changed the District’s variable interest rate on the Series 2005 and 2006 Certificates of Participation to synthetically fixed interest rates of 3.896 percent and 4.106 percent, respectively.

Terms – The District entered into the first swap agreement at the same time it issued the variable rate Series 2005 Certificates of Participation (December 2005). The swap agreement’s original notional amount of \$10,000,000 matched the Series 2005 Certificates of Participation’s original principal amount of \$10,000,000. Beginning in the 2006-07 fiscal year, the notional value of the swap agreement and the principal amount of the associated debt began to decline. Under the terms of the swap agreement, the District pays the counterparty a fixed interest payment of 3.896 percent and receives from the counterparty a variable interest payment computed as 63.7 percent of the London Interbank Offered Rate (LIBOR) plus 0.65 percent. The District has the right to cancel the swap on six specific dates beginning May 1, 2015, and ending August 1, 2017. The Series 2005 Certificates of Participation and related cancelable swap agreement mature on February 1, 2018.

The District entered into the second swap agreement at the same time it issued the variable rate Series 2006 Certificates of Participation (May 2006). The swap agreement’s original notional amount of \$10,000,000 matched the Series 2006 Certificates of Participation’s original principal amount of \$10,000,000. Starting in the 2006-07 fiscal year, the notional value of the swap agreement and the principal amount of the associated debt began to decline. Under the terms of the swap agreement, the District pays the counterparty a fixed interest payment of 4.106 percent and receives from the counterparty a variable interest payment computed as 63.7 percent of the LIBOR plus 0.65 percent. The Series 2006 Certificates of Participation and related swap agreement mature on February 1, 2015.

Bank of America purchased the 2005 and 2006 Certificates of Participation from the District. Since Bank of America is both the purchaser of the Certificates of Participation and the counterparty to the swap agreements, in practice, the District simply remits the fixed rate interest payment to the Trustee for the Certificates of Participation, who, in turn, remits that interest payment to Bank of America.

Fair Value – Because interest rates have declined since the inception of the swap agreements, the swap agreement related to the Series 2005 Certificates of Participation has a negative fair value of \$919,868 as of June 30, 2012, and the swap agreement related to the Series 2006 Certificates of Participation has a negative fair value of \$636,469 as of June 30, 2012. The counterparty, using a proprietary valuation model, estimated the fair value. The model calculates future cash flows by projecting forward interest rates, and then discounts

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 DISTRICT SCHOOL BOARD OF
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those cash flows at their present value. All rates used in the valuation are mid-market levels (mid-way between bid and ask), or are model-based, mid-market levels when mid-market levels are not available. The fair values provided take certain factors into consideration, including liquidity of the swap market and the uniqueness of the deal structure, as documented in the swap agreements.

Swap Payments and Associated Debt – Using rates as of June 30, 2012, debt service requirements of the variable rate debt and net swap payments, assuming current interest rates remain the same through the term of the Certificates of Participation, were as follows. As rates vary, interest payments on the variable-rate debt and net receipts/payments on the hedging derivative instruments will vary.

Fiscal Year Ending June 30	Series 2005 Principal	Interest (1)	Swaps, Net (2)	Total
2013	\$ 56,411	\$ 160,125	\$ 224,031	\$ 440,567
2014	59,629	159,194	221,684	440,507
2015	291,941	158,209	220,314	670,464
2016	3,800,613	153,389	213,602	4,167,604
2017	3,951,723	90,641	126,816	4,169,180
2018-2018	1,538,309	25,398	35,367	1,599,074
Total	<u>\$ 9,698,626</u>	<u>\$ 746,956</u>	<u>\$ 1,041,814</u>	<u>\$ 11,487,396</u>

Notes: (1) Assumes a variable interest rate of 0.219918 percent.

(2) Assumes a fixed swap rate payment of 3.896 percent and a variable swap rate receipt of 0.219918 percent.

Fiscal Year Ending June 30	Series 2006 Principal	Interest (1)	Swaps, Net (2)	Total
2013	\$ 2,999,481	\$ 159,100	\$ 243,170	\$ 3,401,751
2014	3,373,199	109,578	166,723	3,649,500
2015	3,263,827	53,886	81,988	3,399,701
Total	<u>\$ 9,636,507</u>	<u>\$ 322,564</u>	<u>\$ 491,881</u>	<u>\$ 10,450,952</u>

Notes: (1) Assumes a variable interest rate of 0.219918 percent.

(2) Assumes a fixed swap rate payment of 4.106 percent and a variable swap rate receipt of 0.219918 percent.

Credit Risk – Credit risk is the risk that the counterparty will not fulfill its obligations. As of June 30, 2012, the District was not exposed to credit risk because the swap agreements have a negative fair value. However, should interest rates rise and the value of the swap agreements become positive, the District would be exposed to credit risk in the amount of the swap agreements' fair values. The counterparty has a credit rating from Standard & Poor's of A.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair values of the District's financial instruments or the District's cash flows. The District is exposed to interest rate risk on the swap agreements. On its pay-fixed, receive-variable interest rate swaps, as LIBOR decreases, the District's net payment on the swap increases.

Termination Risk – Termination risk is the risk that a hedging derivative instrument's unscheduled end will affect the District's asset and liability strategy or will present the District with potential, significant unscheduled termination payments to the counterparty. The District or the counterparty may terminate the swap agreements if the other party fails to perform under the terms of the swap agreements. If either swap agreement is terminated, the applicable variable rate Certificates of Participation would no longer carry a synthetic interest rate. Also, if at the time of termination the swap agreement has a negative fair value, the District would be liable to the counterparty for a payment equal to the swap agreement's fair value.

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9. BONDS PAYABLE

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

Bond Type	Original Debt Issue Amount	Amount Outstanding	Interest Rates (Percent)	Annual Maturity To
State School Bonds:				
Series 2002B (Refunding)	\$ 6,415,000	\$ -	4.0-5.375	2015
Series 2003A	750,000	30,000	3.0-4.25	2023
Series 2004A	250,000	200,000	3.75-4.625	2024
Series 2005A	115,000	90,000	4.0-5.0	2025
Series 2005A (Refunding)	2,935,000	1,540,000	4.0-5.0	2017
Series 2005B (Refunding)	325,000	215,000	5.0	2018
Series 2008A	1,295,000	1,150,000	3.25-5.0	2028
Series 2010A	225,000	215,000	3.5-5.0	2030
Series 2011A (Refunding)	<u>2,625,000</u>	<u>2,625,000</u>	3.0-5.0	2023
Subtotal	14,935,000	6,065,000		
Unamortized Premiums (Discounts), Net	<u>345,840</u>	<u>345,160</u>		
Total Bonds Payable	<u>\$ 15,280,840</u>	<u>\$ 6,410,160</u>		

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 are issued by the State Board of Education on behalf of the District. The bonds mature serially, and are secured by a pledge of the District's portion of the State-assessed motor vehicle license tax. The total revenues received in the current fiscal year were \$1,629,180, all of which related to debt service. Other financing sources received through the refunding of Series 2002B and Series 2003A bonds totaled \$2,625,000 for bond proceeds and \$255,174 for bond premium. 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.

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

Fiscal Year Ending June 30	Total	Principal	Interest
State School Bonds:			
2013	\$ 1,451,939	\$ 1,145,000	\$ 306,939
2014	1,438,108	1,200,000	238,108
2015	1,323,658	1,145,000	178,658
2016	651,508	530,000	121,508
2017	405,158	310,000	95,158
2018-2022	1,163,573	845,000	318,573
2023-2027	849,700	720,000	129,700
2028-2032	<u>178,325</u>	<u>170,000</u>	<u>8,325</u>
Subtotal	7,461,969	6,065,000	1,396,969
Unamortized Premiums (Discounts), Net	<u>345,160</u>	<u>345,160</u>	-
Total Bonds Payable	<u>\$ 7,807,129</u>	<u>\$ 6,410,160</u>	<u>\$ 1,396,969</u>

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10. CHANGES IN LONG-TERM LIABILITIES

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

Description	Balance 7-1-11	Additions	Deductions	Balance 6-30-12	Due in One Year
GOVERNMENTAL ACTIVITIES					
Bonds Payable	\$ 7,335,000	\$ 2,625,000	\$ 3,895,000	\$ 6,065,000	\$ 1,160,000
Unamortized Premiums (Discounts), Net	144,885	255,175	54,900	345,160	-
Total Bonds Payable	7,479,885	2,880,175	3,949,900	6,410,160	1,160,000
Certificates of Participation Payable	44,623,987	1,124,561	4,145,628	41,602,920	3,353,680
Unamortized Premium	463,845	-	50,713	413,132	-
Total Certificates of Participation Payable	45,087,832	1,124,561	4,196,341	42,016,052	3,353,680
Obligations Under Capital Lease	77,967		77,967		
Estimated Insurance Claims Payable	27,005,879	38,816,969	37,485,012	28,337,836	7,528,729
Compensated Absences Payable	37,775,169	2,237,667	5,244,853	34,767,983	4,315,551
Derivative Instruments Liability	1,778,618	-	222,281	1,556,337	-
Other Post Employment Benefits Payable	(896,000)	2,063,881	-	1,167,881	-
Total Governmental Activities	\$ 118,309,350	\$ 47,123,253	\$ 51,176,354	\$ 114,256,249	\$ 16,357,960

For the governmental activities, compensated absences and the capital lease are generally liquidated with resources of the General Fund. The estimated insurance claims are generally liquidated with resources of the internal service funds. The obligations of other post employment benefits are generally liquidated with resources of the General Fund.

11. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

Funds	Interfund	
	Receivables	Payables
Major:		
General	\$ 2,243,193	\$ 111,111
Special Revenue - Other Federal Programs	-	1,885,362
Special Revenue - ARRA	-	154,274
Nonmajor Governmental	4,346	3,444
Agency	-	103,523
Internal Service	11,111	936
Total	\$ 2,258,650	\$ 2,258,650

The interfund receivables and payables represent the payment of expenditures by one fund for another fund and will be repaid within 12 months.

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

Funds	Interfund	
	Transfers In	Transfers Out
Major:		
General	\$ 11,156,101	\$ 392,999
Debt Service - Other	5,000,000	-
Capital Improvement Fund	-	14,965,597
Capital Projects - Other	-	1,190,504
Internal Service	392,999	-
Total	\$ 16,549,100	\$ 16,549,100

Transfers to the General Fund were made to assist in financing maintenance operations, the lease of instructional equipment, and for the payment of property insurance premiums. Transfers to the internal service funds were made to use revenues from the Early Retiree Reinsurance Program for health insurance premiums.

12. FUND BALANCE REPORTING

The District reports its governmental fund balances in the following categories, as applicable:

- **Nonspendable.** The net current financial resources that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Generally, not in spendable form means that an item is not expected to be converted to cash. Examples of items that are not in spendable form include inventory, prepaid amounts, long-term amounts of loans and notes receivable, and property acquired for resale. The District classifies its amounts reported as inventories as nonspendable.
- **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 educational funding reported in the General Fund, that are legally or otherwise restricted.
- **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). 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 did not have any committed fund balances at June 30, 2012.
- **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 governmental 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 specific purposes based on actions of the Superintendent and Assistant Superintendent for Finance and Business Services and not included in other categories.
- **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.

General Fund Minimum Fund Balance Requirement. Section 1011.051, Florida Statutes, requires that the District maintain a fund balance in the General Fund that is sufficient to address normal contingencies, and the Superintendent shall provide written notification to the Board and the Commissioner of Education if,

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at any time, the fund balance in the General Fund not classified as restricted, committed, or nonspendable in the approved operating budget is projected to fall below 3 percent of projected General Fund revenues. If the fund balance in the General Fund not classified as restricted, committed, or nonspendable is projected to fall below 2 percent of projected General Fund revenues, the Commissioner must determine whether the District has a plan to avoid a financial emergency, as determined pursuant to Section 218.503, Florida Statutes, or to appoint a financial emergency board, operating consistent with the requirements, powers, and duties specified in Section 218.503(3)(g), Florida Statutes. The District has adopted Board policy 5.01, which provides that it is the goal of the District to maintain an unreserved fund balance (the sum of the assigned and unassigned fund balance) in the General Fund of at least a 3.5 percent to comply with the intent of Section 1011.051, Florida Statutes. As of June 30, 2012, the unassigned and assigned fund balance in the General Fund of \$40,961,270 was 15.8 percent of General Fund revenues.

13. SIGNIFICANT COMMITMENTS

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

Under GASB Statement No. 54, encumbrances are not a specific purpose and, therefore, should not be reported as a separate line on the balance sheet. Encumbering funds that are already restricted, committed, or assigned based on the source and strength of the constraints placed on them does not further limit the use of the amounts reported in these classifications.

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

General	Major Funds				Nonmajor Governmental Funds	Total Governmental Funds
	Special Revenue - Other	Special Revenue - ARRA	Capital Improvement Fund	Capital Projects - Other		
\$ 2,120,545	\$ 656,183	\$ 227,428	\$ 2,902,138	\$ 2,597,476	\$ 202,728	\$ 8,706,498

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

Project	Contract Amount	Completed to Date	Balance Committed
HVAC Renovations - Districtwide	\$ 1,290,717	\$ 724,478	\$ 566,239
School Project Requests - Districtwide	485,683	-	485,683
Holm Elementary General Renovations	295,497	19,081	276,416
Total	\$ 2,071,897	\$ 743,559	\$ 1,328,338

Total other construction contract commitments (individually below \$250,000) amounted to \$1,063,274 at June 30, 2012.

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14. SCHEDULE OF STATE REVENUE SOURCES

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

<u>Source</u>	<u>Amount</u>
Florida Education Finance Program	\$ 105,659,076
Categorical Program - Class Size Reduction	42,960,100
Workforce Development	4,765,518
Capital Outlay and Debt Service	1,629,180
Voluntary Pre-K Program	1,041,597
School Recognition/Merit	1,769,365
Racing Commission Funds	446,500
Food Service	317,775
Charter School Capital Outlay	290,504
Adults with Disabilities	185,087
District Lottery Funds	125,912
Workforce Education Performance Incentive	80,364
Other Miscellaneous State Revenue	<u>775,600</u>
 Total	 <u><u>\$ 160,046,578</u></u>

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

15. PROPERTY TAXES

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

	<u>Millages</u>	<u>Taxes Levied</u>
<u>GENERAL FUND</u>		
Nonvoted School Tax:		
Required Local Effort	5.573	\$ 79,561,422
Discretionary Operating	0.748	10,678,619
 <u>CAPITAL PROJECTS FUNDS</u>		
Nonvoted Tax:		
Local Capital Improvements	<u>1.500</u>	<u>21,414,343</u>
 Total	 <u><u>7.821</u></u>	 <u><u>\$ 111,654,384</u></u>

16. FLORIDA RETIREMENT SYSTEM

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

Employees in the Plan vest at six years of service. All vested members 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

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service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, and death benefits, and annual cost-of-living adjustments.

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in PEORP in lieu of the Plan. District employees participating in DROP are not eligible to participate in PEORP. Employer contributions are defined by law; however, the ultimate benefit depends, in part, on the performance of investment funds. PEORP is funded by employer contributions that are based on salary and membership class (Regular Class, Elected County Officers, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Employees in PEORP vest after one year of service. There were 335 District participants during the 2011-12 fiscal year. Required contributions made to PEORP totaled \$934,782.

FRS Retirement Contribution Rates

The Florida Legislature establishes, and may amend, contribution rates for each membership class of FRS. During the 2011-12 fiscal year, contribution rates were as follows:

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

Notes: (A) Employer rates include 1.11 percent for the post-employment health insurance subsidy. Also, employer rates, other than for DROP participants, include .03 percent for administrative costs of the Public Employee Optional Retirement Program.

(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 to the Plan for the fiscal years ended June 30, 2010, June 30, 2011, and June 30, 2012, totaled \$17,707,925, \$19,386,071, and \$8,346,622, respectively, which were equal to the required contributions for each fiscal year.

The financial statements and other supplementary 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 supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services, Division of Retirement.

Effective July 1, 2011, all members of the FRS, except for DROP participants and reemployed retirees who are not eligible for renewed membership, were required to contribute 3 percent of their compensation to the FRS. Employee contributions to the Plan for the 2011-12 fiscal year totaled \$4,662,087. Required employee contributions to the PEORP totaled \$348,037.

17. EARLY TERMINATION BENEFITS

- **Retirement Incentive.** Board policy provides for the payment of retirement incentive bonuses to District personnel who retire by the end of the fiscal year in which they first become eligible under any retirement plan sponsored by a unit of Florida municipal, local, or State government and who have a minimum of 15 years of service with the District. The Retirement Incentive is equal to 25 percent of the qualified employee's gross annual salary. In addition to payments made for regular termination benefits, the District reported expenditures totaling \$318,218 during the 2011-12 fiscal year for Retirement Incentive pay.
- **Special Retirement Incentive.** In order to accelerate the retirement of highly compensated employees who were not eligible for the Retirement Incentive described above, the District offered a one-time Special Retirement Incentive for employees who met specific qualifications. The incentive paid 25 percent of an employee's annual gross and required a minimum of ten years of District service. Expenditures for the 2011-12 Special Retirement Incentive totaled \$1,028,220.

18. POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description. The Postemployment Healthcare Benefits Plan (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 are eligible to participate in the District's self-insured health and hospitalization plan for medical, prescription drug, dental, and vision coverage. The District subsidizes the premium rates paid by retirees by allowing them to participate in the 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 Plan on average than those of active employees. Additionally, certain retirees receive insurance coverage at a lower (explicitly subsidized) premium rate than active employees. The benefits provided under this defined benefit plan are provided for a fixed number of years, determined at the time of retirement based on the number of years worked for the District. Retirees are required to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. The Plan does not issue a stand-alone report and is not included in the report of a Public Employee Retirement System or another entity.

Funding Policy. Plan contribution requirements are established by the Board. The District has not advance-funded or established a funding methodology for the annual Other Post Employment Benefit (OPEB) costs or a potential net OPEB obligation. For the 2011-12 fiscal year, 1,022 retirees received postemployment healthcare benefits. The District provided required contributions of \$197,410 toward the annual OPEB cost, comprised of benefit payments made on behalf of retirees for claims expenses (net of reinsurance), administrative expenses, and reinsurance premiums, and net of retiree contributions totaling \$2,689,164., which represents 1.4 percent of 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 following table shows the District's annual OPEB cost for the fiscal year, the amount actually contributed to the Plan, and changes in the District's net OPEB asset for Postemployment Healthcare Benefits:

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Description	Amount
Normal Cost (service cost for one year)	\$ 1,040,687
Amortization of Unfunded Actuarial Accrued Liability	1,176,606
Interest on Normal Cost and Amortization	<u>50,102</u>
Annual Required Contribution	2,267,395
Interest on Net OPEB Obligation	(40,320)
Adjustment to Annual Required Contribution	<u>34,216</u>
Annual OPEB Cost	2,261,291
Contribution Toward the OPEB Cost	<u>197,410</u>
Increase in Net OPEB Obligation	2,063,881
Net OPEB Obligation, Beginning of Fiscal Year	<u>(896,000)</u>
Net OPEB Obligation, End of Fiscal Year	<u><u>\$ 1,167,881</u></u>

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

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
2008-09	\$ 2,694,000	100.3%	\$ 115,000
2009-10	2,427,000	110.5%	(141,000)
2010-11	2,471,000	130.6%	(896,000)
2011-12	2,261,291	8.7%	1,167,881

Funded Status and Funding Progress. As of July 1, 2011, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$30,810,897 and the actuarial value of assets was \$-0-, resulting in an unfunded actuarial accrued liability of \$30,810,897. The covered payroll (annual payroll of active, participating employees) was \$196,715,625, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 15.7 percent.

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

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

The District's OPEB actuarial valuation as of July 1, 2011, used the projected unit credit actuarial cost method to estimate the unfunded actuarial liability, and the projected unit credit method to estimate the District's 2011-12 fiscal year annual required contribution. Because the District does not currently fund a potential

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**DISTRICT SCHOOL BOARD OF
 ESCAMBIA COUNTY, FLORIDA**
NOTES TO FINANCIAL STATEMENTS
 June 30, 2012

OPEB liability, the actuarial assumptions included a 4.5 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 included a payroll growth rate of 3.5 percent per year, an amortization period of 30 years, and an annual healthcare cost trend rate of 10.0 percent initially for the 2011-12 fiscal year, reduced by 1.0 percent per year, to an ultimate rate of 5 percent and a current flat inflation rate. There was no inflation rate assumption used in the valuation. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis.

19. RISK MANAGEMENT PROGRAMS

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is self-insured for property losses, except that commercial property insurance having a number of different deductibles, sublimits, and policy maximums has been purchased to limit the District's exposure to loss. The District provides a self-insurance program for workers' compensation, automobile liability, errors and omissions, and general liability coverage. These activities are accounted for in a Risk Management Fund, a part of the internal service funds reported on the basic financial statements of the District. For automobile and general liability, the District generally relies upon the sovereign immunity limits of Section 768.28, Florida Statutes, which limits the District's liability to \$200,000 for each claimant and \$300,000 in any one occurrence. Workers' compensation claims, except for certain claims covered under stop-loss insurance policies purchased in prior fiscal years, are fully covered by the District.

The District also provides commercially purchased life insurance and self-insured dental, prescription drug, and health coverage to its employees, retirees, and their dependents. These activities are accounted for in the Escambia School District Employee Benefit Trust, which is reported in the internal service funds on the basic financial statements of the District. The District has entered into agreements with various insurance companies to provide specific excess coverage of health claims that exceed a stated amount per policy period. In addition, third-party administrators have been contracted to assist in the payment and/or processing of dental, prescription drugs, and health claims.

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

For all programs for which the District is self-insured, an undiscounted liability in the amount of \$28,337,836 (\$23,834,237 for workers' compensation, automobile, and general liability claims, and \$4,503,599 for dental, prescription drug, and health insurance claims) was actuarially determined to cover estimated incurred, but not reported claims and insurance claims payable at June 30, 2012.

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

	Beginning-of- Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2010-11	\$ 26,792,678	\$ 44,202,288	\$ (43,989,087)	\$ 27,005,879
2011-12	27,005,879	38,816,969	(37,485,012)	28,337,836

(Continued)
DISTRICT SCHOOL BOARD OF
ESCAMBIA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

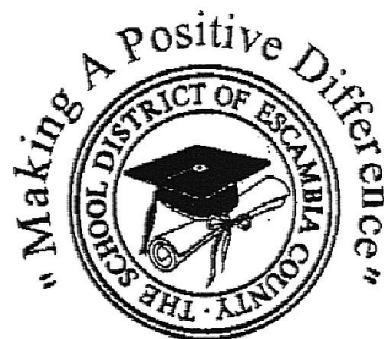
20. OTHER LOSS CONTINGENCY

The Escambia County Property Appraiser is involved in ongoing litigation with the Pensacola Beach Leaseholders and Residents Association regarding the appraisals on and taxability of the values of leasehold improvements on Pensacola Beach. During the litigation, some leaseholders have chosen to pay the assessed taxes while others have chosen not to pay the assessed taxes pending the outcome of the litigation. Depending upon the ultimate outcome of this litigation, the District may be entitled to their portion (estimated at \$6,497,364 at June 30, 2012) of the gross taxes uncollected from leaseholders, or the District may be required to return a portion of the gross taxes that were previously collected from the leaseholders. At June 30, 2012, the District has received \$17,389,334 in taxes collected from leaseholders.

21. LITIGATION

The District is involved in several pending and threatened legal actions. It is the opinion of District management, after giving consideration to the District's related insurance coverage, as well as statutory limitations on uninsured losses for governmental agencies, that the amount of loss from all such claims and actions would not materially affect the financial condition of the District.

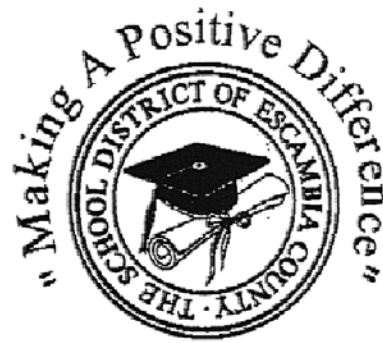
REQUIRED SUPPLEMENTARY
INFORMATION



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**DISTRICT SCHOOL BOARD OF ESCAMBIA 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) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percent of Covered Payroll [(b-a)/c]
10/1/2007	\$ 0	\$ 32,599,000	\$ 32,599,000	0.00%	\$ 205,595,499	15.90%
7/1/2008	0	32,983,000	32,983,000	0.00%	199,803,364	16.50%
7/1/2009	0	32,163,000	32,163,000	0.00%	196,502,045	16.37%
7/1/2010	0	32,011,000	32,011,000	0.00%	196,375,041	16.30%
7/1/2011	0	30,810,897	30,810,897	0.00%	196,715,625	15.66%



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**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND
SCHEDULES**

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.

Debt Service Funds

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

State Board of Education (SBE) Bond 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.

Nonmajor Governmental Funds (Continued)

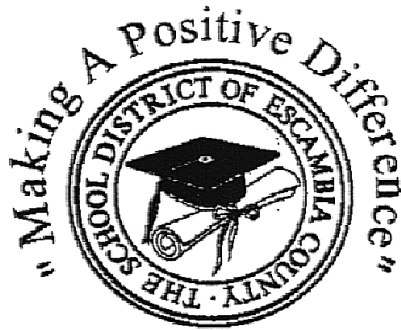
Capital Projects Funds

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 and report on the excess dollars received through the State's Capital Outlay/Debt Service (CO/DS) program, used for construction and maintenance of schools.

Public Education Capital Outlay Fund – To account for and report on funds received from the State for the construction and maintenance of schools.

State Board of Education (SBE) Bond Fund – To account for and report on proceeds received from the bonds issued by the State Board of Education on behalf of the District.



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DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2012

	<u>Total Nonmajor Governmental Funds</u>	<u>Special Revenue Funds</u>		<u>Debt Service Funds</u>	
		<u>Total Nonmajor Special Revenue Funds</u>	<u>Food Service Fund</u>	<u>Total Nonmajor Debt Service Funds</u>	<u>State Board of Education (SBE) Bond Fund</u>
ASSETS					
Cash and Cash Equivalents	\$ 7,582,487	\$ 7,075,115	\$ 7,075,115	\$	\$
Investments	174,692			174,692	174,692
Accounts Receivable	1,456	1,456	1,456		
Due from Other Funds	4,346	4,346	4,346		
Due from Other Agencies	288,368	74,673	74,673		
Inventories	1,286,998	1,286,998	1,286,998		
TOTAL ASSETS	<u>\$ 9,338,347</u>	<u>\$ 8,442,588</u>	<u>\$ 8,442,588</u>	<u>\$ 174,692</u>	<u>\$ 174,692</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 1,799	\$ 1,636	\$ 1,636	\$	\$
Construction Contracts Payable - Retainage	9,060				
Due to Other Funds	3,444				
Due to Other Agencies					
Deposits Payable	7,244	7,244	7,244		
Total Liabilities	<u>21,547</u>	<u>8,880</u>	<u>8,880</u>		
Fund Balances:					
Nonspendable:					
Inventories	1,286,998	1,286,998	1,286,998		
Restricted for:					
Debt Service	174,692			174,692	174,692
Capital Projects	708,400				
Food Service	7,146,710	7,146,710	7,146,710		
Total Fund Balances	<u>9,316,800</u>	<u>8,433,708</u>	<u>8,433,708</u>	<u>174,692</u>	<u>174,692</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 9,338,347</u>	<u>\$ 8,442,588</u>	<u>\$ 8,442,588</u>	<u>\$ 174,692</u>	<u>\$ 174,692</u>

(Continued)

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (Continued)
June 30, 2012

	Capital Projects Funds			
	Total Nonmajor Capital Projects Funds	Capital Outlay & Debt Service Fund	Public Education Capital Outlay Fund	State Board of Education (SBE) Bond Fund
ASSETS				
Cash and Cash Equivalents	\$ 507,372	\$ 505,476	\$ 1,896	\$
Investments				
Accounts Receivable				
Due from Other Funds				
Due from Other Agencies	213,695		213,695	
Inventories				
TOTAL ASSETS	\$ 721,067	\$ 505,476	\$ 215,591	\$ 0
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 163	\$	\$ 163	\$
Construction Contracts Payable - Retainage	9,060		9,060	
Due to Other Funds	3,444		3,444	
Due to Other Agencies				
Deposits Payable				
Matured Interest Payable				
Total Liabilities	12,667		12,667	
Fund Balances:				
Nonspendable:				
Inventories				
Restricted for:				
Debt Service				
Local Sales Tax and Other Tax Levy	-			
Capital Projects	708,400	505,476	202,924	
Food Service				
Total Fund Balances	708,400	505,476	202,924	
TOTAL LIABILITIES AND FUND BALANCES	\$ 721,067	\$ 505,476	\$ 215,591	\$ 0

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2012

	<u>Total Nonmajor Governmental Funds</u>	<u>Special Revenue Funds</u>		<u>Debt Service Funds</u>	
		<u>Total Nonmajor Special Revenue Funds</u>	<u>Food Service Fund</u>	<u>Total Nonmajor Debt Service Funds</u>	<u>State Board of Education (SBE) Bond Fund</u>
REVENUES					
Federal Through State and Local:					
Food Service	\$ 14,682,599	\$ 14,682,599	\$ 14,682,599	\$	\$
Total Federal Through State and Local	14,682,599	14,682,599	14,682,599		
State:					
Food Service	317,775	317,775	317,775		
CO and DS Withheld for SBE/COBI Bond	1,432,666			1,432,666	1,432,666
CO and DS Distribution	155,363				
Other State Sources	16,968			(163)	(163)
Total State	1,922,772	317,775	317,775	1,432,503	1,432,503
Local:					
Charges for Food Service	4,734,991	4,734,991	4,734,991		
Interest Income	2,888	2,720	2,720		
Other Local Sources	6,394	6,394	6,394		
Total Local	4,744,273	4,744,105	4,744,105		
Total Revenues	21,349,644	19,744,479	19,744,479	1,432,503	1,432,503

(Continued)

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (Continued)
For the Fiscal Year Ended June 30, 2012

	<u>Total Nonmajor Governmental Funds</u>	<u>Special Revenue Funds</u>		<u>Debt Service Funds</u>	
		<u>Total Nonmajor Special Revenue Funds</u>	<u>Food Service Fund</u>	<u>Total Nonmajor Debt Service Funds</u>	<u>State Board of Education (SBE) Bond Fund</u>
EXPENDITURES					
Current Education:					
Facility Services	\$ 1,568,164	\$	\$	\$	\$
Food Services	19,505,869	19,505,869	19,505,869		
Fixed Capital Outlay:					
Other Capital Outlay	622,200	622,200	622,200		
Debt Service:					
Principal	1,100,000			1,100,000	1,100,000
Interest and Fiscal Charges	363,874			363,358	363,358
Total Expenditures	<u>23,160,107</u>	<u>20,128,069</u>	<u>20,128,069</u>	<u>1,463,358</u>	<u>1,463,358</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,810,463)</u>	<u>(383,590)</u>	<u>(383,590)</u>	<u>(30,855)</u>	<u>(30,855)</u>
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issues:					
Refunding Bonds Issued	2,625,000			2,625,000	2,625,000
Premium on Refunding of Bonds	255,174			255,174	255,174
Payments to Refunded Bond Escrow	(2,872,719)			(2,872,719)	(2,872,719)
Total Other Financing Sources (Uses)	<u>7,455</u>			<u>7,455</u>	<u>7,455</u>
Net Change in Fund Balances	<u>(1,803,008)</u>	<u>(383,590)</u>	<u>(383,590)</u>	<u>(23,400)</u>	<u>(23,400)</u>
Fund Balances, July 1, 2011	<u>11,119,808</u>	<u>8,817,298</u>	<u>8,817,298</u>	<u>198,092</u>	<u>198,092</u>
Fund Balances, June 30, 2012	<u>\$ 9,316,800</u>	<u>\$ 8,433,708</u>	<u>\$ 8,433,708</u>	<u>\$ 174,692</u>	<u>\$ 174,692</u>

(Continued)

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (Continued)
For the Fiscal Year Ended June 30, 2012

	<u>Capital Projects Funds</u>			
	<u>Total Nonmajor Capital Projects Funds</u>	<u>Capital Outlay & Debt Service Fund</u>	<u>Public Education Capital Outlay Fund</u>	<u>State Board of Education (SBE) Bond Fund</u>
REVENUES				
Federal Through State and Local:				
Food Service	\$	\$	\$	\$
Total Federal Through State and Local				
State:				
Food Service				
CO and DS Withheld for SBE/COBI Bond	155,363	155,363		
CO and DS Distribution	17,131	17,131		
Other State Sources				
Total State	172,494	172,494		
Local:				
Charges for Food Service				
Interest Income	168	109	28	31
Other Local Sources				
Total Local	168	109	28	31
Total Revenues	172,662	172,603	28	31

(Continued)

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (Continued)
For the Fiscal Year Ended June 30, 2012

	<u>Capital Projects Funds</u>			
	<u>Total Nonmajor Capital Projects Funds</u>	<u>Capital Outlay & Debt Service Fund</u>	<u>Public Education Capital Outlay Fund</u>	<u>State Board of Education (SBE) Bond Fund</u>
EXPENDITURES				
Current Education:				
Facility Services	\$ 1,568,164	\$ 550,132	\$ 775,427	\$ 242,605
Food Services				
Fixed Capital Outlay:				
Other Capital Outlay				
Debt Service:				
Principal				
Interest and Fiscal Charges	516	516		
Total Expenditures	<u>1,568,680</u>	<u>550,648</u>	<u>775,427</u>	<u>242,605</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,396,018)</u>	<u>(378,045)</u>	<u>(775,399)</u>	<u>(242,574)</u>
OTHER FINANCIAL SOURCES (USES)				
Long-Term Debt Issues:				
Refunding Bonds Issued				
Premium on Refunding of Bonds				
Payments to Refunded Bond Escrow				
Total Other Financial Sources (Uses)				
Net Change in Fund Balances	(1,396,018)	(378,045)	(775,399)	(242,574)
Fund Balances, July 1, 2011	<u>2,104,418</u>	<u>883,521</u>	<u>978,323</u>	<u>242,574</u>
Fund Balances, June 30, 2012	<u>\$ 708,400</u>	<u>\$ 505,476</u>	<u>\$ 202,924</u>	<u>\$ 0</u>

(Concluded)

General Fund

The General Fund is the primary operating fund of the Board. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. The General Fund is reported as a major governmental fund.

DISTRICT SCHOOL BOARD OF ESCAMBAIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2012

	General Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Federal Direct:				
Federal Impact, Current Operations	\$ 500,000	\$ 724,457	\$ 724,457	\$
Reserve Officers Training Corps (ROTC)	400,000	424,206	424,206	
Other Federal Direct Sources	350,000	752,426	752,426	
Total Federal Direct	1,250,000	1,901,089	1,901,089	
Federal Through State and Local:				
Medicaid	1,000,000	1,857,058	1,857,058	
Other Federal Through State and Local Sources	451,572	633,490	633,490	
Total Federal through State and Local	1,451,572	2,490,548	2,490,548	
State:				
Florida Education Finance Program (FEFP)	106,419,488	105,659,076	105,659,076	
Workforce Development	4,765,518	4,765,518	4,765,518	
Workforce Education Performance Incentive	80,364	80,364	80,364	
Adults With Disabilities	200,000	185,087	185,087	
CO and DS Withheld for Administrative Expense	24,183	24,183	24,183	
Discretionary Lottery Funds	110,505	125,912	125,912	
Categorical Programs - Class Size Reduction	42,407,015	42,960,100	42,960,100	
Other State Sources	2,814,255	4,033,062	4,033,062	
Total State	156,821,328	157,833,302	157,833,302	
Local:				
Property Taxes	90,240,041	92,658,245	92,658,245	
Interest Income	96,000	109,758	109,758	
Other Local Sources	3,484,443	4,281,276	4,221,773	(59,503)
Total Local	93,820,484	97,049,279	96,989,776	(59,503)
Total Revenues	253,343,384	259,274,218	259,214,715	(59,503)
EXPENDITURES				
Current Education:				
Instruction				
Salaries	124,258,158	126,107,975	120,761,333	5,346,642
Employee Benefits	36,225,512	36,294,924	30,842,619	5,452,305
Purchased Services	16,529,358	16,601,981	13,548,913	3,053,068
Energy Services	18,877	18,677	10,126	8,551
Materials and Supplies	11,785,365	11,404,987	5,319,739	6,085,248
Capital Outlay	269,581	1,133,091	998,277	134,814
Other Expenses	3,829,261	3,816,482	3,519,682	296,800
Total Instruction	192,916,112	195,378,117	175,000,689	20,377,428

(Continued)

DISTRICT SCHOOL BOARD OF ESCAMBA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
GENERAL FUND (Continued)
For the Fiscal Year Ended June 30, 2012

	<i>General Fund</i>			<i>Variance with Final Budget - Positive (Negative)</i>
	<i>Budgeted Amounts</i>		<i>Actual Amounts</i>	
	<i>Original</i>	<i>Final</i>		
EXPENDITURES				
Current Education: (Continued)				
Pupil Personnel Services				
Salaries	\$ 8,920,276	\$ 9,287,802	\$ 9,448,464	\$ (160,662)
Employee Benefits	2,572,425	2,519,988	2,301,452	218,536
Purchased Services	686,734	678,083	565,901	112,182
Energy Services	3,800	3,800	5,205	(1,405)
Materials and Supplies	187,295	173,180	39,860	133,320
Capital Outlay	363	5,128	5,128	-
Other Expenses	7,230	26,849	25,269	1,580
Total Pupil Personnel Services	<u>12,378,123</u>	<u>12,694,830</u>	<u>12,391,279</u>	<u>303,551</u>
Instructional Media Services				
Salaries	3,109,584	3,124,639	2,947,780	176,859
Employee Benefits	947,867	949,310	777,473	171,837
Purchased Services	53,490	67,783	52,055	15,728
Materials and Supplies	53,589	56,924	36,205	20,719
Capital Outlay	320,568	319,792	174,270	145,522
Other Expenses	38,110	38,093	38,622	(529)
Total Instructional Media Services	<u>4,523,208</u>	<u>4,556,541</u>	<u>4,026,405</u>	<u>530,136</u>
Instruction and Curriculum Development Services				
Salaries	3,977,064	4,024,874	3,956,777	68,097
Employee Benefits	1,049,500	1,023,632	851,397	172,235
Purchased Services	34,290	29,961	24,004	5,957
Materials and Supplies	72,497	67,228	37,476	29,752
Capital Outlay		1,810	1,795	15
Other Expenses	3,220	4,173	19,474	(15,301)
Total Instruction and Curriculum Development Services	<u>5,136,571</u>	<u>5,151,678</u>	<u>4,890,923</u>	<u>260,755</u>
Instructional Staff Training Services				
Salaries	1,545,515	1,665,645	1,561,256	104,389
Employee Benefits	499,174	498,085	346,548	151,537
Purchased Services	318,482	425,159	245,598	179,561
Materials and Supplies	58,694	68,803	49,970	18,833
Capital Outlay	6,000	18,163	13,381	4,782
Other Expenses	90,553	84,104	50,276	33,828
Total Instructional Staff Training Services	<u>2,518,418</u>	<u>2,759,959</u>	<u>2,267,029</u>	<u>492,930</u>
Instruction Related Technology				
Salaries	1,100,325	1,128,715	1,038,059	90,656
Employee Benefits	298,618	301,518	243,888	57,630
Purchased Services	59,200	47,635	28,767	18,868
Materials and Supplies	9,523	16,573		16,573
Capital Outlay	114,500	128,810	128,808	2
Other Expenses	1,640	5,648	5,313	335
Total Instruction Related Technology	<u>1,583,806</u>	<u>1,628,899</u>	<u>1,444,835</u>	<u>184,064</u>

(Continued)

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
GENERAL FUND (Continued)
For the Fiscal Year Ended June 30, 2012

	General Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
EXPENDITURES				
Current Education: (Continued)				
Board of Education				
Salaries	\$ 618,822	\$ 633,875	\$ 631,865	\$ 2,010
Employee Benefits	758,613	760,311	448,177	312,134
Purchased Services	285,450	284,513	200,588	83,925
Energy Services	950	976	1,045	(69)
Materials and Supplies	14,253	15,685	3,292	12,393
Capital Outlay		1,084	1,074	10
Other Expenses	55,964	57,359	39,708	17,651
Total Board of Education	1,734,052	1,753,803	1,325,749	428,054
General Administration				
Salaries	503,477	445,923	439,803	6,120
Employee Benefits	101,288	101,348	88,623	12,725
Purchased Services	68,097	68,799	54,020	14,779
Materials and Supplies	19,287	17,615	7,748	9,867
Capital Outlay	500	800	800	-
Other Expenses	76,645	77,316	50,574	26,742
Total General Administration	769,294	711,801	641,568	70,233
School Administration				
Salaries	10,802,384	10,880,301	10,842,902	37,399
Employee Benefits	2,880,277	2,884,556	2,544,162	340,394
Purchased Services	4,783	5,690	3,761	1,929
Materials and Supplies	65,946	67,581	40,924	26,657
Capital Outlay	17,187	20,068	14,498	5,570
Other Expenses	1,301	2,709	7,672	(4,963)
Total School Administration	13,771,878	13,860,905	13,453,919	406,986
Facility Services				
Salaries	772,959	211,362	280,789	(69,427)
Employee Benefits	173,297	38,993	39,465	(472)
Purchased Services	505,194	489,262	133,080	356,182
Energy Services	19,914	19,214	22,239	(3,025)
Materials and Supplies	21,846	26,843	8,223	18,620
Capital Outlay	(3,918)	201,617	10,051	191,566
Other Expenses		884	884	-
Total Facility Services	1,489,292	988,175	494,731	493,444
Fiscal Services				
Salaries	1,505,264	1,505,263	1,500,343	4,920
Employee Benefits	380,054	380,054	346,012	34,042
Purchased Services	271,803	276,456	125,952	150,504
Materials and Supplies	28,145	33,002	12,734	20,268
Capital Outlay	5,035	8,863	3,185	5,678
Other Expenses	38,535	38,119	95,461	(57,342)
Total Fiscal Services	2,228,836	2,241,757	2,083,687	158,070

(Continued)

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
GENERAL FUND (Continued)
For the Fiscal Year Ended June 30, 2012

	General Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
EXPENDITURES				
Current Education: (Continued)				
Food Services				
Salaries	\$ 118,905	\$ 288,391	\$ 280,210	\$ 8,181
Employee Benefits	7,135	9,801	6,624	3,177
Other Expenses		574	574	
Total Food Services	126,040	298,766	287,408	11,358
Central Services				
Salaries	2,812,786	2,765,068	2,711,869	53,199
Employee Benefits	1,019,580	1,016,298	710,355	305,943
Purchased Services	1,490,472	1,569,707	694,204	875,503
Energy Services	43,900	43,710	41,695	2,015
Materials and Supplies	180,934	186,343	100,212	86,131
Capital Outlay	25,000	29,416	25,924	3,492
Other Expenses	338,631	313,227	78,575	234,652
Total Central Services	5,911,303	5,923,769	4,362,834	1,560,935
Pupil Transportation Services				
Salaries	8,422,021	8,430,188	8,613,313	(183,125)
Employee Benefits	4,322,593	4,323,179	3,476,664	846,515
Purchased Services	408,578	329,117	227,573	101,544
Energy Services	3,048,006	3,038,365	2,931,204	107,161
Materials and Supplies	800,772	888,974	859,358	29,616
Capital Outlay	655	6,267	3,484	2,783
Other Expenses	353,335	358,428	270,445	87,983
Total Pupil Transportation Services	17,355,960	17,374,518	16,382,041	992,477
Operation of Plant				
Salaries	5,166,708	5,186,666	5,149,286	37,380
Employee Benefits	2,940,905	2,943,338	2,391,717	551,621
Purchased Services	8,277,295	8,287,171	6,590,510	1,696,661
Energy Services	13,831,855	13,812,616	13,041,051	771,565
Materials and Supplies	606,792	597,816	546,497	51,319
Capital Outlay	45,904	48,833	39,509	9,324
Other Expenses	305,851	320,708	280,452	40,256
Total Operation of Plant	31,175,310	31,197,148	28,039,022	3,158,126
Maintenance of Plant				
Salaries	4,599,500	4,570,026	4,479,850	90,176
Employee Benefits	1,941,990	1,917,696	1,563,958	353,738
Purchased Services	4,039,449	3,969,779	2,367,220	1,602,559
Energy Services	216,274	254,318	269,656	(15,338)
Materials and Supplies	1,489,641	1,491,569	1,421,948	69,621
Capital Outlay	45,700	52,637	52,583	54
Other Expenses	42,404	42,404	34,860	7,544
Total Maintenance of Plant	12,374,958	12,298,429	10,190,075	2,108,354

(Continued)

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
GENERAL FUND (Continued)
For the Fiscal Year Ended June 30, 2012

	<i>General Fund</i>			<i>Variance with Final Budget - Positive (Negative)</i>
	<i>Budgeted Amounts</i>		<i>Actual Amounts</i>	
	<i>Original</i>	<i>Final</i>		
EXPENDITURES				
Current Education: (Continued)				
Administrative Technology Services				
Salaries	\$ 2,521,412	\$ 2,502,015	\$ 2,398,928	\$ 103,087
Employee Benefits	593,704	603,038	524,315	78,723
Purchased Services	157,994	364,193	218,220	145,973
Energy Services	4,500	4,500	4,464	36
Materials and Supplies	96,907	86,476	28,792	57,684
Capital Outlay	12,750	21,126	20,563	563
Other Expenses		127	127	
Total Administrative Technology Services	<u>3,387,267</u>	<u>3,581,475</u>	<u>3,195,409</u>	<u>386,066</u>
Community Services				
Salaries	74,500	132,922	147,049	(14,127)
Employee Benefits	18,769	63,308	53,360	9,948
Purchased Services	7,420	12,608	6,671	5,937
Materials and Supplies	124,105	115,917	29,654	86,263
Capital Outlay		9,646	7,542	2,104
Other Expenses	475,268	393,390	217,214	176,176
Total Community Services	<u>700,062</u>	<u>727,791</u>	<u>461,490</u>	<u>266,301</u>
Fixed Capital Outlay:				
Facilities Acquisition and Construction	100,027	82,694	36,351	46,343
Other Capital Outlay	743,727	807,350	382,013	425,337
Total Fixed Capital Outlay	<u>843,754</u>	<u>890,044</u>	<u>418,364</u>	<u>471,680</u>
Debt Service:				
Principal	82,499	82,467	77,967	4,500
Interest and Fiscal Charges	839	1,119	1,119	
Total Debt Service	<u>83,338</u>	<u>83,586</u>	<u>79,086</u>	<u>4,500</u>
Total Expenditures	<u>311,007,582</u>	<u>314,101,991</u>	<u>281,436,543</u>	<u>32,665,448</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(57,664,198)</u>	<u>(54,827,773)</u>	<u>(22,221,828)</u>	<u>32,605,945</u>
Other Financing Sources (Uses)				
Transfers In	11,819,873	11,156,101	11,156,101	
Transfers Out			(392,999)	(392,999)
Insurance Loss Recoveries		45,345	45,345	
Total Other Financing Sources (Uses)	<u>11,819,873</u>	<u>11,201,446</u>	<u>10,808,447</u>	<u>(392,999)</u>
Net Change in Fund Balances	<u>(45,844,325)</u>	<u>(43,626,327)</u>	<u>(11,413,381)</u>	<u>32,212,946</u>
Fund Balances, July 1, 2011	66,894,754	66,894,754	66,894,754	
Fund Balances, June 30, 2012	<u>\$ 21,050,429</u>	<u>\$ 23,268,427</u>	<u>\$ 55,481,373</u>	<u>\$ 32,212,946</u>

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:

Major Special Revenue Funds

Other Federal 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.

Federal Economic Stimulus Programs Fund – To account for programs funded by the American Recovery and Reinvestment Act (ARRA) and other Federal stimulus programs, requiring separate accountability because of legal or regulatory restrictions.

Nonmajor Special Revenue Funds

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

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
SPECIAL REVENUE FUND - FOOD SERVICE
For the Fiscal Year Ended June 30, 2012

	<i>Food Service Fund</i>			<i>Variance with Final Budget - Positive (Negative)</i>
	<i>Budgeted Amounts</i>		<i>Actual Amounts</i>	
	<i>Original</i>	<i>Final</i>		
REVENUES				
Federal Through State and Local:				
Food Service	\$ 14,205,000	\$ 14,680,000	\$ 14,682,599	\$ 2,599
Total Federal Through State and Local	<u>14,205,000</u>	<u>14,680,000</u>	<u>14,682,599</u>	<u>2,599</u>
State:				
Food Service	343,000	317,600	317,775	175
Total State	<u>343,000</u>	<u>317,600</u>	<u>317,775</u>	<u>175</u>
Local:				
Charges for Food Service	5,196,000	4,734,050	4,734,991	941
Interest Income	7,000	2,000	2,720	720
Other Local Sources	4,000	6,350	6,394	44
Total Local	<u>5,207,000</u>	<u>4,742,400</u>	<u>4,744,105</u>	<u>1,705</u>
Total Revenues	<u>19,755,000</u>	<u>19,740,000</u>	<u>19,744,479</u>	<u>4,479</u>
EXPENDITURES				
Current Education:				
Food Services:				
Salaries	4,442,000	4,446,000	4,263,018	182,982
Employees Benefits	2,584,300	2,265,300	2,094,661	170,639
Purchased Services	1,340,102	1,381,102	987,712	393,390
Energy Services	313,150	313,150	297,758	15,392
Materials and Supplies	8,535,800	8,562,800	8,199,185	363,615
Capital Outlay	3,010,852	2,940,358	2,537,066	403,292
Other Expenses	1,040,500	1,312,500	1,126,469	186,031
Total Food Services	<u>21,266,704</u>	<u>21,221,210</u>	<u>19,505,869</u>	<u>1,715,341</u>
Fixed Capital Outlay:				
Other Capital Outlay	574,714	820,208	622,200	198,008
Total Fixed Capital Outlay	<u>574,714</u>	<u>820,208</u>	<u>622,200</u>	<u>198,008</u>
Total Expenditures	<u>21,841,418</u>	<u>22,041,418</u>	<u>20,128,069</u>	<u>1,913,349</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,086,418)</u>	<u>(2,301,418)</u>	<u>(383,590)</u>	<u>1,917,828</u>
Net Change in Fund Balances	<u>(2,086,418)</u>	<u>(2,301,418)</u>	<u>(383,590)</u>	<u>1,917,828</u>
Fund Balances, July 1, 2011	<u>8,817,298</u>	<u>8,817,298</u>	<u>8,817,298</u>	
Fund Balances, June 30, 2012	<u>\$ 6,730,880</u>	<u>\$ 6,515,880</u>	<u>\$ 8,433,708</u>	<u>\$ 1,917,828</u>

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
SPECIAL REVENUE FUND - OTHER FEDERAL PROGRAMS
For the Fiscal Year Ended June 30, 2012

	Other Federal Programs Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Federal Direct:				
Other Federal Direct Sources	\$ 1,127,697	\$ 1,862,624	\$ 1,280,581	\$ (582,043)
Total Federal Direct	1,127,697	1,862,624	1,280,581	(582,043)
Federal Through State and Local:				
Vocational Education	675,283	692,634	657,512	(35,122)
Workforce Investment Act	283,312	280,422	280,422	
Individuals with Disabilities Education Act	12,190,624	12,236,067	10,396,573	(1,839,494)
Title I	18,090,020	18,249,222	14,571,764	(3,677,458)
Adult General Education	2,393	202,000	200,730	(1,270)
Federal Through Local		189,129	10,871	(178,258)
Other Federal Through State and Local Sources	3,710,210	4,284,792	3,071,320	(1,213,472)
Total Federal Through State and Local	34,951,842	36,134,266	29,189,192	(6,945,074)
Total Revenues	36,079,539	37,996,890	30,469,773	(7,527,117)
EXPENDITURES				
Current Education:				
Instruction:				
Salaries	4,510,268	6,267,818	5,365,888	901,930
Employees Benefits	1,902,724	2,285,870	1,797,097	488,773
Purchased Services	3,923,827	3,939,254	3,218,310	720,944
Materials and Supplies	3,216,559	1,925,780	1,225,653	700,127
Capital Outlay	730,824	1,581,475	1,398,681	182,794
Other Expenses	605,448	808,743	677,593	131,150
Total Instruction	14,889,650	16,808,940	13,683,222	3,125,718
Pupil Personnel Services:				
Salaries	1,361,459	1,257,842	1,177,973	79,869
Employees Benefits	439,155	354,206	287,958	66,248
Purchased Services	1,487,849	1,510,157	1,063,550	446,607
Materials and Supplies	211,930	138,784	123,473	15,311
Capital Outlay	4,027	9,804	7,824	1,980
Other Expenses	167,479	174,483	163,606	10,877
Total Pupil Personnel Services	3,671,899	3,445,276	2,824,384	620,892
Instructional Media Services:				
Salaries	62,309	63,501	40,729	22,772
Employees Benefits	22,959	23,359	8,284	15,075
Purchased Services	4,775	3,275	3,275	-
Materials and Supplies	4,500	5,861	5,840	21
Capital Outlay	33,500	56,575	54,802	1,773
Other Expenses	68	103	60	43
Total Instructional Media Services	128,111	152,674	112,990	39,684

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
SPECIAL REVENUE FUND - OTHER FEDERAL PROGRAMS (Continued)
For the Fiscal Year Ended June 30, 2012

	Other Federal Programs Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
EXPENDITURES				
Current Education: (continued)				
Instruction and Curriculum Development Services:				
Salaries	\$ 4,131,983	\$ 4,089,381	\$ 3,770,201	\$ 319,180
Employees Benefits	1,328,323	1,070,646	901,200	169,446
Purchased Services	226,727	245,842	176,164	69,678
Materials and Supplies	87,452	143,415	115,977	27,438
Capital Outlay	40,757	77,552	15,907	61,645
Other Expenses	13,189	13,402	9,211	4,191
Total Instruction and Curriculum Development Services	5,828,431	5,640,238	4,988,660	651,578
Instructional Staff Training Services:				
Salaries	2,903,890	2,276,684	1,824,039	452,645
Employees Benefits	702,508	506,895	378,206	128,689
Purchased Services	1,505,566	1,733,216	1,221,372	511,844
Materials and Supplies	414,232	560,883	429,040	131,843
Capital Outlay	50,326	91,068	69,356	21,712
Other Expenses	393,019	403,335	232,266	171,069
Total Instructional Staff Training Services	5,969,541	5,572,081	4,154,279	1,417,802
Instruction Related Technology:				
Salaries	1,385,974	1,465,388	1,395,021	70,367
Employees Benefits	453,796	406,246	358,567	47,679
Purchased Services	3,000	36,950	35,323	1,627
Materials and Supplies	1,200	1,200	876	324
Other Expenses	69,821	62,118	62,118	-
Total Instruction Related Technology	1,913,791	1,971,902	1,851,905	119,997
General Administration:				
Other Expenses	999,744	1,007,025	693,801	313,224
Total General Administration	999,744	1,007,025	693,801	313,224
School Administration:				
Salaries	41,034	41,806	41,806	-
Employees Benefits	10,713	9,665	8,658	1,007
Purchased Services	1,000	21,134	21,134	-
Total School Administration	52,747	72,605	71,598	1,007
Facility Services:				
Purchased Services	4,430	4,430	3,500	930
Capital Outlay	57,053	57,720	47,833	9,887
Total Facility Services	61,483	62,150	51,333	10,817
Central Services:				
Salaries	37,785	34,032	20,787	13,245
Employees Benefits	14,941	12,411	6,045	6,366
Purchased Services	30,635	63,820	55,514	8,306
Materials and Supplies	18,060	9,000	545	8,455
Other Expenses	3,495	2,575	840	1,735
Total Central Services	104,916	121,838	83,731	38,107

(Continued)

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
SPECIAL REVENUE FUND - OTHER FEDERAL PROGRAMS (Continued)
For the Fiscal Year Ended June 30, 2012

	Other Federal Programs Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
EXPENDITURES				
Current Education: (continued)				
Pupil Transportation Services:				
Purchased Services	\$ 66,827	\$ 64,933	\$ 29,802	\$ 35,131
Energy Services	2,044	2,386	2,292	94
Other Expenses	1,049,201	1,084,519	451,683	632,836
Total Pupil Transportation Services	1,118,072	1,151,838	483,777	668,061
Operation of Plant:				
Purchased Services	34,072	31,811	25,030	6,781
Total Operation of Plant	34,072	31,811	25,030	6,781
Maintenance of Plant:				
Purchased Services	6,647	13,041	6,528	6,513
Total Maintenance of Plant	6,647	13,041	6,528	6,513
Administrative Technology Services:				
Salaries	54,539	55,857	48,020	7,837
Employees Benefits	16,950	14,347	11,852	2,495
Purchased Services	2,500	500		500
Total Administrative Technology Services	73,989	70,704	59,872	10,832
Community Services:				
Employees Benefits	2,589	5,691	3,614	2,077
Purchased Services	1,000	3,662	2,019	1,643
Materials and Supplies	8,500	5,232	5,232	-
Other Expenses	226,729	984,240	778,965	205,275
Total Community Services	238,818	998,825	789,830	208,995
Fixed Capital Outlay:				
Facilities Acquisition and Construction	24,001	29,986	29,689	297
Other Capital Outlay	967,603	849,932	562,688	287,244
Total Fixed Capital Outlay	991,604	879,918	592,377	287,541
Total Expenditures	36,083,515	38,000,866	30,473,317	7,527,549
Deficiency of Revenues Over Expenditures	(3,976)	(3,976)	(3,544)	432
Net Change in Fund Balances	(3,976)	(3,976)	(3,544)	432
Fund Balances, July 1, 2011	3,976	3,976	3,976	
Fund Balances, June 30, 2012	\$ 0	\$ 0	\$ 432	\$ 432

**DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE FUND - FEDERAL ECONOMIC STIMULUS PROGRAMS
For the Fiscal Year Ended June 30, 2012**

	Federal Economic Stimulus Programs Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Federal Through State and Local:				
Race-to-the-Top	\$ 3,082,804	\$ 2,553,579	\$ 2,007,075	\$ (546,504)
Education Jobs Fund		117,602	117,602	
Individuals with Disabilities Education Act	455,628	455,628	455,628	-
Title I	126,353	768,763	348,234	(420,529)
Other Federal Through State and Local Sources	49,219	49,516	49,516	-
Total Federal Through State and Local	3,714,004	3,945,088	2,978,055	(967,033)
Total Revenues	3,714,004	3,945,088	2,978,055	(967,033)
EXPENDITURES				
Current Education:				
Instruction:				
Salaries	210,508	776,118	553,048	223,070
Employee Benefits	127,606	152,094	129,088	23,006
Purchased Services	46,561	6,618	6,618	-
Materials and Supplies	123,079	128,696	108,186	20,510
Capital Outlay	55,902	43,869	40,845	3,024
Other Expenses	153	2,115	2,115	-
Total Instruction	563,809	1,109,510	839,900	269,610
Pupil Personnel Services:				
Salaries	4,250	77,965	45,054	32,911
Employee Benefits	21,582	15,319	6,259	9,060
Purchased Services	4,001			-
Materials and Supplies	8,711	1,259	1,259	-
Capital Outlay				
Total Pupil Personnel Services	38,544	94,543	52,572	41,971
Instructional Media Services:				
Salaries	1,911	2,500	2,500	-
Employee Benefits	1,083	200	191	9
Total Instructional Media Services	2,994	2,700	2,691	9
Instruction and Curriculum Development Services:				
Salaries	80,641	94,276	90,914	3,362
Employee Benefits	27,134	15,333	13,386	1,947
Purchased Services	1,892			-
Materials and Supplies	1,873	1,414	1,336	78
Capital Outlay	200	200	80	120
Other Expenses	8,143			-
Total Instruction and Curriculum Development Services	119,883	111,223	105,716	5,507
Instructional Staff Training Services:				
Salaries	764,075	703,046	609,233	93,813
Employee Benefits	180,579	155,794	138,432	17,362
Purchased Services	386,904	368,403	314,520	53,883
Materials and Supplies	35,132	19,539	19,539	-
Other Expenses	7,351	21,567	19,703	1,864
Total Instructional Staff Training Services	1,374,041	1,268,349	1,101,427	166,922

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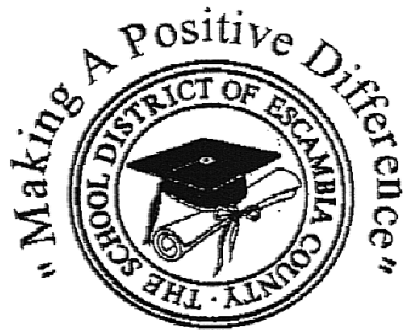
**DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE FUND - FEDERAL ECONOMIC STIMULUS PROGRAMS (Continued)
For the Fiscal Year Ended June 30, 2012**

	Federal Economic Stimulus Programs Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Current Education: (continued)				
Instruction Related Technology:				
Salaries	\$ 158,511	\$ 54,071	\$ 49,645	\$ 4,426
Employee Benefits	64,506	13,466	12,499	967
Purchased Services	461,464	382,864	163,850	219,014
Materials and Supplies	29,386	7,992	7,723	269
Capital Outlay		20,567	20,567	
Other Expenses		245		245
Total Instruction Related Technology	713,867	479,205	254,284	224,921
General Administration:				
Other Expenses	201,286	144,697	69,914	74,783
Total General Administration	201,286	144,697	69,914	74,783
School Administration:				
Salaries	3,406	46,980	25,581	21,399
Employee Benefits	4	3,388	2,011	1,377
Total School Administration	3,410	50,368	27,592	22,776
Facility Services:				
Capital Outlay	28,086	36,678	36,542	136
Total Facility Services	28,086	36,678	36,542	136
Fiscal Services:				
Salaries	38,000	36,696	36,262	434
Employee Benefits	9,871	6,389	5,931	458
Capital Outlay	60	60		60
Total Fiscal Services	47,931	43,145	42,193	952
Food Services:				
Salaries		46,175	7,125	39,050
Employee Benefits	41	3,825	545	3,280
Total Food Services	41	50,000	7,670	42,330
Central Services:				
Salaries	1	44,625	22,518	22,107
Employee Benefits	2	10,945	5,850	5,095
Purchased Services	46,250	41,250	33,118	8,132
Total Central Services	46,253	96,820	61,486	35,334
Pupil Transportation Services:				
Materials and Supplies	19,401			
Other Expenses		3,111		3,111
Total Pupil Transportation Services	19,401	3,111		3,111
Operation of Plant:				
Salaries		64,645	9,750	54,895
Employee Benefits	145	5,355	746	4,609
Total Operation of Plant	145	70,000	10,496	59,504

(Continued)

**DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
SPECIAL REVENUE FUND - FEDERAL ECONOMIC STIMULUS PROGRAMS (Continued)
For the Fiscal Year Ended June 30, 2012**

	Federal Economic Stimulus Programs Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
EXPENDITURES				
Maintenance of Plant:				
Purchased Services	\$ 125	\$	\$	\$
Total Maintenance of Plant	125			
Administrative Technology Services:				
Salaries	127,864	127,557	126,636	921
Employee Benefits	32,211	24,872	23,915	957
Purchased Services		33,000	23,390	9,610
Other Capital Outlay	11,000	269	269	
Total Administrative Technology Services	171,075	185,698	174,210	11,488
Fixed Capital Outlay:				
Facilities Acquisition and Construction	57,627	36,408	34,305	2,103
Other Capital Outlay	325,483	162,633	157,057	5,576
Total Fixed Capital Outlay	383,110	199,041	191,362	7,679
Total Expenditures	3,714,001	3,945,088	2,978,055	967,033
Excess (Deficiency) of Revenues Over Expenditures				
Net Change in Fund Balances				
Fund Balances, July 1, 2011				
Fund Balances, June 30, 2012	\$ 0	\$ 0	\$ 0	\$ 0



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Debt Service Funds

The debt service funds are used to account for the payment of interest and principal of the current portion on long-term debt.

Major Debt Service Funds

Other Debt Service Fund – To account for and report on Certificates of Participation issues, characterized as lease-purchase agreements, and Capital Leases.

Nonmajor Debt Service Funds

State Board of Education (SBE) Bond 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.

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
DEBT SERVICE FUND - OTHER DEBT SERVICE
For the Fiscal Year Ended June 30, 2012

	Other Debt Service Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Local:				
Interest Income	\$	\$ 1,255	\$ 1,255	\$
Total Local		1,255	1,255	
Total Revenues		1,255	1,255	
EXPENDITURES				
Debt Service:				
Principal	3,018,855	3,035,628	3,035,628	
Interest and Fiscal Charges	1,963,317	1,930,436	1,930,436	
Total Expenditures	4,982,172	4,966,064	4,966,064	
Deficiency of Revenues Over Expenditures	(4,982,172)	(4,964,809)	(4,964,809)	
OTHER FINANCING SOURCES				
Long-Term Debt Issues:				
Certificates of Participation		1,124,561	1,124,561	
Payments to Refunding Bond Escrow Agent		(1,113,561)	(1,113,561)	
Transfer In	5,000,000	5,000,000	5,000,000	
Total Other Financing Sources	5,000,000	5,011,000	5,011,000	
Net Change in Fund Balances	17,828	46,191	46,191	
Fund Balances, July 1, 2011	4,769,185	4,769,185	4,769,185	
Fund Balances, June 30, 2012	\$ 4,787,013	\$ 4,815,376	\$ 4,815,376	\$ -

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
DEBT SERVICE FUND - STATE BOARD OF EDUCATION (SBE) BOND
For the Fiscal Year Ended June 30, 2012

	<u>State Board of Education (SBE) Bond Fund</u>			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
State:				
CO and DS Withheld for SBE/COBI Bonds	\$ 1,454,969	\$ 1,432,666	\$ 1,432,666	\$
Other State Sources		(163)	(163)	
Total State	1,454,969	1,432,503	1,432,503	
Total Revenues	1,454,969	1,432,503	1,432,503	
EXPENDITURES				
Debt Service:				
Principal	1,100,000	1,100,000	1,100,000	
Interest and Fiscal Charges	354,969	363,358	363,358	
Total Expenditures	1,454,969	1,463,358	1,463,358	
Deficiency of Revenues Over Expenditures		(30,855)	(30,855)	
Other Financing Sources (Uses)				
Refunded Bonds Issued		2,625,000	2,625,000	
Premium on Refunded Bonds		255,174	255,174	
Payments to Refunded Bond Escrow Agent		(2,872,719)	(2,872,719)	
Total Other Financing Sources (Uses)		7,455	7,455	
Net Change in Fund Balances		(23,400)	(23,400)	
Fund Balances, July 1, 2011	198,092	198,092	198,092	
Fund Balances, June 30, 2012	\$ 198,092	\$ 174,692	\$ 174,692	\$ 0

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:

Major Capital Projects Funds

Capital Projects - Other Fund – To account for and report on funds received from various sources designated for construction and maintenance of schools.

Local Capital Improvement Fund - To account for the financial resources generated by the local capital improvement tax levy to be used for educational capital outlay needs, including new construction, renovation and remodeling projects, and debt service payments on certificates of participation.

Nonmajor Capital Projects Funds

Capital Outlay and Debt Service Fund – To account for and report on the excess dollars received through the State's Capital Outlay/Debt Service (CO/DS) program, used for construction and maintenance of schools.

Public Education Capital Outlay Fund – To account for and report on funds received from the State for the construction and maintenance of schools.

State Board of Education (SBE) Bond Fund – To account for and report on proceeds received from the bonds issued by the State Board of Education on behalf of the District.

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
CAPITAL PROJECTS FUND - LOCAL CAPITAL IMPROVEMENT
For the Fiscal Year Ended June 30, 2012

	Local Capital Improvement Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Local:				
Property Taxes	\$ 21,414,343	\$ 21,989,423	\$ 21,989,423	\$
Interest Income		12,208	12,209	
Total Local	21,414,343	22,001,631	22,001,632	
Total Revenues	21,414,343	22,001,631	22,001,632	
EXPENDITURES				
Current - Education:				
Facility Services:				
Furniture, Fixtures, and Equipment	340,382	1,886,179	1,400,307	485,872
Improvements Other Than Buildings	399,664	435,161	371,008	64,153
Remodeling and Renovations	2,752,789	3,431,033	2,039,715	1,391,318
Computer Software		205,203	77,454	127,749
Total Facility Services	3,492,835	5,957,576	3,888,484	2,069,092
Fixed Capital Outlay:				
Facilities Acquisition and Construction:				
Buildings and Fixed Equipment	30,000	30,000	29,447	553
Furniture, Fixtures, and Equipment	4,208,962	2,505,501	1,056,894	1,448,607
Motor Vehicles	2,382,311	2,456,386	81,200	2,375,186
Improvements Other Than Buildings	200,000	263,113	63,113	200,000
Remodeling and Renovations	16,344	65,059	48,715	16,344
Computer Software	676,964	796,395	143,875	652,520
Total Facilities Acquisition and Construction	7,514,581	6,116,454	1,423,244	4,693,210
Total Expenditures	11,007,416	12,074,030	5,311,728	6,762,302
Excess of Revenues Over Expenditures	10,406,927	9,927,601	16,689,904	6,762,302
Other Financing Uses				
Transfers Out	(16,487,517)	(15,609,847)	(14,965,597)	(644,250)
Total Other Financing Uses	(16,487,517)	(15,609,847)	(14,965,597)	(644,250)
Net Change in Fund Balances	(6,080,590)	(5,682,246)	1,724,307	6,118,052
Fund Balances, July 1, 2011	14,421,647	14,421,647	14,421,646	
Fund Balances, June 30, 2012	\$ 8,341,057	\$ 8,739,401	\$ 16,145,953	\$ 6,762,302

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
CAPITAL PROJECTS FUND - CAPITAL OUTLAY AND DEBT SERVICE
For the Fiscal Year Ended June 30, 2012

	Capital Outlay and Debt Service Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
State:				
CO and DS Distribution	\$ 200,000	\$ 155,363	\$ 155,363	\$
Other State Sources		17,131	17,131	
Total State	200,000	172,494	172,494	
Local:				
Interest Income		109	109	
Total Local		109	109	
Total Revenues	200,000	172,603	172,603	
EXPENDITURES				
Current - Education:				
Facility Services:				
Improvements Other Than Buildings	27,645	27,645	2,500	25,145
Remodeling and Renovations	1,029,006	1,000,983	547,632	453,351
Total Facility Services	1,056,651	1,028,628	550,132	478,496
Fixed Capital Outlay:				
Facilities Acquisition and Construction:				
Improvements Other Than Buildings	11,289	11,289		11,289
Total Facilities Acquisition and Construction	11,289	11,289		11,289
Debt Service:				
Dues and Fees		516	516	
Total Debt Service		516	516	
Total Expenditures	1,067,940	1,040,433	550,648	489,785
Excess (Deficiency) of Revenues Over Expenditures	(867,940)	(867,830)	(378,045)	489,785
Net Change in Fund Balances	(867,940)	(867,830)	(378,045)	489,785
Fund Balances, July 1, 2011	883,521	883,521	883,521	
Fund Balances, June 30, 2012	\$ 15,581	\$ 15,691	\$ 505,476	\$ 489,785

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
CAPITAL PROJECTS FUND - PUBLIC EDUCATION CAPITAL OUTLAY
For the Fiscal Year Ended June 30, 2012

	Public Education Capital Outlay Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
State:				
Public Education Capital Outlay	\$ -	\$ -	\$ -	\$ -
Total State	-	-	-	
Local:				
Interest Income		28	28	
Total Local		28	28	
Total Revenues	-	28	28	
EXPENDITURES				
Current - Education:				
Facility Services:				
Furniture, Fixtures, and Equipment				
Improvements Other Than Buildings				
Remodeling and Renovations	978,323	978,351	775,427	202,924
Total Facility Services	978,323	978,351	775,427	202,924
Fixed Capital Outlay:				
Facilities Acquisition and Construction:				
Improvements Other Than Buildings				
Remodeling and Renovations				-
Total Facilities Acquisition and Construction		-	-	-
Total Expenditures	978,323	978,351	775,427	202,924
Excess (Deficiency) of Revenues Over Expenditures	(978,323)	(978,323)	(775,399)	202,924
Other Financing Uses				
Transfers Out			-	
Total Other Financing Uses	-		-	
Net Change in Fund Balances	(978,323)		(775,399)	202,924
Fund Balances, July 1, 2011	978,323	978,323	978,323	
Fund Balances, June 30, 2012	\$ -	\$ -	\$ 202,924	\$ 202,924

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
CAPITAL PROJECTS FUND - STATE BOARD OF EDUCATION (SBE) BOND
For the Fiscal Year Ended June 30, 2012

State Board of Education (SBE) Bond Fund				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local:				
Interest Income	\$	31	\$ 31	\$
Total Local		31	31	
Total Revenues		31	31	
EXPENDITURES				
Current-Education:				
Facility Services:				
Remodeling and Renovations	242,574	242,605	242,605	
Total Facility Services	242,574	242,605	242,605	
Total Expenditures	242,574	242,605	242,605	
Deficiency of Revenues Over Expenditures	(242,574)	(242,574)	(242,574)	
Net Change in Fund Balances	(242,574)	(242,574)	(242,574)	
Fund Balances, July 1, 2011	242,574	242,574	242,574	
Fund Balances, June 30, 2012	\$ 0	\$ -	\$ -	\$ -

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
CAPITAL PROJECTS FUND - OTHER CAPITAL PROJECTS
For the Fiscal Year Ended June 30, 2012

	Other Capital Projects Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
State:				
Charter School Capital Outlay	\$ 332,356	\$ 290,504	\$ 290,504	\$ -
Total State	332,356	290,504	290,504	
Local:				
Sales Taxes	20,000,000	20,135,054	20,135,054	-
Interest Income		75,831	75,831	-
Total Local	20,000,000	20,210,885	20,210,885	-
Total Revenues	20,332,356	20,501,389	20,501,389	-
EXPENDITURES				
Current - Education:				
Facility Services:				
Furniture, Fixtures, and Equipment	665,354	1,454,669	1,313,948	140,721
Improvements Other Than Buildings	758,057	717,806	356,399	361,407
Remodeling and Renovations	14,237,209	23,064,247	6,600,925	16,463,322
Computer Software	1,448	137,450	136,002	1,448
Total Facility Services	15,662,068	25,374,172	8,407,274	16,966,898
Fixed Capital Outlay:				
Facilities Acquisition and Construction				
Buildings and Fixed Equipment	47,101,904	45,897,011	7,028,804	38,868,207
Furniture, Fixtures, and Equipment	2,244,221	921,822	736,680	185,142
Land	869,819	1,218,000		1,218,000
Improvements Other Than Buildings	1,454,210	3,569,946	1,194,636	2,375,310
Remodeling and Renovations	1,609,515	1,732,070	922,114	809,956
Total Facilities Acquisition and Construction	53,279,669	53,338,849	9,882,234	43,456,615
Total Expenditures	68,941,737	78,713,021	18,289,508	60,423,513
Deficiency of Revenues Over Expenditures	(48,609,381)	(58,211,632)	2,211,881	60,423,513
Other Financing Sources (Uses)				
Sale of Fixed Assets		1,669,973	1,669,973	
Transfers Out	(332,356)	(1,190,504)	(1,190,504)	
Total Other Financing Sources (Uses)	(332,356)	479,469	479,469	
Net Change in Fund Balances	(48,941,737)	(57,732,163)	2,691,350	60,423,513
Fund Balances, July 1, 2011	63,974,478	63,974,478	63,974,478	
Fund Balances, June 30, 2012	\$ 15,032,741	\$ 6,242,315	\$ 66,665,828	\$ 60,423,513

Internal Service Funds

Internal service funds are nonmajor proprietary funds and are reported as Governmental-Type Activities. They are used to account for the financing of goods or services provided by one department to other departments within the District on a cost reimbursement basis. The following funds are included in the internal service funds:

Risk Management Fund – To account for and report on funds received for and used by the District’s self-insured property, casualty, liability, and workers’ compensation program.

Employee Benefit Trust Fund – To account for and report on funds received for and used to pay for life, health, and dental insurance issued under the District’s self-insurance program.

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
PROPRIETARY FUNDS - ALL INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
June 30, 2012

	Governmental Activities		
	Proprietary Funds - Internal Service Funds		
	Self-Insurance		
	Risk Management Fund	Employee Benefit Trust Fund	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 23,759,837	\$ 12,160,440	\$ 35,920,277
Accounts Receivable	63,288	122,670	185,958
Due from Other Funds	11,111		11,111
TOTAL ASSETS	\$ 23,834,236	\$ 12,283,110	\$ 36,117,346
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$	\$ 363,074	\$ 363,074
Due to Other Funds		936	936
Unearned Revenue		3,401,113	3,401,113
Estimated Insurance Claims Payable	3,025,130	4,503,599	7,528,729
Total Current Liabilities	3,025,130	8,268,722	11,293,852
Non-Current Liabilities:			
Estimated Insurance Claims Payable	20,809,106		20,809,106
Total Liabilities	23,834,236	8,268,722	32,102,958
NET ASSETS			
Restricted for Employee Benefits		4,014,388	4,014,388
Total Net Assets		4,014,388	4,014,388
TOTAL LIABILITIES AND NET ASSETS	\$ 23,834,236	\$ 12,283,110	\$ 36,117,346

DISTRICT SCHOOL BOARD OF ESCAMBA COUNTY, FLORIDA
PROPRIETARY FUNDS - ALL INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
For the Fiscal Year Ended June 30, 2012

	Governmental Activities		
	Proprietary Funds - Internal Service Funds		
	Self-Insurance		
	Risk Management Fund	Employee Benefit Trust Fund	Total
OPERATING REVENUES			
Premium Revenues	\$ 3,821,119	\$ 39,222,016	\$ 43,043,135
Other		300,775	300,775
Total Operating Revenues	3,821,119	39,522,791	43,343,910
OPERATING EXPENSES			
Salaries	252,256	232,352	484,608
Employees Benefits	56,892	57,738	114,630
Purchased Services	297,116	3,643,515	3,940,631
Energy Services	1,644	695	2,339
Material and Supplies	3,673	1,553	5,226
Insurance Claims	3,211,278	34,008,134	37,219,412
Other	848	3,302,308	3,303,156
Total Operating Expenses	3,823,707	41,246,295	45,070,002
Operating Loss	(2,588)	(1,723,504)	(1,726,092)
NONOPERATING REVENUES			
Interest	2,588	17,462	20,050
Total Nonoperating Revenues	2,588	17,462	20,050
Loss Before Transfers		(1,706,042)	(1,706,042)
Transfer In		392,999	392,999
Change in Net Assets		(1,313,043)	(1,313,043)
Total Net Assets, July 1		5,327,431	5,327,431
Total Net Assets, June 30	\$ 0	\$ 4,014,388	\$ 4,014,388

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
PROPRIETARY FUNDS - ALL INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2012

	Governmental Activities		
	Proprietary Funds - Internal Service Funds		
	Self-Insurance		
	Risk Management Fund	Employee Benefit Trust Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Board Funds and Participants	\$ 3,810,007	\$ 39,665,016	\$ 43,475,023
Cash Payments to Suppliers for Goods and Services	(308,023)	(5,381,307)	(5,689,330)
Cash Payments to Employees for Services	(309,148)	(289,981)	(599,129)
Cash Payments for Insurance Claims	(3,200,165)	(35,224,129)	(38,424,294)
Net Cash Provided (Used) by Operating Activities	(7,329)	(1,230,401)	(1,237,730)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from Other Funds		392,999	392,999
Net Cash Provided by Noncapital Financing Activities		392,999	392,999
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale of Investments		7,001,601	7,001,601
Interest Income	4,404	17,462	21,866
Net Cash Provided by Investment Activities	4,404	7,019,063	7,023,467
Net Increase (Decrease) in Cash and Cash Equivalents	(2,925)	6,181,661	6,178,736
Beginning Cash and Cash Equivalents	23,762,762	5,978,779	29,741,541
Ending Cash and Cash Equivalents	\$ 23,759,837	\$ 12,160,440	\$ 35,920,277
Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities:			
Operating Loss	\$ (2,588)	\$ (1,723,504)	\$ (1,726,092)
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:			
Changes in Assets and Liabilities:			
Increase in Accounts Receivable		(5,134)	(5,134)
Increase in Due From Other Funds	(11,111)		(11,111)
Decrease in Accounts Payable		(30,794)	(30,794)
Increase in Due to Other Funds		108	108
Decrease in Due to Other Agencies	(4,741)		(4,741)
Increase in Unearned Revenue		147,360	147,360
Increase in Estimated Insurance Claims Payable	11,111	381,563	392,674
Total Adjustments	(4,741)	493,103	488,362
Net Cash Provided (Used) by Operating Activities	\$ (7,329)	\$ (1,230,401)	\$ (1,237,730)

Agency Funds

Agency funds are fiduciary funds and are used to account for resources held by the District in a trustee capacity or as an agent for individuals or private organizations. These resources include student and club activities funds that are held in trust for student, athletic, class, club activities, etc., and a voluntary employee benefits program.

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
June 30, 2012

	<u>Total</u>	<u>Agency Funds</u>	
		<u>Student and Club Activities</u>	<u>Employee Benefits</u>
ASSETS			
Cash	\$ 3,247,706	\$ 2,711,166	\$ 536,540
LIABILITIES			
Due to Other Funds	\$ 103,523	\$ 103,523	\$ -
Payroll Deductions and Withholdings	536,540		536,540
Internal Accounts Payable	2,607,643	2,607,643	
Total Liabilities	\$ 3,247,706	\$ 2,711,166	\$ 536,540

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS - AGENCY FUNDS
June 30, 2012

	Student and Club Activities			June 30, 2012
	June 30, 2011	Additions	Deletions	
Assets				
Cash	\$ 2,726,813	\$ 6,511,143	\$ 6,526,790	\$ 2,711,166
Liabilities				
Due to Other Funds	\$ -	\$ 103,523	\$ -	\$ 103,523
Internal Accounts Payable	2,726,813	6,407,620	6,526,790	2,607,643
Total Liabilities	\$ 2,726,813	\$ 6,511,143	\$ 6,526,790	\$ 2,711,166

	Employee Benefits Program			June 30, 2012
	June 30, 2011	Additions	Deletions	
Assets				
Cash	\$ 764,885	\$ 958,179	\$ 1,186,524	\$ 536,540
Liabilities				
Payroll Deductions and Withholdings	\$ 764,885	\$ 958,179	\$ 1,186,524	\$ 536,540

	Total			June 30, 2012
	June 30, 2011	Additions	Deletions	
Assets				
Cash	\$ 3,491,698	\$ 7,469,322	\$ 7,713,314	\$ 3,247,706
Liabilities				
Due to Other Funds	\$ -	\$ 103,523	\$ -	\$ 103,523
Internal Accounts Payable	2,726,813	6,407,620	6,526,790	2,607,643
Payroll Deductions and Withholdings	764,885	958,179	1,186,524	536,540
Total Liabilities	\$ 3,491,698	\$ 7,469,322	\$ 7,713,314	\$ 3,247,706

Discretely Presented Component Units

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

Nonmajor Discretely Presented Component Units

The Escambia County Public Schools Foundation for Excellence, Inc., (Foundation) is a not-for-profit corporation organized and operated as a direct-support organization under Section 1001.453, Florida Statutes, to raise funds, receive, hold, invest, and administer property and to make expenditures for the benefit of the District. Section 1001.453 Florida Statutes, requires the Foundation to be authorized and approved by the District. The stated mission of the Foundation is to enhance the quality of education in Escambia County Public Schools through raising and distributing funds and in-kind contributions, fostering involvement in the public schools by business and community, and by providing recognition and rewards for outstanding contributions to and performance within the public school system. The Foundation is considered to be a component unit of the District because the District must approve all members of the Foundation board and the District has the ability to impose its will on the Foundation. It is considered to be a discretely presented component unit because the two boards are not the same.

Escambia Charter School, Inc., Beulah Academy of Science, Inc., Byrneville Elementary School, Inc., Jacqueline Harris Preparatory Academy, A.A. Dixon Charter School of Excellence, Pensacola Beach Elementary School, Inc., Newpoint Pensacola Academy Middle School, and Newpoint Pensacola Academy High School, (Charter Schools) are separate not-for-profit corporations organized pursuant to Chapter 617, Florida Statutes, the Florida Not For Profit Corporation Act, and Section 1002.33, Florida Statutes. These eight charter schools operate under charters approved by their sponsor, the Board, and are considered to be component units of the District since they cannot levy taxes and are fiscally dependent on the District to levy taxes for their support.

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF NET ASSETS
COMPONENT UNITS
June 30, 2012

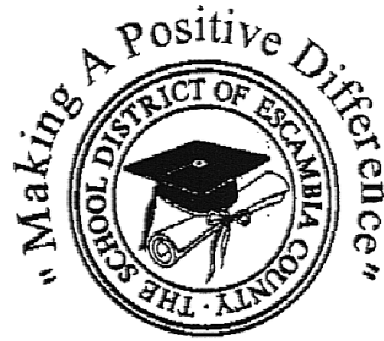
	Charter Schools				
	<i>Beulah Academy of Science, Inc.</i>	<i>Jacqueline Harris Preparatory Academy</i>	<i>Pensacola Beach Elementary School, Inc.</i>	<i>Escambia Charter School, Inc.</i>	<i>A. A. Dixon Charter School of Excellence, Inc.</i>
ASSETS					
Cash and Cash Equivalents	\$ 743,862	\$ 60,650	\$ 1,087,665	\$ 401,983	\$ 22,871
Investments					
Accounts Receivable		44,209	5,774	4,000	4,561
Deposits Receivable		1,016			
Prepaid Items	14,840		32,811	10,201	4,856
Due from Other Agencies			166,739		
Capital Assets:					
Non-Depreciable Capital Assets	428,690				
Depreciable Capital Assets, Net	1,728,874	333,202	2,023,381	261,560	120,051
Total Assets	\$ 2,916,266	\$ 439,077	\$ 3,316,370	\$ 677,744	\$ 152,339
LIABILITIES					
Accounts Payable and Other Current Liabilities	\$ 11,969	\$ 29,593	\$ 261,780	\$ 20,040	\$ 90,986
Non-Current Liabilities:					
Portion Due or Payable Within One Year:					
Notes Payable	197,146	52,791		9,646	
Obligations Under Capital Leases	1,672	47,554		3,273	
Compensated Absences Payable			12,032	5,470	
Portion Due or Payable After One Year:					
Notes Payable	842,755	87,478			
Obligations Under Capital Leases	5,074			3,618	
Compensated Absences Payable			17,350	9,784	
Total Liabilities	1,058,616	217,416	291,162	51,831	90,986
NET ASSETS					
Invested in Capital Assets, Net of Related Debt	1,110,917	145,379	1,878,429	245,023	120,051
Restricted for:					
Debt Service	140,000				
Capital Projects			23,893		
Other Purposes - Other Required Carryover Programs					
Unrestricted	606,733	76,282	1,122,886	380,890	(58,698)
Total Net Assets - Component Units	1,857,650	221,661	3,025,208	625,913	61,353
TOTAL LIABILITIES AND NET ASSETS	\$ 2,916,266	\$ 439,077	\$ 3,316,370	\$ 677,744	\$ 152,339

Charter Schools				The Escambia County Public Schools Foundation for Excellence, Inc.	Total Component Units
Newpoint Pensacola Academy Middle School	Newpoint Pensacola Academy High School	Byrneville Elementary School, Inc.	Total Charter Schools		
\$ 6,951	\$ 2,596	\$ 809,828	\$ 3,136,406	\$ 200,550	\$ 3,336,956
				260,311	260,311
			58,544	109,062	167,606
			1,016		1,016
18,000		2,519	83,227	63,294	146,521
34,525	62,870		264,134		264,134
			428,690		428,690
117,235	119,231	151,778	4,855,312	706	4,856,018
<u>\$ 176,711</u>	<u>\$ 184,697</u>	<u>\$ 964,125</u>	<u>\$ 8,827,329</u>	<u>\$ 633,923</u>	<u>\$ 9,461,252</u>
\$ 59,376	\$ 65,366	\$ 31,689	\$ 570,799	\$ 85,401	\$ 656,200
			259,583		259,583
			52,499		52,499
		10,478	27,980		27,980
			930,233		930,233
			8,692		8,692
		2,146	29,280		29,280
59,376	65,366	44,313	1,879,066	85,401	1,964,467
117,235	119,231	151,778	3,888,043	706	3,888,749
			140,000		140,000
			23,893		23,893
				397,944	397,944
100	100	768,034	2,896,327	149,872	3,046,199
117,335	119,331	919,812	6,948,263	548,522	7,496,785
<u>\$ 176,711</u>	<u>\$ 184,697</u>	<u>\$ 964,125</u>	<u>\$ 8,827,329</u>	<u>\$ 633,923</u>	<u>\$ 9,461,252</u>

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF ACTIVITIES - COMPONENT UNITS
For the Fiscal Year Ended June 30, 2012

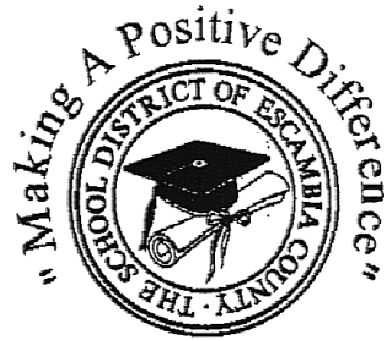
	Charter Schools			
	Beulah Academy of Science, Inc.	Jacqueline Harris Preparatory Academy	Pensacola Beach Elementary School, Inc.	Escambia Charter School, Inc.
Functions/Programs				
Expenses:				
Governmental Activities:				
Instruction	\$ 655,376	\$ 419,877	\$ 493,426	\$ 471,405
Pupil Personnel Services	2,846			41,084
Instructional Media Services	1,307		270	6,710
Instruction and Curriculum Development Services		1,695	1,342	1,141
Instructional Staff Training Services	240	7,138	60	500
Instructional Related Technology			27,635	
Board of Education		2,403		397
General Administration	276	7,371	12,378	
School Administration	245,296	350,039	145,406	5,901
Facility Services	6,059		351,829	26,110
Fiscal Services	12,500	36,650	26,285	39,512
Food Services	172,339	264	228	
Central Services	90,370			57,196
Pupil Transportation Services	180,286	130,458	22,732	183,783
Operation of Plant	166,444	213,621	8,120	53,037
Maintenance of Plant	63,884	55,758	4,731	14,697
Community Services				
Unallocated Expenses				
Unallocated Interest on Long-Term Debt	61,138	33,504		2,547
Unallocated Depreciation Expense	1,827			
Total Expenses	<u>1,660,188</u>	<u>1,258,778</u>	<u>1,094,442</u>	<u>904,020</u>
Program Revenues:				
Charges for Services	64,635		140,400	
Operating Grants and Contributions	240,354	67,390	20,819	138,941
Capital Grants and Contributions		63,940	114,630	
Total Program Revenues	<u>304,989</u>	<u>131,330</u>	<u>275,849</u>	<u>138,941</u>
Net Program Expense	<u>(1,355,199)</u>	<u>(1,127,448)</u>	<u>(818,593)</u>	<u>(765,079)</u>
General Revenues and Special Item:				
Grants and Contributions Not Restricted to Specific Programs	1,425,017	1,068,945	806,755	711,363
Unrestricted Investment Expense			18,410	1,147
Miscellaneous	4,520	11,495		12,454
Total General Revenues	<u>1,429,537</u>	<u>1,080,440</u>	<u>825,165</u>	<u>724,964</u>
Changes in Net Assets	74,338	(47,008)	6,572	(40,115)
Net Assets, July 1, 2011	<u>1,783,312</u>	<u>268,669</u>	<u>3,018,636</u>	<u>666,028</u>
Net Assets, June 30, 2012	<u>\$ 1,857,650</u>	<u>\$ 221,661</u>	<u>\$ 3,025,208</u>	<u>\$ 625,913</u>

Charter Schools						The Escambia County Public Schools Foundation for Excellence, Inc.	Total Component Units
A. A. Dixon Charter School, of Excellence, Inc.	Newpoint Pensacola Academy Middle School	Newpoint Pensacola Academy High School	Byrneville Elementary School, Inc.	Total Charter Schools			
\$ 594,196	\$ 442,963	\$ 298,086	\$ 661,579	\$ 4,036,908	\$	\$	\$ 4,036,908
9,044	28,026	5,963	7,825	94,788			94,788
				8,287			8,287
12,848				17,026			17,026
	765	4,778	6,481	19,962			19,962
	24,613	24,703		76,951			76,951
42,562	224,115	99,263		368,740			368,740
			21,326	41,351			41,351
198,803	179,727	102,256	162,099	1,389,527			1,389,527
16,000	105,000		3,338	508,336			508,336
35,006	25,072	10,968	12,270	198,263			198,263
23,088	5,622	4,158	13,588	219,287			219,287
				147,566			147,566
68,501	1,500		51,373	638,633			638,633
95,740	42,258	33,847	72,857	685,924			685,924
2,853	16,048	8,681	243	166,895			166,895
11,135		100		11,235			11,235
					816,607		816,607
				97,189			97,189
17,849	22,935	23,289		65,900			65,900
<u>1,127,625</u>	<u>1,118,644</u>	<u>616,092</u>	<u>1,012,979</u>	<u>8,792,768</u>	<u>816,607</u>		<u>9,609,375</u>
			12,201	217,236			217,236
116,319	225,541	253,604	32,915	1,095,883			1,095,883
				178,570			178,570
<u>116,319</u>	<u>225,541</u>	<u>253,604</u>	<u>45,116</u>	<u>1,491,689</u>			<u>1,491,689</u>
<u>(1,011,306)</u>	<u>(893,103)</u>	<u>(362,488)</u>	<u>(967,863)</u>	<u>(7,301,079)</u>	<u>(816,607)</u>		<u>(8,117,686)</u>
1,056,208	1,010,438	481,819	919,144	7,479,689	848,431		8,328,120
			6,422	25,979	1,698		27,677
				28,469			28,469
<u>1,056,208</u>	<u>1,010,438</u>	<u>481,819</u>	<u>925,566</u>	<u>7,534,137</u>	<u>850,129</u>		<u>8,384,266</u>
44,902	117,335	119,331	(42,297)	233,058	33,522		266,580
16,451	-	-	962,109	6,715,205	515,000		7,230,205
<u>\$ 61,353</u>	<u>\$ 117,335</u>	<u>\$ 119,331</u>	<u>\$ 919,812</u>	<u>\$ 6,948,263</u>	<u>\$ 548,522</u>		<u>\$ 7,496,785</u>



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STATISTICAL SECTION



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STATISTICAL SECTION

This part of the District School Board of Escambia 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 Board's overall financial health.

Contents	Page
Financial Trends <i>These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.</i>	103
Revenue Capacity <i>These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.</i>	111
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	117
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.</i>	119
Operating Information <i>These schedules contain service data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.</i>	123

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
NET ASSETS BY COMPONENT - GOVERNMENT-WIDE
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year Ending		
	June 30, 2003	June 30, 2004	June 30, 2005
Governmental Activities:			
Invested in Capital Assets, Net of Related Debt	\$ 147,586,093	\$ 154,090,375	\$ 163,801,365
Restricted	53,219,958	59,376,537	73,009,496
Unrestricted	<u>(23,503,134)</u>	<u>(20,340,709)</u>	<u>(22,151)</u>
Total Governmental Activities Net Assets	<u>177,302,917</u>	<u>193,126,203</u>	<u>236,788,710</u>
Business-Type Activities:			
Invested in Capital Assets, Net of Related Debt	860	486	
Restricted	29,616	2,213	9,518
Unrestricted	<u> </u>	<u> </u>	<u> </u>
Total Business-Type Activities Net Assets	<u>30,476</u>	<u>2,699</u>	<u>9,518</u>
Primary Government:			
Invested in Capital Assets, Net of Related Debt	147,586,953	154,090,861	163,801,365
Restricted	53,249,574	59,378,750	73,019,014
Unrestricted	<u>(23,503,134)</u>	<u>(20,340,709)</u>	<u>(22,151)</u>
Total Primary Government Net Assets	<u>\$ 177,333,393</u>	<u>\$ 193,128,902</u>	<u>\$ 236,798,228</u>

Source: District Records

Fiscal Year Ending						
June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012
\$ 165,456,952	\$ 178,915,643	\$ 188,476,535	\$ 219,815,751	\$ 225,400,496	\$ 252,115,638	\$ 254,218,697
104,744,385	128,677,400	141,958,454	123,598,721	134,790,510	107,465,893	115,478,880
(4,437,218)	(5,337,670)	(8,743,741)	(8,902,576)	(3,287,909)	22,166,216	5,025,406
<u>265,764,119</u>	<u>302,255,373</u>	<u>321,691,248</u>	<u>334,511,896</u>	<u>356,903,097</u>	<u>381,747,747</u>	<u>374,722,983</u>
9,504	12,755					
<u>9,504</u>	<u>12,755</u>					
165,456,952	178,915,643	188,476,535	219,815,751	225,400,496	252,115,638	254,218,697
104,744,385	128,677,400	141,958,454	123,598,721	134,790,510	107,465,893	115,478,880
(4,427,714)	(5,324,915)	(8,743,741)	(8,902,576)	(3,287,909)	22,166,216	5,025,406
<u>\$ 265,773,623</u>	<u>\$ 302,268,128</u>	<u>\$ 321,691,248</u>	<u>\$ 334,511,896</u>	<u>\$ 356,903,097</u>	<u>\$ 381,747,747</u>	<u>\$ 374,722,983</u>

DISTRICT SHOO BOARD OF ESCAMBIA COUNTY, FLORIDA
CHANGES IN NET ASSETS - GOVERNMENT-WIDE
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year Ending									
	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012
Primary Government:										
Expenses:										
Governmental Activities:										
Instruction	\$ 148,379,688	\$ 155,887,571	\$ 166,893,196	\$ 184,674,639	\$ 200,035,407	\$ 210,699,076	\$ 205,755,887	\$ 205,951,789	\$ 209,265,786	\$ 197,679,286
Pupil Personnel Services	14,640,383	15,203,973	15,476,153	16,289,854	17,710,197	17,159,487	16,952,375	16,858,395	16,848,558	15,147,309
Instructional Media Services	4,732,436	4,963,139	4,821,902	5,471,588	5,877,497	5,591,263	5,302,170	4,761,283	4,772,147	4,223,246
Instruction and Curriculum Development Services	10,443,906	11,121,191	11,689,669	10,324,742	11,939,007	11,812,859	10,898,048	11,197,176	11,008,291	9,883,085
Instructional Staff Training Services	3,356,182	3,846,981	5,449,226	7,157,151	7,408,236	7,787,869	7,202,670	8,724,396	8,633,858	7,502,117
Instruction Related Technology				2,677,467	2,777,732	3,267,448	3,105,661	3,923,575	4,254,642	4,054,693
Board of Education	1,035,031	1,006,635	999,642	1,063,889	1,063,256	1,212,416	1,169,146	1,564,164	1,444,331	1,353,109
General Administration	767,721	2,006,341	2,100,671	1,741,746	1,369,805	1,525,336	1,609,860	3,003,731	2,653,708	1,518,541
School Administration	14,170,283	13,945,547	13,769,779	14,577,098	15,866,203	15,674,843	14,449,919	14,170,094	14,358,227	13,427,115
Facility Services	25,371,556	24,038,082	27,337,176	37,322,496	37,396,130	31,604,053	22,275,464	17,510,854	15,698,815	16,667,247
Fiscal Services	2,130,256	2,102,778	2,023,565	2,104,460	2,255,833	2,386,653	2,211,047	2,184,481	2,299,755	2,180,152
Food Service	15,524,550	16,563,724	16,988,160	18,021,854	18,952,187	18,578,045	18,394,973	18,879,371	18,486,692	20,414,794
Central Services	5,792,717	5,696,036	5,543,354	3,440,807	4,160,563	5,103,314	3,830,766	3,857,958	3,967,315	4,629,028
Pupil Transportation Services	14,423,377	14,997,131	14,984,538	15,593,018	17,173,433	17,894,762	18,143,178	17,537,020	18,863,979	18,651,437
Operation of Plant	21,020,078	21,494,975	22,312,201	23,119,212	27,270,568	28,308,033	27,722,642	28,935,143	28,489,116	28,363,047
Maintenance of Plant	5,364,336	9,738,735	22,204,545	19,020,854	13,854,263	11,875,929	11,125,532	10,704,965	11,255,993	10,749,457
Administrative Technology Services				3,670,920	3,712,180	3,813,897	3,719,871	3,681,151	3,781,038	3,891,979
Community Services	933,994	740,474	674,314	694,296	709,533	897,108	985,155	1,242,581	1,084,175	1,253,975
Interest and Fiscal Charges	4,813,325	4,454,513	3,771,756	3,181,513	3,650,125	3,251,291	2,876,984	2,843,124	2,643,630	2,404,644
Loss on Disposal of Capital Assets		1,281,080	1,126,173	1,006,503	3,653,313	334,149	1,123,337			
Unallocated Depreciation	17,721,728	8,803,524	8,924,399							
Total Governmental Activities Expenses	310,621,547	317,892,430	347,090,419	371,154,107	396,835,468	398,777,831	378,854,685	377,531,251	379,810,056	363,994,261
Business-Type Activities:										
Panhandle Management Development Network	94,361	85,300	46,637	47,785	65,894	8,000				
Total Business-Type Activities Expenses	94,361	85,300	46,637	47,785	65,894	8,000				
Total Primary Government Expenses	310,715,908	317,977,730	347,137,056	371,201,892	396,901,362	398,785,831	378,854,685	377,531,251	379,810,056	363,994,261
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Instruction	1,373,975	1,249,100	1,213,461	1,163,378	1,186,281	1,221,058	1,146,218	1,394,372	1,344,462	1,302,174
Food Services	5,112,183	5,238,245	5,088,795	5,833,058	6,104,082	5,901,163	5,753,396	5,282,975	5,195,911	4,734,992
Transportation							457,021	415,479	262,892	437,998
Operating Grants and Contributions	22,705,666	22,377,627	23,087,951	23,186,429	23,196,783	22,893,049	23,782,878	13,816,659	14,392,698	15,000,374
Capital Grants and Contributions	5,405,474	9,783,044	6,884,765	6,626,047	14,393,520	12,787,860	5,549,903	2,872,668	11,338,456	1,966,452
Total Governmental Activities Program Revenues	34,597,298	38,648,016	36,274,972	36,808,912	44,880,666	42,803,130	36,689,416	23,782,153	32,534,419	23,441,990

(Continued) (Continued)

DISTRICT SHOOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
CHANGES IN NET ASSETS - GOVERNMENT-WIDE
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year Ending									
	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012
Business-Type Activities:										
Charges for Services	\$ 68,672	\$ 57,327	\$ 53,187	\$ 47,598	\$ 68,770	\$	\$	\$	\$	\$
Total Business-Type Activities Program Revenues	68,672	57,327	53,187	47,598	68,770					
Total Primary Government Program Revenues	34,665,970	38,705,343	36,328,159	36,856,510	44,949,436	42,803,130	36,689,416	23,782,153	32,534,419	23,441,990
Net (Expenses)/Revenues										
Governmental Activities	(276,024,249)	(279,244,414)	(310,815,447)	(334,345,195)	(351,954,802)	(355,974,701)	(342,165,269)	(353,749,098)	(347,275,637)	(340,552,271)
Business-Type Activities	(25,689)	(27,973)	6,550	(187)	2,876	(8,000)				
Total Primary Government Net Expenses	(276,049,938)	(279,272,387)	(310,808,897)	(334,345,382)	(351,951,926)	(355,982,701)	(342,165,269)	(353,749,098)	(347,275,637)	(340,552,271)
General Revenues and Other Changes in Net Assets:										
Governmental Activities:										
Property Taxes:										
Levied for Operational Purposes	60,456,419	63,387,027	69,965,606	65,457,064	81,045,039	85,413,366	97,379,871	106,137,711	99,288,288	92,658,245
Levied for Capital Projects	17,457,807	18,720,521	21,828,682	21,702,808	27,507,116	29,869,892	27,210,547	20,066,464	18,435,553	21,989,423
Local Sales Taxes	17,349,378	18,321,536	22,265,741	22,770,190	21,969,232	20,655,828	19,438,020	18,742,256	19,643,663	20,135,054
Grants and Contributions Not Restricted to Specific Programs	180,952,272	189,999,251	197,604,758	221,882,698	225,973,513	224,459,137	204,808,168	224,485,318	230,271,976	195,648,584
Unrestricted Investment Earnings	1,334,820	1,148,147	2,485,859	6,555,524	8,754,067	5,787,426	1,743,725	492,008	295,489	158,475
Miscellaneous	1,182,760	3,491,218	5,162,918	2,941,087	3,015,536	4,756,160	3,319,666	6,216,542	4,185,317	2,937,726
Loss Recoveries			35,164,391	22,011,233	20,181,553	4,464,012	1,085,919			
Transfers						4,755				
Total Governmental Activities	278,733,456	295,067,700	354,477,955	363,320,604	388,446,056	375,410,576	354,985,916	376,140,299	372,120,286	333,527,507
Business-Type Activities:										
Transfers						(4,755)				
Investment Earnings		196	269	173	375					
Total Business-Type Activities		196	269	173	375	(4,755)				
Total Primary Government General Revenues and Other Changes in Net Assets	278,733,456	295,067,896	354,478,224	363,320,777	388,446,431	375,405,821	354,985,916	376,140,299	372,120,286	333,527,507
Changes in Net Assets:										
Governmental Activities	2,709,207	15,823,286	43,662,508	28,975,409	36,491,254	19,435,875	12,820,647	22,391,201	24,844,649	(7,024,764)
Business-Type Activities	(25,689)	(27,777)	6,819	(14)	3,251	(12,755)				
Total Primary Government	\$ 2,683,518	\$ 15,795,509	\$ 43,669,327	\$ 28,975,395	\$ 36,494,505	\$ 19,423,120	\$ 12,820,647	\$ 22,391,201	\$ 24,844,649	\$ (7,024,764)

Source: District Records

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)

Post-GASB 54

	Fiscal Year Ending	
	June 30, 2011	June 30, 2012
General Fund		
Nonspendable	\$ 1,215,720	\$ 1,208,455
Restricted	9,184,279	13,311,648
Assigned	15,762,759	20,804,591
Unassigned	40,731,996	20,156,679
Total General Fund	\$ 66,894,754	\$ 55,481,373
All Other Governmental Funds		
Nonspendable	\$ 1,334,910	\$ 1,286,998
Restricted	92,954,183	95,657,391
Total All Other Governmental Funds	\$ 94,289,093	\$ 96,944,389

Pre-GASB 54

	Fiscal Year Ending			
	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006
General Fund				
Reserved for:				
Encumbrances	\$ 1,882,203	\$ 2,831,554	\$ 20,015,372	\$ 12,727,760
State Categorical Programs	1,652,485	3,983,729	1,559,107	3,391,398
Inventories	1,557,216	1,390,954	1,205,985	1,319,469
Legal Restrictions				
Other Purposes	1,344,288	3,135,501	1,757,006	1,381,969
Unreserved	10,512,434	10,080,983	15,541,028	20,703,572
Total General Fund	\$ 16,948,626	\$ 21,422,721	\$ 40,078,498	\$ 39,524,168
All Other Governmental Funds				
Reserved for:				
Debt Service	\$	\$	\$ 278,580	\$
Encumbrances	12,727,074	13,208,781	3,599,895	12,308,154
Inventories	1,111,230	811,738	1,137,894	1,148,835
Unreserved, Reported in:				
Special Revenue Funds	4,455,894	5,068,701	4,284,110	4,604,630
Debt Service Funds	1,120,715	1,244,181	344,816	2,915,269
Capital Projects Funds	33,381,242	36,080,185	55,401,026	67,713,542
Total All Other Governmental Funds	\$ 52,796,155	\$ 56,413,586	\$ 65,046,321	\$ 88,690,430

Source: District Records

Fiscal Year Ending			
<u>June 30, 2007</u>	<u>June 30, 2008</u>	<u>June 30, 2009</u>	<u>June 30, 2010</u>
\$ 11,191,867	\$ 2,352,701	\$ 1,336,715	\$ 1,609,721
5,202,838	4,293,074	7,549,726	12,581,661
1,356,364	1,422,407	1,316,108	1,270,326
	4,267,982	3,005,887	1,706,293
1,608,877			
<u>20,481,566</u>	<u>24,826,303</u>	<u>24,432,388</u>	<u>32,916,644</u>
<u>\$ 39,841,512</u>	<u>\$ 37,162,467</u>	<u>\$ 37,640,824</u>	<u>\$ 50,084,645</u>
\$	\$ 231,418	\$ 244,188	\$ 220,117
13,303,247	28,393,311	13,645,239	28,830,870
1,070,863	1,078,435	1,337,149	1,178,765
4,426,188	3,889,807	4,779,396	5,733,237
4,742,564	4,480,160	4,715,914	4,743,512
<u>86,377,339</u>	<u>84,573,574</u>	<u>78,322,174</u>	<u>66,064,908</u>
<u>\$ 109,920,201</u>	<u>\$ 122,646,705</u>	<u>\$ 103,044,060</u>	<u>\$ 106,771,409</u>

**DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (Modified Accrual Basis of Accounting)
 (Unaudited)**

	Fiscal Year Ending									
	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012
Revenues:										
Federal Direct:										
Federal Impact, Current Operations	\$ 1,233,674	\$ 1,280,899	\$ 1,294,911	\$ 923,300	\$ 1,152,581	\$ 1,183,926	\$ 1,018,679	\$ 765,872	\$ 920,990	\$ 724,457
Reserve Officers Training Corps (ROTC)	367,798	392,036	415,085	453,665	417,065	409,098	413,473	435,838	433,570	424,206
Other Federal Direct Sources	1,524,949	1,371,359	480,964	311,764	962,300	772,319	694,217	1,277,879	1,848,880	2,033,007
Total Federal Direct	3,126,421	3,044,294	2,190,960	1,688,729	2,531,946	2,365,343	2,126,369	2,479,589	3,203,440	3,181,670
Federal Through State and Local:										
Food Service	10,795,273	11,124,757	11,355,676	11,318,091	11,671,718	11,410,831	11,578,098	13,479,986	14,045,674	14,682,599
Other Federal Through State and Local Sources	28,382,641	30,940,397	33,193,175	38,520,498	35,048,555	31,078,529	35,881,314	61,469,091	64,993,242	34,657,795
Total Federal Through State and Local	39,177,914	42,065,154	44,548,851	49,838,589	46,720,273	42,489,360	47,459,412	74,949,077	79,038,916	49,340,394
State:										
Florida Education Finance Program (FEFP)	130,287,135	131,516,738	126,838,697	139,867,238	137,022,162	119,465,949	112,591,939	109,426,496	110,995,559	105,659,076
Workforce Development	5,023,407	4,989,038	5,109,994	5,228,544	5,432,193	5,272,821	5,041,903	4,632,491	4,532,780	4,765,518
Adults with Disabilities	291,344	292,962	292,946	293,265	292,671	270,706	241,255	230,654	219,164	187,087
Categorical Educational Programs	20,572,516	26,188,898	33,566,532	42,949,749	52,103,260	72,989,150	58,145,077	44,610,770	42,556,763	42,960,100
Discretionary Lottery Funds	2,976,815	1,977,606	2,261,868	1,964,953	1,586,871	1,880,022	942,182	106,881	143,196	125,912
CO and DS Distribution	205,043	181,261	175,119	171,673	191,946	383,269	259,043	228,989	179,241	155,363
CO and DS Withheld for SBE/COBI Bonds	1,382,986	1,398,835	1,414,448	1,409,332	1,384,081	1,270,660	1,377,051	1,383,223	1,408,787	1,449,634
Public Education Capital Outlay	3,709,360	3,746,833	4,215,818	4,200,190	5,493,269	6,231,986	3,264,046	821,950	2,262,924	
Classroom First Program										
School Infrastructure Trust										
Effort Index										
Class Size Reduction		4,385,854	969,616	660,491	6,995,090	4,061,135				
Food Service	452,487	423,314	394,459	371,017	371,943	367,566	360,688	336,673	347,024	317,775
Other State Sources	1,807,755	1,921,109	5,535,116	2,921,613	3,181,271	2,858,430	2,237,993	1,957,074	4,002,816	4,426,113
Total State	166,708,848	177,022,448	180,774,613	200,038,065	214,054,757	215,051,694	184,461,177	163,735,201	166,648,254	160,046,578
Local:										
Property Taxes	77,914,226	82,107,548	91,794,287	87,159,872	108,552,155	115,283,258	124,590,418	126,204,175	117,723,841	114,647,668
Charges for Food Service	5,112,183	5,238,245	5,088,796	5,833,058	6,104,082	5,901,163	5,753,396	5,282,976	5,195,911	4,734,991
Sales Taxes	17,349,378	18,321,536	22,265,741	22,770,190	21,969,232	20,655,828	19,438,020	18,742,256	19,643,663	20,135,054
Interest Income	1,263,196	1,049,558	2,225,860	5,855,365	7,854,187	5,232,574	1,683,864	453,046	281,179	141,013
Other Local Sources	2,556,734	4,740,319	5,022,851	4,104,466	4,201,818	5,976,239	4,922,904	6,201,739	5,423,005	4,289,095
Total Local	104,195,717	111,457,206	126,397,535	125,722,951	148,681,474	153,049,062	156,388,602	156,884,192	148,267,599	143,947,821
Total Revenues	313,208,900	333,589,102	353,911,959	377,288,334	411,988,450	412,955,459	390,435,560	398,048,059	397,158,209	356,516,463
Expenditures:										
Current:										
Instruction	148,588,919	156,391,058	170,618,643	181,014,101	194,003,980	204,278,206	198,766,964	198,539,780	199,014,371	189,523,811
Pupil Personnel Services	14,638,858	15,306,204	15,962,268	16,499,340	17,744,031	17,053,141	16,925,918	16,780,482	16,569,587	15,268,235
Instructional Media Services	4,738,314	4,982,034	4,953,218	5,556,320	5,866,894	5,461,659	5,271,893	4,700,758	4,594,243	4,142,086
Instruction and Curriculum Development Services	10,444,996	11,199,203	11,941,611	10,322,096	11,518,924	11,693,817	10,950,595	11,180,453	10,918,167	9,985,299
Instructional Staff Training Services	3,357,515	3,861,770	5,490,789	7,152,755	7,407,788	7,729,025	7,271,003	8,732,663	8,636,753	7,522,735
Instruction Related Technology (a)				2,531,278	2,777,316	2,814,699	2,725,577	3,468,362	3,742,020	3,551,024
Board of Education	1,036,285	1,010,844	1,018,539	898,235	1,062,728	1,206,764	1,157,359	1,543,620	1,413,818	1,325,749

(Continued)

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year Ending									
	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012
General Administration	\$ 768,364	\$ 2,006,576	\$ 2,116,662	\$ 1,749,728	\$ 1,360,405	\$ 1,504,389	\$ 1,621,018	\$ 2,963,753	\$ 2,545,919	\$ 1,405,283
School Administration	14,141,719	14,121,144	14,355,836	14,798,168	15,900,390	15,390,211	14,599,860	14,106,346	13,998,296	13,553,109
Facility Services	21,041,401	19,385,210	22,643,281	29,608,301	32,431,045	23,719,493	19,403,257	13,674,311	12,200,265	14,446,528
Fiscal Services	2,130,080	2,115,085	2,077,336	2,136,659	2,255,801	2,350,543	2,253,484	2,136,906	2,226,105	2,125,880
Food Service	15,532,370	16,599,856	17,059,157	17,712,161	18,687,353	18,262,744	17,937,965	18,256,402	17,787,701	19,800,947
Central Services	5,785,915	5,725,181	5,766,979	3,368,861	4,012,916	4,970,337	3,859,480	3,736,109	3,791,850	4,508,051
Pupil Transportation Services	13,517,857	14,030,520	14,263,018	14,588,532	15,868,321	16,496,816	16,637,566	15,783,172	16,556,430	16,865,818
Operation of Plant	21,043,491	21,530,190	22,520,423	23,246,435	27,282,271	28,281,523	27,700,704	28,862,677	28,290,543	28,074,548
Maintenance of Plant	5,374,729	9,759,126	22,408,399	17,443,160	12,293,035	11,547,704	10,806,804	10,268,080	10,813,898	10,196,603
Administrative Technology Services (a)				2,980,297	3,143,570	3,147,233	3,134,090	3,058,616	3,229,741	3,429,491
Community Services	934,695	740,476	674,314	694,296	709,533	896,030	985,155	1,239,929	1,081,523	1,251,320
Fixed Capital Outlay:										
Facilities Acquisition and Construction	26,981,209	13,510,274	12,417,729	11,629,269	24,593,503	21,385,160	38,905,555	15,875,764	33,036,849	11,405,823
Other Capital Outlay	3,596,899	3,292,953	4,858,396	4,746,264	3,768,805	3,174,268	2,451,582	3,080,669	2,949,474	1,723,958
Debt Service:										
Principal	7,063,889	6,816,652	8,658,207	4,477,131	4,455,384	4,434,860	4,541,769	4,380,125	4,221,187	4,213,595
Interest and Fiscal Charges	4,813,325	4,456,181	4,081,231	3,102,584	3,478,895	3,208,832	2,738,169	2,704,475	2,507,998	2,295,429
Total Expenditures	325,530,830	326,840,537	363,886,036	376,255,971	410,622,888	409,007,454	410,645,767	385,073,452	400,126,738	366,615,322
Excess (Deficiency) of Revenues Over Expenditures	(12,321,930)	6,748,565	(9,974,077)	1,032,363	1,365,562	3,948,005	(20,210,207)	12,974,607	(2,968,529)	(10,098,859)
Other Financing Sources (Uses)										
Notes Payable Issued		554,427								
Bonds Issued		742,516	369,633			1,295,000			225,000	-
Refunding Bonds Issued				3,260,000						2,625,000
Proceeds from Sale of Capital Assets	520,000	42,000				2,199		3,195,330		1,669,973
Loss Recoveries	46,582	4,018	36,517,919			4,750,744	1,085,919	1,233	7,474,473	45,345
Certificates of Participation Issued			22,725,000	20,000,000						1,124,561
Refunding Certificates of Participation Issued			(23,172,965)							
Inception of Capital Lease										
Premiums on Long-Term Debt Issued				301,935		46,756			19,346	255,174
Payment to Refunding Escrow Agent			823,002	(23,515,752)						(3,986,280)
Transfers In	8,599,185	14,057,259	14,363,168	12,851,686	14,218,508	15,448,151	15,817,649	11,996,925	11,369,796	16,156,101
Transfers Out	(8,599,185)	(14,057,259)	(14,363,168)	(12,851,686)	(14,218,508)	(15,443,396)	(15,817,649)	(11,996,925)	(11,792,293)	(16,549,100)
Total Other Financing Sources (Uses)	566,582	1,342,961	37,262,589	46,183	6,099,454	1,085,919	3,196,563	7,296,322	1,340,774	
Change in Fund Balances Before Extraordinary Items	(11,755,348)	8,091,526	27,288,512	1,078,546	1,365,562	10,047,459	(19,124,288)	16,171,170	4,327,793	(8,758,085)
Extraordinary Items				22,011,233	20,181,553					
Net Change in Fund Balances	(11,755,348)	8,091,526	27,288,512	23,089,779	21,547,115	10,047,459	(19,124,288)	16,171,170	4,327,793	(8,758,085)
Fund Balances, Beginning	81,500,130	69,744,782	77,836,308	105,124,820	128,214,599	149,761,714	159,809,173	140,684,885	156,856,054	161,183,847
Fund Balances, Ending	\$ 69,744,782	\$ 77,836,308	\$ 105,124,820	\$ 128,214,599	\$ 149,761,714	\$ 159,809,173	\$ 140,684,885	\$ 156,856,055	\$ 161,183,847	\$ 152,425,762
Debt Service as a Percentage of Noncapital Expenditures	4.03%	3.64%	3.68%	2.11%	2.08%	1.99%	1.97%	1.94%	1.83%	1.95%

(a) In fiscal year ending June 30, 2006, two new function/program expenditures classifications were established to report technology expenditures previously reported in central services.

Source: District Records

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)

Fiscal Year Ending	Property Tax		Sales Tax	Total
	General Purposes	Capital Projects		
June 30, 2012	\$ 92,658,245	\$ 21,989,423	\$ 20,135,054	\$ 134,782,722
June 30, 2011	99,288,288	18,435,553	19,643,663	137,367,504
June 30, 2010	106,137,711	20,066,464	18,742,256	144,946,431
June 30, 2009	97,379,871	27,210,548	19,438,020	144,028,439
June 30, 2008	85,413,366	29,869,892	20,655,828	135,939,086
June 30, 2007	81,045,039	27,507,116	21,969,232	130,521,387
June 30, 2006	65,457,064	21,702,808	22,770,190	109,930,062
June 30, 2005	69,965,606	21,828,681	22,265,741	114,060,028
June 30, 2004	63,387,027	18,720,521	18,321,536	100,429,084
June 30, 2003	60,456,419	17,457,807	17,349,378	95,263,604

Source: District Records

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(amounts expressed in thousands)
(Unaudited)

Fiscal Year	Assessed Value				Less: Exemptions	Total Taxable Value	Ratio of Taxable Value to Assessed Value	Total Direct Rate
	Real Property	Personal Property	Centrally Assessed Property	Total Assessed Value				
2011-12	\$ 20,879,864	\$ 2,204,413	\$ 22,872	\$23,107,149	\$ 8,111,344	\$ 14,995,805	64.90%	7.821
2010-11	21,289,236	2,209,636	23,087	23,521,959	8,193,669	15,328,290	65.17%	7.860
2009-10	23,233,171	2,303,807	21,196	25,558,174	10,310,080	15,248,094	59.66%	7.860
2008-09	25,691,952	2,659,525	23,023	28,374,500	12,537,387	15,837,113	55.81%	7.720
2007-08	26,716,632	2,361,421	21,134	29,099,187	13,148,156	15,951,031	54.82%	7.720
2006-07	24,459,300	2,374,054	18,447	26,851,801	12,025,873	14,825,928	55.21%	7.894
2005-06	18,226,317	2,175,889	17,849	20,420,055	8,806,171	11,613,884	56.87%	8.033
2004-05	17,167,533	2,148,921	24,542	19,340,996	7,678,231	11,662,765	60.30%	8.410
2003-04	14,727,904	2,083,218	25,608	16,836,730	7,061,078	9,775,652	58.06%	8.788
2002-03	13,632,391	1,942,602	18,318	15,593,311	6,492,804	9,100,507	58.36%	8.887

Notes: Assessed values approximate estimated actual values.
Tax rates per \$1,000 of assessed value.

Source: Escambia County Property Appraiser and Florida Department of Revenue

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(per \$1,000 Assessed Valuation)
(Unaudited)

	Fiscal Year			
	2002-03	2003-04	2004-05	2005-06
Direct Rates:				
District School Board:				
Local Required Effort	6.127	6.049	5.694	5.273
Discretionary Local	0.510	0.510	0.510	0.510
Supplemental Discretionary	0.250	0.229	0.206	0.250
Capital Improvement	2.000	2.000	2.000	2.000
Total District School Board	8.887	8.788	8.410	8.033
Overlapping Rates:				
Escambia County	8.756	8.756	8.756	8.756
Escambia County Municipal Service Taxing Unit	0.747	0.747	0.747	0.747
City of Pensacola	5.057	5.057	5.057	5.057
City of Pensacola Downtown Improvement Board	1.000	2.000	2.000	2.000
Northwest Florida Water Management	0.050	0.050	0.050	0.050
Town of Century	0.981	0.941	0.828	0.861

Source: Escambia County Tax Collector

Fiscal Year					
2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
5.134	4.960	5.286	5.612	5.631	5.573
0.510	0.510	0.498	0.748	0.748	0.748
0.250	0.250	0.250	0.250	0.250	0.000
2.000	2.000	1.686	1.250	1.231	1.500
7.894	7.720	7.720	7.860	7.860	7.821
8.756	8.017	6.976	6.976	6.975	6.975
0.747	0.685	0.685	0.685	0.685	0.685
4.950	4.598	4.540	4.540	4.540	4.289
2.000	2.000	2.000	2.000	2.000	2.000
0.050	0.045	0.045	0.045	0.045	0.040
0.764	0.781	0.823	0.905	0.905	0.905

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND TEN YEARS AGO
(amounts expressed in thousands)
(Unaudited)

<u>Taxpayer</u>	Fiscal Year					
	2011-12			2001-02		
	Rank	Assessed Value	Percentage of Total Assessed Value	Rank	Assessed Value	Percentage of Total Assessed Value
Gulf Power Company	1	\$ 476,236	2.41%	1	\$ 371,407	3.18%
International Paper Company	2	360,743	1.83%	2	217,960	1.87%
Ascend (formerly Solutia, Inc.)	3	123,431	0.62%	3	174,094	1.49%
West Florida Medical Center	4	89,149	0.45%	5	46,072	0.39%
Baptist Hospital	5	66,335	0.34%			
Wal Mart Stores	6	66,100	0.33%	4	117,849	1.01%
Bellsouth Telecommunication	7	64,397	0.33%			
CoxCom, Inc. (formerly Cox Cable)	8	44,635	0.23%	10	38,786	0.33%
Simon Debartolo Group	9	34,832	0.18%	6	48,726	0.42%
City of Pensacola	10	28,329	0.14%			
Cordova Community				9	33,956	0.29%
Armstrong World Industries				8	34,048	0.29%
AT&T				7	38,337	0.33%
Totals		\$ 1,354,187	6.85%		\$ 1,121,235	9.62%

Source: Escambia County Tax Roll compiled by the Escambia County Property Appraiser and tangible personal property records on file in the Escambia County Tax Collector's office.

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Total Tax Levy	Collected to End of Tax Year		Delinquent Collections	Collected in Fiscal Year	
		Current Tax Collections (1)	Percent of Levy		Total Collections (1)	Percent of Levy
2011-12	\$ 119,882,566	\$ 114,257,815	95.31%	\$ 389,853	\$ 114,647,668	95.63%
2010-11	119,850,006	114,139,658	95.24%	3,584,183	117,723,841	98.23%
2009-10	124,479,688	114,199,954	91.74%	3,645,089	117,845,043	94.67%
2008-09	126,868,775	118,049,237	93.05%	873,145	118,922,382	93.74%
2007-08	123,128,068	113,579,256	92.24%	1,704,002	115,283,258	93.63%
2006-07	117,027,107	107,994,392	92.28%	557,763	108,552,155	92.76%
2005-06	93,284,933	86,860,563	93.11%	299,309	87,159,872	93.43%
2004-05	97,736,698	89,794,940	91.87%	1,999,347	91,794,287	93.92%
2003-04	85,893,371	81,307,409	94.66%	800,139	82,107,548	95.59%
2002-03	80,859,383	77,412,114	95.74%	502,112	77,914,226	96.36%

Note: Property taxes become due and payable on November 1st of each year. A four percent (4%) discount is allowed if taxes are paid in November, with the discounts declining by one percent (1%) each month thereafter. Accordingly, taxes collected will never be 100% of the tax levy. Taxes become delinquent on April 1st of each year and tax certificates for the full amount of any unpaid taxes and assessments must be sold not later than June 1st of each year. Accordingly, the majority of taxes are collected in the fiscal year levied.

(1) Net of allowable discounts

Source: Escambia County Tax Collector

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Governmental Activities (A)					Total Primary Government	Percentage of Personal Income (B)	Per Capita (B)
	Notes Payable	State Board of Education Bonds	Certificates of Participation	Capital Leases				
2011-12	\$ -	\$ 6,410,159	\$ 42,016,050	\$ -	\$ 48,426,209	0.491%	\$ 163	
2010-11	-	7,479,885	45,087,833	77,967	52,645,685	0.494%	178	
2009-10	-	8,298,895	48,028,536	379,304	56,706,735	0.601%	191	
2008-09	-	9,291,284	50,840,714	1,038,229	61,170,227	0.648%	207	
2007-08	-	10,233,673	53,536,829	2,024,988	65,795,490	0.720%	222	
2006-07	-	9,764,305	56,131,879	3,076,029	68,972,213	0.804%	233	
2005-06	-	9,240,982	58,719,369	4,070,281	72,030,632	0.874%	244	
2004-05	-	11,532,666	60,195,842	5,397,412	77,125,920	0.975%	261	
2003-04	4,050,000	12,007,890	60,780,000	6,725,619	83,563,509	1.113%	282	
2002-03	6,700,000	12,055,000	62,840,000	7,486,257	89,081,257	1.212%	299	

Source:

(A) District Records

(B) Total Primary Government Debt divided by Personal Income and Population.

**DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
 ANTICIPATED CAPITAL OUTLAY MILLAGE LEVY
 REQUIRED TO COVER CERTIFICATES OF PARTICIPATION PAYMENTS
 LAST TEN FISCAL YEARS
 (Unaudited)**

<u>Fiscal Year</u>	<u>Taxable Assessed Value (A)</u>	<u>Annual Lease Payment</u>	<u>Millage Levy to Provide 1.00x Coverage (B)</u>
2011-12	\$ 14,871,071	\$ 4,929,373	.35 Mills
2010-11	15,170,351	4,945,453	.34 Mills
2009-10	15,932,352	4,944,814	.33 Mills
2008-09	14,324,102	4,948,369	.36 Mills
2007-08	15,951,031	5,108,002	.34 Mills
2006-07	14,825,928	5,205,952	.37 Mills
2005-06	11,613,884	4,543,929	.41 Mills
2004-05	11,662,765	5,068,083	.46 Mills
2003-04	9,775,652	5,206,808	.56 Mills
2002-03	9,100,507	5,279,878	.61 Mills

(A) Assessed value is in thousands.

(B) Millage rate calculated using 96% of the taxable assessed valuation.

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

Source: District Records

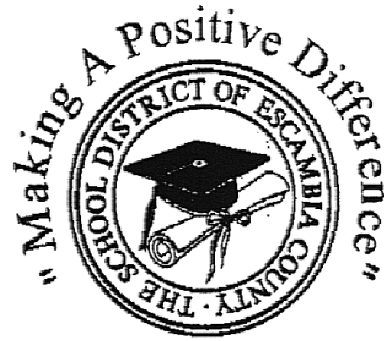
DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

<u>Fiscal Year</u>	<u>Population (A)</u>	<u>Personal Income</u>	<u>Per Capita Personal Income (A)</u>	<u>Median Age (A)</u>	<u>Unemployment Rate (B)</u>
2011-12	297,619	\$ 9,867,260,326	\$ 33,154	37.50	8.7%
2010-11	296,100	10,660,784,400	36,004	37.00	10.2%
2009-10	296,238	9,436,957,728	31,856	38.40	10.5%
2008-09	295,856	9,380,706,192	31,707	35.00	9.9%
2007-08	295,998	9,144,266,214	30,893	36.80	5.5%
2006-07	295,740	8,577,347,220	29,003	36.90	3.8%
2005-06	295,682	8,237,109,156	27,858	37.40	3.4%
2004-05	295,624	7,910,306,992	26,758	36.60	3.6%
2003-04	295,939	7,509,748,064	25,376	36.00	3.5%
2002-03	297,596	7,351,216,392	24,702	35.00	4.0%
2001-02	297,539	7,182,591,460	24,140	35.40	3.8%

Sources:

- (A) Population, personal income, and per capita personal income were obtained from the United States Department of Commerce, Bureau of Economic Analysis and the University of Florida, Bureau of Economic and Business Research. Personal income was estimated for 2005 through 2009 based on historical growth.
- (B) Unemployment Rates were obtained from Florida Agency for Workforce Innovation, Office of Workforce Information Services, Labor Market Statistics.
- (C) Student enrollment was obtained from District records.

<u>Student Enrollment (C)</u>		<u>Government-wide Governmental Activities Expenses</u>		<u>Cost per Student</u>
39,919.08	\$	363,994,261	\$	9,118
39,657.75		379,810,056		9,577
40,049.39		377,531,252		9,427
40,259.01		378,854,685		9,410
41,077.67		398,777,831		9,708
42,025.33		396,835,468		9,443
42,590.86		371,154,107		8,714
42,994.68		347,090,419		8,073
43,054.84		317,892,430		7,383
42,854.79		310,621,547		7,248
43,314.34		303,953,487		7,017



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DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT AND TEN YEARS AGO
(Unaudited)

Employer	Fiscal Year					
	2011-12 ⁽¹⁾			2001-02 ⁽¹⁾		
	Employees	Rank	Percentage of Employment	Employees	Rank	Percentage of Employment
Local Government	15,790	1	7.748%	16,350	1	14.175%
Federal Government	7,403	2	3.633%	7,610	2	6.598%
State of Florida	5,970	3	2.930%	5,967	3	5.173%
Sacred Heart Health System	5,000	4	2.454%	3,500	5	3.034%
Baptist Health Care	3,163	5	1.552%	3,500	4	3.034%
Lakeview Center	2,000	6	0.981%			
Gulf Power Company	1,400	7	0.687%	1,400	8	1.214%
Solutia, Inc.	1,400	7	0.687%	1,800	7	1.561%
West Florida Hospital	1,300	8	0.638%	1,200	9	1.040%
University of West Florida	1,231	9	0.604%	2,083	6	1.806%
Navy Federal Credit Union	1,200	10	0.589%			
West Corporation				1,200	10	1.040%
Totals	45,857		22.503%	44,610		38.675%

⁽¹⁾ Source: Pensacola Chamber of Commerce
(<http://www.pensacolachamber.com/economicdevelopment/workforce.html>)

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHOOL BUILDING INFORMATION & FULL-TIME EQUIVALENT ENROLLMENT DATA
LAST TEN FISCAL YEARS
(Unaudited)

	Placed in Service ⁽¹⁾	Square Footage ⁽²⁾	Portables	Full-Time Equivalent Enrollment Data			
				2002-03	2003-04	2004-05	2005-06
Elementary Schools/K-8							
Allen Elementary	1956	82,902	1	602.20	596.64	613.09	618.52
Barrineau Park Elementary	1938	9,840		231.30			
Bellview Elementary	1950	91,723	4	740.52	745.70	699.93	685.92
Beulah Elementary	1980	89,786	18	608.54	611.20	667.95	734.86
Bibbs Elementary	1962	57,871		437.44	417.42	398.04	399.58
Blue Angels Elementary	1999	112,793	7	754.14	755.22	853.07	868.08
Bratt Elementary	1980	69,313	5	353.41	358.58	364.18	396.63
Brentwood Elementary	1937	61,735	10	477.96	463.05	492.61	587.61
Byrneville Elementary	1940	310	9				
Caro Elementary	1989	110,126	8	851.44	926.80	891.01	887.40
Carver/Century K-8	1958	61,793	1	365.74	348.40	374.45	335.40
Century Elementary	1958	31,663					
Cook Elementary	1997	119,728		711.23	693.42	648.74	555.05
Cordova Park Elementary	1962	85,651	8	526.49	514.85	574.30	642.20
Dixon Elementary	1954	45,495					
Edgewater Elementary	1962	51,663		491.35	429.00	395.52	383.38
Ensley Elementary	1959	62,282	10	496.36	451.65	469.49	436.56
Ferry Pass Elementary	1957	77,426	11	588.39	607.96	617.92	653.90
Global Learning Academy	2011	130,802					
Hallmark Elementary	1928	36,993	3	300.54	271.53	278.05	263.86
Holm Elementary	1999	110,183	2	626.67	644.60	623.70	614.43
Lincoln Park Elementary	1961	56,091	2	401.90	403.16	387.02	331.53
Lipscomb Elementary	1991	107,268	12	809.40	837.98	860.09	849.01
Longleaf Elementary	1975	88,455	3	669.94	665.02	633.21	680.08
McArthur Elementary	1975	85,242	11	590.64	619.68	668.64	719.04
Molino Elementary	1939	25,851		220.48			
Molino Park Elementary	2002	129,694			448.20	470.12	485.88
Montclair Elementary	1960	68,383	2	491.30	459.12	469.17	425.22
Myrtle Grove Elementary	1936	77,263	8	665.76	669.00	652.99	633.39
Navy Point Elementary	1954	79,369		506.13	493.12	456.96	406.44
Oakcrest Elementary	1956	65,708	11	484.68	492.27	454.23	471.65
Pensacola Beach Elementary	1977	10,310					
Pine Meadow Elementary	1960	76,748	10	717.76	719.78	724.56	752.94
Pleasant Grove Elementary	1948	65,857	7	558.52	574.92	562.84	602.22
Scenic Heights Elementary	1960	95,129	12	742.40	740.80	756.14	787.13
Semmes Elementary	1955	65,484		403.62	395.48	382.78	330.71
Sherwood Elementary	1958	77,292	1	552.22	543.74	515.51	529.47
Suter Elementary	1921	49,458	3	265.58	273.78	306.31	315.75
Warrington Elementary	1947	66,228	11	513.07	493.38	470.16	471.28
Weis Elementary	1990	111,524		630.85	626.12	573.82	555.32
West Pensacola Elementary	1955	69,757	10	558.40	564.06	511.51	476.21
Yniestra Elementary	1938	39,600	1	328.29	327.24	310.55	332.13
Total Elementary Schools			201	19,274.66	19,182.87	19,128.66	19,218.78
Middle Schools							
Bailey Middle School	1993	190,868	12	1,476.97	1,618.06	1,649.50	1,566.28
Bellview Middle School	1961	140,220	8	1,152.21	1,179.70	1,169.18	1,106.20
Brentwood Middle School	1955	88,445		817.80	878.90	885.04	869.20
Brown Barge Middle School ⁽⁴⁾	1955	88,445	7	500.22	511.30	512.60	501.00
Brownsville Middle School	1955	106,664		767.36	733.07	740.50	605.70
Carver Middle School	1935	47,790					
Ferry Pass Middle School	1961	127,961	5	1,014.20	1,003.91	977.70	899.70
Ransom Middle School	1987	158,627	12	1,487.80	1,435.80	1,473.10	1,447.88
Ward Middle School	1945	82,541	2	333.60	407.50	392.05	383.50
Warrington Middle School	1953	127,637	6	815.30	838.30	796.06	721.50
Wedgewood Middle School	1964	85,650		723.60	713.30	663.90	541.00
Woodham Middle School	1964	215,596	4				
Workman Middle School	1962	128,638	10	906.62	905.81	898.10	827.90
Total Middle Schools			66	9,995.68	10,225.65	10,157.73	9,469.86

Full-Time Equivalent Enrollment Data

<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
617.09	633.18	590.63	582.19	652.44	628.36
743.83	762.67	722.02	730.25	672.10	698.00
700.59	724.57	767.96	817.78	844.84	887.80
382.90	344.17	336.40	328.55	242.86	-
827.43	815.10	860.56	925.00	871.90	884.76
386.22	394.02	393.28	429.61	422.30	436.02
530.61	450.24	413.87	500.41	535.68	542.87
879.56	864.49	908.50	947.05	912.02	943.06
264.63	203.75	213.65			
591.80	588.18	608.90	623.68	658.59	628.50
625.75	673.04	658.14	676.26	659.22	713.52
360.03	350.82	350.87			
363.17	374.90	348.21	354.68	406.52	442.93
673.44	646.94	619.81	687.15	706.56	708.42
					780.06
239.50	241.43	225.34	212.56	210.84	-
556.81	550.19	534.63	517.04	491.35	471.58
334.74	279.94	247.52	214.04	225.60	261.56
871.98	950.12	1,018.97	1,005.05	945.39	903.03
769.00	802.02	746.02	670.47	717.83	730.88
712.59	719.12	714.42	726.02	704.10	686.64
459.84	463.95	431.27	390.37	387.18	397.26
296.56	321.92	473.91	458.55	332.80	373.04
640.92	679.32	651.69	684.76	661.41	662.82
393.96	384.27	331.85	397.30	435.80	481.62
430.76	447.43	426.31	413.72	448.61	470.03
796.95	780.37	797.83	835.71	844.88	856.67
620.28	658.23	645.02	648.00	666.57	675.09
743.78	694.10	779.99	837.44	782.45	780.00
310.06	286.23	266.07	297.80	263.26	335.69
530.79	524.10	518.14	489.16	532.50	509.20
354.70	381.17	367.55	385.52	400.23	367.58
442.65	392.79	369.93	502.06	516.25	508.12
516.72	548.52	533.02	517.78	464.15	487.68
481.45	461.44	455.00	530.31	499.98	497.94
404.08	281.97	235.79	234.89	256.63	-
<u>18,855.17</u>	<u>18,674.70</u>	<u>18,563.07</u>	<u>18,571.16</u>	<u>18,372.84</u>	<u>18,750.73</u>
1,528.66	1,504.05	1,488.20	1,453.50	1,479.60	1,406.93
1,134.80	1,192.10	1,099.50	1,060.30	1,107.60	1,071.40
818.79					
509.00	631.00	652.71	634.00	617.50	610.70
524.30					
899.43	880.80	894.56	873.37	946.00	889.82
1,403.11	1,365.31	1,325.81	1,310.05	1,312.30	1,356.40
443.00	458.50	461.49	519.31	480.00	465.58
617.20	892.00	854.80	850.71	731.11	727.70
555.60					
	1,012.60	928.50	924.90	912.63	853.80
788.13	850.02	866.11	867.10	936.43	921.42
<u>9,222.02</u>	<u>8,786.38</u>	<u>8,571.68</u>	<u>8,493.24</u>	<u>8,523.17</u>	<u>8,303.75</u>

(continued)

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHOOL BUILDING INFORMATION & FULL-TIME EQUIVALENT ENROLLMENT DATA
LAST TEN FISCAL YEARS
(Unaudited)

	Placed in Service ⁽¹⁾	Square Footage ⁽²⁾	Portables	Full-Time Equivalent Enrollment Data			
				2002-03	2003-04	2004-05	2005-06
High Schools							
Escambia High School	1958	277,591	8	1,652.24	1,670.17	1,691.66	1,683.69
West Florida High School of Advanced Technology	1967	338,380	12	661.83	955.95	1,224.82	1,244.51
Northview High School	1993	142,694		496.53	505.83	520.98	545.97
Pensacola High School	1949	283,755	5	1,712.09	1,621.61	1,547.76	1,509.07
Pine Forest High School	1974	230,033	15	1,564.42	1,515.58	1,478.21	1,498.28
Tate Senior High School	1950	283,254	3	1,989.36	1,927.44	1,936.94	1,945.50
Washington High School	1976	270,222	6	1,678.79	1,664.46	1,580.41	1,589.02
Woodham High School	1962	115,126		1,368.34	1,306.92	1,289.25	1,323.76
Total High Schools			49	11,123.60	11,167.96	11,270.03	11,339.80
Special Centers							
Judy Andrews Pre-K Center	1965	20,458					
Clubbs Alternative Middle School	1938	35,459		173.50	173.00	177.00	156.00
Dixon Educational Center ⁽⁵⁾	1954	45,495		184.00	190.00	180.50	166.50
E-Seal Center	1992	36,527	5	118.50	119.00	125.76	99.50
Sid Nelson Community Learning	1956	56,836		136.24	133.46	108.37	129.15
McMillian Learning Center	1961	63,536	1	28.71	46.50	68.37	58.35
Program for Academically Talented Students (PATS)	1921	23,629					
Petree Center	1962	15,512					
George Stone Technical Center ⁽³⁾	1967	219,913	5				
Escambia Westgate Center	1979	96,305		197.70	197.48	206.13	223.50
OASIS High School Preparatory Academy	1965						72.00
Total Special Centers			11	838.65	859.44	866.13	905.00
Other Programs							
Camelot	n/a	n/a	n/a				
District Administered Programs	n/a	n/a	n/a	133.22	154.53	147.89	165.07
Escambia County Jail	n/a	n/a	n/a	0.63	0.57	0.75	0.72
Escambia Juvenile Justice Center	n/a	n/a	n/a	73.00	92.00	79.50	77.50
Hospital & Homebound	n/a	n/a	n/a	22.25	20.97	17.11	16.19
Drug and Alcohol Residential Treatment Center (DAART)	n/a	n/a	n/a	15.00	15.50	14.50	13.50
Lakeview Center	n/a	n/a	n/a	53.50	47.50	46.50	43.50
Pensacola Boys Base	n/a	n/a	n/a	27.50	28.50	27.50	29.50
Escambia Bay Marine	n/a	n/a	n/a	76.50	77.00	74.50	75.50
Outward Bound	n/a	n/a	n/a	32.50	31.00	22.50	30.50
PACE Center for Girls	n/a	n/a	n/a	42.50	45.00	44.00	47.50
McKay Scholarships	n/a	n/a	n/a		180.50	191.50	191.50
Opportunity Scholarships	n/a	n/a	n/a	188.50	34.50	28.00	12.50
Total Other Programs				665.10	727.57	694.25	703.48
Charter Schools							
A. A. Dixon Charter School of Excellence	n/a	n/a	n/a				
Beulah Academy of Science, Inc.	n/a	n/a	n/a	161.20	165.80	188.40	216.30
Byrneville Elementary School, Inc.	n/a	n/a	n/a	165.80	170.60	165.28	172.00
Capstone Academy	n/a	n/a	n/a			4.00	5.44
Escambia Charter School, Inc.	n/a	n/a	n/a	145.50	137.65	110.50	120.00
Dr. Ruby J. Gainer School for Reaching Your Dream	n/a	n/a	n/a	102.00	127.00	134.00	117.00
Gulf Coast Charter School	n/a	n/a	n/a	96.50			
Jacqueline Harris Preparatory Academy	n/a	n/a	n/a	160.20	156.80	158.50	192.50
Life Skills Center	n/a	n/a	n/a				
Newpoint Academy	n/a	n/a	n/a				
Newpoint Pensacola	n/a	n/a	n/a				
Pensacola Beach Elementary School, Inc.	n/a	n/a	n/a	125.90	133.50	117.20	130.70
Total Charter Schools				957.10	891.35	877.88	953.94
Total District				42,854.79	43,054.84	42,994.68	42,590.86

⁽¹⁾ Original date that the school was placed in service. This date does not reflect additions, renovations, replacements or remodeling.
⁽²⁾ Square footage is current, but does not include portables.
⁽³⁾ The George Stone Center houses adult programs which do not generate Full Time Enrollment (FTE).
⁽⁴⁾ Brown-Barge moved to the former Brentwood Middle facility in 2007-08.
⁽⁵⁾ Dixon Educational Center moved to the former Judy Andrews facility in 2006-07 and the name was changed to Judy Andrews Center.

Source: District Records

Full-Time Equivalent Enrollment Data

<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
1,743.04	1,920.58	1,895.15	1,873.29	1,811.94	1,786.06
1,245.00	1,284.46	1,300.88	1,296.67	1,279.41	1,249.58
558.33	551.61	546.10	552.65	541.38	540.27
1,404.95	1,483.93	1,532.93	1,641.12	1,607.20	1,611.19
1,520.34	1,958.50	1,833.24	1,876.25	1,744.28	1,702.56
2,071.28	1,967.59	1,909.05	1,955.85	1,928.49	1,884.06
1,659.19	1,875.50	1,691.68	1,634.31	1,591.01	1,609.95
1,229.01					
<u>11,431.14</u>	<u>11,042.17</u>	<u>10,709.03</u>	<u>10,830.14</u>	<u>10,503.71</u>	<u>10,383.67</u>
42.50	47.50	44.00			
122.00	146.50	148.50	85.50		
			53.50	52.00	40.51
97.55	85.59	83.97	85.31		
107.35	122.10	143.75	154.24		
59.52	61.74	65.49	70.36	84.30	68.15
223.64	221.16	218.64	226.07	232.00	246.00
72.00	72.00	72.00			
<u>724.56</u>	<u>756.59</u>	<u>776.35</u>	<u>674.98</u>	<u>368.30</u>	<u>354.66</u>
151.92	153.18	147.00	123.93	182.50	154.00
0.93	1.23	1.35	4.65	108.46	102.20
103.49	96.33	70.00	50.00	2.90	9.00
18.22	16.24	14.13	10.07	44.50	58.22
17.00	17.50	16.00	15.00	9.99	12.28
40.50	41.50	40.00	36.50	16.00	18.50
38.11	37.02	26.02	25.50	29.00	29.50
75.98	68.30	72.00	55.50	24.50	27.66
33.72				54.00	74.55
61.30	63.30	51.00	53.00	50.50	66.80
130.50	144.00	163.00	192.00	235.00	235.00
<u>671.67</u>	<u>638.60</u>	<u>600.50</u>	<u>566.15</u>	<u>757.35</u>	<u>787.71</u>
225.50	239.20	261.70	261.60	220.30	156.50
159.30	162.70	166.80	178.60	261.30	282.90
10.00	13.50	18.82	24.84	161.40	157.10
108.50	121.50	130.50	126.00	25.93	21.51
118.51	109.88	113.50		107.50	126.50
179.50	194.30	203.30	182.00	214.50	188.00
204.01	213.29				
					189.10
					81.50
<u>115.45</u>	<u>124.86</u>	<u>143.76</u>	<u>140.68</u>	<u>141.45</u>	<u>135.45</u>
<u>1,120.77</u>	<u>1,179.23</u>	<u>1,038.38</u>	<u>913.72</u>	<u>1,132.38</u>	<u>1,338.56</u>
<u>42,025.33</u>	<u>41,077.67</u>	<u>40,259.01</u>	<u>40,049.39</u>	<u>39,657.75</u>	<u>39,919.08</u>

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
NUMBER OF PERSONNEL
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	(A) Instructional	(B) Administrative	(C) Support Services	Total	Ratio of Students (FTE) to Instructional Personnel	Ratio of Instructional Personnel to Administrators
2011-12	3,191	140	1,843	5,174	12.00	22.79
2010-11	3,269	141	1,912	5,322	11.71	23.18
2009-10	3,270	142	1,964	5,376	11.94	23.03
2008-09	3,371	145	2,022	5,538	11.59	23.25
2007-08	3,442	150	2,084	5,676	11.93	22.95
2006-07	3,421	152	2,192	5,765	12.28	22.51
2005-06	3,371	152	2,145	5,668	12.63	22.18
2004-05	3,301	148	2,128	5,577	13.02	22.30
2003-04	3,074	148	2,083	5,305	14.01	20.77
2002-03	3,050	164	2,102	5,316	14.05	18.60

- (A) Classroom Teachers, Guidance/Psychologists, Exceptional Education Teachers, Media Specialists
Other Professional Instructional Staff
- (B) Principals, Assistant Principals, Superintendent, Assistant Superintendent, Executive Directors
Directors, Managers, Coordinators
- (C) Paraprofessional, Bus Drivers, Monitors, Maintenance, Clerical, Etc.

Source: District Records

**DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
TEACHERS' SALARIES
LAST TEN FISCAL YEARS
(Unaudited)**

<u>Fiscal Year</u>	<u>Minimum Range 10-Month Salary (a)</u>	<u>Maximum Range 10-Month Salary (a)</u>	<u>Average Teacher Salary</u>
2011-12	\$32,825 - \$36,425	\$51,986 - \$55,586	\$ 41,989
2010-11	32,825 - 36,425	51,986 - 55,586	41,560
2009-10	32,500 - 36,100	51,471 - 55,071	42,346
2008-09	32,000 - 35,600	51,000 - 54,600	41,430
2007-08	32,000 - 35,600	51,000 - 54,600	41,551
2006-07	29,105 - 32,705	48,197 - 51,797	39,075
2005-06	27,878 - 31,478	46,631 - 50,231	37,402
2004-05	27,252 - 30,852	45,639 - 49,239	36,407
2003-04	26,626 - 30,226	44,647 - 48,247	34,286
2002-03	26,000 - 29,600	43,655 - 47,255	34,821

(a) Minimum and maximum salary ranges are based on the educational level of the employee. The starting amount represents a bachelor's degree and the ending amount represents an in-field doctorate degree. Employees may earn additional pay for the following degree levels: in-field masters (\$2,500); out-of-field masters (\$1,700); in-field specialist (\$3,100); out-of-field specialist (\$2,600); in-field doctorate (\$3,600); out-of-field doctorate (\$3,300). Employees may also receive additional compensation for working 11 or 12 months.

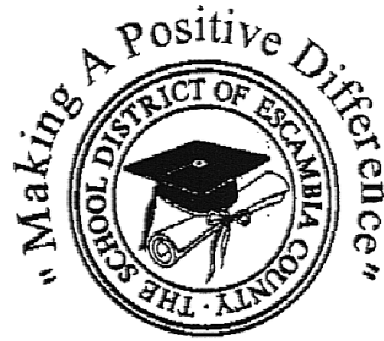
Source: Minimum & Maximum Salaries - District Records; Average Teacher Salaries - Florida Department of Education.

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
FOOD SERVICE OPERATING DATA
LAST TEN FISCAL YEARS
(Unaudited)

	Fiscal Year Ending			
	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006
Days Meals were Served	180	180	170	179
Average Number of Free and Reduced Meals Served Daily	28,966	28,851	29,909	28,330
Number of Free and Reduced Meals Served	5,213,909	5,193,132	5,084,549	5,071,159
Average Daily Subsidy Received	\$ 58,143	\$ 59,145	\$ 63,293	\$ 61,462
Total Subsidy Received	\$ 10,465,651	\$ 10,646,061	\$ 10,759,800	\$ 11,001,688
Average Number of Meals Served Daily	35,669	35,685	36,602	35,871
Number of Meals Served	6,420,385	6,423,242	6,222,411	6,420,924
Average Daily Revenues	\$ 91,309	\$ 93,767	\$ 100,072	\$ 100,536
Total Revenues	\$ 16,435,701	\$ 16,878,128	\$ 17,012,218	\$ 17,995,872
Average Daily Costs	\$ 87,699	\$ 92,371	\$ 99,798	\$ 100,429
Total Costs	\$ 15,785,781	\$ 16,626,822	\$ 16,965,688	\$ 17,976,729

Source: District Records

Fiscal Year Ending					
June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012
180	180	180	177	180	180
27,886	26,440	27,681	29,557	30,082	31,288
5,019,529	4,759,284	4,982,623	5,231,541	5,414,671	5,631,896
\$ 62,312	\$ 65,436	\$ 71,958	\$ 78,042	\$ 79,960	\$ 83,309
\$ 11,216,190	\$ 11,778,397	\$ 12,952,440	\$ 13,813,367	\$ 14,392,878	\$ 14,995,628
35,695	33,365	33,766	35,511	35,774	36,613
6,425,066	6,005,633	6,077,927	6,285,394	6,439,395	6,590,289
\$ 102,799	\$ 98,927	\$ 104,226	\$ 107,987	\$ 108,906	\$ 109,692
\$ 18,503,864	\$ 17,806,948	\$ 18,760,744	\$ 19,113,616	\$ 19,603,137	\$ 19,744,479
\$ 102,150	\$ 103,911	\$ 99,617	\$ 102,972	\$ 99,434	\$ 111,823
\$ 18,387,009	\$ 18,704,011	\$ 17,931,037	\$ 18,226,102	\$ 17,898,106	\$ 20,128,069



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